CHINA INSIGHT REPORT

EDUCATION NEW ZEALAND JULY 2014



CHINA INSIGHT REPORT

Education New Zealand's China team is pleased to bring you this snapshot of education and related developments that occurred in China in the first half of 2014.

You can use the web links embedded in the summaries to learn more. You can also access our previous China Trends report at the <u>ENZ website</u>. We welcome feedback to <u>china@enz.govt.nz</u>

BY THE **NUMBERS**

413,900

Students went abroad in 2013, a 3.5 per cent increase on the previous year.

353,500

Sea Turtles returned home after studying abroad, a 29.5 per cent increase from 2012.

746

Institutions enrolled 356,499 international students from 200 countries and regions in 2013.

2000

Decrease in expected monthly salary of college graduates over the past three years, down to CNY 3,680 (NZD 700).

170

Daily screen time minutes spent by netizens on smartphones, compared to 161 minutes on laptop and PCs.

7.3

Percentage growth forecast for China's economy this year, a 24 year low.

600

Number of universities to be transformed into applied institutions under ambitious vocational education reform plans.

TRENDING

□ Study abroad growth

Growth in the number of students heading abroad falls to single digits (page 3).

Chinese students in New Zealand primary schools leapt 64 per cent in 2013 (3).

→ Postgraduate education

Applications for domestic postgrad study fall as tuition fees kick in. US grad school applications also down for second year. But enrolments to New Zealand are buoyant (4).

尽 Technical education

Demand for highly skilled workers is on the rise and the Gaokao exams are being reformed. But will this be enough to encourage people into vocational professions? (5)

□ Student waist lines

New regulations require schools to focus on physical education. A smoking ban is also on the cards (7).

→ Boarding schools

The number of students at boarding schools in China is on the increase (10).

→ School neighbours' bank accounts

Property owners close to desirable schools are making a mint selling to parents eager to enrol their children (10).

ALSO IN THIS ISSUE

- New Zealand enrolments rebound (3)
- Extreme Makeover: Gaokao Edition (5)
- Implications of declining birth rate (7)
- Try your luck at the Gaokao (6)
- Chinese parents channel Tom Cruise (9)
- He said, she said: Quotable moments (11)



SLOWER GROWTH: THE NEW NORMAL?

Since our last report in January, China's *Ministry of Education* released its full year figures on the number of students who travelled abroad in 2013. The figures show a record number of students – 413,900 – studied overseas.

While the number of students heading overseas reached an all-time high last year, the rate of growth slowed significantly. Whereas previous double digit growth in the number of students heading overseas had almost become expected, 2013 bucked the trend with 3.5 per cent growth. This compares to a growth rate of 18 per cent in 2012 and an annual growth rate of 28.2 per cent between 2000 and 2010.

In some parts of the country, the total number of students heading offshore for study (irrespective of destination) decreased. In Shanghai, the number of students receiving study abroad visas dropped, from 10,442 students in 2012 to 10,234 in 2013. The decrease is attributed to a reconsideration of the need to study abroad and an increase in the number of

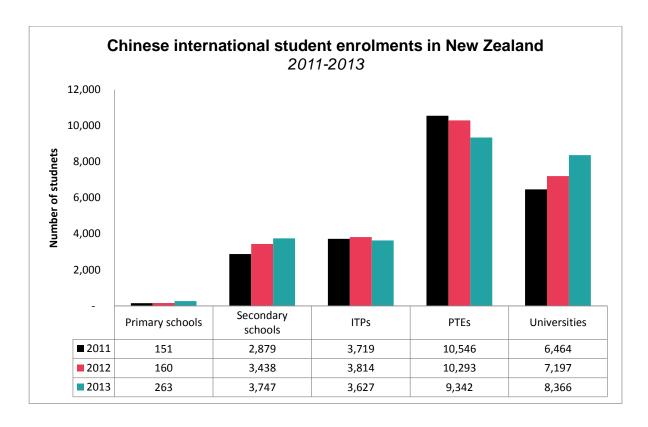
onshore options to gain foreign qualifications. According to one government official, "Chinese people have become more rational in regard to studying abroad."

ENROLMENTS TO NEW ZEALAND **REBOUND**

For the first time since 2007, the number of Chinese international students in New Zealand exceeded the 25,000 mark. The total number of Chinese international students increased from 24,902 in 2012 to 25,343 in 2013, a 2 per cent increase.

