

Market Intelligence Brief

Mainland China

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1 Executive Summary

China has the largest education system in the world and is also the world's largest sender of internationally mobile tertiary students. For over two decades China has been the UK's top source market for international students and has also recently become the UK's top transnational education (TNE) market. China's aging population and improving domestic higher education (HE) capacity will weigh against outbound student mobility over the medium term, while decelerating economic growth and practical constraints related to the COVID-19 pandemic present more immediate challenges. On balance, however, rising household incomes and fierce competition for places in China's top universities (especially at postgraduate level) will continue to lean in favour of outbound mobility, for the time being. And regional development, continued urbanisation and a planned reorganisation of China's economy will open new frontiers of opportunities for the UK education sector, including in Technical and Vocational Education and Training (TVET).

According to the World Bank, China's phase of high economic growth based on resource-intensive manufacturing, exports, and low-paid labour has largely reached its limits. Continued growth will require shifts in the structure of the economy from manufacturing to high value services, and from investment to consumption. Growth that once exceeded 10 per cent per annum had moderated to 6 per cent by 2019 and is expected to stabilise at about 4.5 per cent over the medium term. Even so, China is expected to overtake the US as the largest economy in the world within a decade. Given China's expected growth outperformance relative to the US and UK and its relatively stable inflation outlook, steady appreciation of the RMB against the dollar and pound is expected, which makes study abroad less expensive.

The Chinese education system is known for its intensity, competition, and rigour. Due to the dominance and importance of the National College Entrance Examination (gaokao), curricula at Chinese schools tend to be heavily skewed towards test preparation, earning the system much criticism for its overemphasis on rote learning. Many Chinese children attend private, extra-curricular classes in addition to traditional schooling to boost exam scores and gain admission to top upper secondary and tertiary institutions. However, for-profit private tutoring in academic subjects was banned by the government in 2021 through its "Double Reduction" policy. This policy regulates after-class learning, both on and off school campuses, for students in compulsory education (years 1-9 in China) with the aim of easing the stress and burden of excessive homework. Separately, recent regulatory changes have set out to reform the private education sector in China by tightening controls over its operation, management and curriculum, ultimately making it more difficult for private schools to obtain a license.

The quality of HE provision within China is steadily improving, with 24 Chinese universities in the top 500 (up from 17 in 2020) and ten in the top 200 (up from seven in 2020) according to the 2022 Times Higher Education World University rankings. That said, an excess of demand for study in the top institutions will continue to present an exceptionally competitive domestic environment.

The TVET sector in China is undergoing major reform, charged with addressing skills gaps to support China's shifting economic profile towards high tech industries. Western-style vocational training models such as apprenticeships are favourably viewed in China and several overseas TVET providers - notably from Germany and Australia - have a strong presence in China.

English is the most widely taught foreign language in China, and yet only 1 per cent of the population are estimated to be conversational, suggesting considerable scope to grow this sector, especially as China's economy becomes more knowledge intensive and services oriented.

About two thirds of outbound students from China travel to the traditional English-speaking host markets of Australia, Canada, US and UK each year. However, mobility to the US had been declining even prior to the Covid-19 pandemic, largely attributed to US-China political issues. And growth in mobility to Australia has also moderated in recent years, stoking debate about whether total outbound mobility from China may already have peaked, or is close to doing so.

Just over 150,000 Chinese students enrolled in UK higher education institutions in the 2020/21 academic year (including exchange students and those writing up their thesis). After experiencing double-digit growth in each of the three years from 2017/18 to 2019/20, growth in Chinese enrolments slowed to just 1 per cent in 2020/21 (with a decline in new entrants of 6 per cent) as widespread international travel restrictions during the Covid-19 pandemic weighed heavily on mobility. Recruitment from China held up relatively well compared with other East Asian markets due to many Chinese students enrolling fully online, supported by clear messaging from the Chinese Ministry of Education that online study would be temporarily recognised during the pandemic.

Despite growth in visa issuance to Chinese nationals in 2021, levels remain below those seen pre-pandemic, showing that only a partial recovery has been experienced to date. Issues such as lack of direct flights to the UK, high cost of flights, and pandemic related lockdowns in major sender cities such as Beijing and Shanghai, continue to frustrate study abroad plans the 2022/23 academic year. However, the reintroduction of the Graduate Route since summer 2021 will support mobility to the UK going forward.

Enrolments on UK transnational education (TNE) programmes in China totalled 61,495 in 2020/21, representing a substantial increase of 24 per cent on the previous year and placing China decisively ahead of Malaysia as the UK's largest TNE market. The UK has led the development of courses and education qualifications in mainland China, with over 240 joint degree partnerships in operation in 2022. Approval trends noted by the British Council include a preference for subject areas that meet China's development needs; and a preference for programmes that allow students to study their whole course in China, weakening the propensity for TNE to act as an undergraduate recruitment channel to the UK.

The strong linkages between the UK and Chinese HE systems are underpinned by a wide range of partnerships and cooperation initiatives. The UK government's 'Newtown Fund' has developed extensive research and innovation partnerships between China and the UK since 2014; while the British Council's 'Generation UK' initiative has supported more than 67,000 young people from the UK to study, intern and teach in China since 2013. More recently, the British Council's 'Going Global Partnerships' programme provides funding for projects that strengthen academic collaboration and enhance HE internationalisation between the UK and China.

2 Introduction

This report was produced by the British Council's *Insight and Engagement* team, with external research support provided by Oxford Economics.¹ This report is designed to provide UK education institutions with unparalleled data, insight and analysis to support their international education strategies, recruitment activities and partnership development work. The report is also targeted at a UK and China policy maker audience, by highlighting opportunities and barriers to education and research cooperation that exist between the two countries.

Using the latest data from the most reliable sources, this Market Intelligence Brief represents a window onto China's education system and student population, as well as the economic and demographic factors, and policy priorities and developments that shape the country's international education outlook. The report examines various aspects related to the internationalisation of China's education system – including student mobility, transnational education programmes and research collaboration – and highlights national-level education projects and partnerships between the UK and China.

The information contained in this report is based primarily on desk-based research and data analysis, supplemented with insight and context provided by British Council colleagues on the ground in China.

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Comments, queries and suggestions in relation to this report are welcome and may be submitted to John McNamara, Global Head of Research, Insight and Engagement, Higher Education and Science at john.mcnamara@britishcouncil.org

¹ www.oxfordeconomics.com/

3 Macro Environment

3.1 People

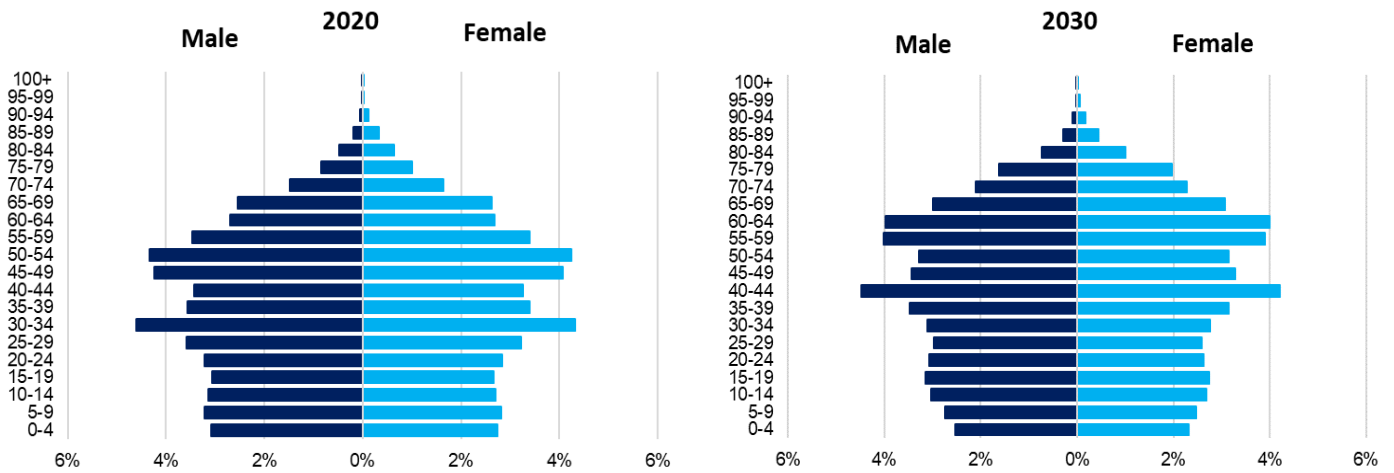
China is the world's most populated country, with the population having almost doubled over the past 50 years, reaching 1.44bn in 2020. However, the rate of population growth has slowed, with annual average growth of just 0.5 per cent per year recorded over the last decade.

Mainland China is divided into 22 provinces, five autonomous regions and four municipalities. Hong Kong, Macao and Taiwan are not included in this report. Across the country there is a significant divergence in terms of socioeconomic development, with higher levels of development seen in Eastern provinces and municipalities compared to the Western region. In 2021, according to the World Bank, 63 per cent of the Chinese population lived in urban areas, up from 40 per cent in 2000. Guangdong in South China is the most populated province with a population of 127m. By contrast, the autonomous region of Tibet has a population of just 3.6m.

