

Education development in China's Hainan Free Trade Area

Opportunities for UK education institutions

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Introduction

In April 2018, the Chinese government announced that the province of Hainan – a tropical island in the South China Sea with a population of around nine million – would be transformed into the country’s largest free-trade zone by 2020. In order to support this policy, the province intends to attract high-quality education providers to set up branches on the island – including overseas institutions as well as those from other parts of China.

Hainan aims to encourage international education cooperation and investment at all levels, including international schools, university-level transnational education institutes, vocational training schools and bases for short-term “study tourism”. These institutions will help to bring in talented students and reduce the number of people moving away as well as making the province more attractive to the skilled professionals who will be needed to develop Hainan’s economy.

To better understand the opportunities in Hainan for UK education providers, the British Council and the Department for International Trade (DIT) China jointly conducted a combination of desk-based research, telephone interviews and in-person interviews with key stakeholders in Hainan and in China’s Ministry of Education.

The research is divided into two phases. **Phase 1** led by the British Council focuses on opportunities for the UK vocational and higher education sectors – specifically in transnational education.

Phase 2, led by DIT China, will focus on specific opportunities for the setting up of international schools (including early years) and will be available later in 2019.

The research presented in this report analyses Hainan’s current socio-economic environment and domestic education system; the current international education environment in terms of partnerships, international schools and inbound and outbound student flow; and recent and likely future developments in terms of policies supporting overseas institutions considering entering the Hainan market. It concludes with a review of potential opportunities in Hainan for UK vocational and higher education institutions.

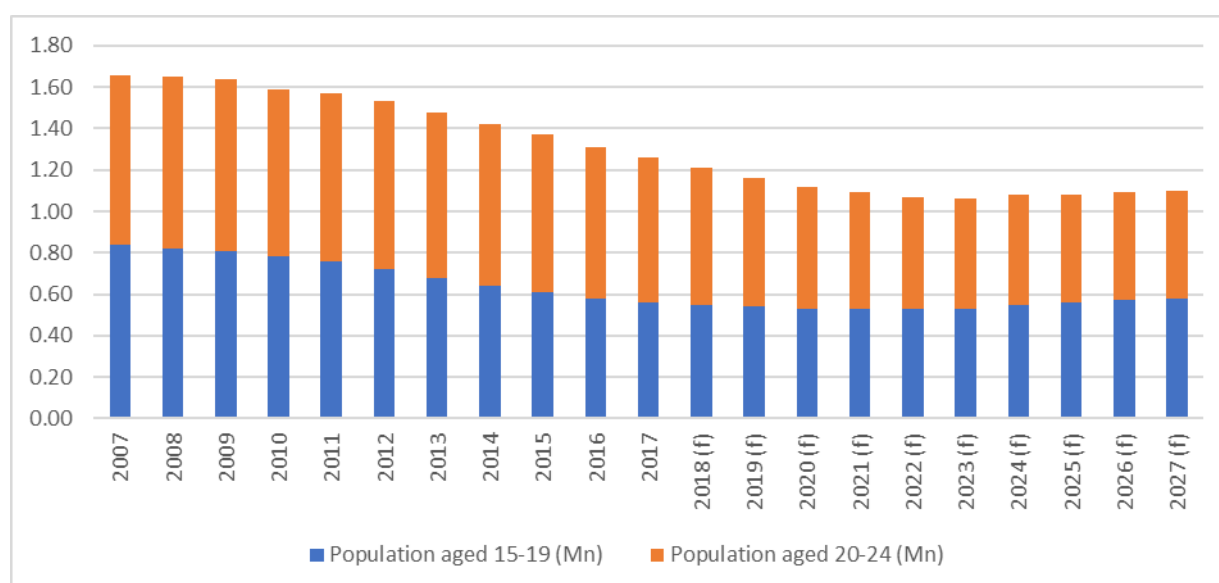
Economic and Demographic Overview

Hainan is one of China's least-populated provinces, with a population of around 9.1 million as of the end of 2017 – higher only than Tibet, Qinghai and Ningxia. Around 2.0 million people live in the provincial capital Haikou, with a further 540,000 in the next-largest city Sanya.¹

Roughly 1.26 million of these residents are in the 15-24 age group, representing almost 14 per cent of Hainan's total population – around one percentage point higher than in the country as a whole.

However, as with China as a whole, Hainan's student-age population has fallen substantially over the last few years – both in absolute terms and as a proportion of the total population. The number of people in the 15-24 age group has dropped by almost a quarter in the last 10 years, even as the province's total population has increased. The Economist Intelligence Unit (EIU) forecasts that this group will fall further to around 1.06 million by 2023 before recovering slightly to reach 1.1 million in 2027 – around 13 per cent lower than the number in 2017.

