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The new Chinese metropolises: A guide to opportunities in emerging cities for higher education

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Kevin Prest, British Council

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EDUCATION IS GREAT BRITAIN

I. **China macro trends**

II. What makes a city attractive?

III. Benchmarking Chinese cities

IV. Which cities are the most attractive overall?

V. Conclusions and recommendations

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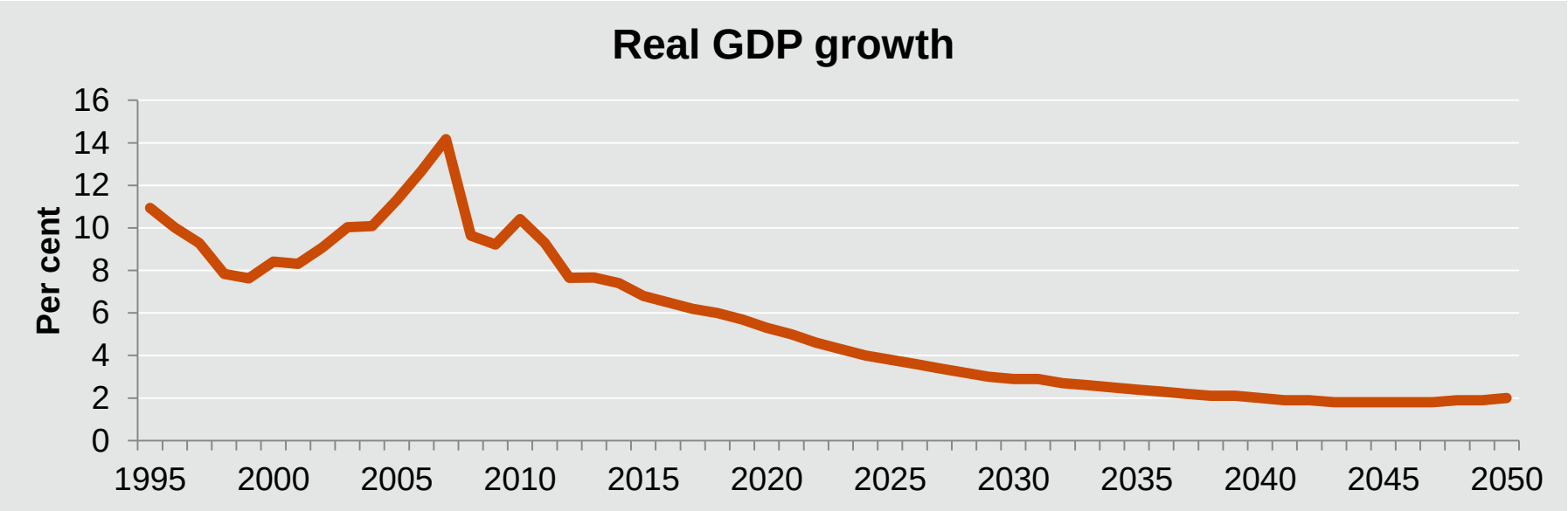
I. China macro trends: Economy

China's growth is steadily cooling…



Source: Economist Intelligence Unit

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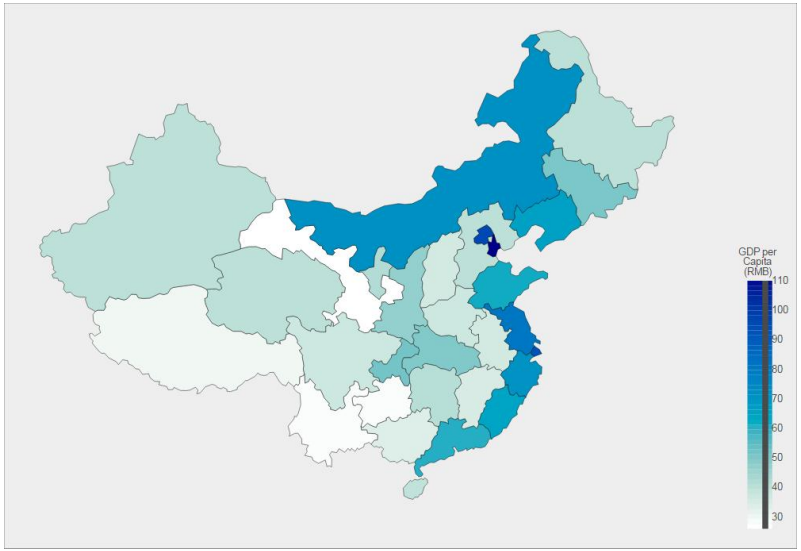
I. China macro trends: Economy

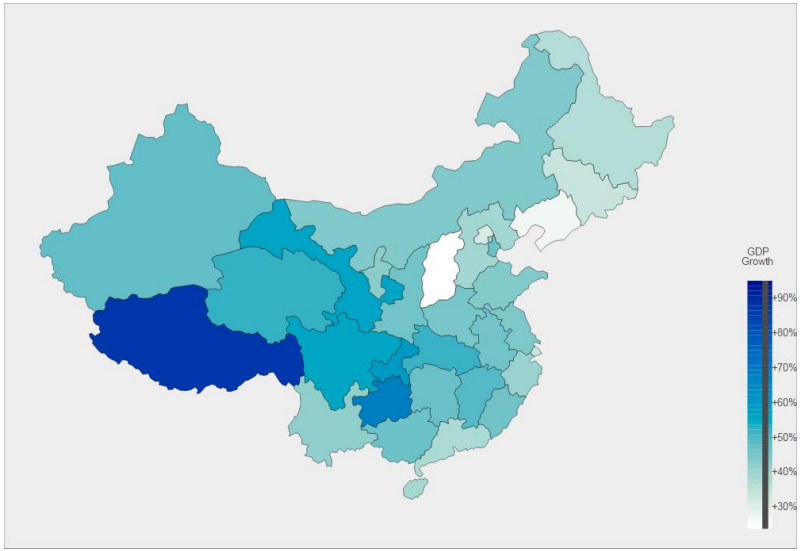
…but some areas will see relatively stronger growth

GDP per capita, 2014



Source: Economist Intelligence Unit

GDP growth 2015-2020 (forecast)



Source: Economist Intelligence Unit

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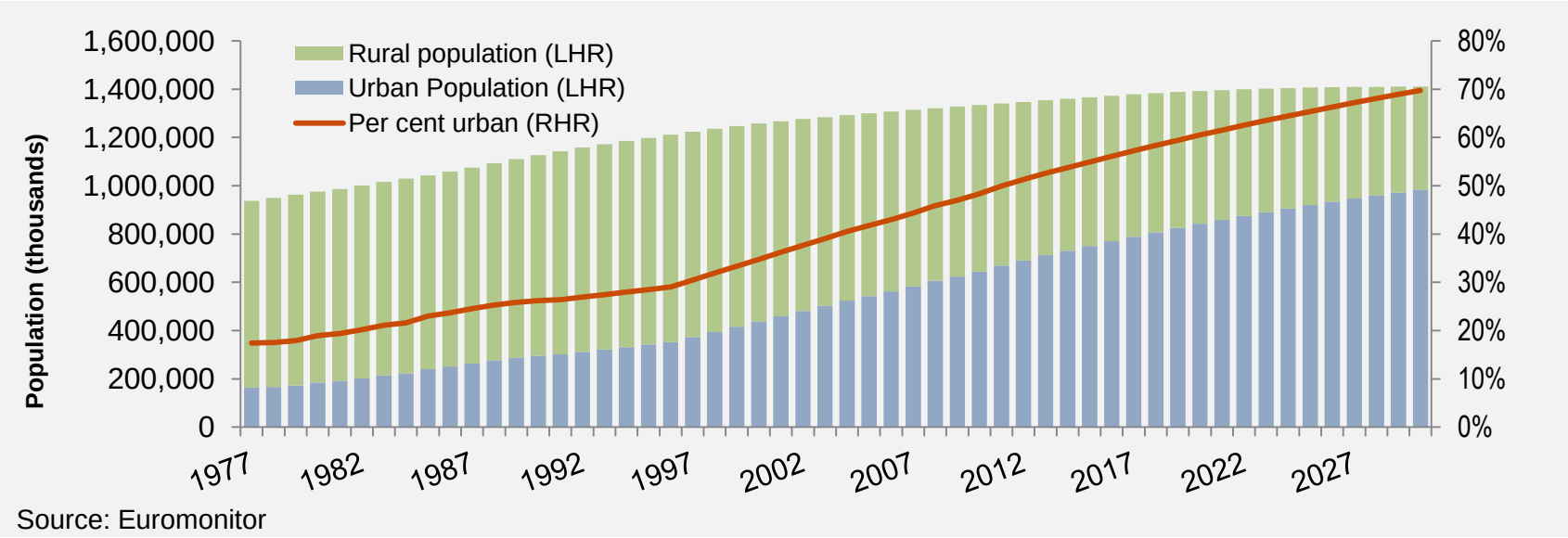
I. China macro trends: Urbanisation

The government's urbanisation plan sets a target of increasing the number of people holding urban residency permits by 100 Mn in the 2014-2020 period



