International Student Mobility as Trade in Services: A Case Study of China

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1. Introduction

- Impact of China’s economy
  - GDP: No.2
  - Export: No.1
  - Import: No.2

The success in economy development benefits from the reform and opening up policy, which is regarded an access of bringing about foreign investment, high technology, and advanced management experience.
1. Introduction

- Policy on international student mobility
  - encourage and support students and scholars studying abroad
  - welcome foreign students to study in China

- Purpose:
  - to learn high technology and advanced management skill from developed countries
  - cultural exchanges
2. China’s Higher Education as a Case Study
China has been a leading consumer of education abroad and has become the biggest consumer in the world. In 2008, there are 2,965,840 overseas students in the whole world, among which 441,186 are from China, accounting for 14.9%.

China ranked the 12th among the host countries in 2008.

### Outbound Student Ratios in China, 2005-2008

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student from China studying abroad</td>
<td>343,126</td>
<td>417,351</td>
<td>421,148</td>
<td>441,186</td>
</tr>
<tr>
<td>Outbound mobility ratio (%)</td>
<td>1.8</td>
<td>2.0</td>
<td>1.9</td>
<td>1.7</td>
</tr>
<tr>
<td>Gross outbound mobility ratio</td>
<td>0.3</td>
<td>0.4</td>
<td>0.4</td>
<td>0.4</td>
</tr>
<tr>
<td>Inbound mobility ratio</td>
<td>-</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
</tr>
</tbody>
</table>

Although the number of student from China studying abroad was the biggest, the consumption abroad remains a very small part compared with the huge scale of China’s higher education. The outbound mobility ratio was mere 1.7% in 2008, and gross outbound mobility ratio was only 0.4%.


<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Students Enrollment. Tertiary. (million)</td>
<td>7.19</td>
<td>9.03</td>
<td>11.09</td>
<td>13.34</td>
<td>15.62</td>
<td>17.39</td>
<td>18.85</td>
<td>20.21</td>
<td>21.45</td>
</tr>
<tr>
<td>Gross entrance rate. Tertiary. (%)</td>
<td>13.3</td>
<td>15.0</td>
<td>17.0</td>
<td>19.0</td>
<td>21.0</td>
<td>22.0</td>
<td>23.0</td>
<td>23.3</td>
<td>24.2</td>
</tr>
<tr>
<td>Public expenditure on education as % of GDP</td>
<td>2.79</td>
<td>2.90</td>
<td>2.84</td>
<td>2.79</td>
<td>2.82</td>
<td>3.00</td>
<td>3.22</td>
<td>3.48</td>
<td></td>
</tr>
<tr>
<td>Percentage of public expenditure distribution. Secondary (%)</td>
<td>38.4</td>
<td>40.1</td>
<td>40.4</td>
<td>40.3</td>
<td>41.1</td>
<td>41.4</td>
<td>41.4</td>
<td>42.1</td>
<td></td>
</tr>
<tr>
<td>Percentage of public expenditure distribution. Tertiary (%)</td>
<td>24.3</td>
<td>24.2</td>
<td>24.3</td>
<td>24.3</td>
<td>23.8</td>
<td>23.2</td>
<td>22.4</td>
<td>22.3</td>
<td></td>
</tr>
</tbody>
</table>

Since 1999 the scale of higher education in China has enjoyed quick expansion. In 2002, the gross entrance rate of higher education reached 15%, indicating that China entered the era of mass higher education (see table 3). In 2009, the ratio rose to 24.2%; the number of school student in general universities was more than 20 million.

3. The Mobility Service Modes

3.1. Mode 1: Cross-Border Supply
China became the second largest economy in 2010. The success experience in economy development absorbs more and more students all over the world to come to China for study and research.