Figure 1: Hainan's student-age population over time



Source: Economist Intelligence Unit

In economic terms, Hainan ranks 16th out of Mainland China's 31 provincial-level administrative regions in terms of both per-capita GDP and average urban disposable income. However,

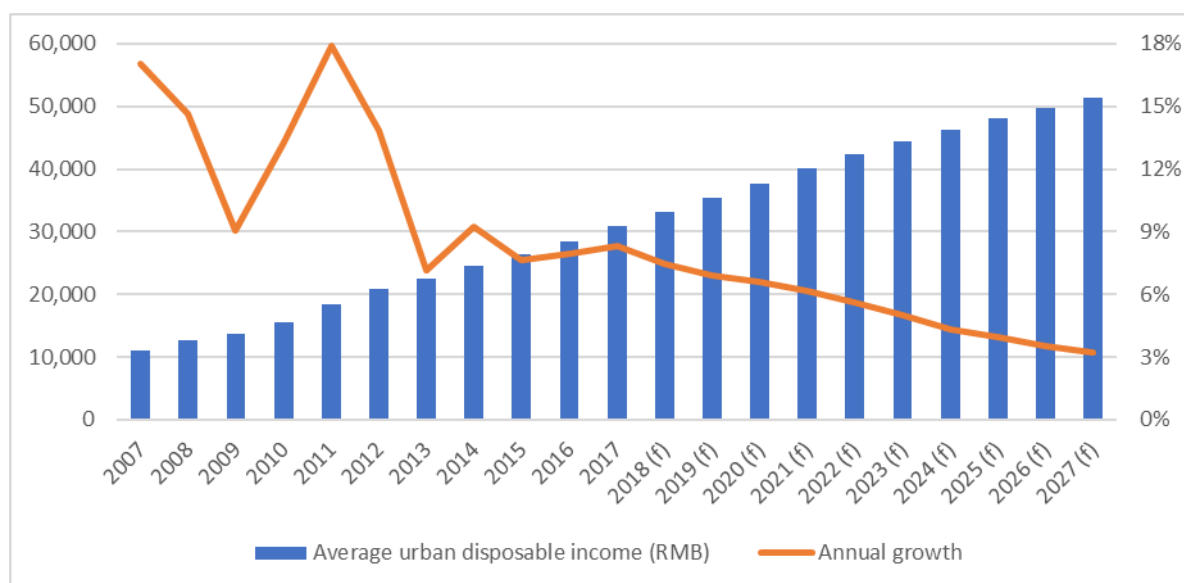
¹ Economist Intelligence Unit, 2019. City data given in this report refers to the respective cities' metropolitan area and not their larger administrative regions which include the surrounding rural area. The whole region administered by Haikou City had a population of 2.8 million as of the end of 2017, while Sanya officially had a population of 806,000.

Hainan’s average urban disposable income of around Rmb30,800 in 2017 is well below the level seen in developed coastal provinces such as Jiangsu, Zhejiang or Guangdong, and is less than half of the level seen in Beijing and Shanghai.²

The bulk of Hainan’s wealthy residents – who would likely make up the main market for UK education services – are concentrated in Haikou and to a lesser extent Sanya. The Economist Intelligence Unit estimates that around 76,000 Hainan residents had an annual disposable income of over Rmb100,000 (£11,500) in 2017, of whom around 48,000 lived in Haikou and a further 13,000 lived in Sanya. Haikou is ranked 78th in the country by this metric, well behind most other provincial capitals, while Sanya only narrowly makes the list of top 200 cities.

Over the next decade Hainan’s economy is forecast to grow by an average of 4.1 per cent per year in real terms – substantially lower than the national average. Similarly, the EIU forecasts that the average urban disposable income in the province will increase at an average rate of 5.1 per cent per year (not adjusted for inflation), which it ranks as 26th among mainland China’s 31 administrative regions.

Figure 2: Hainan’s average urban disposable income over time



Source: Economist Intelligence Unit

Details of plans to establish Hainan as a free trade zone were revealed in 2018, aiming to stimulate the province’s economy by increasing openness in key sectors and encouraging overseas investment, as well as aiming to increase overseas tourism to the island.

² Disposable income refers to income after taxes. It should not be confused with discretionary income. education-services.britishcouncil.org