Source: Euromonitor

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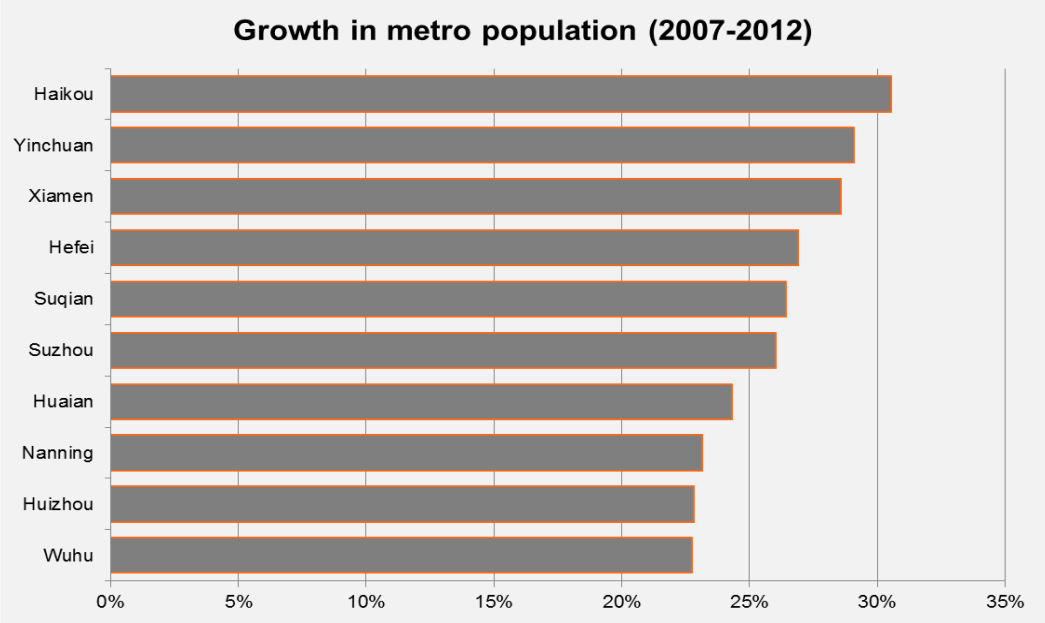
I. China macro trends: Urbanisation

China's fastest growth is taking place in some unfamiliar places



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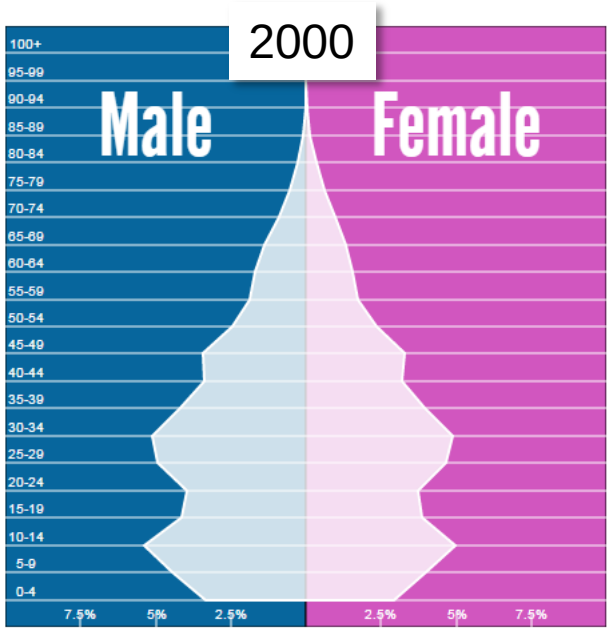
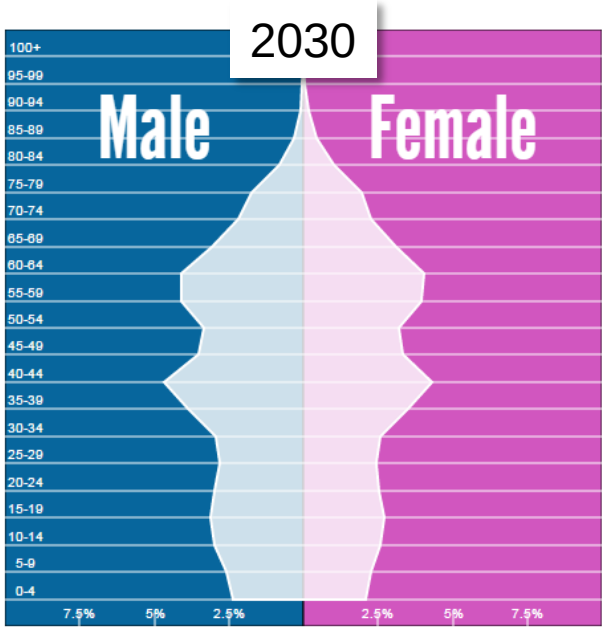
I. China macro trends: Demographic shift

From demographic dividend….



…*to* demographic deficit



Source:populationpyramid.net

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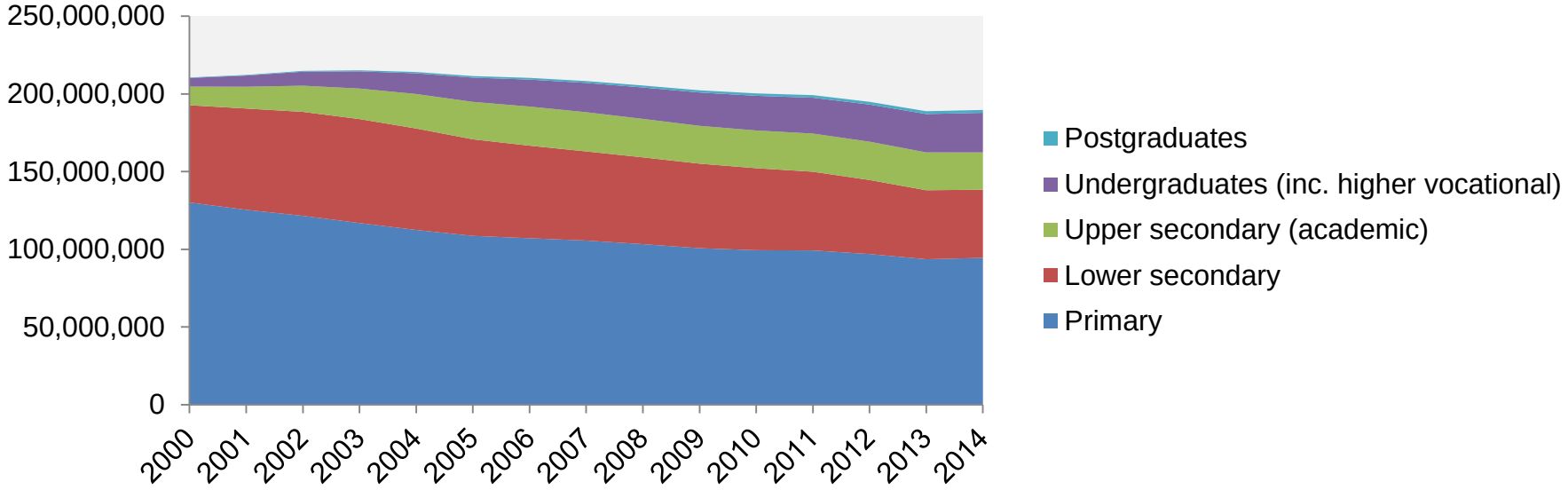
I. Macro trends: Demographic shift

China's student populations are starting to contract



Source: Ministry of Education

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What makes a city attractive for overseas universities?

Two main factors:

Number of Potential Students

- Secondary students
- HE students
- Student-age population growth

And competition

Level of wealth

- Average incomes
- High-income population
- Willingness to spend
- Income growth

Two secondary factors:

Student ability

- Academic level
- English ability

Feeder / partner institutions

- Universities
- International schools

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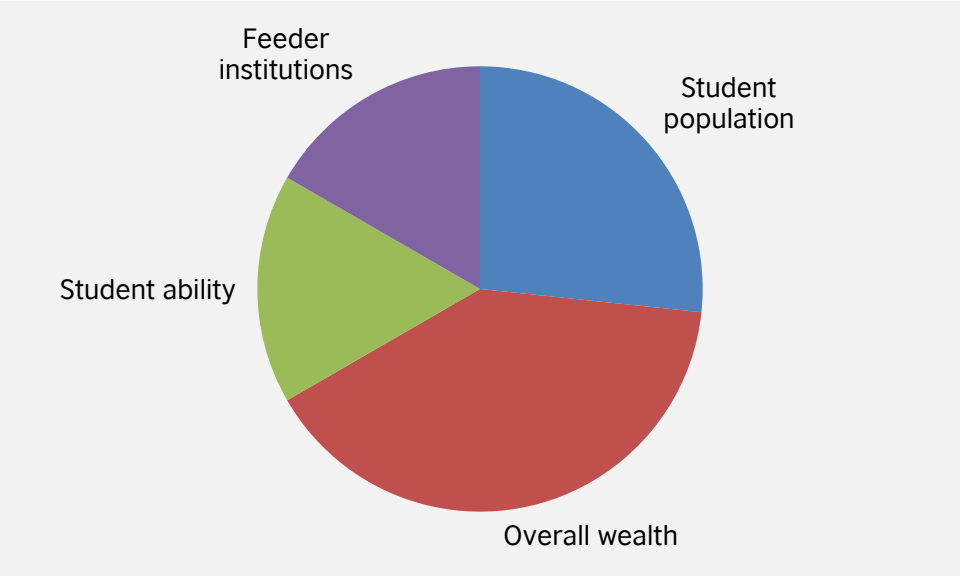
Weighting the different factors