Enrolments at primary schools were up strongly (64 per cent), admittedly from a low base. Secondary schools also sustained enrolment increases. Enrolments were down slightly in the Institutes of Technology and Polytechnics sector and decreased by 9.2 per cent in the Private Training Establishment sector. Universities recorded strong enrolment growth, particularly at bachelor's and master's degree levels.

Chinese international students now comprise 26.5 per cent of the total international student population in New Zealand.





POSTGRADUATE NUMBERS FALL

The number of students studying at postgraduate level in China has fallen following government moves to scrap free tuition and curb the total number of postgrad students.

The introduction of tuition fees will see students shell out around CNY 8,000-10,000 (approximately NZD 1,500-1,800) for a typical master's degree and CNY 10,000+ for a doctoral degree. Analysts are already predicting future tuition fee hikes alongside an increase in university autonomy to set such fees.

The government is also seeking to cap the total number of postgraduate students at 450,000 following years of significant enrolment growth. The move aims to sharpen the system's focus on quality amidst employer complaints about the declining quality of candidates and high postgraduate unemployment rates.

"Education experts said that policy change was necessary to raise standards, shake out students trying to avoid entering the adult world, and encourage enrolment in professionally oriented programmes."

ASIA ONE NEWS

The changes are already starting to have an impact. Forty thousand fewer students sat the national entrance exams to enrol for a master's degree this year. Applications for postgraduate study fell by 20,000 in Beijing alone.

However some institutions are reporting increased demand for "professionally oriented" programmes. Nearly 40 per cent of postgraduate applications are now in these programmes compared to just 14 per cent in 2010.

US APPLICATIONS DOWN

The changes in China come as Chinese postgraduate student applications to the United States have <u>dropped for the second</u> <u>year in a row</u>. Applications for 2014 were down one per cent following a three per cent decline from 2012.

The Council of Graduate Schools International Graduate Admissions Survey stated, "Dismissed by some observers a year ago as an aberration, the cooling of the Chinese market no longer can be written off as a one-year blip."

It's worth noting that while there was a decline in Chinese student applications to American graduate schools in 2013, enrolments increased 5 per cent. This may indicate that Chinese students are becoming more discerning when they apply to graduate school. The release of the 2014 enrolment data in November will show whether the decline in applications is reflected in enrolments this time round.

KIWI COMPARISON

Bucking the trend, the number of Chinese postgraduate students in New Zealand rose 34 per cent in 2013. Growth was driven by 387 additional enrolments in master's programmes (a 55 per cent increase) and a 34 per cent increase in Doctoral degree enrolments.

EMPLOYMENT REMAINS DIFFICULT FOR GRADUATES

China's graduates are continuing to face a tough employment market as record numbers of domestic graduates, joined by overseas returnees, flood the job market.

A record 7.27 million graduates will enter the job market this year, on top of an estimated 17 million job hunters who have entered in recent years, a sizeable percentage of whom have yet to find employment.

The influx comes as China faces a potentially damaging mismatch in its labour market.

Many job seekers are not equipped with the skills that China's economy requires; while the market is demanding workers with high technical skills, it's being supplied with academically trained workers. That situation is encouraging the government to rethink its approach to China's higher education training provision (see article below).

When they do find work, new recruits are finding their first pay checks to be less than expected. The expected monthly salary has



dropped to its <u>lowest in four years</u>. Graduates can now expect an average of CNY 3,680 per month (approximately NZD 700), a decrease of CNY 2,000 compared to three years ago.

VOCATIONAL EDUCATIONREFORMS INTENSIFY

Labour market demand for skilled tradespeople is driving changes to China's vocational education system.

The changes come as the government becomes concerned about a skill gap which could derail its economic upgrade. The government plans to move the country up the global value chain, away from its recent historical position of providing low-cost labour.

At the centre of the reforms are plans to transform around 600 universities across the country into higher education vocational colleges to better meet the economy's skill needs. The change will be significant; by the time it is complete, over two thirds of the country's higher education institutions will be geared toward vocational training. The reforms coincide with changes to the Gaokao (see below) and university entrance policies.

The scale of the reform challenge should not be underestimated; only 15 per cent of Shanghai's high school graduates entered higher vocational education in 2013, for example. In-service training is also a clear need. The *National Bureau of Statistics* has estimated that less than a third of China's 269 million migrant workers have received training in the workplace.

As in many other countries, changing popular perception of vocational education remains a key task.