Looking ahead, the UN Population Division has projected that China's population will peak at 1.46bn in 2024 before gradually declining from 2030. Indeed, by 2027, India is expected to overtake China and become the most populous country in the world.

In common with many other Asian countries, China is facing the challenge of an ageing population. In 2020, it was estimated that 12 per cent of the population was aged over 65, with this share expected to rise to 17 per cent by 2030. This will place significant pressure on public services within the country, while also constraining labour supply growth. A major contributing factor to the slowdown in Chinese population growth and the ageing population has been the implementation of the one-child policy by the government in 1980. However, China officially ended its one-child policy in January 2016 in favour of a two-child policy before introducing a three-child policy in May 2021, which should lead to a moderate increase in fertility rates in the medium-long term. However, this will also depend on other factors including a continued rise in real household incomes, a decline in the cost of education and a contained rise in property prices.

Figure 1: China's population pyramid, 2020 and 2030

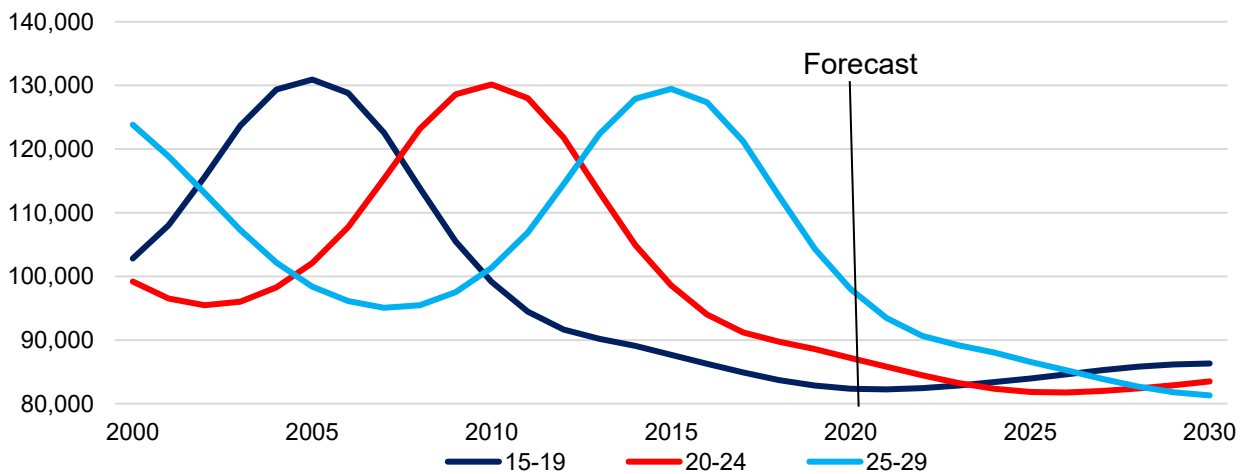


Source: UN Population Division

Alongside the rising share of over 65s within the population, the student-aged population (15-29) has declined sharply, falling from 331m to 267m over the last decade, representing a decline of almost 20 per cent. The 15-19 population grew strongly in the early 2000s, peaking in 2005 before falling sharply thereafter. The significant population growth in this age-group in the early 2000s is partly explained by a baby boom “echo” as the large cohorts of 1962-64 reached reproductive age. Additionally, during the mid-1980s there were periods of intermittent policy relaxation and exception-granting of the one-child standard, leading to an increase in the birth rate in the mid-1980s.²

Looking ahead, the student-aged population is expected to decline further, albeit at a slower rate, with a total of 251m expected by 2030. In 2030, the student-aged population is projected to represent 17 per cent of the total population, compared to around 24 per cent in 2010.

Figure 2: China's student age population (000s)



Source: UN Population Division

² [China's birth rate reported on the rise](#), A Haupt, May 1987

The official language in China is Mandarin, spoken by more than 70 per cent of the population. Mandarin is typically used in Chinese schools, however there are several hundred other dialects spoken by Chinese nationals across the country. English has been the most widely taught foreign language in schools in China in recent years. However, less than 1 per cent of the population consider themselves to have conversational level English.³ In 2021, China ranked 49th out of 112 countries in the EF English Proficiency Index with China classed as having moderate proficiency, comparable with India and Russia.⁴

China is officially an atheist country, but the government recognises and allows the practice of Buddhism, Taoism, Islam, Catholicism and Protestantism. All religious activity must be registered with the state. Other religious organisations are often tolerated but not officially allowed.⁵

3.2 Economy

China has transformed itself from an economy with little trade with the outside world in the early 1980s to the world's largest exporter and second-largest oil consumer, helped by structural reforms and entry to the World Trade Organisation in 2001. Only the US has a larger economy than China, at US\$20.3trn (2015 prices) in 2021, compared with US\$15.7trn in China. However, looking ahead, Oxford Economics expects that China will overtake the US as the largest economy in the world by 2033.

Still, with its population of 1.44bn, China remains a middle-income country according to the World Bank, with an estimated GDP per capita (current prices) of US\$12,280 in 2021, which compares to US GDP per capita of US\$69,310. As such, there remains significant scope for further economic development across China. Income disparities have grown as urbanisation has boosted prospects in cities. But even in Beijing and Shanghai, average salaries are still well below those in South Korea or Hong Kong.

GDP growth has been remarkably strong and stable during China's economic transformation, regularly exceeding 10 per cent per year. However, according to the World Bank, China's high growth based on resource-intensive manufacturing, exports, and low-paid labour has largely reached its limits.⁶ Continued growth will require shifts in the structure of the economy from manufacturing to high value services, and from investment to consumption. Growth had moderated to 6 per cent by 2019, despite a surge in credit-fueled investment engineered by monetary authorities.

As a result of the Covid-19 pandemic, economic growth in China slowed to just 2.2 per cent in 2020. While this was the slowest rate of growth in decades, China was one of the few countries to avoid economic recession during the pandemic. Industrial production and exports bounced back strongly in the second half of 2020 while the government implemented economic stimulus measures and employment support packages, driving growth of 8.1 per cent in 2021. However, growth momentum weakened in the second half of 2021 amid a property downturn and sluggish

³ [English levels in China](#), *China Highlights*, August 2021

⁴ [China's EF EPI](#), *EF*, 2021

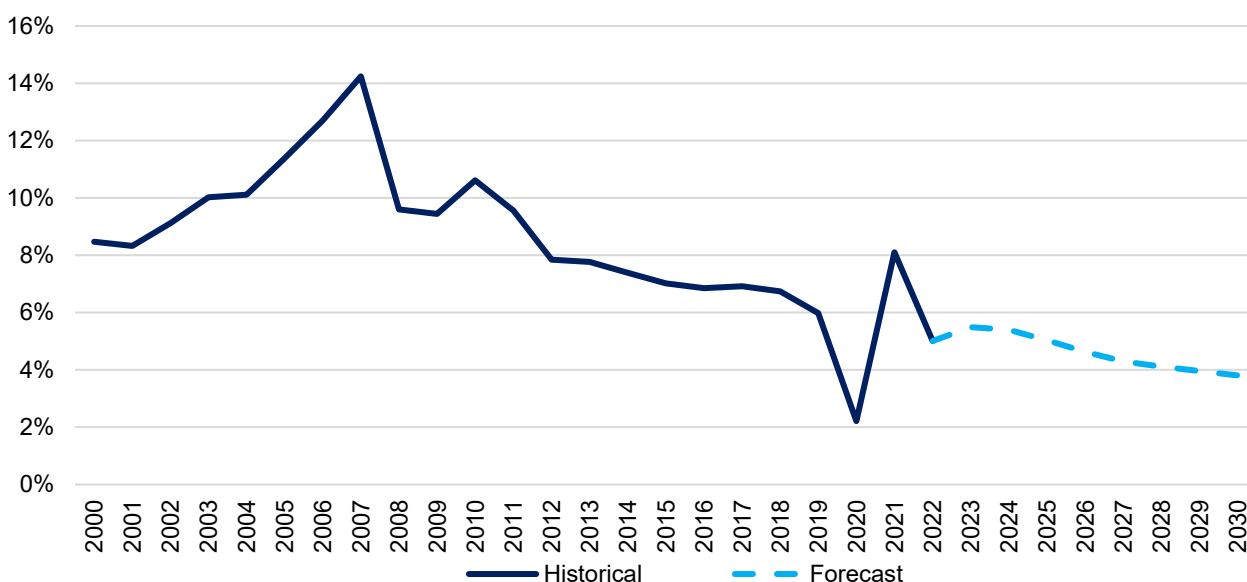
⁵ [Religion in China](#), *Council on Foreign Relations*, September 2020

⁶ [China overview](#), *World Bank*, April 2022

household consumption. According to Oxford Economics' latest forecasts, growth is expected to be relatively weak in 2022 at 4.8 per cent, with the repercussions of the real estate downturn and the 'zero-Covid' policy approach continuing to weigh on growth prospects. In response, the government has continued to emphasise tax cuts and unemployment benefits to support the economy and has sped up the approval of infrastructure projects. Looking ahead to the medium term, growth is expected to stabilize at about 4-4.5 per cent per year to 2030. While this still represents robust growth, particularly when compared to developed economies around the world, the pace of growth will be far slower than in previous decades as the Chinese economy matures.

