Economic Globalization and Internationalization of Higher Education in China

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This presentation is divided into following three parts:

- Part One: Economic Reform & Globalization
- Part Two: Internationalization of Higher Ed.
- Part Three: Current Challenges and Problems
Part One

-- Economic Reforms and globalization of the Chinese Economy

Which is the Background of the Internationalization of Chinese Higher Education
The globalization of Chinese economy and internationalization of higher education in China is a process taking place along with the implementation of the new national policies of economic reforms and opening-up to the outside world since late 1970s. Without the economic reforms and opening-up of the country, there will be no Globalization of Chinese Economy and Internationalization of Chinese Higher Education.
Thus let’s first brief the Economic reforms and opening up of China

- China adopted the model of centrally planned economy in the early 1950s. By late 1970s, after the so-called Culture Revolution, the national economy almost collapsed and many people were in poverty.
The Chinese came to realize that the old centrally planned model didn’t work for China. We knew we had to change it. But, the centrally planned economy has a whole set of ideological system behind it and has strong structure inertia. No body really knew how to change such an ossified system. Chinese did it by a incremental approach: “crossing the river by toughing the stones in the water”.
The Major Policy Steps of the Process of the Economic Transition in China

- First, the breakthrough of the Chinese reform started in the rural area where many peasants simply did not have enough food to eat, and thus where was the weakest link of the central planning system. Peasants of Fengyang County of Anhui Province took the initiative to change.

- Given the first step raised agricultural productivity and liberate large number labors from farming, the Second step of the transition was the development of the rural township enterprises beyond the state plan. As they grew larger, the position of the planned economy was proportionally became smaller and weakened.
The third step for the transition was the establishment of the special economic zones as windows and examples of the market economy. When more and more special zones established, the market economy grow larger.

The fourth component of the transition was the gradual liberalization of prices through a “double track” period.

The fifth component of the transition was the reform of the state owned enterprises through the introduction of the stock system and the gradual formation of the capital market in China, and making enterprises independent legal entities.
The sixth major element of the transition was the promotion and development of private enterprises, joint venture enterprises.

The seventh major element was the gradual opening up to outside world, especially after China joined WTO, foreign trade and foreign direct investment in China increased very quickly, and gradually integrated into the world economy.

There are also many other reforms, such as financial system reform, housing reform, all social sector reforms, which led to the transition of Chinese economy. Currently, the reforms are continuing and deepening, and the opening-up is becoming even wider.

China’s transition is quite successful.
Figure 1. The Rapid Growth of Chinese Economy

Sources: China Statistics Yearbook, 2013
2. Reasons for Relatively Smooth Economic Transition

- The determination and commitment of the Chinese people and its leadership to reform.

- The reform policies were thoughtfully formulated and practically implemented.

- The success is also due to the high saving rate and high investment rate of the country.

- The relatively rich resources.
- The Chinese entrepreneurship.
- Availability of relatively cheap & well-educated labor
- Priority to science and education.
• The results of the Reform and Opening Up to Outside World:
  1. From a rigid centrally planned economic system to a dynamic market economy.
  2. Rapid Economic growth: over 9% annual growth rate on average continuously for more than 30 years as Figure 1 shows.
  3. Chinese Economy Become more and more integrated into the World Economy—become globalized.
International trade:

China’s international trade in 2010 is $2973 billion US dollars, while the US is 3200 billion. In 2011, it reached 3500 billion (with total GDP 7500 billion US dollars), increased by 34.7% and import and export became more balanced. This number is one example of globalization of Chinese economy.
Currently, EU, the US, Japan still are the major trade partners of China. However, in 2010, the rates of increase of China’s international trade with the new economies increased much faster than that of EU (31.8%), the US (29.2%) and Japan (30.2%). In the same period China’s trade with ASEAN, India, Australia, Brazil, Russia increased 37.5%、42.4%、46.5%、47.5% and 43.1% respectively. Statistics shows that China has already become Japan, Korea, ASEAN, Australia South Africa and some other countries the largest trade partners and largest export destination; the second largest trade partner of EU, and second largest trade partner and the third largest export destination of the US.
Foreign Direct Investment (FDI)

According to 《2012 world investment report》, China is still the second largest receiver of FDI. After entering WTO, China has established more than 160 bilateral economic and trade cooperative mechanism and signed more than 150 investment agreement. In 2010 and 2011, China actually use FDI exceeded 100 billion US dollars, ranked number one among developing countries and number two among all the countries in the world. In 2010 and 2011, China’s net investment in foreign countries were 68.8 billion US dollars and 74.6 billion dollars respectively. In the first 7 months of this year China’s investment increased 52.8% (not including financial investment). It is very clear that China has become an integral part of the World economy.
As the economic sector took the lead in reforms, dramatic changes have taken place in the human resource sector, which is closely related to the higher education system. The process of transition of the Chinese economy from the ossified centrally planned economy to a dynamic market economy has led to a series of profound socioeconomic changes, which have strong impact on the Chinese higher education system.
Cross cultural interactions, exchanges of students and faculty members, joint teaching and research programs, frequent academic communications, especially through the utilization of the internet, have taken place along with the economic reforms and opening up to outside world. It has formed an irresistible and irreversible trend of internationalization of higher education, which have further pushed China’s domestic changes from outside world.
The rapid growth of the economy, the dramatic growth of the state revenue and the significant increase of family income have not only greatly raised the demands for higher education opportunities, but also made enlargement of higher education possible, which have led to a rapid expansion of Chinese higher education system as shows in the following figures.
Figure 2. The Rapid Growth of Chinese Higher Education New Annual Intakes