KIWI CONNECTION

In April, ENZ hosted the visit of two senior officials from the *Central Institute of Technical and Vocational Education (CIVTE)*. The visit aimed to operationalise the Model Vocational Education Programme which forms a key plank of New Zealand and China's *Strategic Education Partnership*. Contact us for more information.

EXAM REFORMSHAPES UP

高考 GAOKAO

- Roots in the old imperial government official examinations
- Modern system established in 1955, suspended from 1966 to 1976, and reintroduced in 1977
- · Literally means "high test"

Senior citizens were banned from dancing, families uttered prayers around trees and even social media fell silent as nearly 10 million students across the mainland took the national university entrance exam in June.

In contrast to previous years, where the number of Gaokao candidates had fallen, this year saw an increase of 270,000 registrants. 9.39 million students registered for the two day exam.

The high stakes nature of the Gaokao – it determines the college every student will attend – has been blamed for a range of student health issues and situations and also results in interesting personal cases. One student was given a rare second chance to sit his exams after stopping a knife attack.

Our previous report noted that China's gruelling university entrance exam was set for a makeover following the Third Party Plenum in November. The nature of those changes has become clearer; a technical stream will be introduced and the exam's English component will change.

Selected provinces are starting to pilot the changes and national promotion will occur in 2017. The transition is expected to be completed by 2020.

TECHNICAL STREAMING

The reform plans will see Gaokao comprise of two streams; one for technically-inclined students and one for academically-inclined ones.

Whereas the test for academic students will test only the student's knowledge from schooling, the test for technically-inclined students will focus on a student's technical skills.



The technical stream test is being designed for prospective students of vocational training colleges and those who are aiming for careers in areas such as engineering and mechanics.

The changes come as China seeks to intensify the development of a skills-based economy characterised by professional tradespeople. Education vice-minister Lu Xin has noted that, "vocational education has been focused on skill training, but in the future, the country will be in large demand of people with expertise. This means skilled workers need to better equip themselves with academic knowledge." A pilot programme has already been initiated which streamlines entry into vocational institutions.

ENGLISH COMPONENT

The English language component of the Gaokao will also change. The reforms will likely see a reduction in the points available for English. Students will be able to sit their English exam periodically throughout the year, separate to the other Gaokao subjects.

The reforms are a work in progress and are subject to local implementation; variation between provinces and municipalities is likely to occur. In Beijing, local authorities are planning to allow students in 2016 to sit their English exam twice a year and use their highest score for the Gaokao. The test would involve greater emphasis on listening comprehension. Different regulations, including the possible removal of the listening comprehension component in one province, are being discussed by local authorities across the country.

The reforms are likely to bolster the Chinese language and mathematics components of the Gaokao at the expense of English. In Beijing, English will be reduced from 150 to 100 points while Chinese language will increase from 150 to 180 points.

One commentator has painted this measure, along with others, as a coordinated war on English. In comparison, the President of the Chinese Society of Education has said that, "[t]he policy neither means that English will be removed from test categories in the Gaokao, nor does it weaken English's place in current curricula. Different universities will have different requirements for students' English levels for university recruitment."

In considering these reforms, it's worthwhile remembering that China is "one of the few non-English speaking countries that make English a compulsory subject throughout secondary school and a requisite for higher education."



Candidates in Hefei, Anhui, file in to sit the Gaokao. Reuters; www.scmp.com

GAOKAO GOES GLOBAL

Even as China seeks to reform the Gaokao, foreign universities have opened their doors to test holders. An increasing number of overseas universities now accept the exam for entry into their programmes.

Seven of Australia's Group of Eight universities (all except the University of Melbourne) now accept Gaokao results for entry, joining a range of other universities in Australia, Canada and France as well as several tertiary education organisations in New Zealand.

Says Zhang Feng, a marketing manager for Australia and New Zealand projects at *EIC*: "[M]ore foreign universities [now] accept that Chinese students with high Gaokao scores are qualified to sit in world-class classrooms."

PONDER THIS

If your tertiary institution does not accept Gaokao results, is it time to reconsider?

TRY **YOUR LUCK**AT THE GAOKAO

Fancy trying your luck at the Gaokao exam? Here's your chance! These are some of the



composition topics that featured in this year's Gaokao exam, translated into English:

- Shanghai: "You can choose your own road and method to make it across the desert, which means you are free; you have no choice but finding a way to make it across the desert, which makes you not free. Choose your own angle and title to write an article that is not less than 800 words."
- Jiangsu: "Some say that nothing but the youth is immortal; some say that the young people do not believe that they are going to die someday. This kind of thought is naïve. We keep telling ourselves and believing that there is actually some kind of eternity like in nature. Please read the material and write an article."
- Hunan: "There was once a place where everyone was very poor. Most of the people who worked here left after two years. However, someone stayed for years and turned it into the most beautiful village with the others. Write an argumentative article or a descriptive article on this topic."