Amid the challenges, China's economy is continuing to transform rapidly. Indeed, while the first era of China's economic growth was based on export-led manufacturing, recently the services sector has emerged as the largest contributor to GDP. Manufacturing will nonetheless continue to play a key role in the economy and its share of GDP will remain stable, as the central government pushes for a shift towards high-value, advanced manufacturing, as outlined in its 14th five-year plan (for 2021-2025) and the long-range objectives through to 2035.

Figure 3: Real GDP growth and forecast



Source: Haver Analytics / Oxford Economics

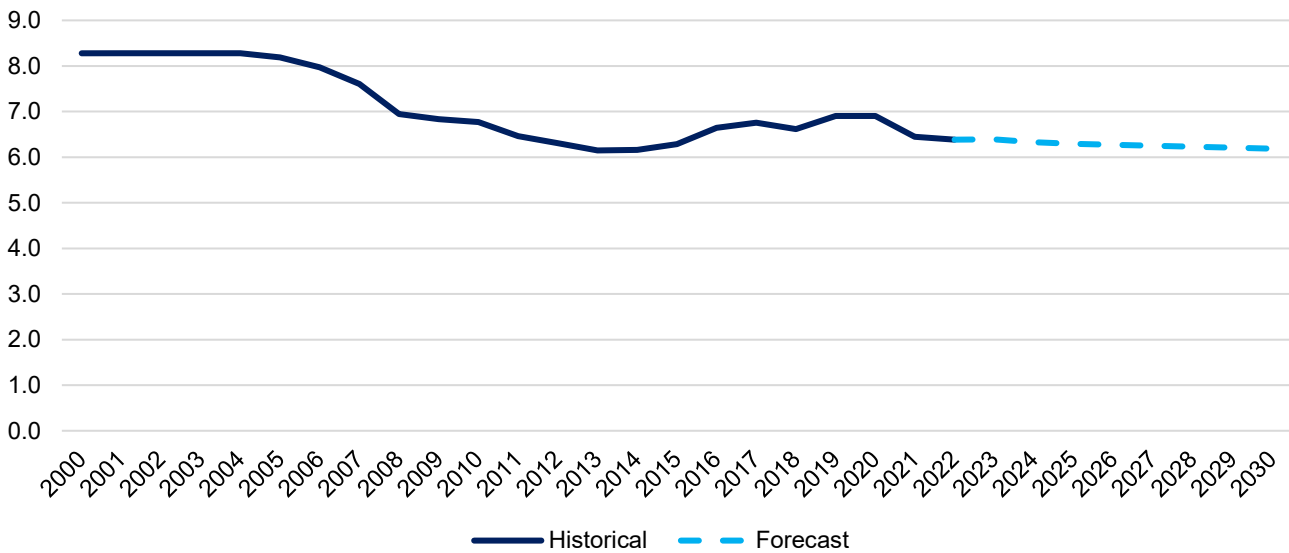
The economic growth outlook for China over the next decade is expected to underpin a significant expansion of middle-income households within the country. In 2020, there were an estimated 41m households with an income of US\$35-70,000 in China. This is expected to more than double to 86m households by 2030, which should act as a strong driver of continued growth in outbound student mobility over the next decade.

Unemployment rates in China have historically been low, generally in the 2.5-3.0 per cent range throughout the last decade, according to Oxford Economics' estimates based on the official labour market statistics. However, the unemployment rate rose to 3.4 per cent in 2020 due to business closures associated with the pandemic. The unemployment rate is expected to remain at an

elevated level for the next couple of years, before falling back to around 3.0 per cent in the medium term.

The purchasing power of Chinese consumers has increased over the past decade as the value of the renminbi (RMB) has gained steadily against other major currencies. Along with rising household incomes, this has made overseas goods and services, including overseas education, more affordable for Chinese consumers. Due to the US-China trade war, the RMB weakened to just above 7 Yuan per US\$ in Q3 2019 for the first time since 2008, where it remained to mid-2020. Since then, the RMB has steadily gained against the dollar, trading at around 6.40 per US\$ by the end of 2021. Looking ahead, steady appreciation of the RMB against the dollar and pound is expected, given China's expected growth outperformance relative to the US and UK, and relatively stable inflation outlook.

Figure 4: Exchange rate period average (Yuan per US\$)



Source: Haver Analytics / Oxford Economics

3.3 Government and education policy

China has been governed by the Communist Party since the modern state was formed in 1949. In 1978, then-President Deng Xiaoping introduced the “Reform and Opening-up” policy that spurred four decades of strong and rapid economic growth. In November 2012, Xi Jinping took the helm as General Secretary of the Communist Party, Chairman of the Central Military Commission and President of China. Li Keqiang was elevated to the position of Prime Minister. The next leadership reshuffle is expected in 2023.

All legislative authority lies with the nearly 3,000-member National People’s Congress (NPC), elected every five years. The congress meets just once a year and most legislation is passed by the NPC Standing Committee throughout the year. The legislative branch is largely viewed as a “rubber stamp” congress that passes most bills with little or no dissent. Most political decision making is undertaken by the Communist Party.

The government sets its domestic economic, social and political agendas in five-year-plans. The 14th five-year plan was officially endorsed in March 2021. The plan emphasises innovation, domestic market development, and “green ecology” and decarbonisation. The government has also emphasised the theme of “dual circulation”, fostering synergy between a strong domestic market and being an attractive destination for foreign direct investment. The Chinese government announced in February 2021 that it had eradicated absolute poverty, with the government now setting 2035 as the target date to achieve common prosperity.⁷ The aim of common prosperity is to provide all Chinese citizens with the opportunity to enjoy a reasonable quality of life. This includes equal access to education, health care and adjusting government policies to ensure that social transfers target key vulnerable groups.

Under President Xi, China has taken a bolder position on the world stage. The Belt and Road Initiative (BRI), which proposes to build economic and cultural ties across Asia, the Middle East, Africa and parts of Europe is emblematic of China’s increasingly outward focus. Though the initiative remains loosely defined, the more concrete components involve very large investment and development loans for infrastructure projects across BRI partner countries. However, the progress of BRI has slowed in recent years due to the pandemic, alongside a backlash that the initiative faced in some recipient countries amid mounting debt. However, China is fine-tuning its strategy and will likely continue to pursue the initiative despite recent setbacks, but in a more sustainable manner. BRI also features a higher education component, with the University Alliance of the Silk Road (based at Xi’an Jiaotong University) working to build collaboration and academic exchanges across the region. BRI countries – particularly those in Central Asia – have been singled out for increased scholarship support for study in China.

China’s education system is highly centralised and falls under the remit of the Ministry of Education. Under the reform and opening-up policy, China’s education system saw major changes. Formerly specialised Higher Education Institutions (HEIs) were joined to form larger and more diverse universities with greater autonomy. While the education system is now less centralised than before the 1978 reform project, it remains centralised by Western standards. Education has also become increasingly commercialised with higher tuition fees and more options available for private education.⁸

The Ministry of Education establishes education policy and guides education reform, sets school curricula, and determines exam content. It directly oversees 75 universities and sets directives for over 2,700 higher education institutions and TVET colleges.

China’s Education Modernisation 2035 plan was announced by the State Council in February 2019. The plan outlines China’s long-term education plan and will be the guiding document for China’s education policy over the next 15 years. The plan highlights China’s continued ambition to become a global leader in education, with internationalisation listed as one of the key priorities.

The Chinese government announced the priorities of its 14th five-year plan in August 2021. The development of education remains high on the agenda, with higher education and vocational and

⁷ [Poverty reduction policies in China](#), *Brookings*, September 2021

⁸ [Education in China](#), *World Education News and Reviews*, December 2019

technical education being the center of focus.⁹ The new plan includes the following education policy priorities:

- Improvements in the quality of higher education, with a focus on the ‘World Class Universities & Disciplines’ initiative and the fields of science, engineering, agriculture and medicine.
- Promotion of online education and life-long learning.
- Promotion of a deeper university-industry collaboration and encouragement of stronger connection between research and practice.
- Improvements in the level of scientific and technological innovation in universities.
- Continued growth in research and development investment. The plan prioritises the following fields of study: artificial intelligence, quantum information, integrated circuits, health sciences, neuroscience, agricultural studies, aerospace engineering and deep sea and deep underground sciences
- Promotion of equity, focusing on balanced development of compulsory education.
- Greater investment in upper secondary and vocational education, including more cooperation between schools and more vocational education options.
- A promise to support and standardise the development of private education.