- Quality of higher education in China has promoted continuously. China has signed protocols with more than 34 countries in mutual recognition of academic degree certificate.
- Chinese government has set up a series of scholarship programs to sponsor international students, teachers and scholars.
- Foreign students have bright employment prospects in China after graduation.
- The costs of higher education in China including tuitions and the living costs are lower.
Total International students in China

Data source: Ministry of Education, P.R. China
By the end of 2009, the total number of international students in China has increased to 238,184. They are from more than 190 different countries and study in 619 higher education institutions and other organizations. International students from Asia still top the list of all, Europe ranked the 2\textsuperscript{nd}.
Top 20 Countries of Inbound Students in China in 2009

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>Korea</td>
<td>64,232</td>
</tr>
<tr>
<td>USA</td>
<td>18,650</td>
</tr>
<tr>
<td>Japan</td>
<td>15,409</td>
</tr>
<tr>
<td>Vietnam</td>
<td>12,247</td>
</tr>
<tr>
<td>Thailand</td>
<td>11,379</td>
</tr>
<tr>
<td>Russia</td>
<td>10,596</td>
</tr>
<tr>
<td>India</td>
<td>8,468</td>
</tr>
<tr>
<td>Indonesia</td>
<td>7,926</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>6,497</td>
</tr>
<tr>
<td>Pakistan</td>
<td>5,738</td>
</tr>
<tr>
<td>Mongolia</td>
<td>5,684</td>
</tr>
<tr>
<td>France</td>
<td>5,422</td>
</tr>
<tr>
<td>Germany</td>
<td>4,239</td>
</tr>
<tr>
<td>Singapore</td>
<td>3,198</td>
</tr>
<tr>
<td>UK</td>
<td>3,002</td>
</tr>
<tr>
<td>Malaysia</td>
<td>2,792</td>
</tr>
<tr>
<td>Italy</td>
<td>2,659</td>
</tr>
<tr>
<td>Nepal</td>
<td>2,654</td>
</tr>
<tr>
<td>Canada</td>
<td>2,520</td>
</tr>
<tr>
<td>Philippines</td>
<td>2,273</td>
</tr>
</tbody>
</table>

Among the 190 source countries and areas, the top six countries that have the largest numbers of international students in China are Korea, the United States, Japan, Vietnam, Thailand and Russia.
In 2009, there are 93,450 degree students, accounting for 39.2%. The share of degree students increased significantly, from 26.9% in 2001 to 39.2% in 2009. Among the degree students, 73,515 are bachelor degree students, accounting for 78.7%; 14,227 are master degree students, accounting for 15.2%;

The Discipline Structure of Inbound Students in China in 2009

Chinese Medicine 4.6%
Engineering 4.9%
Management 5.1%
Economics 6.0%
Humanity 7.0%

Chinese Medicine 57.3%
Economics 6.0%
Humanity 7.0%

China's Ministry of Education offered to 174 countries Chinese Government Scholarships in 2009. 18,245 foreign students were admitted, making up 8.0% of total number.

In 2010, the number of foreign students in China has risen dramatically, hitting a high record of more than 265,090.

From 194 countries

Studying in China's 620 universities, research institutes and educational institutions.

South Korea sent the largest group, followed by the United States, Japan, Thailand, Vietnam, Russia, Indonesia, India, Kazakhstan and Pakistan.
3.2. Mode 2: Consumption Abroad
History of China’s studying abroad

- It has been more than 100 years since China began to send its students and scholars to study abroad.
- After the establishment of new China, the central government decided to send students and scholars to the former Soviet Union and other socialist countries to study the advanced S&T and management skills.
- Beginning from the 1960s, with the change of international political climate, the central government accordingly made adjustments in policies related to sending students and scholars abroad.
- In 1978, with strategic insight, late Chinese leader Deng Xiaoping made the important decision of expanding the scales of sending students and scholars abroad.
Since 1978 to 2010, around 1,905,400 Chinese students have studied abroad, among whom 632,200 have returned to China.

Data source: Ministry of Education, P.R. China
In 2008, among overseas students 11,400 (6.3%) people are state-funded, 6,800 (3.8%) employer-funded and 161,600 (89.9%) self-funded. The number of self-funded went up significantly in 2001 and 2002, and about 90% overseas Chinese students are self-funded.