Find more examples at *The Shanghaiist*.

STUDENT WELLBEINGIN FOCUS

Amid concerns of rising obesity across the country, the <u>physical fitness of students</u> is in the spotlight. The *Ministry of Education* has called on schools and local governments to do more to promote student health and physical education.

Primary and middle school students are encouraged to spend at least one hour a day undertaking physical activity. An assessment system, the implementation of national standards, annual physical examinations, national data reporting and increased expenditure on sporting facilities are also on the cards.

In other regulations, school tuckshops will now be banned from selling tobacco in an effort to get students to <u>quit smoking</u>. The *Ministry of Education*-imposed ban means smoking – and the advertising of tobacco

products – will no longer be tolerated on kindergarten, school and vocational campuses. Universities must establish designated smoking areas.

School principals are required to enforce the ban by installing smoke alarms or surveillance cameras to spot offenders. However a lack of clarity regarding enforcement mechanisms may render the regulations aspirational.

70

Percentage of the 10,000-plus respondents who agreed with a father who objected to his daughter's decision to go to college.

The Chengdu-based father said it was a waste of time and money given employment prospects for graduates, instead believing it more sensible to find work after graduation from high school.

FALLING BIRTH RATEHITS ENROLMENTS TO 2018

Some universities across China are finding it hard to come by students, with many failing to meet their 2013 recruitment targets.

Seven provinces and one region – Henan, Shandong, Fujian, Anhui, Hebei, Guizhou, Qinghai and Xinjiang Uygur Autonomous Region – failed to meet their targets according to *eol.cn's* College Enrolment Report.

A drop in the birth rate is largely to blame, with one of the report authors noting that: "The number of new-borns has been falling after peaking at 20 million in 1990 and dropped to 12 million around 2000. This is to say that the number of people aged 18 – the age when most students in China start college – will continue to drop before reaching the bottom in around 2018."

Other factors at play include dissatisfaction with local tertiary options – students instead choosing to study abroad or in other provinces – and a number of students going direct to employment from high school given the uncertain job prospects for university graduates.



ON THE IMPORTANCE OF **ALUMNI NETWORKS**

"Graduates with overseas diplomas, even from Ivy League schools, no longer have a clear edge over their mainland peers. Top Chinese universities like Tsinghua and Peking University have many more alumni on the mainland."

IVY LEAGUE ALUMNUS ON RETURN TO CHINA

PONDER THIS

Quality and active alumni networks are a key vehicle for the professional advancement of Chinese graduates. Is your institution doing everything it can to maximise networking opportunities for your Chinese alumni?

TURTLE POWER: RECORD RETURNEES

Further to our previous report, the number of Sea Turtles – Chinese who have returned from training overseas – rocketed to record levels in 2013. 353,500 Chinese returned to China last year, a whopping 29.53 per cent increase on 2012.

The large number of returnees has meant that competition for jobs is heating up – and some returnees are not <u>overly impressed</u>. A number of returnees report that domestic firms are favouring local students for their existing professional networks and relevant internship experience – qualities which Sea Turtles largely haven't obtained overseas.

"The Beijing-based think tank, Centre for China and Globalisation, found that 86 per cent of 830 overseas graduates surveyed in the first half of last year landed their first job on the mainland within six months of completing their studies. But 59 per cent of the graduates said their professional networks were weaker than their mainland counterparts. Three in four said they were paid less than they had expected."

SOUTH CHINA MORNING POST

Meanwhile, as many Chinese parents send their children abroad to avoid the pressure of an exam-oriented education system, a growing number are returning to ensure their children gain the <u>benefits of China's education system</u>. Chinese language and culture acquisition, discipline, a sense of collectivism and an avoidance of self-indulgence are all qualities of China's system that returnees have highlighted.

HONG KONG DEMAND FLUCTUATES

Hong Kong education authorities have been busy transforming their system in recent years, with varying implications for international education, as ICEF Monitor reports.

A Hong Kong Diploma of Secondary Education (DSE) has been introduced to replace the previous qualifications based on the British system. The duration of schooling has reduced from 13 to 12 years, while undergraduate degrees have been extended from three to four years.