⁹ [China's 14th Five Year Plan: what does it mean for the education sector?](#), *The Pie News*, November 2021

4 Domestic Education Environment

4.1 Overview

China has the largest education system in the world, with more than 240m enrolments in 2020 across the primary, secondary and tertiary levels combined.¹⁰

The Chinese education system is known for its intensity, competition, and rigour. In the 2018 OECD Programme for International Student Assessment (PISA) study, China overtook Singapore to rank first out of the 79 participating countries. The PISA study only includes students in Beijing, Shanghai, Jiangsu province and Zhejiang province. Scores were highest in all three subjects (reading, science and mathematics), a remarkable increase from the 2015 study when mainland China placed 26th, 10th and 6th for reading, science and mathematics respectively.¹¹ However, the omission of other provinces is significant, as the testing provinces are highly developed and not representative of the country as a whole.

In July 2021 the Chinese government issued the “Double Reduction” policy, which enforced a reduction in the time commitment required by school homework and off-campus or after-school training programmes. The policy is intended to improve the overall quality of school education, reduce excessive study burdens and protect the health of students and reduce social inequity.¹²

4.2 Early years, primary, secondary

The pre-tertiary education system in China is highly competitive, and heavily exam oriented from early in the secondary system onwards. It is a state-run education system with nine years of compulsory attendance starting at the age of six. The compulsory stage comprises six years of elementary school and three years of lower secondary education and is free of charge at public schools. Counties and municipal governments manage elementary and secondary education.

Pre-school education is not compulsory in China. However, the government is working to further expand the availability of pre-school education, whilst also encouraging and regulating the participation of the private pre-school sector under the proposed pre-school education law.¹³ In urban areas of the country, pre-school education is mainly kindergartens of 1 to 3 years, while in rural areas pre-school education is mainly nursery classes and seasonal kindergartens. In 2020, the total number of children attending kindergarten rose above 48m, with the gross enrolment rate for pre-school education at 85 per cent.¹⁴

After the end of lower secondary school, students can pursue upper secondary education paths to university or vocational education. Enrolment in upper secondary education is very high, and according to the Ministry of Education, the gross enrolment rate at this level was 91 per cent in

¹⁰ [UIS Statistics, UNESCO](#)

¹¹ [Students in B-S-J-Z \(China\) rank first in PISA 2018 survey](#), Ministry of Education, December 2019; [Results of PISA study not representative of China, say Chinese education experts](#), *The Straits Times*, December 2019

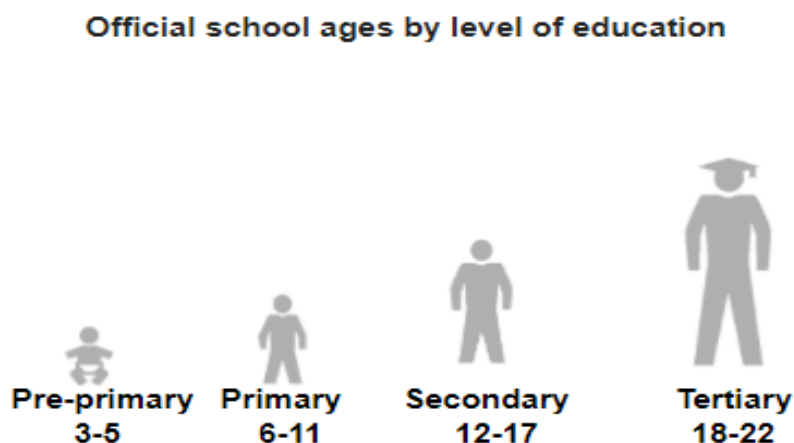
¹² [China releases "Double Reduction" Policy in education sector](#), *JDSUPRA*, August 2021

¹³ [China to further support pre-school development](#), *China.org*, September 2020

¹⁴ [Major educational achievements in China in 2020](#), Ministry of Education, March 2021

2020.¹⁵ While admission to primary and lower secondary schools is based on residency, upper secondary education admission is determined by an entrance examination (zhongkao). The exam is competitive, particularly in urban regions, with top schools requiring high grades. Students with lower grades are usually only able to gain admission to vocational schools, perpetuating the perception that technical and vocational training (TVET) is a less rigorous study option.¹⁶ However, there is a concerted effort by Chinese authorities to alter perceptions around TVET, with ambitious plans in place to achieve a 50:50 high school to technical college ratio.

Figure 5: Education system in China



Source: UNESCO

In recent years, there had been a steep rise in the number of Chinese children attending private schools offering an international style education. There were 857 private international schools operating in China in 2019, including 563 Chinese-owned private schools offering an international curriculum.¹⁷ These schools primarily recruit local students, and most study at upper secondary level because local citizens have to follow the Chinese curriculum at the compulsory education stage. Students following international upper secondary curricula can't enter local universities because of the reliance on the National Higher Education Entrance Examination (gaokao), so overseas study is generally their intention. In September 2021, the regulations on the implementation of the "Law on the Promotion of Privately-run Schools" set out to reform the private education sector in China by tightening controls over its operation, management and curriculum, ultimately making it more difficult for private schools to obtain a license.¹⁸ The regulations effectively ban foreign involvement in compulsory education and underscore the importance of working with reputable local partners. Overall, the role of UK schools, as collaborators and licensors, will likely be reduced, potentially being restricted to international schools and those not providing compulsory education.

For students who remain in China for university, the gaokao is the deciding factor in their applications. The gaokao is administered separately within each province. Due to the dominance

¹⁵ Ibid

¹⁶ [Education in China](#), *World Education News and Reviews*, December 2019

¹⁷ [ISC report notes increase in Chinese private international schools](#), *The Pie News*, April 2019

¹⁸ [A new regulatory landscape for international schools in China](#), *Farrer & Co*, October 2021

and importance of this exam, curricula at Chinese schools tend to be heavily skewed towards test preparation, earning the system much criticism for its overemphasises on rote learning, which discourages development of other skill sets that are more difficult to evaluate. In response, the government has introduced reforms to allow more flexibility in subject choice and reduce emphasis on a single final examination.

In July 2021 the Chinese government officially launched the “Double Reduction” policy, with local authorities in several provinces ordering private businesses to suspend online and offline tutoring classes for children from year 1 to year 9 (elementary to middle school). The policy prohibits tutoring businesses from offering classes on weekends, holidays, summer and winter breaks – effectively only allowing tutoring on weekdays within a limited number of hours. While the policy covers public and private education, its impact on the latter is more significant, given that it bans for-profit tutoring.

4.3 Technical & vocational education and training

Technical & vocational education and training (TVET) is overseen by the Ministry of Education’s Department of Vocational and Adult Education, and the Ministry of Human Resources and Social Security. In 2020, there were 9,865 vocational schools in China (with more than 16m students, including more than 6m new entrants) and 1,468 higher vocational education institutes.¹⁹ While vocational education offers a pathway to university, it is generally viewed as inferior to traditional upper secondary education.

As demand for university degrees has soared, the government has tried to promote vocational education to address a technical knowledge gap in China’s workforce. Some public universities have been transformed into Universities of Applied Science, and the government has made it easier for vocational graduates to progress onto university courses. There has been an increase in students enrolling in three-year higher vocational diplomas, for which entrants exceeded those on degree courses in 2019 for the first time since 2008. In 2019, the government introduced a plan to reform the TVET system to support the development of the advanced manufacturing sector.²⁰

In October 2021, the Communist Party Central Committee and the State Council issued the Guidelines on Promoting the High-Quality Development of Modern Vocational Education in China. The document sets clear goals, including that by 2025, the enrolment on vocational bachelor’s degree should make up at least 10 per cent of the enrolment in higher vocational institutions and by 2035, China’s vocational education should be among the best in the world.

However, one of the difficulties in promoting vocational training lies with the traditional view within China that it is a less prestigious option compared to entering university, even as employment for university graduates is becoming more challenging. To address this issue China approved a revised Vocational Education Law in April 2022 to promote high-quality development of the country’s vocational education sector and address the changing manufacturing landscape and increasing demand for skilled workers. The revised law eliminates the distinction between

¹⁹ [Major educational achievements in China in 2020](#), Ministry of Education, March 2021

²⁰ [China’s vocational education reform and foreign investment opportunities](#), China briefing, October 2021

secondary schools and secondary vocational schools while encouraging traditional secondary schools to offer courses on vocational education subjects. According to the Law, vocational education is equally important to general education, and consequently vocational education graduates should enjoy equal education and career opportunities.²¹

4.4 Higher education

China's higher education sector has expanded rapidly due to surging demand and increased government investment. Since 2000, the number of higher education institutions in China has grown nearly sevenfold. In 2020, there were 2,738 HEIs, including 1,270 offering degree programmes and 1,468 higher vocational colleges. The majority of Chinese HEIs are public, with only 788 listed as "non-government." Public HEIs are considered more prestigious than private HEIs and account for the bulk of the student population. Most HEIs are overseen by provincial authorities and local governments, though the Ministry of Education and other central government bodies (such as the Ministry of Defense) directly oversee some universities. Universities are tightly regulated, and senior leadership roles are appointed by regional authorities. As with pre-tertiary education, the curriculum and textbooks are strictly controlled, and all students are required to complete courses in Marxism and Chinese socialism. Compulsory study of political thought in universities has increased under President Xi Jinping.