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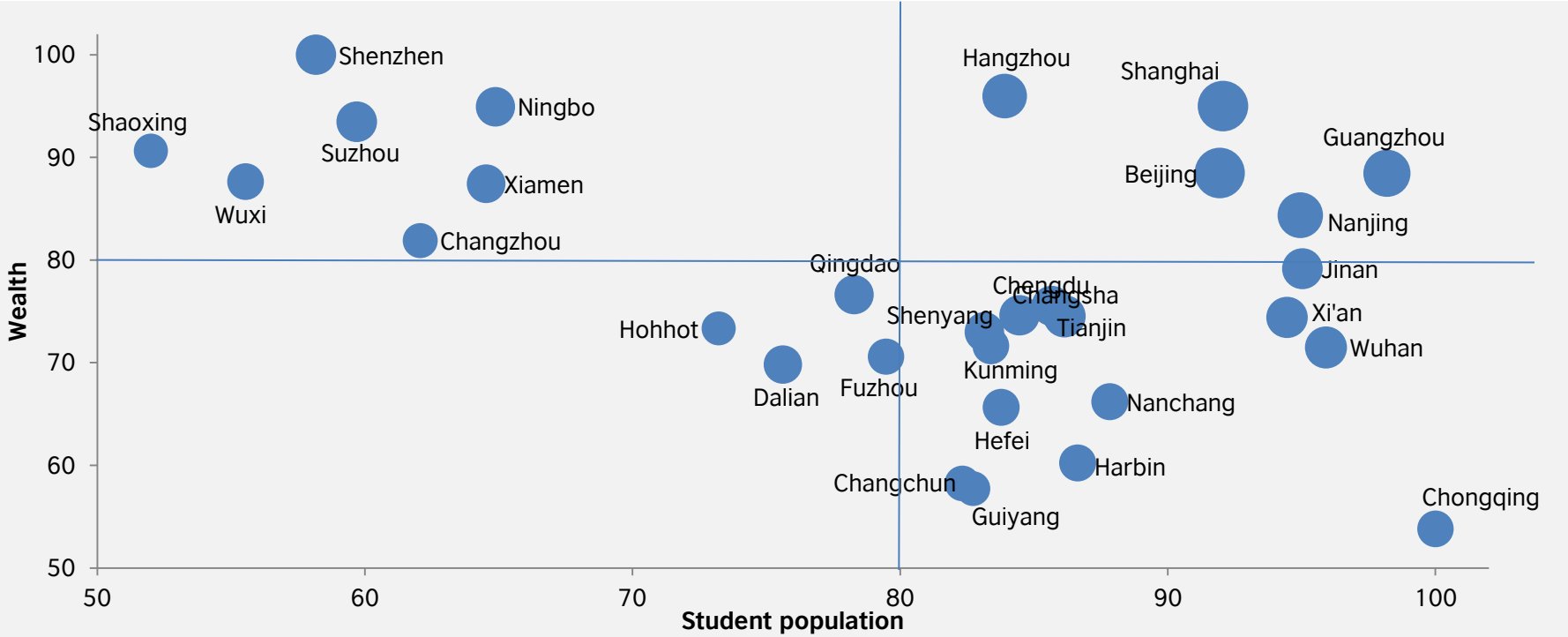
Quick preview of results



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Benchmarking Chinese cities:

i. **Where are the students?**

ii. Which cities have the most money?

iii. Where are the best students?

iv. Who can you work with?

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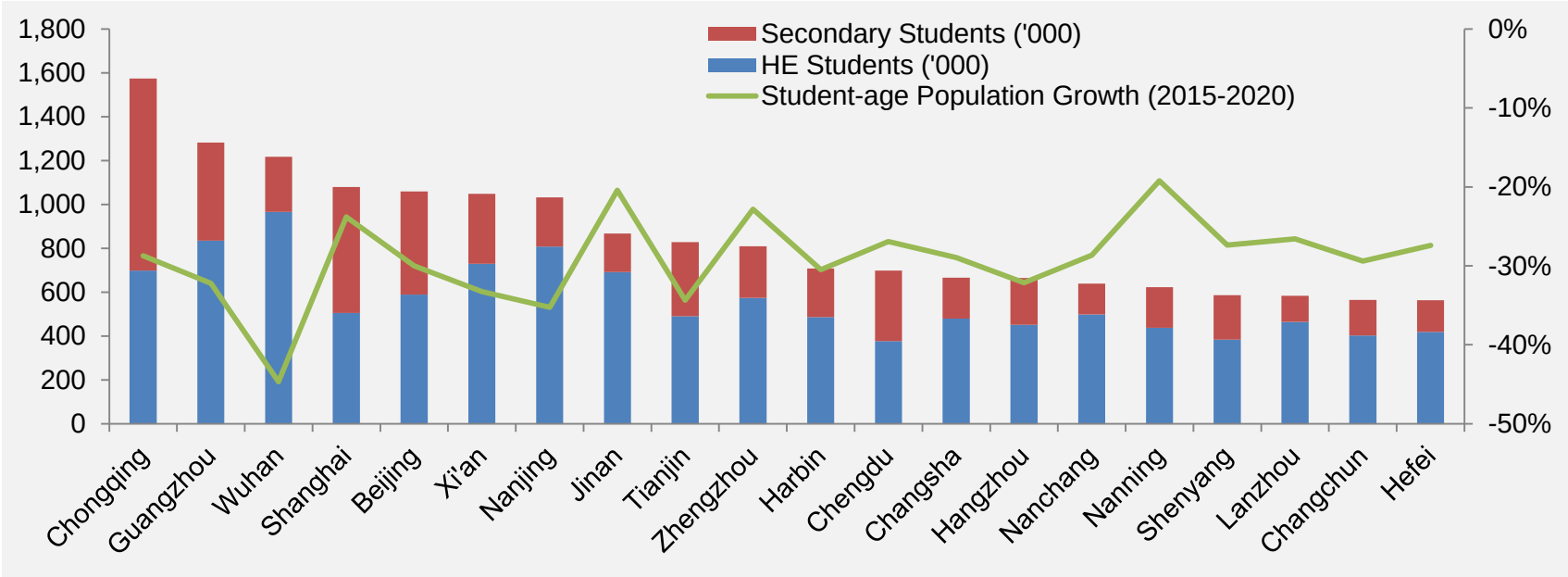
Student Population – Size is critical

Top cities by metropolitan student population (secondary plus HE)



Source: Economist Intelligence Unit

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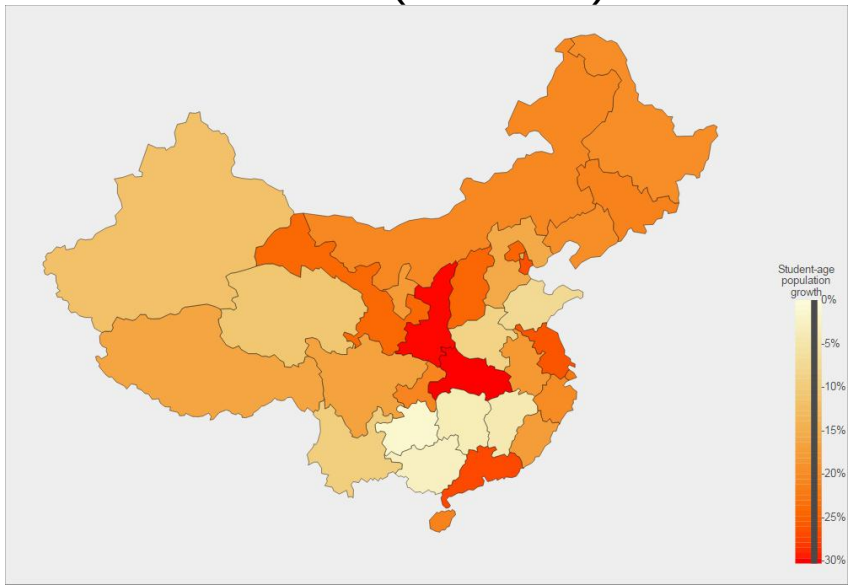
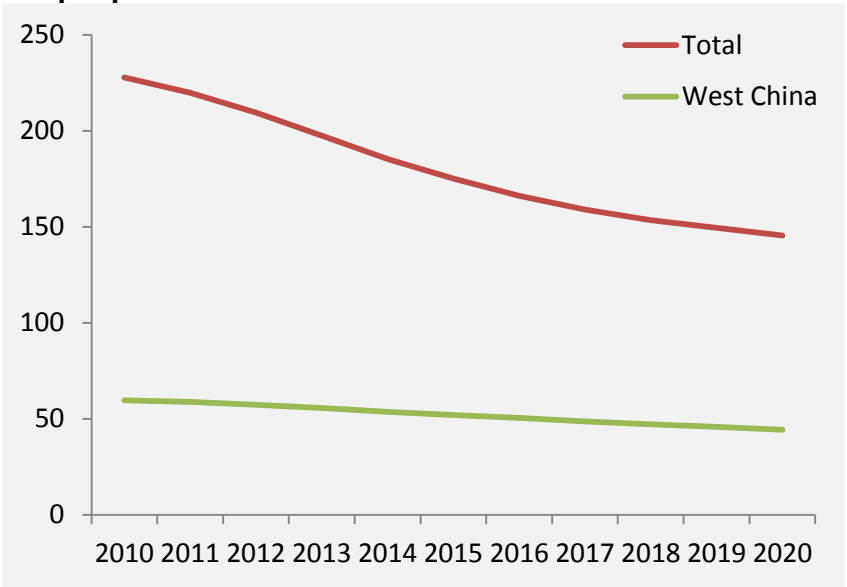
Most developed areas are facing a population decline