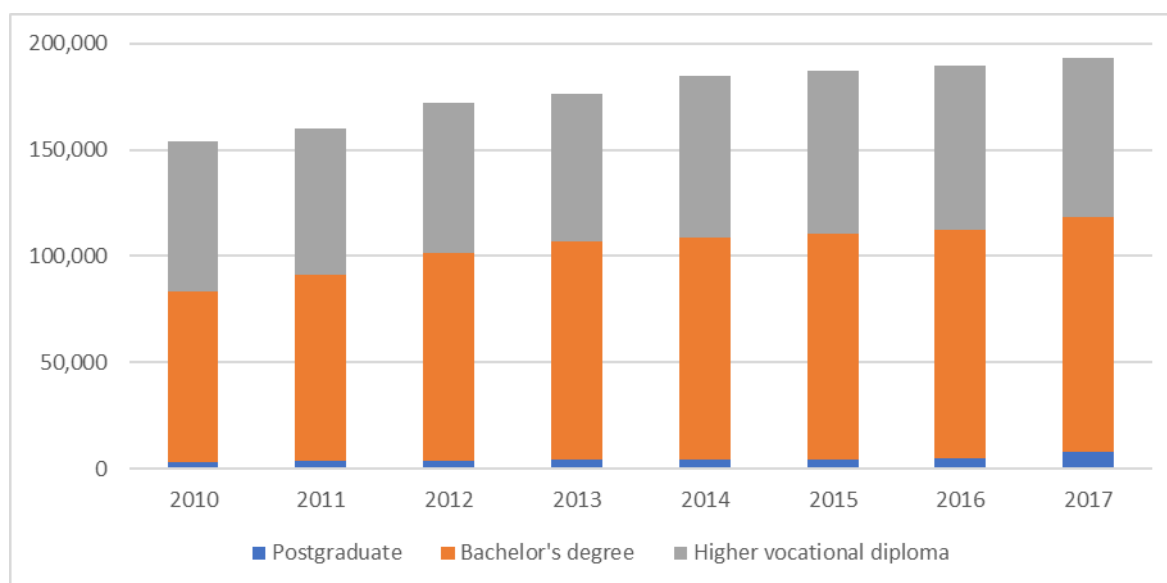
Education in Hainan

Hainan follows the same education system as the rest of mainland China, with nine years of compulsory education – six years of primary school and three years of lower secondary – followed by three years of upper secondary education at either academic or vocationally-focused senior high schools.

According to official statistics Hainan had an entrance rate to upper secondary education of 90.6 per cent, above the national average of 88.3 per cent. However, Hainan's upper secondary students were somewhat more likely than average to be enrolled in vocational high schools, with this group representing 41 per cent of all upper secondary enrolments compared to 35 per cent nationally.

The province currently has 19 higher education institutions, with around 193,000 enrolled students as of the end of 2017. These include eight universities with the power to award bachelor's degrees (including one, the Haikou Institute of Science and Technology which was upgraded from a higher vocational college in 2018 and has not yet admitted its first cohort of bachelor's degree students) plus a further 11 higher vocational institutions teaching three-year diploma courses. The number of bachelor's degree students in Hainan has increased by over a third since 2010, while postgraduate student numbers have increased to around 2.6 times their previous number.

Figure 3: HE students in Hainan



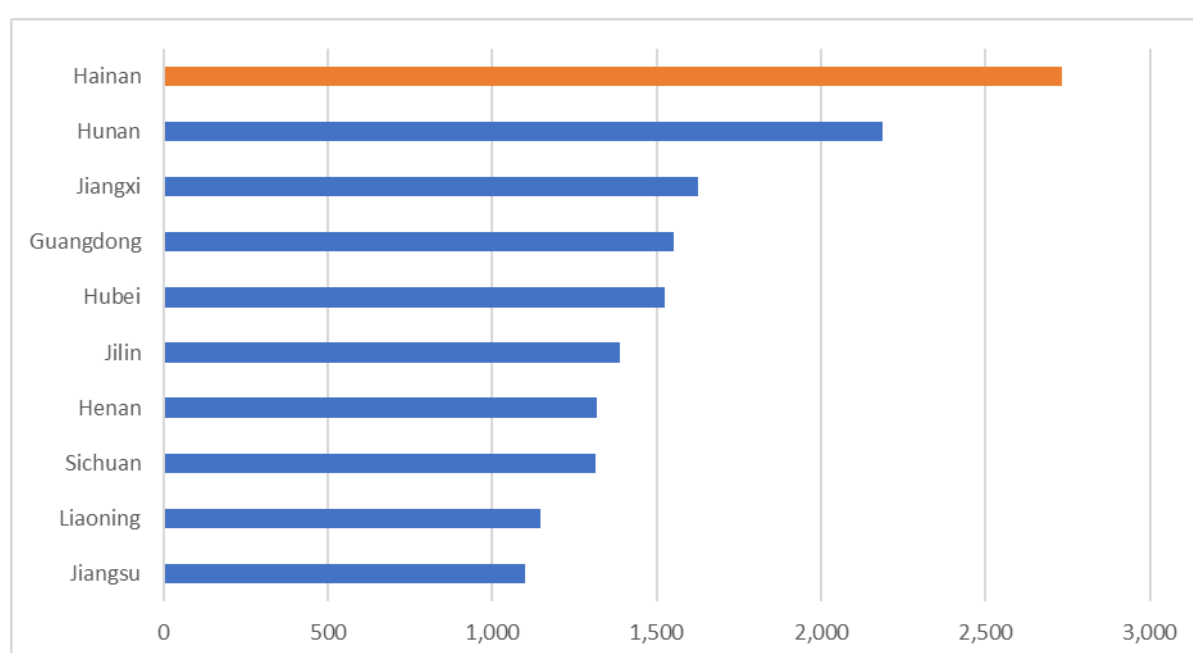
Source: Ministry of Education

Hainan's pattern of HE student flows is different to most other parts of China. According to education-services.britishcouncil.org

statistics compiled by China Education Online (a service operated by the Ministry of Education), more than 90 per cent of Hainan residents starting bachelor's degree courses in 2015 enrolled in universities outside their home province – well above the national average even in less-developed provinces. At the same time, a large majority of places at Hainan's own universities are allocated to out-of-province students; this is unusual as the only other provinces where less than a third of students are local are the highly-developed municipalities of Beijing, Shanghai and Tianjin.