These disruptive changes have led to increased competition for university places within Hong Kong and an increase in the number of students heading abroad. However this situation is expected to reverse by 2016 when there will be excess capacity in the SAR's universities; expect then to see a step up in their efforts to attract international students. Hong Kong has already made significant strides at positioning itself as an education hub. International students comprise over a third of the student bodies at the University of Hong Kong and the Hong Kong University of Science and Technology.

Meanwhile the ability of mainland Chinese universities to now accept DSE scores, in lieu of the Gaokao, will likely see more Hong Kong students headed for mainland universities.

EDUCATION TOPS AGENDA FOR THE **WEST**

Education is squarely in the frame for the government's development plans in Xinjiang, China's westernmost region. In a speech in May, President Xi Jinping said that China must strengthen education and work to alleviate poverty in the region. The plans seek to improve the economic development



of a territory that covers one-sixth of China's land area.

The plans will focus on improving access to education across the region. Southern Xinjiang will gain a new comprehensive university by 2020. Kashgar University will be constructed on a 45 hectare site with a 2 billion yuan budget. It will offer courses in international trade, business administration, tourism and hotel management, basic sciences and the arts.

Home to 10 million people, the southern Xinjiang region previously had only two universities – *Kashgar Normal University* and *Alar Tarim University*. Kashgar's partner city has stumped up 1 billion yuan for the university initiative.

ROI SOUGHT FROM STUDY

Chinese parents are channelling Jerry Maguire by asking education providers to "show them the money" when it comes to return on their child's education.

Surveying 4,592 parents in 15 countries, *HSBC's* The Value of Education report shows that parents are increasingly expecting education providers to prepare their child for a successful career – and to showcase their employability success.

The report found that "parents around the world still believe that a good education can improve children's opportunities and prospects in an increasingly globalised and competitive world" but that many find it "difficult to plan and finance their child's education" with more than half wishing they had started to plan and save earlier for their child's education.

Key findings regarding Chinese parents:

- 44 per cent say they find making decisions about their child's education daunting.
- 77 per cent believe that paying for a child's education is the best investment you can make.
- 78 per cent wish they had started to plan and save earlier for their child's education.
- 36 per cent believe that a good primary school needs to deliver self-discipline;

- 29 per cent believe it should deliver happiness.
- 42 per cent expect secondary schools to teach the ability to think analytically.
 Independence is the second highest priority, mentioned by 37 per cent of parents.
- 45 per cent believe the ability to compete in the workplace is a key expectation of a good university education.
- 74 per cent of parents want their children to study at a postgraduate level.
- 45 per cent would consider private education for their child at secondary school level.
- Less than 5 per cent have children who work to help support their education costs.
- 57 per cent see independence as a key benefit of an overseas education.
- 44 per cent consider China's education quality as worse compared to the best education elsewhere; 30 per cent consider it better.

The *HSBC* findings are reinforced by a similar survey by *Hobson's*, which found that graduate outcomes are a key factor in prospective international students' decision making.

Take note: Return on investment is a subject increasingly coming into frame.

PONDER THIS

What return on investment does your institution provide your Chinese students? How can you prove and showcase that ROI?

THE NEW RHODES SCHOLARSHIPS

Peking University (PKU) has announced a flagship scholarship scheme that it hopes will attract top scholars from around the world.

The scheme sees *PKU* launch the <u>Yenching Academy</u> to recruit top scholars to a one year Master of Chinese Studies (delivered in English). One hundred students from around the world – 35 of whom will come from China – will be provided with full scholarships,



accommodation and living stipend. The first intake is scheduled for September 2015.



The scholarship is a direct response to the Schwarzman Scholarships which rival Tsinghua University announced last year. The Schwarzman Scholarships were funded by a \$350 million endowment from Blackstone head Steve Schwarzman. This scheme, available to 200 students a year (35 per cent from China), also intends to launch in 2015.

However *PKU*'s programme has not been without controversy. With critics citing a "vague" curriculum and querying its proposed location in historic buildings at the centre of the university campus, it became the target of a viral campaign which decried the plans as increasing education inequality. At the end of July, *PKU* administrators announced significant changes; the programme's duration will extend to three years and its location on campus will also change.

Despite PKU's rocky experience, the plans by both Peking and Tsinghua universities signal an increasing focus from China on attracting top talent to its shores. Expect other top Chinese universities to follow suit.