Student-age Population Growth, 2015-2020 (Forecast)



Source: EIU

Recent and forecast student-age population - West China & elsewhere



Source: EIU

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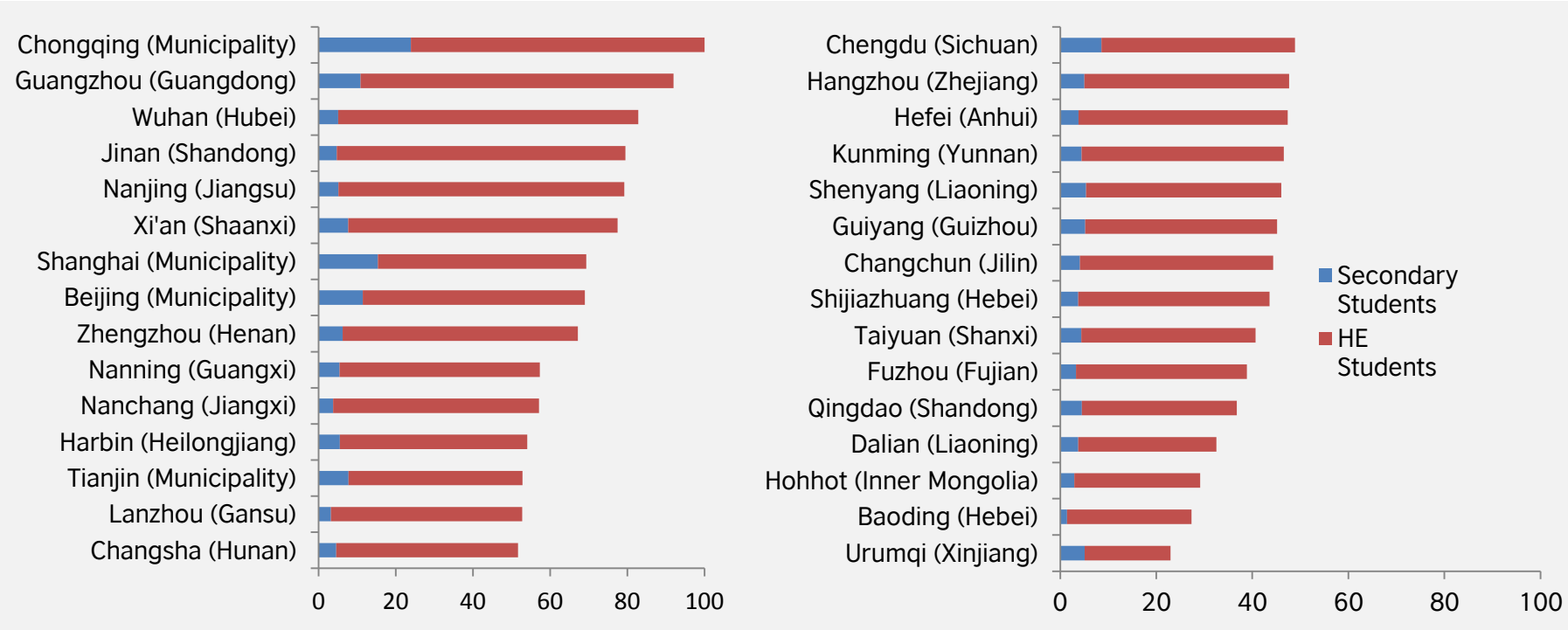
Overall attractiveness by population size



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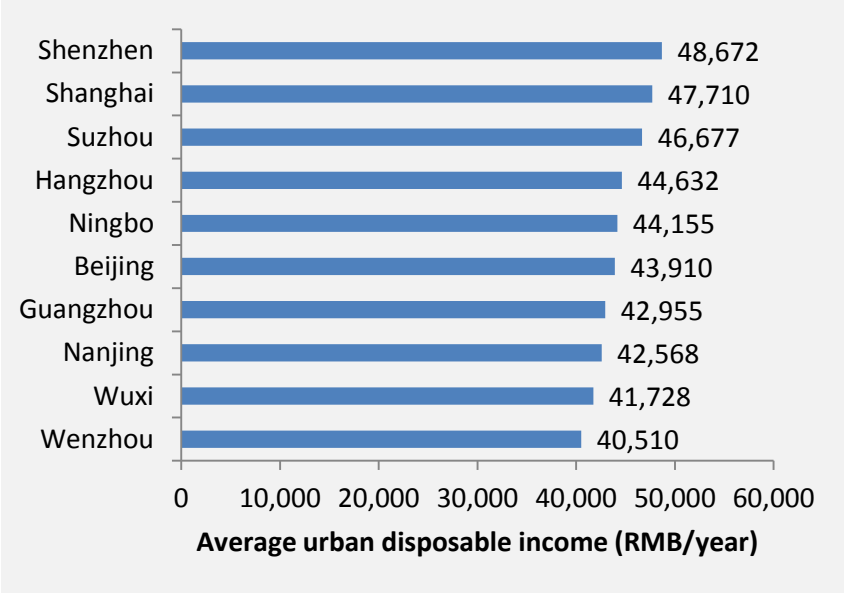
But despite slower growth, the list of top cities will see little change

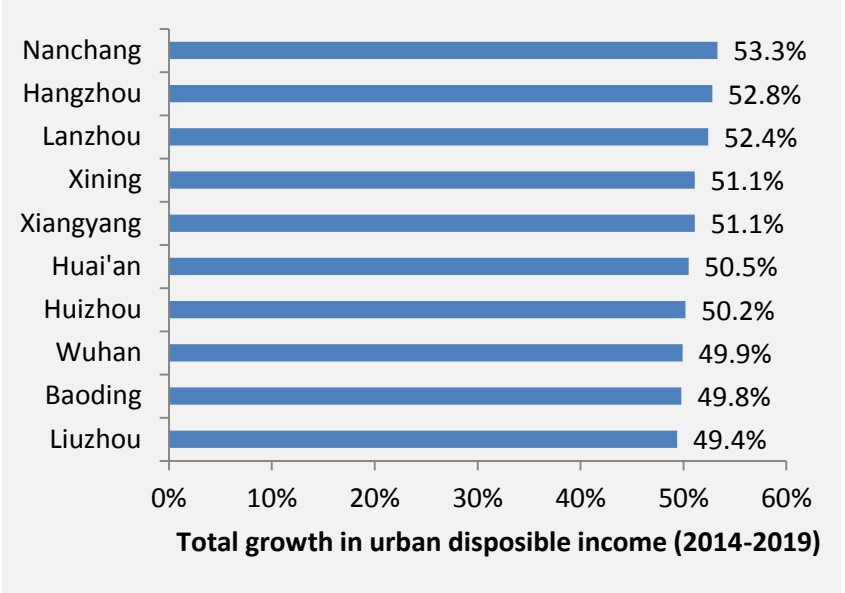
Top cities by average urban income*



** Population > 1 Million*

Source: Economist Intelligence Unit

Top cities by urban income growth*



** Population > 1 Million*

Source: Economist Intelligence Unit

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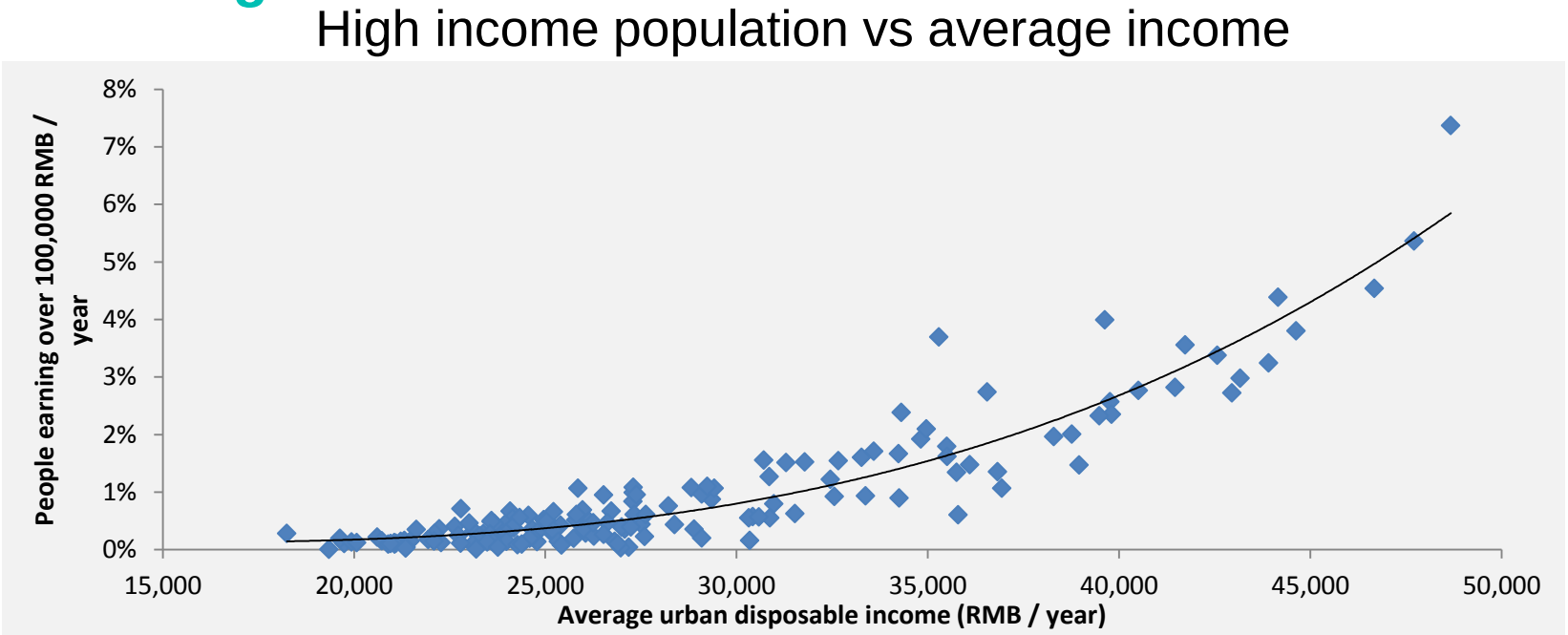
High-income population has a more-than-linear relationship with average income