Other than Hainan itself, the leading provinces where local students go to university include Hunan, Jiangxi, Guangdong, Hubei and Jilin. Meanwhile, the top sources of incoming domestic students are Henan, Hebei, Anhui, Guizhou and Zhejiang.

Figure 4: Domestic study destinations of new bachelor's students from Hainan, 2015

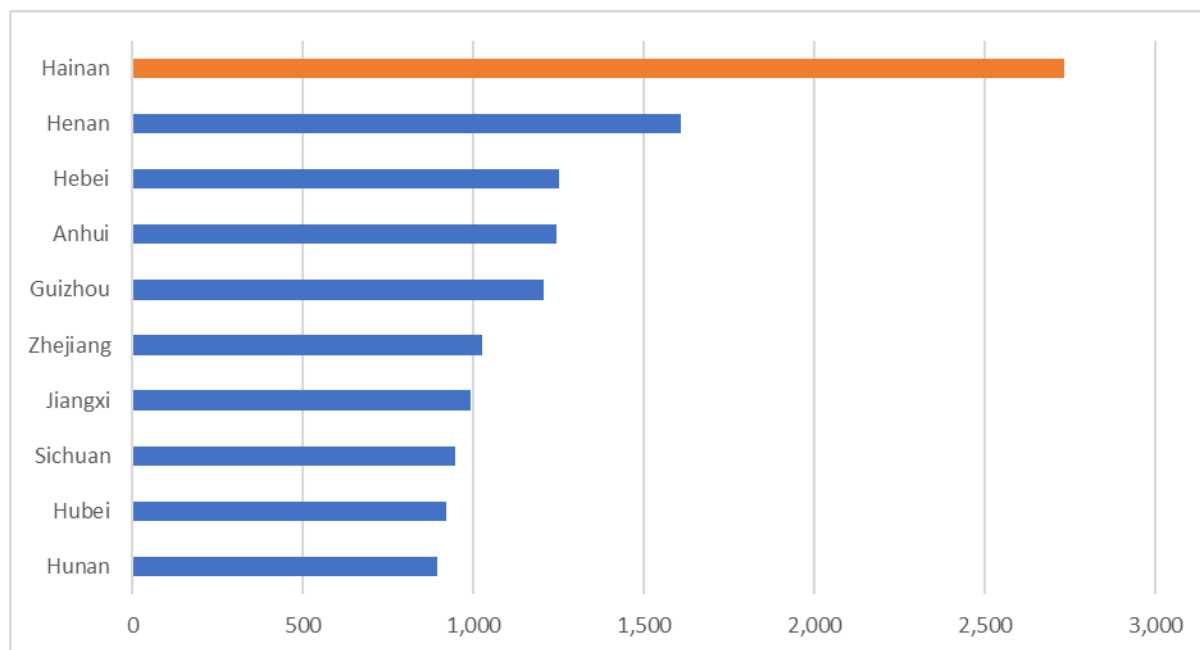


Source: China Education Online; British Council analysis

Only one of Hainan's universities is a member of the country's World Class Universities and Disciplines funding programme. Hainan University (HNU) is included in the project at the discipline level, with Crop Science as its supported discipline. However, the quality of Hainan University is not considered comparable to the leading universities in other parts of China, and local media reported in April 2018 that over the last three years, only six of the top 500 students in Hainan's Gaokao examination had decided to study at HNU³.

³ <https://www.yicai.com/news/5415186.html>
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Figure 5: Home provinces of students starting bachelor's degrees in Hainan, 2015



Source: China Education Online; British Council analysis

International student mobility from Hainan

Hainan is not one of China's leading sources of outbound international students. According to statistics from Hainan's provincial education department, a total of 1,287 students from Hainan went overseas to study in 2017. This represents around 0.2 per cent of China's total of 608,400 outbound students that year – substantially lower than Hainan's share of the total Chinese population, which stands at around 0.7 per cent.

Another notable difference between Hainan and mainland China as a whole is the proportion of scholarship-funded students. Almost a third of outbound Hainan students in 2017 were funded by Chinese government scholarships, roughly triple the proportion among all Chinese students going overseas.

The largest single source of Hainan students going abroad is the province's top HEI, Hainan University. The university's 2018 graduate destinations report showed that a total of 271 graduates went abroad to continue their studies after completing a bachelor's degree in 2018. This represents around 3.4 per cent of all the university's bachelor's degree graduates, which is low compared to most other universities included in the World Class Universities and Disciplines (WCU) project. Of the 115 WCU institutions for which data was available, Hainan University's proportion of outbound graduates was ranked 100th.

Interviews with agents responsible for the Hainan market paint a similar picture, with interviewees reporting that the market is much smaller than neighbouring provinces – not only because of Hainan's small population, but because students in Hainan tend to have low interest in studying overseas. Only one major national agent chain has a physical presence in Hainan, with others serving the market via their Guangdong offices.

Agents agreed that the bulk of outbound students are concentrated in Haikou, which they linked to presence of the province's leading universities, as well as parents in the city placing a higher value on education. Sanya is much smaller than Haikou as a recruitment market, with other cities being even further behind. Students from Haikou also tend to be more sophisticated and rely less on agents' suggestions than those from other parts of the province.