BOARDING SCHOOLSIN VOGUE

Busy parents, naughty children and quality aspirations have all been described as reasons for a <u>surge in demand</u> from parents for boarding school education.

One academic indicated that "the main reasons children are sent to boarding schools is because [a] their parents are too busy to look after them, [b] the children are too naughty and the parents want the schools to provide a disciplined environment to correct their behaviour, or [c] they want

their children to receive high-end education in a foreign language school or an international class."

IMPLICATIONS FOR YOUR WEBSITE

Mobile-enabled websites should be top of mind for any institution seeking to market to prospective Chinese students. *KPCB's* 2014 Internet Trends report notes that more Chinese netizens now access the internet on their smartphone than any other device.

Average daily internet access in China

Minutes	Device
170	Smartphone
161	Laptop and PC
89	Television
59	Tablet

PONDER THIS

Is your organisation's website mobile-enabled to take advantage of the increasing numbers of Chinese netizens accessing the internet by their smartphones?

TOP TIP

Download WeChat for your smartphone and use it to keep in touch with your agents and key contacts in China.

SCHOOLS FUEL PROPERTY DEMAND

While China's property market is cooling in most centres, prices of properties close to desirable schools in some cities are buoyant, if not going through the roof.

Demand for properties near particular school zones is intense as parents look to secure access to a quality school. Prices in some districts are reaching CNY 80,000 per square metre (approximately NZD 15,000).

However a 13 square metre house near *Beijing No. 2 Experimental Primary School* probably takes the cake. It sold for CNY 2.6 million (NZD 475,000), an average of CNY 200,000 (NZD 36,000) per square metre.



Regulations are in the pipeline to prevent owners from flipping their newly acquired apartment as soon as they secure their child's enrolment.

INTERESTING EXTRAS

- The Netherlands has signed vocational training agreements with China. Its Education Minister claims, "China sees our vocational training and the professionals it generates as examples to follow."
- Xi'an Jiaotong-Liverpool University
 Professor David O'Connor became
 2014's My Favourite Foreign Teacher in China, an honour bestowed by the State Administration of Foreign Experts Affairs.
- The United Kingdom has inked joint research deals with China worth £53 million. The research will focus on climate change, energy and disease.
- Guizhou is seeking 150 volunteer retiree teachers to improve quality at its rural schools. Applicants need to be younger than 65.
- The cost of living and tuition fees in Malaysia is proving a draw card for Chinese students.
- An <u>admissions official</u> at Beijing's elite Renmin University was arrested for allegedly taking bribes.
- The United States highlighted "the power and importance of education" during a high-profile visit by First Lady Michelle Obama to Beijing, Xi'an and Chengdu in March.
- "Smog emigration" is now a thing. (But those of us who live in Beijing are still <u>Happy</u>, in spite of the pollution).

QUOTABLE

"Job hunting is tougher than taking entrance exams at university."

<u>Jacqueline Gu</u> finds job hunting tough after her return from *Durham University* with a master's degree in law.

"College students should know they are not God's gift and it's difficult to find jobs, so they can adjust their attitude and don't necessarily have to join the civil service or big state-owned firms."

<u>Chen Yu</u>, director of *Peking University's Institute for Occupation Research*, on
China's graduate employment situation.

"[S]tudying abroad isn't just a fun way to spend a semester; it is quickly becoming the key to success in our global economy."

First Lady <u>Michelle Obama</u> talks of the importance of studying in China during remarks at *Peking University's Stanford Center*.

"This will enable students to make their career choices at the age of 16, when they are still in high school. Teenagers can realise their life goals based on their own choices of the type of study and career."

Vice-Minister of Education <u>Lu Xin</u> on Gaokao reform plans to better suit technically-inclined students.

"According to a national survey on students' health starting in 2010, physical fitness of college students has followed a slow declining curve, while more and more primary and secondary pupils are overweight."

Xinhua comments on government moves to improve student physical fitness amid concerns that the current physical education system is a "weak link" which has "restrained the development of students' health."

"Based on a survey of type-A parents in D.C, New York and Los Angeles, the interest level is 100 per cent."

Marc Ross, Spokesman for the US-China Business Council, jokingly highlights the rising interest from US parents in having their children learn Mandarin.





Further information

Members of Education New Zealand's China Team are based in Beijing, Shanghai, Guangzhou and Wellington.

Please don't hesitate to contact us to talk through your engagement plans with China. You can email us at **china@enz.govt.nz**

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