Source: Economist Intelligence Unit

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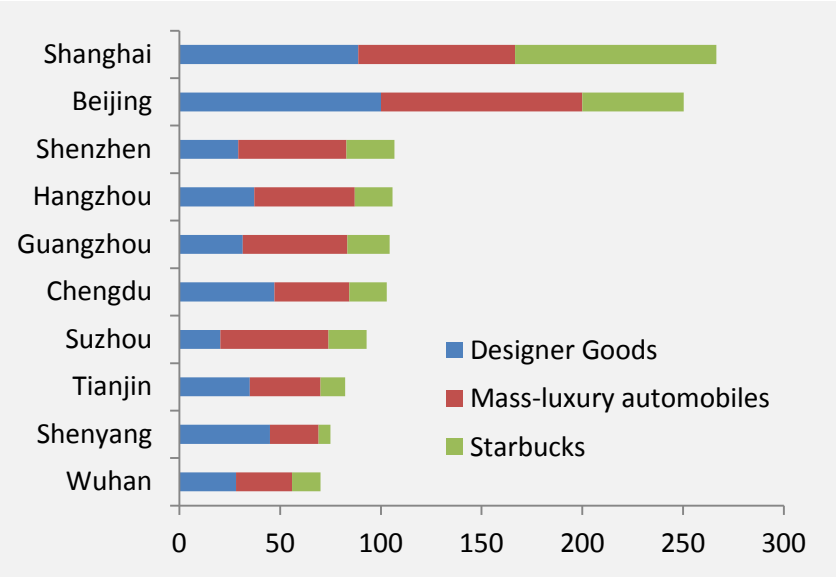
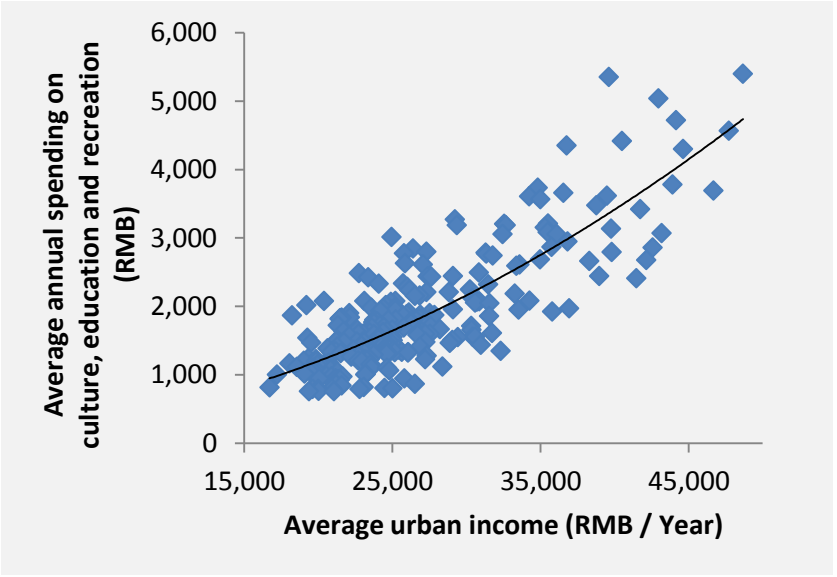
Luxury brands tell a similar story to high income population

Luxury and mass-luxury brand outlets (total)



Source: British Council

Spending on culture, education and recreation vs average income



Source: British Council, Economist Intelligence Unit

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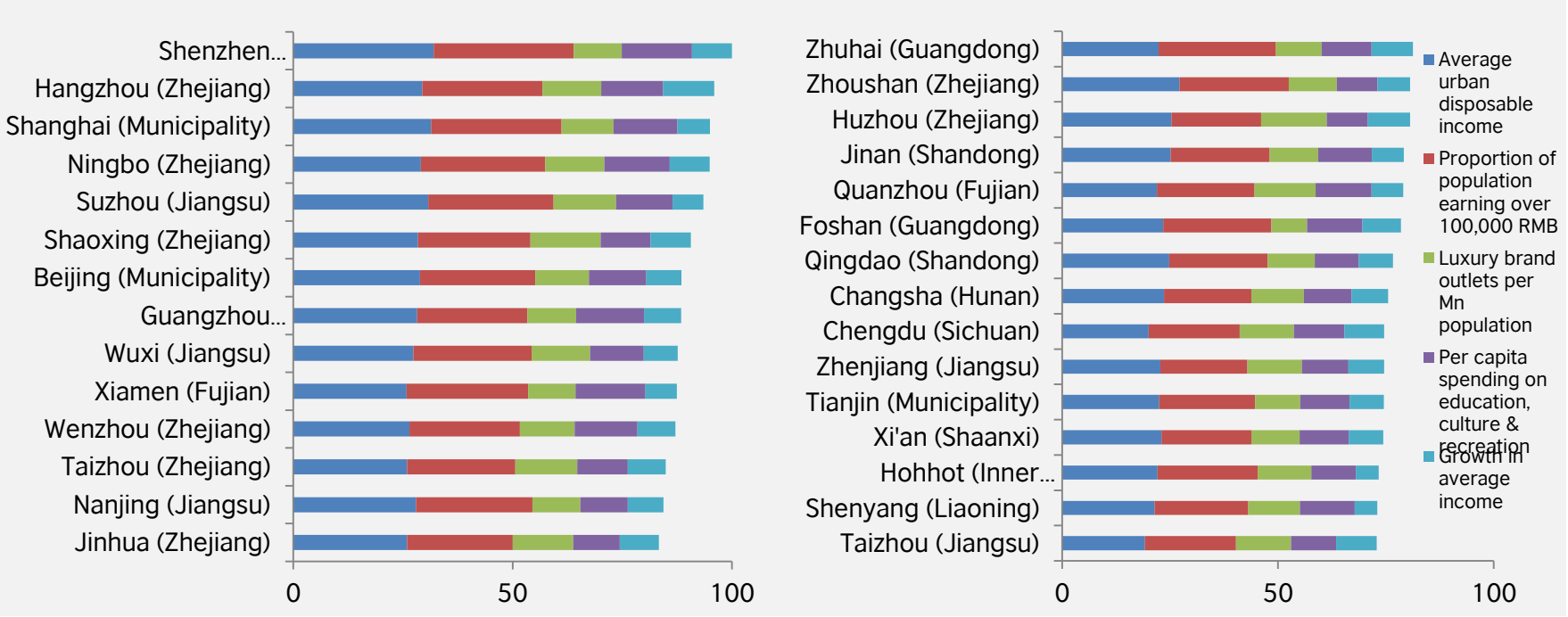
Overall attractiveness by wealth



Source: British Council

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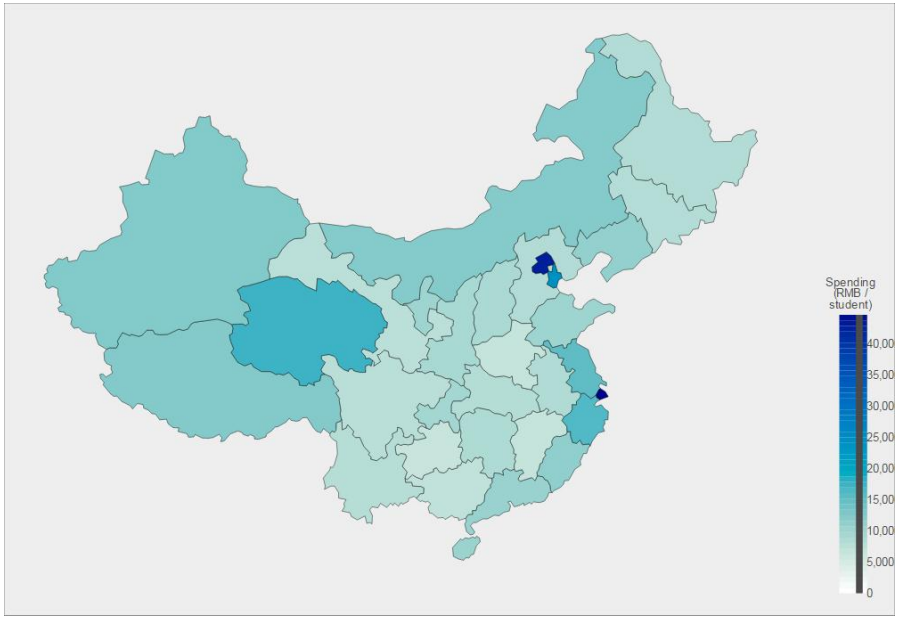
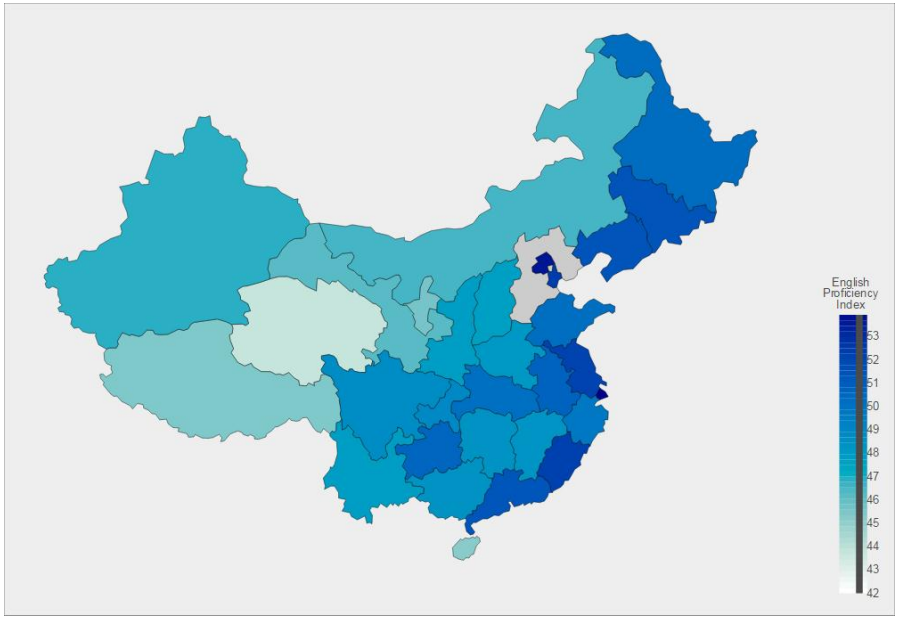
Developed regions are generally better academically