The majority of students going overseas from Hainan aim to study at the postgraduate level, to an even greater extent than other parts of China. The UK's one-year master's degree programmes are particularly popular in Hainan, while Australia also does well due to its warmer climate. Agents also noted that students from Hainan tend not to be greatly influenced by immigration with most planning to come back to Hainan after completing their studies; this is also true of Hainan students studying in other parts of China who often return home after

graduation.

However, Hainan does have several international schools which act as a pipeline for international mobility at the bachelor's degree level. In Haikou the private Maple Leaf International School offers a Canadian curriculum at the high school level as well as integrating international elements into its primary and lower secondary curriculum. Four public institutions in Haikou also have international departments teaching an overseas curriculum at the high school level: Hainan Middle School, Hainan Guokeyuan Experimental School, and two campuses of Hainan Overseas Chinese Middle School. In Sanya the International School of Sanya offers a programme aimed at overseas citizens and is closely linked to the Sanya Foreign Language School, which offers a bilingual curriculum to students with Chinese passports; the public Hainan Lu Xun High School also has an international department. Finally, Agile Bilingual School was opened in September 2016 and is located around half-way between Sanya and Lingshui.

Aside from the major English-speaking countries, Singapore is also a popular study destination, especially at the school (as opposed to university) level. This is partly due to family connections as emigration from Hainan to Singapore has historically been common.

Although Hainan is currently a relatively small market for overseas study, agents noted that awareness of overseas study options has increased in recent years and Hainan's economic growth means that the number of families who can afford to send their children to study overseas is growing strongly. Official statistics show that the number of students from Hainan heading overseas increased by 24 per cent in 2017 compared to 2016, which is substantially higher than the national growth rate of around 12 per cent.

Current international education activities in Hainan

Five overseas HEIs currently deliver a total of seven transnational joint degree programmes in Hainan, with four different local partners. All of these partnerships are at the bachelor's degree level and most focus on the hospitality and tourism sector, which plays a major role in Hainan's economy.

Perhaps the most prominent of these partnerships is the HNU – ASU Joint International Tourism College, a joint institute at Hainan University in cooperation with Arizona State University from the US. This institute recruited its first students in 2017 and offers degrees in Tourism Development and Management, Parks and Recreation Management, and Public Service and Public Policy. The programme is taught on a 4+0 model, meaning that students study in China for four years with no overseas component.

The other four partnerships are all single joint degree partnerships, again following a 4+0 model. Three are related to hospitality and tourism – teaching hospitality management, event management and tourism management respectively – while the final partnership with St. Petersburg State University of Film and Television, Russia teaches TV directing.

Figure 6: Current transnational education partnerships in Hainan

Local partner	Overseas partner	Partnership details
Hainan Normal University (Haikou)	St. Petersburg State University of Film and Television (Russia)	Bachelor's degree in TV Directing; 4+0 model
Hainan University (Haikou)	Arizona State University (USA)	Joint institute (HNU – ASU Joint International Tourism College) offering bachelor's degrees in Tourism Development and Management, Parks and Recreation Management, and Public Service and Public Policy; 4+0 model
	Dublin Institute of Technology (Ireland)	Bachelor's degree in Event Management; 4+0 model
Hainan Tropical Ocean University (Sanya)	IMC University of Applied Sciences Krems, Austria	Bachelor's degree in Tourism Management; 4+0 model
Sanya University (Sanya)	Niels Brock Copenhagen Business College, Denmark	Bachelor's degree in Hospitality Management; 4+0 model

Source: Ministry of Education

At the sub-degree level there are also 19 diploma-level partnerships listed on the Ministry of Education's website, three of which involve UK FE colleges (Guildford College and Elmwood College respectively) working with Chinese higher vocational institutions.⁴ Business-related fields are by far the most popular, accounting for 14 of the 19 partnerships, including 6 partnerships in tourism and hospitality related fields.