In February 2022, China's Ministry of Education announced the second phase of the country's World Class Universities and Disciplines initiative, a funding scheme which aims to develop institutions with the potential of becoming "world-class" in specific subject areas or as a whole. The second phase of the project lists 147 universities for support – a slight increase compared to the 139 institutions named in the first round, which launched in 2016.

The total number of students attending undergraduate programmes in public HEIs in 2020 was 32.9m including 9.7m newly enrolled students. Meanwhile, 3.1m students were pursuing master's degrees, including 1.1m new entrants.²² Overall, the total enrolment in the tertiary education sector in China has grown significantly over the last decade, from 31m enrolments in 2010 to 50m in 2020 according to UNESCO. Over the same period, the student-aged population has declined, meaning that the growth in tertiary enrolments has translated to a strong uptick in the tertiary enrolment ratio.

Tuition fees at public tertiary institutions are low, with costs heavily subsidized by the government. Fees are set by provincial governments, but tuition generally ranges between RMB4,000 and RMB8,000 (£450-900) per year. Private institutions and transnational education programmes can charge more, though these fees must also be approved by the local pricing bureau. However, even as tuition fees in China creep upwards, overseas education in one of the major English-speaking study destinations remains significantly more expensive.

Admission to the top universities in China is fiercely competitive, with just a tiny fraction of applicants gaining acceptance. The competition is especially pronounced in regions far away from the major cities, as universities have larger quotas for local applicants. Indeed, enrolment at

²¹ [Vocational education in China: New law promotes sector's growth](#), *China briefing*, May 2022

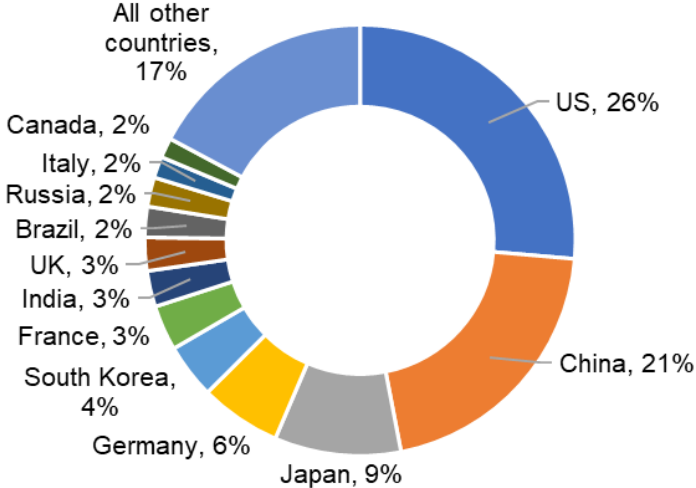
²² [Major educational achievements in China in 2020](#), *Ministry of Education*, March 2021

postgraduate level in general is extremely competitive, with the National Postgraduate Entrance Examination (kaoyan) even more cutthroat than the gaokao. These competitive constraints make overseas study a more attractive alternative for those who can afford it.

In the 2022 Times Higher Education World University rankings, there were 24 Chinese universities in the top 500 and ten in the top 200. However, six Chinese universities made it into the top 100: Peking University (joint 16), Tsinghua University (joint 16), Fudan University (60), Zhejiang University (75), Shanghai Jiao Tong University (84) and the University of Science and Technology of China (88).²³

Over the past two decades, China’s spending on Academic Research and Development (R&D) has grown significantly, reaching a record high in 2019 at 21 per cent of the global share of Academic R&D spending. The UK Research and Innovation Agency predicts that China will overtake the US to become the world’s leader in Academic R&D expenditure in 2022.²⁴

Figure 6: Academic R&D spending by Country (2019)



Source: UNESCO, adjusted for Purchasing Power Parity (PPP)

²³ [World University Rankings 2022](#), World University Rankings

²⁴ [China's Rise in Academic R&D and Western Countries' rise in concern](#), Asia Pacific Foundation of Canada, February 2021

5 International Education

5.1 Student mobility

According to estimates from UNESCO, China is the world's largest sender of internationally mobile tertiary students, sending a total of over 1m students in 2019, which accounts for 17.5 per cent of the global total. China's outbound mobility ratio was 2.3 per cent in 2019, compared with 1.3 per cent in India, the world's second largest source market.²⁵ The English-speaking countries of the US, UK, Australia and Canada collectively hosted two thirds of China's outbound students in 2019, according to UNESCO. While China remains the largest source market of outbound international students by some distance, growth in the number of Chinese students going abroad for study has slowed in recent years due to a shrinking university age population, slowing economic growth, US-China political issues, greatly improved domestic higher education provision, as well as Covid-19 restrictions which have weighed on mobility over the last couple of academic years.

Chinese students have historically been the largest source of international students for UK universities, with a total of just over 150,000 enrolled in UK higher education institutions (HEIs) for tertiary study in the 2020/21 academic year according to HESA.²⁶ The rate of increase in enrolments slowed between 2012/13 and 2016/17 following discontinuation of the post-study work route in 2012. However, strong growth resumed from 2017/18 partially attributed to US-China geopolitical tensions. In 2020/21, after experiencing double-digit growth in each of the three previous years, growth in Chinese enrolments slowed to just 1 per cent, with a decline in new entrants of 6 per cent, as widespread international travel restrictions during the Covid-19 pandemic weighed heavily on student mobility. However, data from the UK Home Office shows substantial growth in student visa grants in 2021 compared to 2020, which points towards a recovery in inbound international student growth from China. However, despite the strong growth in visa issuance to Chinese nationals in 2021, levels remain below those seen pre-pandemic, showing that only a partial recovery has been experienced to date. The reintroduction of the post-study two-year work visa (Graduate Route) from summer 2021 is expected to provide a boost to growth in the years ahead.

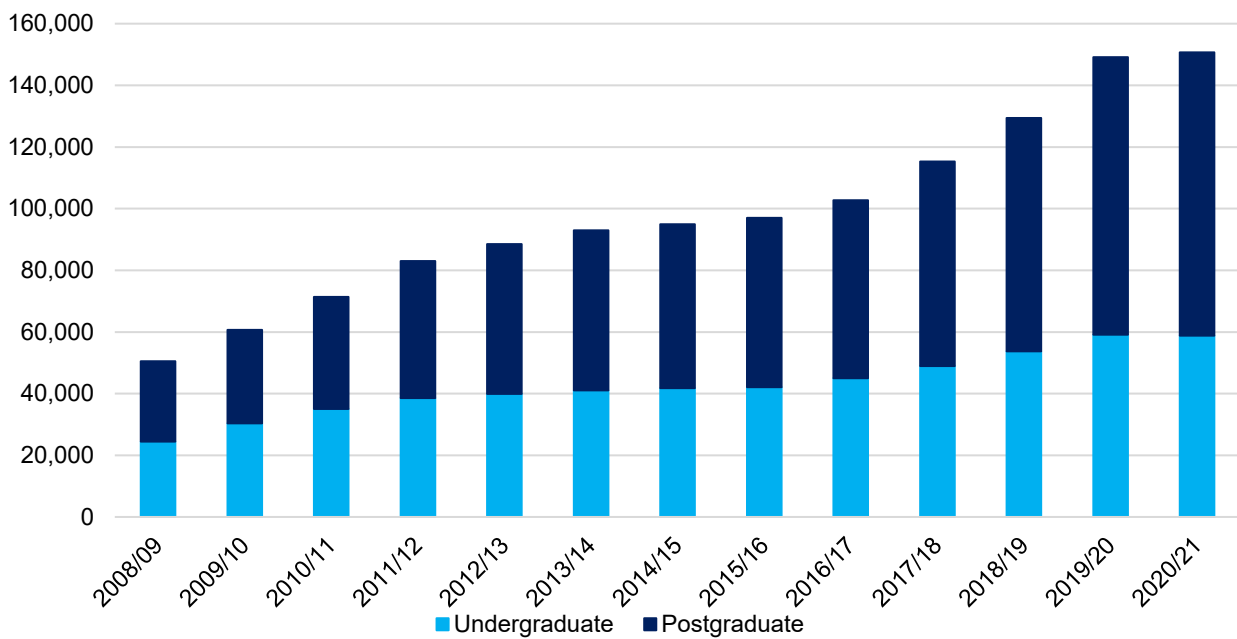
While only 81,622 study visas were issued to Chinese nationals in 2021, HESA data shows that 98,250 new Chinese students enrolled on UK HE programmes for the 2020/21 year. This apparent discrepancy is primarily due to the large number of Chinese students (approximately 16,000) studying online from China because of the pandemic. Indeed, about half of the UK's international students who studied online from their home country in 2020/21 were based in China. This trend was supported by clear messaging from China's Ministry of Education that online study of HE programmes originally intended for face-to-face instruction would be recognised during the pandemic.