2001: a Milestone Year for China

- 2001 is a milestone year for China because it was the first time for China’s GDP per capita attained 1000 US dollars.
- In 2001, China had formally become the member of WTO.

Top Five Destinations for Chinese Outbound Mobile Students

3.3. Mode 3: Commercial Presence
Higher Education Abroad of China

- The commercial presence of China satellite campuses abroad is still at its early stages.
- Up until December 2010, only 56 overseas education programs have been developed by 23 higher education institutions of China.
Beijing Language and Culture University (BLCU)

- BLCU is the only international university in China with its main task setting at teaching the Chinese language and culture to foreign students.
- As the country opens up, the university is also broadening its cooperation and exchanges with numerous foreign countries, and has built partnerships with 210 universities from 39 countries. BLCU has set up branch schools in Korea, Singapore and Thailand, and launched joint undergraduate and postgraduate programs with Universities in Japan, Korea, Thailand, UK, USA and so on.
Since 2004, the Confucius Institutes' development has been sharp and they have provided scope for people all over the world to learn about Chinese language and culture.

By the end of 2010, there have been 322 Confucius Institutes and 369 Confucius Classrooms established in 96 countries.

In 2009, Confucius Institutes/Classrooms around the world offered 9,000 Chinese courses, with a total enrollment of 260,000.
Sino-foreign cooperation in running schools has developed so rapidly that more than 1200 Sino-foreign joint institutions and programs have been established by 2010.

- Sino-foreign joint programs are also known as ‘split-campus programs’ usually in the form of 2+2 or 1+3.
- Thirty Sino-foreign joint institutions have passed the evaluation by the Chinese ministry of education by July 2010.
Case Study: University of Nottingham Ningbo

- UNN is the first independent Sino-foreign University in China with approval from the Chinese Ministry of Education.
- It is run by The University of Nottingham UK with cooperation from Zhejiang Wanli Education Group-University.
- More than 360 teaching and administrative staffs are from over 30 countries in the world.
- More than 160 international students from different countries.
3.4. Mode 4: The Presence of Natural Persons
Measures To Attract Outstanding Students and Scholars To Return To China

- "The Fund for Returnees to Launch S&T Researches".
- "Program for Training Talents toward the 21st Century".
- "The Chunhui (literally, Spring Bud) Program": The program targets those returnees with doctoral degree and with outstanding achievements in their respective fields.
- "Changjiang Scholar Incentive Program": The program provides financial support to young and middle-aged leading scholars of certain disciplines who have studied abroad and are invited by Chinese HEIs as Special Professors or Lecture Professors.
- "Program of Academic Short-return for Scholars and Research Overseas".
Foreign Faculties in China’s Universities

- In some schools, more than half of teachers are foreigners, such as:
  - China Europe International Business School (CEIBS)
  - The School of Transnational Law at PKU
  - Peking University HSBC Business School (PHBS)
China Europe International Business School (CEIBS)

- CEIBS is the leading China-based international business school, with all three programs ranked in the global Top 30 by the Financial Times.
- CEIBS' faculty members have attained impressive academic and professional reputations in China and abroad. The school has for five years running ranked among the top six worldwide in terms of the international diversity of its faculty according to the Financial Times.
Conclusion

Why the scale of Chinese overseas students rose rapidly?

- The income increased in China and families have the ability to afford the overseas educational costs.
- The competition in local labor market has enhanced and graduates from overseas are easier to get job offers.
- Many people choose to work and live in the foreign countries.
Conclusion

- In the twenty-first century, China has become rapidly integrated into the global economy.
- The policy of reform and opening up, accelerated by China’s accession to membership in the World Trade Organization, has created a powerful need for both foreign talents and Chinese overseas students and scholars.
- With China's further reform and opening up, the work related to students and scholars studying abroad will surely play a greater role in the economic and social development of China.
Thank you!