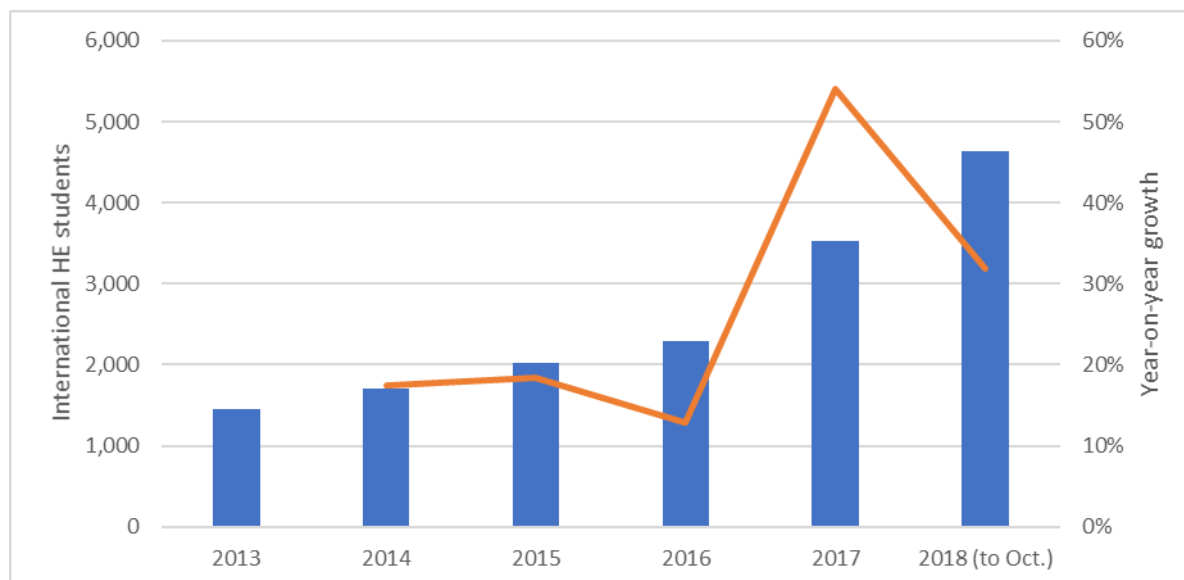
Aside from international education delivered to Chinese students, Hainan's universities also enrol a significant number of international students. This number has increased significantly in recent years – incomplete data for 2018 (covering the period from January to October) shows that overseas student numbers had more than doubled since 2016 and were three times higher than the full-year figure for 2013. Hainan is considered attractive to international students due to its pleasant climate, ecological environment and low living expenses, while government scholarships for international students are also an important driver.

An interviewee from the provincial education department commented that overseas students play an important role in the internationalisation of Hainan's higher education institutions and the local government is supporting the expansion of international student recruitment through improving education quality, standardising international student management, providing scholarships and financial aid, and helping to organise university representatives' visits to international student recruitment exhibitions overseas. The province aims to further increase incoming international student numbers, with a target of 10,000 students within the next few years.

According to an official from Hainan's education department, the majority of these international students are studying language programmes or other courses for personal development; the number of students following full degree programmes is relatively low. Nearby countries are the main senders, with the top five sending countries being Nepal, Russia, Pakistan, Thailand and Kazakhstan respectively. An analysis of Hainan's universities' international recruitment activities shows that four institutions – Hainan University, Hainan Normal University, Hainan Tropical Ocean University and Hainan Medical University – list programmes on CUCAS.edu.cn, the most popular recruitment platform for overseas study in China operated by the China Education Association for International Exchange under the Ministry of Education (CEAIE).

⁴ The MoE website is not always completely up-to-date in this area as sub-degree transnational education partnerships are approved at the provincial level – so it is possible that new partnerships have since been approved and/or some of the listed partnerships have now been cancelled.
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Figure 7: International students studying in higher education institutions in Hainan, 2013-2018



Source: Hainan provincial education department

As discussed in the previous section, Hainan has several international schools near Haikou and Sanya that offer overseas curricula. The number of these schools will expand over the next few years, partly due to the impact of the Hainan Free Trade Area. Economic development plans call for Hainan to attract a large number of highly-skilled professionals from overseas as well as from other parts of China, which will create demand for international education options for their children.

As a result, two new international schools are already planned to open in Hainan. Local media reported in September 2018 that UK school Harrow signed an agreement to open a new school in Haikou in September 2020, with separate branches for overseas and Chinese citizens. Meanwhile, Beijing University Affiliated High School in Haikou – which first recruited students in September 2018 – will open an international department in 2019 in cooperation with the University of Chicago Laboratory Schools to teach an American curriculum. This is unusual in China's current environment, as education authorities in most other parts of China are now aiming to restrict publicly-funded schools from setting up these classes.

Policy overview

Hainan's policy to support international education is closely linked to the establishment of the Hainan Free Trade Area, which will become the country's largest free trade zone by 2020. The plan was announced in April 2018 with further details released in September. Key elements of this plan include:

- Increasing openness to overseas investment, particularly in the fields of modern agriculture, high-tech industries and modern service industries. Restrictions on foreign ownership will be relaxed or eliminated in several areas, including seed production, telecommunications, insurance, ship and aircraft design and manufacturing, and construction.
- Facilitating international trade, including streamlining customs procedures, improving infrastructure, and allowing more innovation in financial services while also preventing financial risks.
- Enhancing the development of key service industries, such as medical services, trade fairs and exhibitions, and cultural tourism.
- Supporting the marine economy and the shipping industry through both physical infrastructure and associated financial and management services such as insurance and arbitration
- Enhancing tourism through encouraging cruise routes and expanding visa-free policies for international visitors.
- Increasing international cooperation in research and development, with a particular focus on agriculture, ocean science and technology, and aerospace.
- Improving the administrative environment for businesses through reforming and streamlining requirements connected with starting, expanding and closing businesses, and improving the protection of intellectual property rights.
- Making it more convenient for international talent to work and start businesses in Hainan, through facilitating work permits and establishing service channels to support overseas employees in areas such as accommodation and children's education.