²⁵ [Global flow of tertiary-level students](#), UNESCO

²⁶ The figure of 150,000 includes Chinese visiting exchange students and Chinese students writing up their theses or on sabbatical in the UK and thus exceeds the figure published on HESA's website (143,820). www.hesa.ac.uk/data-and-analysis/sb262/figure-11

Growth in Chinese students enrolled in UK HEIs for undergraduate courses has increased significantly over the last decade, from 24,000 in 2008/09 to nearly 59,000 in 2020/21. However, the number of Chinese postgraduate students has been consistently higher than the number of undergraduate students in the UK, partly due to the high level of competition for postgraduate courses within China. 61 per cent of Chinese students coming to the UK for HE programmes are on postgraduate courses, up from 52 per cent in 2008/09. Contributing to the attractiveness of UK postgraduate study is the fact that most UK master's degrees can be completed in one year. This makes the UK a less expensive postgraduate study option than the US and Canada, where masters programmes typically last for a duration of two years.²⁷

Figure 7: Chinese students in HE programmes in the UK



Source: HESA

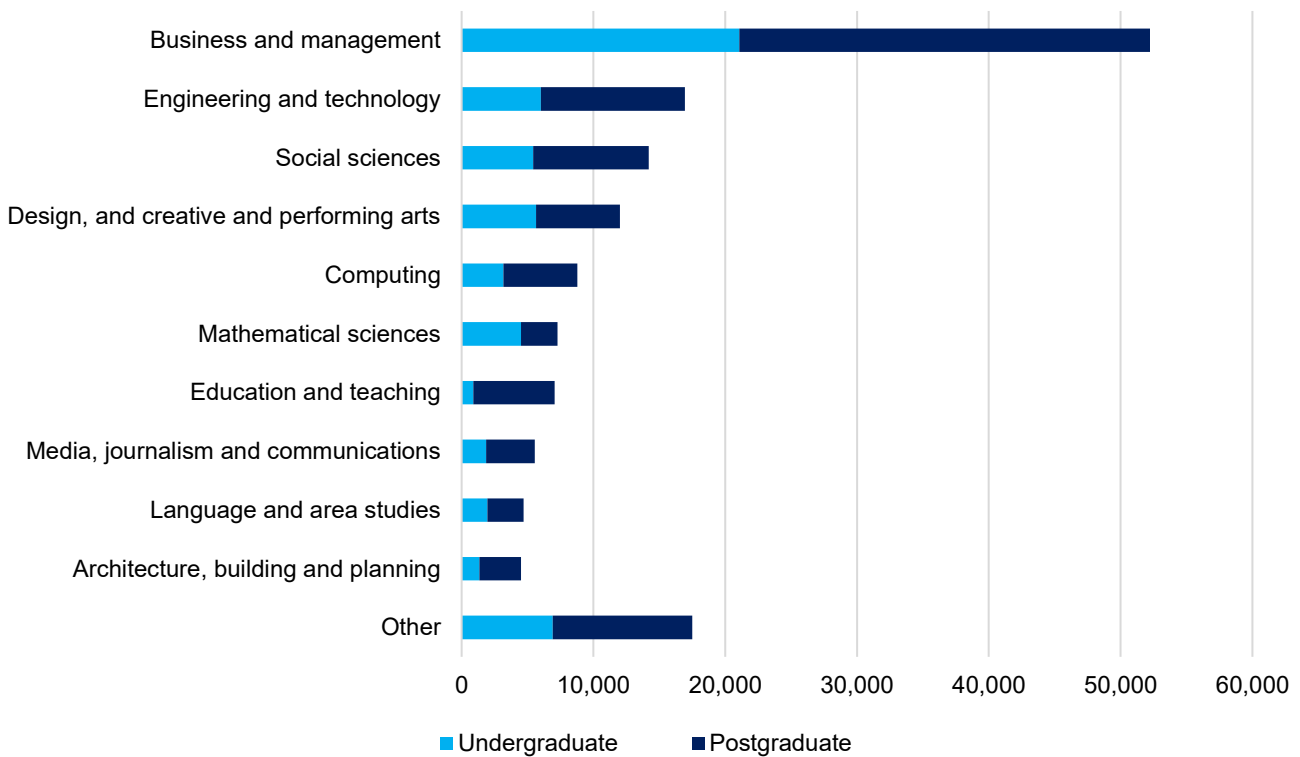
In terms of subject areas, business and management is by some distance the most popular broad subject area with Chinese students, both at the undergraduate and postgraduate level. Overall, 52,225 students studied business and management in 2020/21, which represents 35 per cent of the overall total. The next most popular subject choices with Chinese students are engineering and technology (11 per cent of the overall total), social sciences (9 per cent) and design, creative and performing arts (8 per cent). Mathematical science is a popular choice at undergraduate level and 5th most popular subject area, but is less popular at a postgraduate level, ranking 9th.

Compared to five years earlier, the subject choices of Chinese students have remained largely stable, with four of the top five most popular subjects in 2020/21 the same as those identified in 2015/16. However, computing is now ranked as the 5th most popular subject for Chinese students in 2020/21, up from 9th in 2015/16. Meanwhile, language and area studies has fallen from 5th most popular subject in 2015/16 to 9th in 2020/21.

²⁷ [Postgraduate study in the UK](#), Study UK, British Council



Figure 8: Subjects studied by Chinese HE students in the UK, 2020/21



Source: HESA

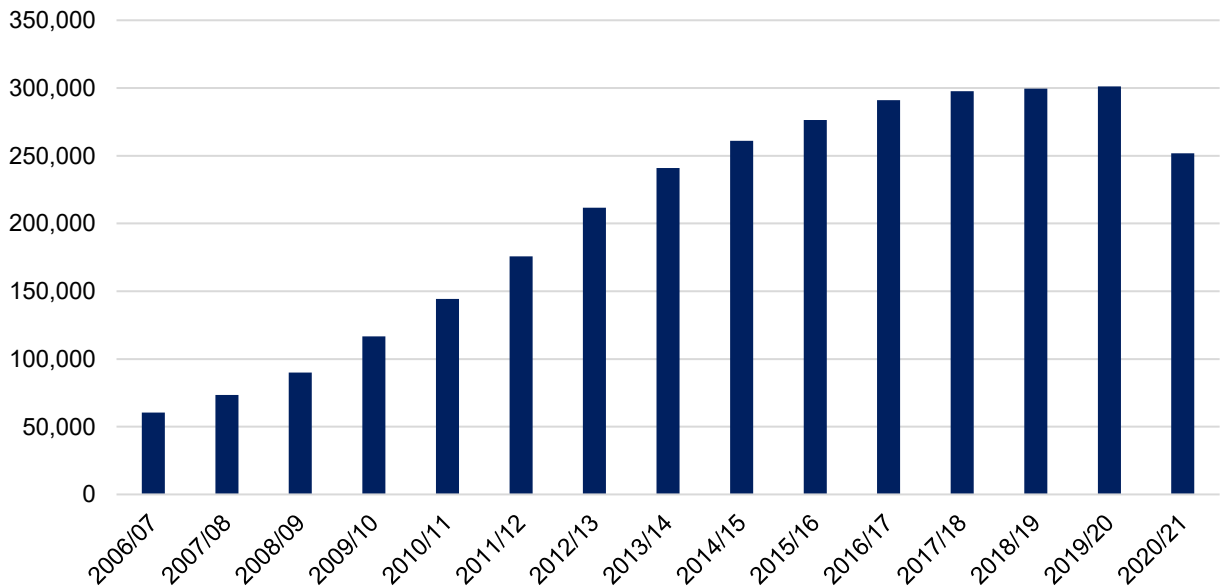
Chinese international students in the UK have historically shown a preference for Russell Group institutions, with 103,530 enrolled in Russell Group institutions in 2020/21, which represents 69 per cent of all Chinese tertiary students in the UK. In comparison, Russell Group enrolments as a share of total enrolments in India peaked at 36 per cent in 2016/17, much lower than the share seen in China. The Russell Group share of the total in China has been increasing year-on-year for more than a decade, reflecting that Chinese internationally mobile students are placing greater weight on the reputation of the institutions where they choose to study.

After increasing every year since 2006/07, the volume of Chinese international students enrolled at US HEIs declined in 2020/21 by 16 per cent.²⁸ This was primarily the result of the Covid-19 pandemic affecting the ability of international students to study at a US university for the first time or as a new international student. The decline in Chinese enrolments in the US in 2020/21 was closely aligned to the decline in total international student enrolments in the US, showing that the decline in students from China was broadly aligned to the scale of declines seen across many other source markets during the pandemic. Despite the 16 per cent decline, China remained the largest source market for international students for the US, contributing around one third of the total in 2020/21.

²⁸ US international student data for 2020/21, for the first time, included students who studied online from their home country. While there is no detailed breakdown available for this within the published data, it is expected to have been significant, especially for Chinese students, as was the case in the UK.