Sources: China Statistics Yearbook, 2013
Figure 3. Rapid Growth of Chinese Higher Education Total Enrollment (in 10,000)

Sources: China Statistics Yearbook, 2013
The New Statistics for total enrollment by now is more than 33,000,000 in Chinese higher education system.
Figure 4. Rapid Growth of Chinese Higher Education Graduates (in 10,000)

Sources: China Statistics Yearbook, 2013
Figure 5. The Increase of Higher Education Finance (in billion yuan)
It also has to be noted the economic reforms and opening-up of China coincided with the revolution of the information and communication technology, which have led the world into a new age of knowledge-based economy. A country’s capacity to innovate, accumulate, deploy, and utilize knowledge information becomes critical for development.
Thus along with the transition from centrally planned economy to Market economy, China is undergoing on another important transition, i.e. the transition from the investment driven development in the past 30 years, to an innovation driven development. As knowledge-based institutions, universities are called to play a more important role in the new development process.
Furthermore, the knowledge-based learning economy is international by nature. Capital, production, management, market, labor, information and technology are organized across national boundaries, which have had resulted in a strong tendency of globalization, like or not. Thus both domestic and institutional environment outside China have made internationalization of higher education is must.
Part Two

The Strategies of the Internationalization of Chinese Higher Education

--How Internationalization Achieved
1, Sending students Study Abroad

At the very beginning of the econ reform and opening up, Ding Xiaoping believed if China wanted to be integrated into the international economic community, China had to send young people study abroad. He very far-sighted pointed out, we should send students out, not send a few, but tens of thousands should be sent. By the mid of 2013, there were about 2,000,000 Chinese students studied abroad. In recent 3 years, annual increase rates of students abroad is about 25%. China has become the country sending largest number of students to study abroad.
2. Encourage students to come back

- Systematic policies have been formulated to encourage students to come back: “support study abroad, encourage come back, free of coming and going”, which made students feel safe when they come back, because they can leave China freely.
In order to attract students come back many special programs were set-up:
- Youngtsi River Scholar Programs;
- Spring-Light Programs;
- Returned students business-starting up fund;
- Returned students business-starting up parks;
These policies and programs have been quite effective. In 2011, returned students reached 186,000, 50,000 more than 2010. In recent two years, the rates of increase of returned students reached 30%, A total of 800,000 students have returned to China
3, Attract Foreign Students

In recent years, China has made more effort and set up more and more scholarships to enroll foreign students. In the year 2011, 290,000 foreign students come to study in China, increased 27,000 than 2009, among which 118,800 for degrees, account for 40.61% of total, and annual increase rate is 12%, higher than those total foreign students. Foreign students who received Chinese Government scholarships, 77.8% were degree students. China’s target is to attract 500,000 foreign students by 2020.
Chinese universities have attach great importance to setting up institutional links with international universities. For example, Peking University has established institutional links with most of leading universities in the world.
PKU’International partners cover more than 60 countries, 265 univ.
5. Joint Teaching and Learning as well as joined Academic Degree Programs

- For example, PKU has set up joint teaching and learning and academic degree programs with many international universities, such as Columbia University, Tokyo University, Waseda University, etc.

- Starting 2013, Chinese Universities joined MOOCs such as EdX and Coursera, etc. Significant for the future.
Many Chinese universities have conducted joint research projects with international universities. Some even set up joint labs. For example, PKU has set up joint labs in life sciences and in nano-sciences and nano-technologies with Yale University. Also Joint Information and Library Services by INTERNET
For example, each Stanford, Yale and many other international universities send their students to PKU for one semester studies. The credits and scores they earned at PKU will be directly transfer to their home universities’ transcripts.
8, Inviting Foreign Universities to operate academic programs within China

- For example, Shanghai New York University is a typical case. Such Sino-Foreign joint universities or joint programs increased from 712 in 2001 to 1594 in 2011. This will allow Chinese students receive world class education, broaden their international perspective and enhance their international understanding.
9, Going out for educational and cultural exchanges

- By the end of 2012, China has established more than 400 Confucius Institutes and more than 500 Confucius Classrooms, provide 50 million people opportunities to study Chinese language in their home countries.
There are thousands of international seminars and international conferences have been held in Chinese universities, such as the “Beijing Forum” held by PKU jointly with Beijing Municipality with a theme “Harmony of Civilizations and Common Prosperity”, which has been continued for many years.
Part Three

Internationalization of Higher Education for China: Challenges and Problems
1, Brain Drain or Brain Gain?

- Both.
- On one hand, 800,000 returned students have made significant contribution to China’s economic growth.
- On the other hand, 87% high level talents in sciences and engineering remained abroad.
In October 2013, China launched a new “ten thousand talents” plan to attract more come back to China, and “top 100” Plan.
Comparing with developed countries, China is still left behind. EU planned by 2020, people aged 15-35 have study-abroad experiences should be doubled, reach 25-30%. In HE, at least there should be 20% students have study abroad or work abroad experiences. China should go further in study abroad.
3, Which way to go in future

- Determination and commitment to deepen reforms and further opening up will make Chinese higher education further internationalized, which will pour into new energy to China’s future reforms and development.
Internationalization of higher education is irresistible and irreversible.
Thank you very much