In order to support this economic development, Hainan aims to attract one million new residents by 2025, including a "large number" of foreigners. Improvements in the education sector are regarded as an important element in attracting and retaining the highly-skilled

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population it needs to meet its economic development goals. In line with these policies, the Hainan provincial government announced several major priorities in the education sector in May 2018.

From an international perspective, one of the most important of these is the goal to attract top universities, both domestic and overseas, to set up branches on the island. This goal has a particular focus on four key areas: Land (agriculture); Sea (marine science and engineering), Air (aerospace design and engineering) and the creative industries. The government is looking to encourage both teaching and research, in the form of ‘satellite’ campuses (which may involve international joint institutes) and research institutes respectively.

An interviewee from one Chinese university that is in discussions with the provincial government to establish a campus in Hainan reported that the local government aims to attract four domestic universities, with one from each of the four focus areas listed above – although not all will establish full campuses. Meanwhile an official from the provincial education department named China Agricultural University, the Communication University of China, Beijing Foreign Studies University and Beijing Language and Culture University as domestic HEIs that had expressed interest in the project. The interviewee also commented that overseas universities including Cornell University and Northwestern University in the US, and a University of London member institution in the UK, had also expressed interest.

Specific details of the support offered to incoming universities will be negotiated on an individual basis with each partner. However, the Chinese university interviewee commented that both land and direct subsidies are being offered, and they also expect to receive scholarship support. Additionally, Hainan plans to develop shared infrastructure, such as student accommodation and sports facilities, which will be operated by local authorities but shared between all satellite campuses.

In broader policy terms, Hainan is seen as an attractive location for a campus due to their more flexible policies, which will allow incoming domestic universities to pilot reforms to teaching and university governance. The national-level government’s openness to this policy is seen as an important advantage for the project. Another advantage of establishing a satellite campus in Hainan is the ability for a university to expand its student recruitment, with the MoE expected to be open to an increase in enrolment quota which is difficult to achieve at the university’s home campus. The target students will not necessarily be local, and universities are expecting to recruit students from all over China to this new campus.

When the “Hainan education island” plan was initially announced, the intention was for the new satellite campuses and research institutes to be located at a hub in Lingshui, towards the south education-services.britishcouncil.org

of Hainan island near Sanya. According to the interviewee from the education department, an area of 3,800 mu (around 250 hectares or 2.5 km²) was identified for construction, of which around 2,200 mu (150 ha / 1.5 km²) will be available by 2020.

However, the university interviewee reported that some universities were not satisfied with this location due to its current lack of infrastructure and the distance from the provincial capital Haikou. A final decision has not yet been made – besides Lingshui and the outskirts of Haikou, it is also possible that the incoming university campuses will be split between these two sites.

Regardless of the eventual location, international cooperation will play an important role in the Hainan government's Education Island strategy. The government aims to encourage overseas HEIs to partner with either the incoming domestic satellite campuses or local universities, and the education department interviewee commented that they hope to establish two to three Sino-foreign joint institutes or international branch campuses as part of the development. The priority subject areas for international cooperation are the same as those for domestic universities: Land, Air, Sea, and Creative Industries, at the bachelor's, master's and PhD levels.

In general, these international joint institutes are expected to be established in cooperation with the leading domestic universities that Hainan's education authorities plan to attract to the province – although the government interviewee commented that partnerships with local Hainan universities would also be welcomed.

An interviewee from one of these domestic universities was very positive about the prospects for cooperation with overseas HEIs and said that international joint degree programmes and/or institutes would play an important role in their plans for a Hainan campus. The university was looking to work with one or more overseas universities across the same subject areas as the satellite campus's priority subject focus, potentially in a "2+1+1 model" rather than a traditional 3+1 or 4+0 format. This model would allow students to spend two years at the university's home campus, one year in Hainan and one year at the overseas partner, in order to build better connections between the different campuses.

Another key element of Hainan's international education strategy is to encourage both overseas and domestic enterprises to set up vocational training institutions in Hainan. The provincial government's policies pledge to "support worldwide top 500 enterprises and national first-class industry training institutions in establishing vocational schools and training institutions, bases and centres in Hainan". This policy will relax restrictions on foreign involvement in vocational education in Hainan. Overseas investors, including educational organisations as well as "other organisations" and even individuals, will be allowed to establish vocational training centres through sole investment as well as through joint venture or education-services.britishcouncil.org

cooperation models.

Plans announced in early 2019 call for the province to “actively introduce a number of well-known, high-end training institutions from outside the province or overseas to participate in vocational skills training in our province”. Across the vocational education sector, the province’s priorities encourage institutions to focus on their specialisms and competitive advantages, to promote cooperation with enterprises, and to keep up with cutting-edge technologies and processes.

International schools also play an important role in Hainan’s international education strategy. There are two new planned international schools in Haikou as discussed in the previous section, while Hainan’s government also aims to encourage the establishment of new international schools in the cities of Sanya, Qionghai and Danzhou. Setting up these schools will ensure that there are international education opportunities for the children of the overseas and returning Chinese professionals that will be needed to develop the Hainan Free Trade Area, and will therefore help to make Hainan more attractive to these professionals. Hainan’s international school sector will be covered in more detail in the forthcoming Phase 2 report from DIT China.