The rate of growth in the number of Chinese international students studying in the US slowed significantly in recent years, with tightened visa restrictions and political tensions between the two countries rising under the Trump administration. However, looking ahead, the Biden administration has sought to provide a more accommodative environment for international students, including the cancellation of a proposal to limit international student visa to four years, which may lead to a resurgence in the growth of international students flows from China to the US in future.²⁹

Figure 9: China HE enrolments in the US



Source: IIE (Note: OPT students excluded)

After several years of stagnation, enrolment of Chinese international students in Australia grew strongly between 2015 and 2019, rising from 96,762 to 164,334 which represents an increase of almost 70 per cent over the course of just four years. Australia’s success in the Chinese market has been attributed to its post-study work and immigration opportunities, appealing study programmes and slightly lower costs when compared to the US.

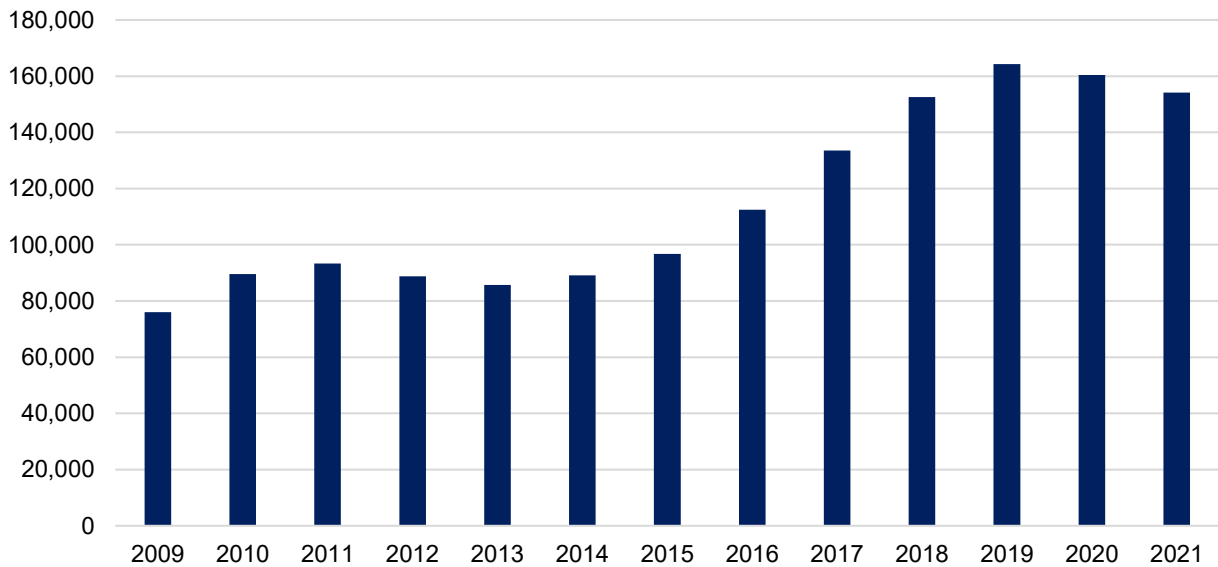
However, after peaking at above 164,000 students in 2019, declines in Chinese international students studying in Australia were recorded in 2020 and 2021, with the volume of student enrolments down to 154,209 by 2021, a decline of around 6 per cent compared to the 2019 level. This is partly explained by political tensions between China and Australia, with the Chinese Ministry of Education officially alerting students of safety concerns in both 2020 and 2021, as well as the highly restrictive border control and international travel policies employed by the Australian government after the onset of the Covid-19 pandemic. However, in late 2021, the government temporarily extended work rights for international students and is offering other incentives such as visa application fee refunds to entice international students back, which could help facilitate a return to the pre-pandemic upward trajectory of student flows from China to Australia.³⁰

²⁹ [Four-year international student visa limit reversed](#), Study Group, July 2021

³⁰ [Australia: International enrolments down 17% in 2021](#), ICEF monitor

It is important to note that given its academic year starts in February, inbound student flows to Australia were largely shielded from the impact of the pandemic in 2020. Borders closed from March 2020 to December 2021, meaning that international student recruitment was exclusively online during this period. The propensity for students to enroll online generally exceeded expectations, but students are expected to revert back to physical mobility as soon as possible as the pandemic subsides.

Figure 10: China HE enrolments in Australia

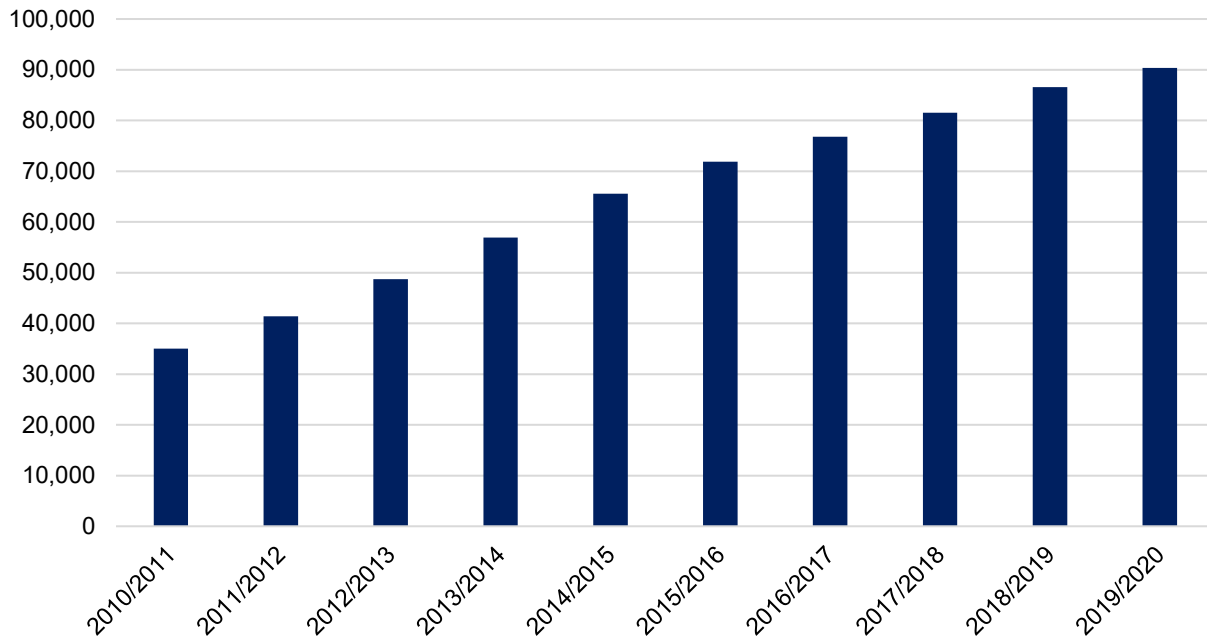


Source: AusTrade

Canada has made a concerted effort to attract more international higher education students over recent years and has committed significant funds each year to aid its branding and marketing efforts. This has contributed to a significant increase in the number of Chinese international students in Canada, rising from around 35,000 in the 2010/11 academic year to more than 90,000 in 2019/20. Canada’s strong performance in attracting Chinese students over recent years has also been aided by the negative “Trump effect” and stricter visa policies for international students in the US which saw the number of Chinese students in the US plateau in recent years, enabling Canada to gain market share. Data reflecting the impact of Covid-19 on inbound international students from China to Canada has not been published at the time of writing but are expected to have been broadly similar to that experienced by the US, with the total number of new study permits issued by the Canadian authorities falling to 255,000 in 2020, from around 400,000 in 2019. However, in 2021, new study permits rose to an all-time high of 450,000, indicating a strong bounce-back in inbound international students to Canada.³¹

³¹ [Canada welcomed 450,000 new international students in 2021: an all-time record](#), CIC News, March 2022

Figure 11: China HE enrolments in Canada



Source: StatCan

Prior to the Covid-19 pandemic, the Chinese Ministry of Education launched the Study in China plan, which aimed to increase the international student population in China. The goal was that by 2020 China would host 500,000 international students (including 150,000 degree-seeking students) through scholarships and increased offer of courses via English-medium instruction. According to data published by the Ministry of Education, China was well on track to achieve this target, with the total number of international students in Chinese higher education at 492,185 (including 258,122 degree-seeking students) in 2018. Two-thirds of the inbound international students to China were from Asia, with particularly large flows coming from South Korea and Japan.³² However, with strict border controls introduced in China in the wake of the pandemic, the number of international students is expected to have contracted in 2020/21 and 2021/22. Indeed, as of April 2022, China was still only permitting the return of a small number of foreign students to the country.³³

³² [China's 2020 target: reshaping global mobility flows](#), European Association for International Education, January 2020

³³ [When can international students go to China?](#), China admissions, April 2022

5.2 Transnational education and distance learning

Chinese law does not allow overseas higher education institutions to independently teach their own courses in China.³⁴ The Ministry of Education accepts three kinds of transnational education (TNE) partnerships:

- individually approved joint degree programmes between a Chinese and overseas higher education institution;
- joint institutes offering multiple connected programmes; and
- full joint universities with independent legal entity and degree-awarding powers.