Spending per student (high school)



Source: Ministry of Education (2012)

English proficiency



Source: EF Education First

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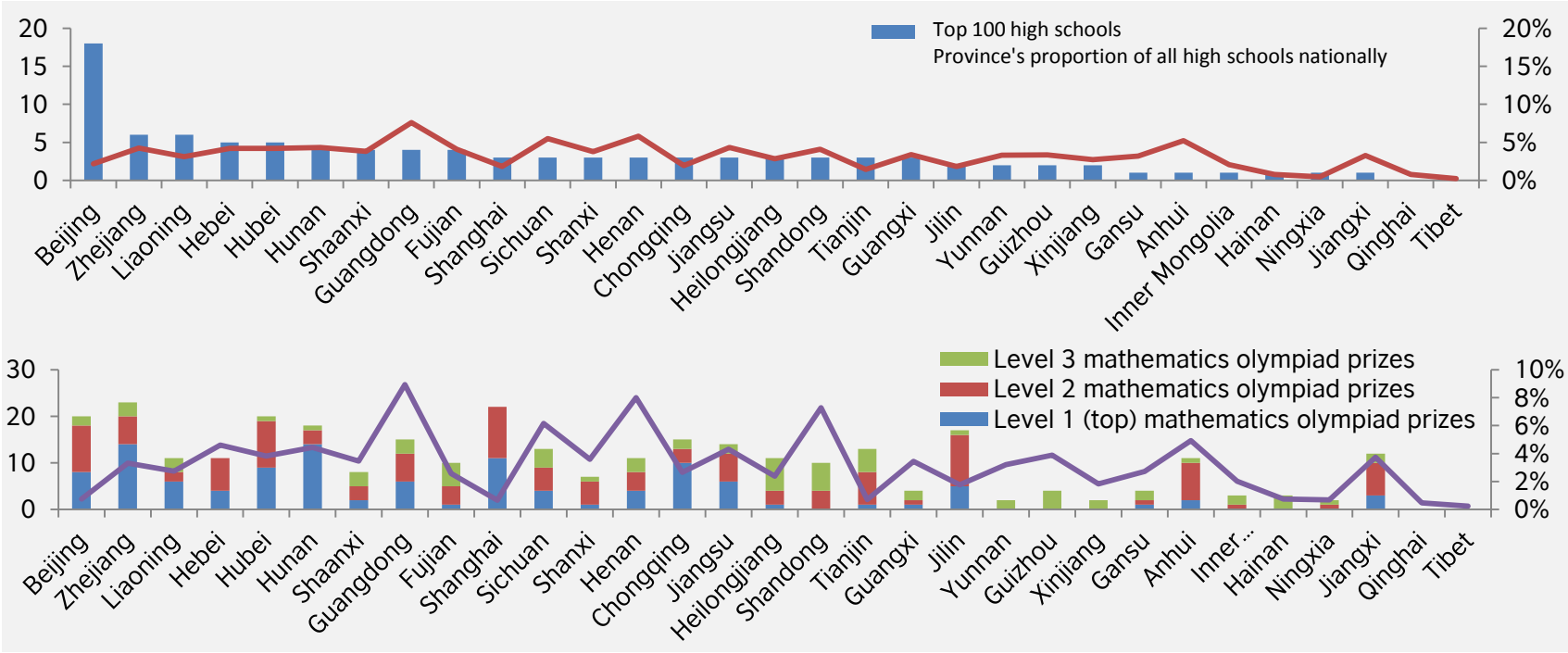
Top high schools and the Mathematics Olympiad



Source: Yuantiku; Ministry of Education

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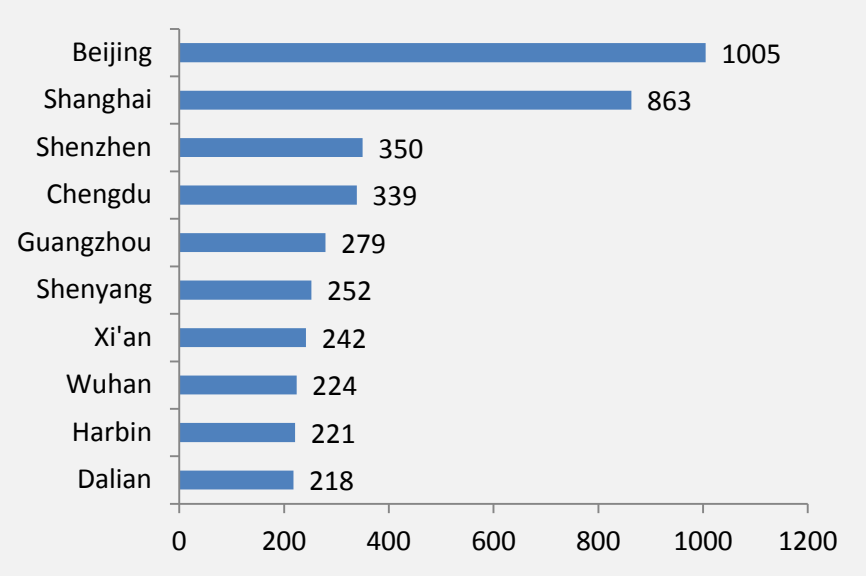
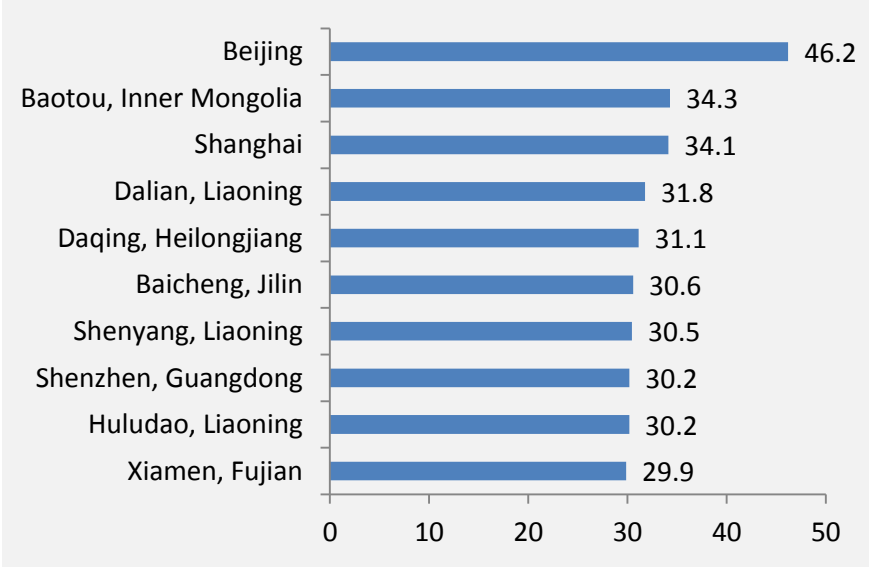
English ability – presence of English training