In the education sector more broadly, priorities include expanding the number of schools and kindergartens in less-developed parts of the province; encouraging and supporting the establishment of high-quality non-profit private universities; enhancing vocational education with a goal of giving each worker the opportunity to take part in at least one instance of vocational training by 2020; and encouraging well-known educational institutions to develop bases for short-term “study tourism” for both domestic and international students.

Although the national-level Ministry of Education supports Hainan’s international education strategy in principle, multiple interviewees from the Ministry advised caution when discussing potential cooperation. Hainan is not the only province looking to attract international education resources, and has limited capacity and fewer resources compared to many other parts of China. The province’s strategy has a clear vision but implementation may be difficult due to its lack of the relevant infrastructure and people with strong experience in this field, as well as Hainan’s limited attractiveness to students as a result of limited employment opportunities.

Review of Opportunities

Hainan's Education Island strategy aims to draw in leading domestic and overseas universities to set up campuses and institutes in the province, with a particular focus on four subject areas: agriculture; ocean science and engineering; aerospace design and engineering; and the creative industries.

The most obvious opportunity, therefore, is for UK HE institutions to work in cooperation with a Chinese university within this scope. China's education internationalisation strategy strongly emphasises cooperation; it is not possible for an overseas institution to deliver its programmes without a local partner.

As Hainan's policy emphasises bringing top domestic universities to the province, we expect a number of attractive partners to be available. Institutions which have announced intentions to enter Hainan or which have been mentioned by interviewees as potential partners include China Agricultural University, the Communication University of China, Beijing Foreign Studies University, Beijing Language and Culture University and Northwest University.

Local universities such as Hainan University may also be interested in working with UK institutions, and provincial education officials would welcome this cooperation, but this is not the main thrust of the policy.

For teaching-based partnerships, opportunities exist at bachelor's degree, master's or PhD level. Potential models include joint degree programmes and joint institutes without independent legal entity; setting up a full branch campus (joint university with independent legal entity) would likely still be very complicated and face close scrutiny from the Ministry of Education despite provincial support.

Domestic universities considering a campus in Hainan aim to attract students from across the country to Hainan rather than relying on local students. This will be even more important for transnational education programmes as the level of interest in international education in Hainan is lower than in many other parts of China.

In the vocational education sector, the Hainan Free Trade Area will allow training institutions to be fully foreign-owned rather than requiring a Chinese partner. Both "high-end training institutions" and "worldwide top 500 enterprises" are encouraged to invest in this field, and overseas institutions are mentioned alongside those from across China. However, there would also be significant difficulties for a UK institution wishing to operate a training school in Hainan without a local partner.

One important challenge to be aware of in the vocational field is that the number of students entering higher vocational diploma programmes in Hainan has fallen in each of the last three years, from around 28,500 in 2014 to 24,100 in 2017, which may suggest limited student demand at this level of education. Students in Hainan, like their counterparts elsewhere in China and indeed across the world, are increasingly choosing bachelor's degrees over vocational qualifications; in addition, the students who enrol in vocational programmes tend to be less academic and delivering programmes in English would likely be a challenge. Although niche opportunities may still exist in the college sector, prospects may be stronger in the continuing education field given the expected increase in demand for skilled employees as a result of the Hainan Free Trade Area.

UK educational institutions should also be aware of several factors which make Hainan less attractive than some other provinces in the international education field. Local students show less demand for overseas education than in more developed parts of the country, while Hainan's lack of major employers or industry clusters would also make it more difficult for a transnational education institution to attract large numbers of students from other provinces. The uncertainty still surrounding the site for Hainan's new satellite campus developments is also a concern; if the Lingshui site is chosen, the current lack of infrastructure and relatively remote location may make it unattractive to both students and UK academic staff.

As a result, education institutions should be careful to choose their fields of cooperation carefully, focusing on areas where the partnership will add value and be attractive to potential students. It is important to work with local industry to ensure employability, and to choose partnership models that are suitable for the local context. HEIs should also bear in mind that Hainan is not the only province with local policies encouraging international education cooperation. Some institutions, especially universities whose strengths do not lie in the four prioritised subject areas, may find that there are better opportunities elsewhere.

More broadly, UK education providers should make a careful analysis of the financial sustainability of any teaching partnerships. This is particularly true of partnerships that rely on a large number of Chinese students articulating to the UK for part of their course. Many UK universities have found that the proportion of students preferring to stay in China has often been higher than projected.

Aside from teaching, research cooperation is another area with significant opportunities in Hainan – especially in the fields prioritised by the provincial government. There is a wider range of opportunities to establish or deepen cooperation in these areas, from individual research projects to full joint research institutes and cooperative PhD training. Again, the best

potential partners are the leading domestic HEIs that have been invited to set up satellite campuses or research bases in Hainan, although there are also opportunities with local universities.

For both teaching and research, UK institutions should build up relationships with local partners and consider starting from less-intensive forms of partnerships such as staff or student exchange and joint research projects, rather than rushing directly into resource-intensive partnerships such as delivery of transnational education.

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– The End –