TNE partnership may only be approved if they meet strict requirements, the most prominent of which are that a minimum of one third of teaching hours and one third of modules to be delivered by staff of the overseas partner in China – this means that UK universities are not able to offer franchised programmes that award an overseas degree based entirely on teaching delivered by the local partner.

Approval for TNE partnerships is given on a case-by-case basis through a complex process and it is not unusual for applications to be denied even if they meet all formal published requirements. Notable approval trends noted by the British Council include a preference for subject areas that meet China's development needs, a strong preference for programmes that allow students to study their whole course in China without needing to travel abroad, and an unwillingness to approve new joint universities (which typically need support at the highest levels of government). Student enrolment quotas and tuition fees need to be approved by the Ministry of Education, which must be considered at the planning stage to make sure that a proposed partnership is financially sustainable

There are typically no campuses fully owned by a foreign education provider within China. However, in August 2020 it was announced that Germany's Bielefeld University of Applied Science will set up China's first institution of higher education wholly owned by a foreign university, in the country's southern-most province of Hainan. In 2020, there were nine international campuses in total in China that were established as independent legal entities, with two from the UK.

The UK has led the development of courses and education qualifications in mainland China, with over 240 joint degree partnerships (where there is a collaboration between two or more institutions on a joint study programme leading to a joint degree) in operation in 2022. The UK cooperative partnership accounts for around one-fifth of all Chinese-overseas joint programmes and institutions at the bachelor's degree level and above.³⁵ There are 37 UK China joint institutes, including 35 institutes without independent legal entity status and two cooperative universities with their own independent legal entity status.

According to HESA, in the 2020/21 academic year, enrolments on UK TNE and distance learning programmes in China totaled 61,495, which represents an increase of 24 per cent compared to

³⁴ [International Campuses](#), C-BERT, November 2020

³⁵ British Council analysis of China MoE data

the previous year. China is the largest TNE market for UK HEIs, followed by Malaysia (48,460), Sri Lanka (37,175), Singapore (27,875), Egypt (23,805) and Hong Kong SAR (22,480).³⁶

Distance learning has played an important role in China's higher education system over recent years, including before the onset of the Covid-19 pandemic. In 2020 more than 8.5m students in China were enrolled on domestic distance learning HE programmes, including 3.1m studying bachelor's degrees and a further 5.4m on diploma-level programmes. These figures do not include the millions of students whose courses were temporarily moved online during the pandemic.³⁷

However, the number of Chinese students studying UK distance learning programmes is much smaller, with only 3,240 in 2019/20 (excluding students forced online during the pandemic). Distance learning students tend to make up a much smaller proportion of Chinese students enrolled on UK programmes compared to their share within the domestic Chinese HE system.

While China and the UK signed an agreement for mutual recognition of degrees in 2003, the Chinese Government do not recognise UK distance learning programmes in China. Qualifications awarded through overseas universities' distance learning programmes are currently not recognised by the Ministry of Education, which means that these degrees can't be used to gain employment at government departments, state-owned companies, or other companies or institutions that confirm employees' degrees through the Ministry of Education's degree verification system. However, this lack of official recognition does not prevent private employers from accepting overseas distance learning qualifications.

During the pandemic, the Ministry of Education relaxed its policy on accepting qualifications earned through online and distance learning, allowing students enrolled at overseas universities to study online if it was not possible for the student to travel abroad to study in person. But the Ministry of Education has been clear that this applies only to students admitted to traditional full-time face-to-face programmes, whereas programmes originally designed as distance learning will not be recognised.

Interviews with Chinese employers and with institutions offering online qualifications show that many employers do not see distance learning qualifications as comparable with those earned through traditional degree programmes. This is both because they see the courses themselves as being of lower quality – due to less contact between students and academics – and also because distance learning programmes from Chinese universities tend to be less selective than full-time on campus programmes from the same universities.

Chinese students who enroll on overseas distance learning programmes tend to be at the senior management level and work in multinational companies. They almost entirely enroll on master's degree programmes and are generally self-funded, although a few companies do offer partial funding. Business-related subjects are the most common, with MBA courses being especially common. A second relatively prominent group of distance learning students is foreign citizens working in China; this group of students is looking for internationally recognised qualifications and are less concerned than local citizens about Chinese government recognition.

³⁶ [The scale of UK TNE, 2020/21](#), *Universities UK*, February 2022

³⁷ [Online higher education provision in China](#), *British Council*, March 2022

There is an expectation that domestic distance learning will expand over time, partly due to strong Chinese government support for the sector as well as technological advancement and lessons learned through the Covid-19 pandemic. However, while some expect an increase in blended learning, entirely online courses are not expected to displace traditional face-to-face degrees. For overseas distance learning programmes, the main hurdle will continue to be government recognition. There are no immediate plans to recognise online distance learning programmes, but China intends to promote its own education overseas, including via bilateral recognition agreements over the medium to longer term. Chinese government officials also see quality assurance as an important area for development and sees cooperation with partners such as the UK's Quality Assurance Agency (QAA) as a way to share knowledge and address common challenges.

6 UK Cooperation

For over two decades China has been the UK's largest source of international students, and since 2020 is also the UK's largest TNE market. Further, China is set to overtake the US to become the world's biggest spender on R&D and to become the UK's most significant research partner. Research collaboration between China and the UK has increased from around 750 papers per year in 2000 (1 per cent of UK output) to 16,267 papers in 2019 (11 per cent of UK output). There are now 20 subject categories in which collaborations with China account for more than 20 per cent of the UK's high-impact research.³⁸

Concerns have been raised in recent years over the UK's growing reliance on China as a source of tuition fee income and research funding and the potential detrimental impact that this could have in terms of the academic freedom of UK HEIs. According to Universities UK, "the vast majority of international partnerships are highly beneficial to all parties and augment the UK's standing on the global stage". In August 2021, Universities UK published guidelines to better safeguard the UK higher education sector against security-related risks that can result from international collaborations.³⁹

Facilitating enhanced linkages between the UK and China are a wide range of higher education and research partnerships and collaborative initiatives, the most significant of which are summarised as follows:

Science and research:

The **Newton Fund** - managed by the UK's Department for Business, Energy and Industrial Strategy, with the British Council as a delivery partner - builds research and innovation partnerships with partner countries to support their economic development and develop their research and innovation capacity for long-term sustainable growth. The Newton Fund allocated £200m between UK and China between 2014 and 2021, covering three broad categories of activities: improving science and innovation expertise, researcher collaborations, and innovation partnerships.

The **Oxford Suzhou Centre of Advanced Research** (OSCAR), established in 2018, is Oxford University's first overseas centre for research in physical and engineering sciences. An international partnership between the University of Oxford and the Suzhou Industrial Park in Jiangsu Province in China, the aim of the centre is to promote collaboration between Oxford and existing research partnerships in China, as well as identifying new collaborations opportunities.

Student mobility:

The **Generation UK** initiative was launched by the British Council in 2013. It aims to help UK students and graduates to boost their employability, enhance their long-term job prospects and develop a global mind-set through study and work experience opportunities in China. Since the launch, more than 67,000 young people from the UK have participated in study, internship and teaching programmes across China.

³⁸ [The China question: managing risks and maximising benefits from partnership in higher education and research](#), Kings College London & Harvard Kennedy School, March 2021

³⁹ [New guidance can ensure universities protect and develop international partnerships](#), Universities UK

Partnerships:

The British Council's **Going Global Partnerships** programme was launched in 2021 to support partnerships between universities, colleges, education policy makers and industry partners in the UK and around the world. Funding is available to UK universities for projects that strengthen academic collaboration and enhance higher education internationalisation between the UK and China.

The **UK-China Joint Institute Alliance** is a partnership of UK and Chinese institutions, set up in 2017 and coordinated by the British Council, working together to boost the development and management of UK-China TNE joint institutions and to drive innovation and quality in TNE delivery in China. The Alliance programme is delivered via meetings, workshops, working papers, TNE conferences in China, training and capacity building.

The **UK Jiangsu World Class University Consortium** is a consortium of over 40 leading British and Jiangsu universities committed to developing world class joint research and international talent through teaching, leadership training and TNE. The aim of the programme is to encourage partners to build capacity and increase mobility opportunities for staff and students, promoting knowledge exchange between industry and universities.

Languages:

The **Mandarin Excellence Programme** is funded by the Department for Education and delivered by the UCL Institute of Education in partnership with the British Council. Between 2016 - 2020, the programme exceeded its target of seeing at least 5,000 pupils in England on track towards fluency in Mandarin Chinese by 2020, has had a positive impact on the supply of Mandarin teachers and increased the number of opportunities for teaching practice.

The British Council's **English in Education** programme focuses on improving the standards of teaching, learning and assessment of English in several countries, including China. The programme aims to strengthen existing teacher development systems through the development of teacher educators, effective use of technology and integration of inclusive practices.