English language training schools



Source: Dazhong Dianping

English training schools / Mn population*



** Cities above 2 Mn population (administrative region)*

Source: Dazhong Dianping; National Bureau of Statistics

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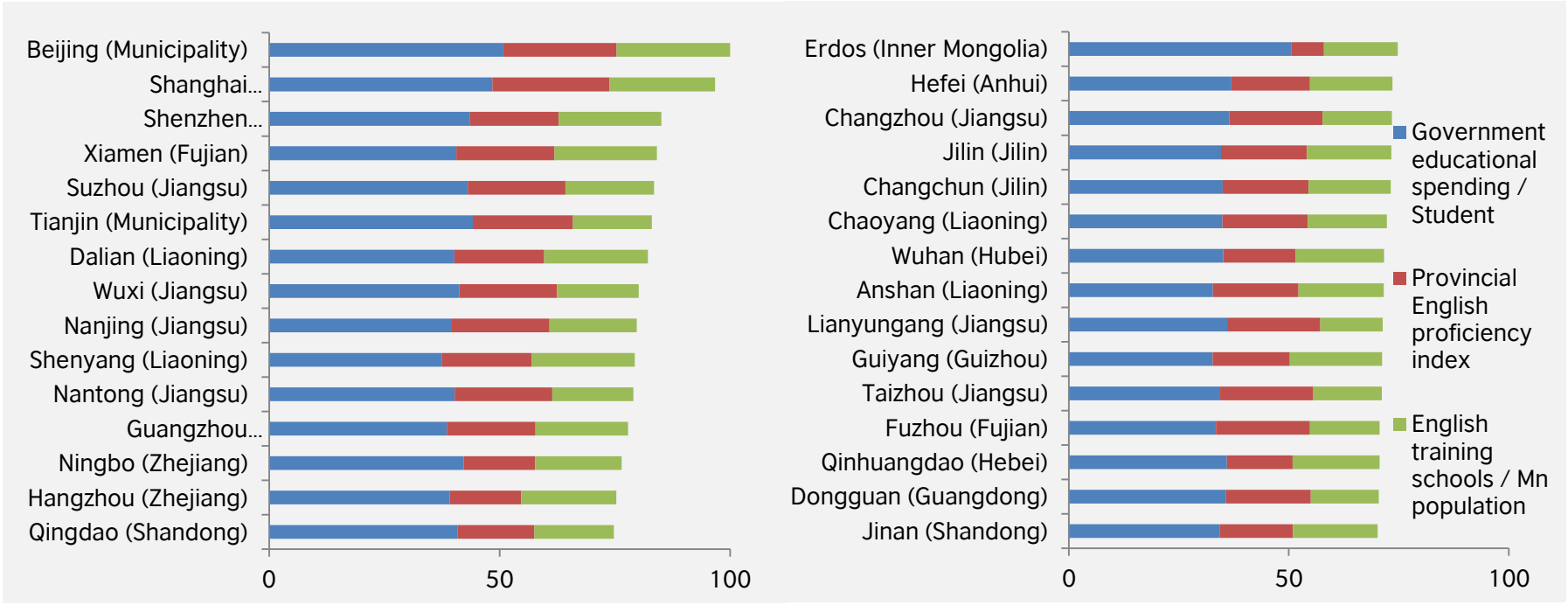
Overall attractiveness by academic ability



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New universities are opening in a wider range of cities

Total universities (bachelor's and above)

Source: Ministry of Education

New universities (2010-2015)

Source: Ministry of Education

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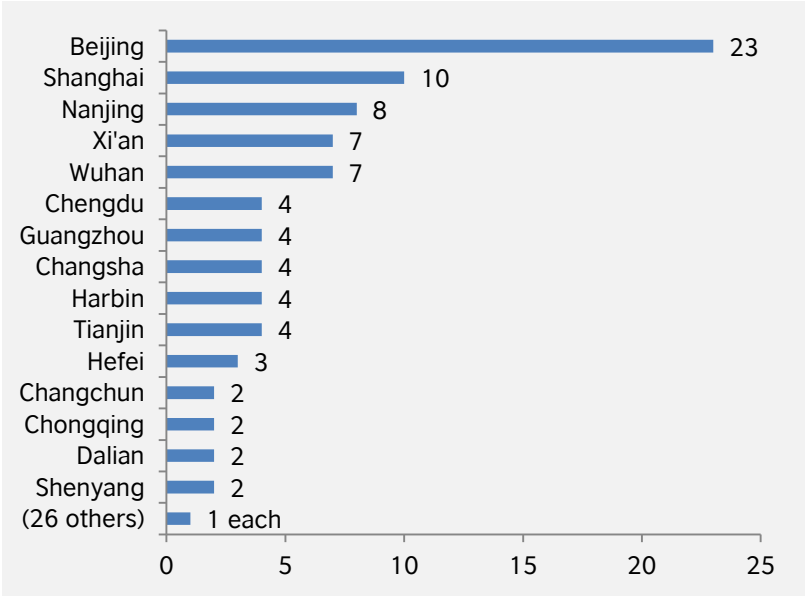
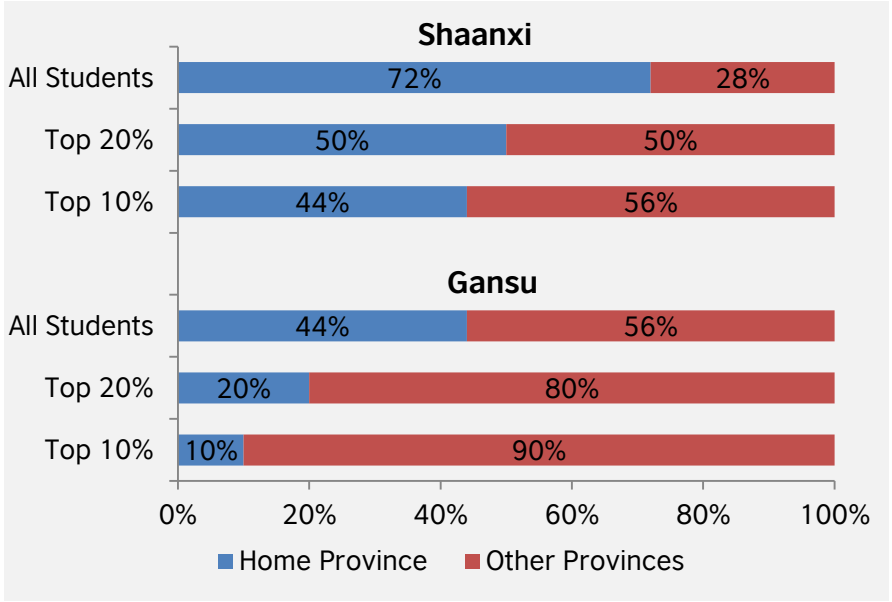
…but there is still brain drain to the most developed cities

Locations of ‘211’ universities



Source: Ministry of Education

Student destinations by gaokao score



Source: Universities’ enrolment plans

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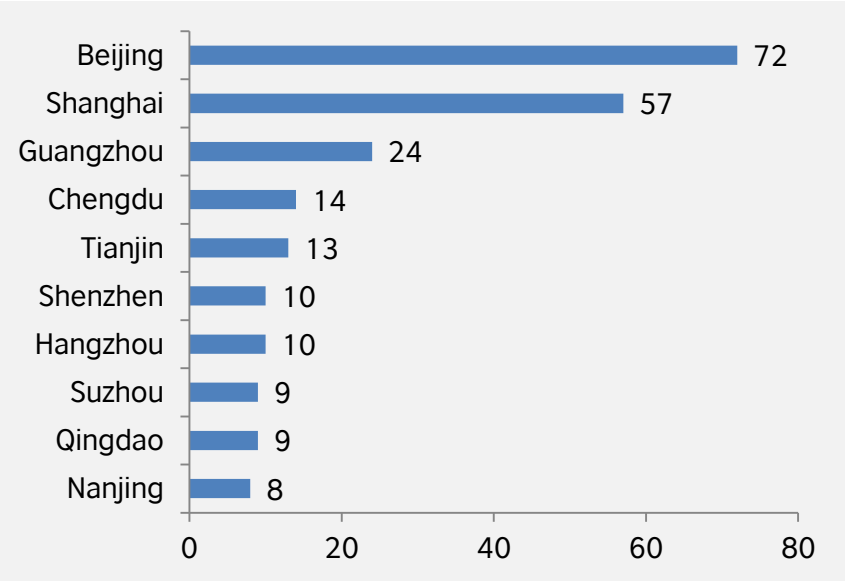
International schools are mainly in more developed areas

Top cities by international schools / classes*



** Including international classes in public high schools*

Source: Sina Education

28 more cities with 2+ international schools

Chongqing (7)	Shenyang (3)	Wenzhou (2)
Shijiazhuang (7)	Taiyuan (3)	Xiamen (2)
Lanzhou (6)	Wuxi (3)	Yangzhou (2)
Dalian (5)	Xi'an (3)	Yantai (2)
Wuhan (5)	Changchun (2)	Yichang (2)
Zhengzhou (5)	Changzhou (2)	Zhuhai (2)
Changsha (4)	Fuyang (2)	
Kunming (4)	Guiyang (2)	
Nanchang (4)	Haikou (2)	
Harbin (3)	Luoyang (2)	
Ningbo (3)	Nanning (2)	

and 42 more cities with at least one school

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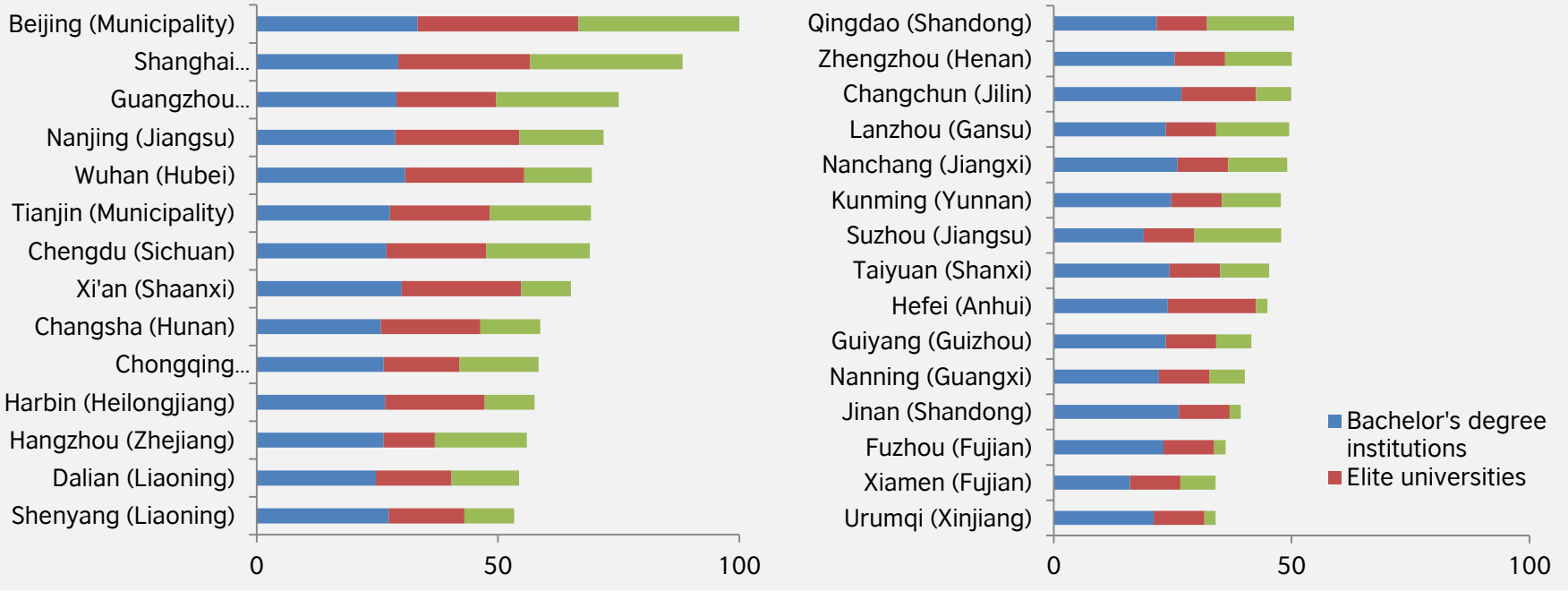
Overall attractiveness by feeder institutions



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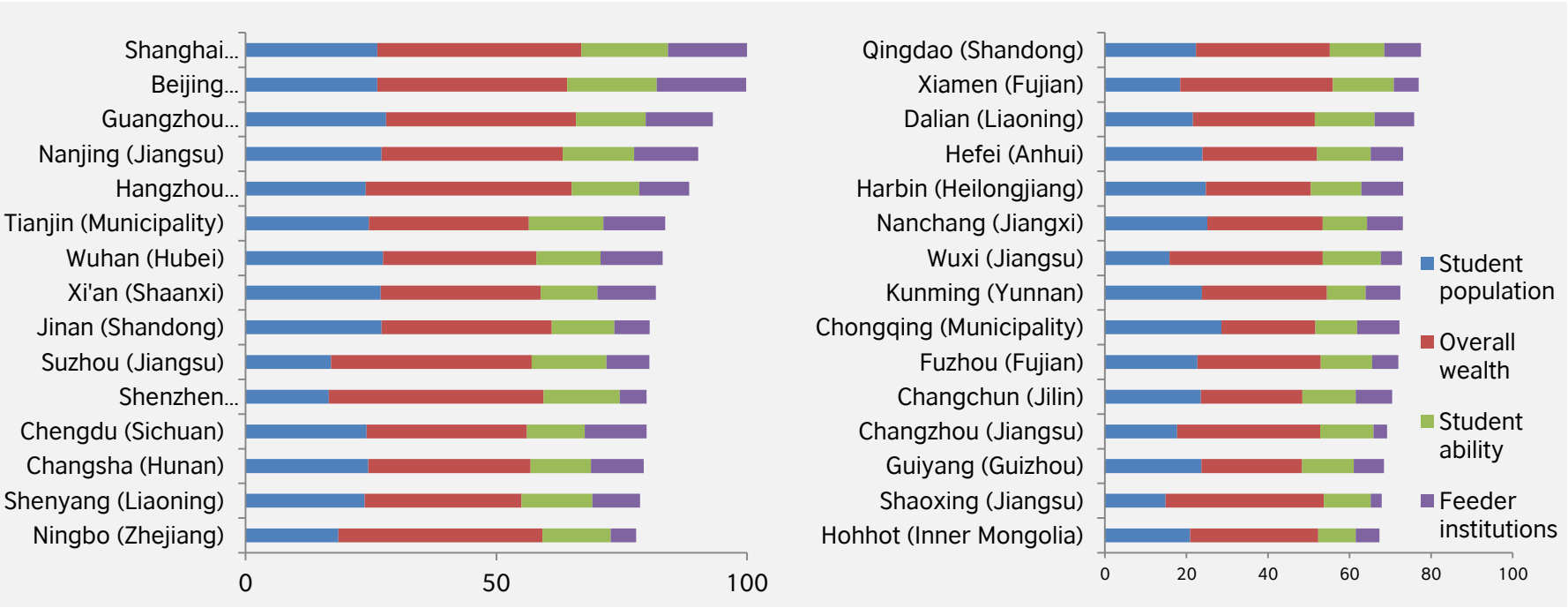
Overall attractiveness



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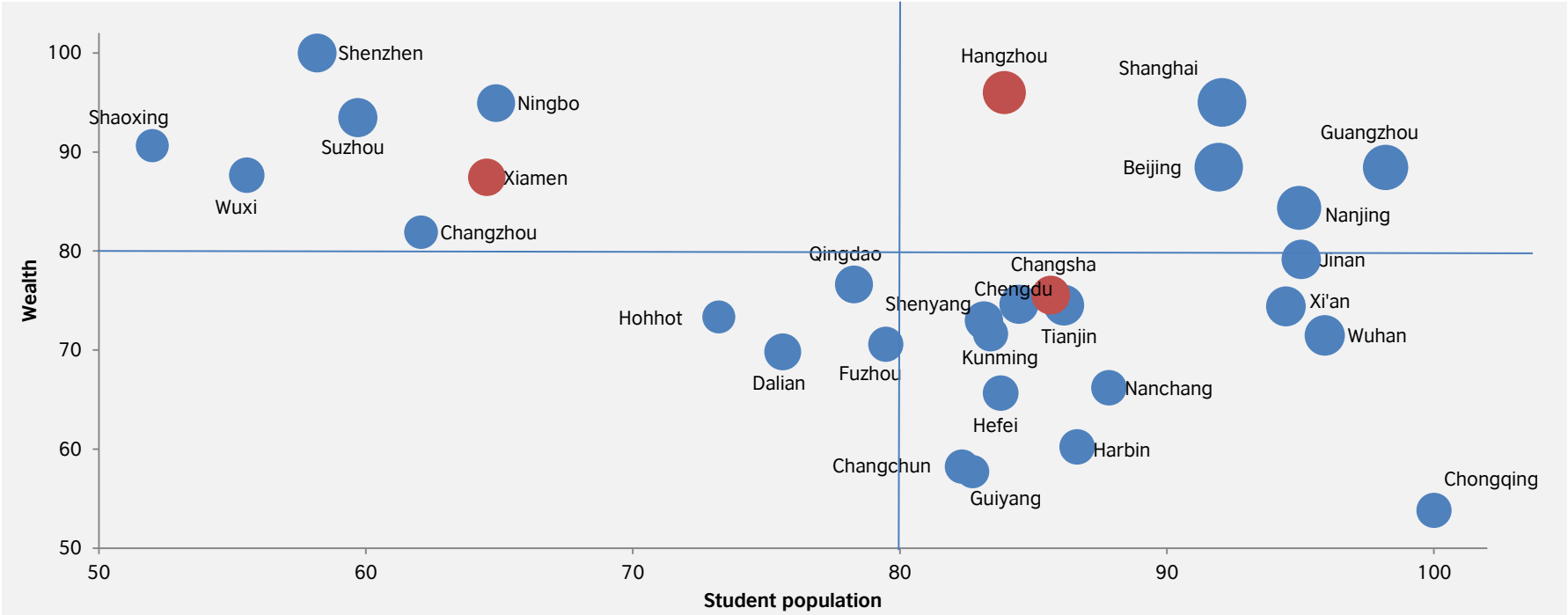
Case Studies



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Case Study: Hangzhou

One of China's oldest and richest cities

- Capital of Zhejiang province – one of China's most developed provinces
- Population 9.1 Mn (5.6 Mn metropolitan)
- Ranked second in our "Wealth index" – high income, many wealthy individuals, and stronger growth than other rich cities
- Home to many internet and high-tech firms, most famously Alibaba
- 180 km from Shanghai

Alibaba campus. Image Source: Thomas Lombard (Creative Commons)

West Lake. Image Source: Vmenkov (Creative Commons)

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Higher education in Hangzhou

Large number of universities

- As provincial capital, it is the HE hub of Zhejiang province
- 25 universities granting bachelor's degrees, plus 450,000 HE students
- One of these is Zhejiang University, one of China's most elite universities
- …but no other Project 211 universities, although some others are well regarded (e.g. Zhejiang University of Technology)

Zhejiang University teaching building. Image source: Constantboat (Creative Commons)

Hangzhou Dianzi University campus. Image source: Hangzhou Dianzi University

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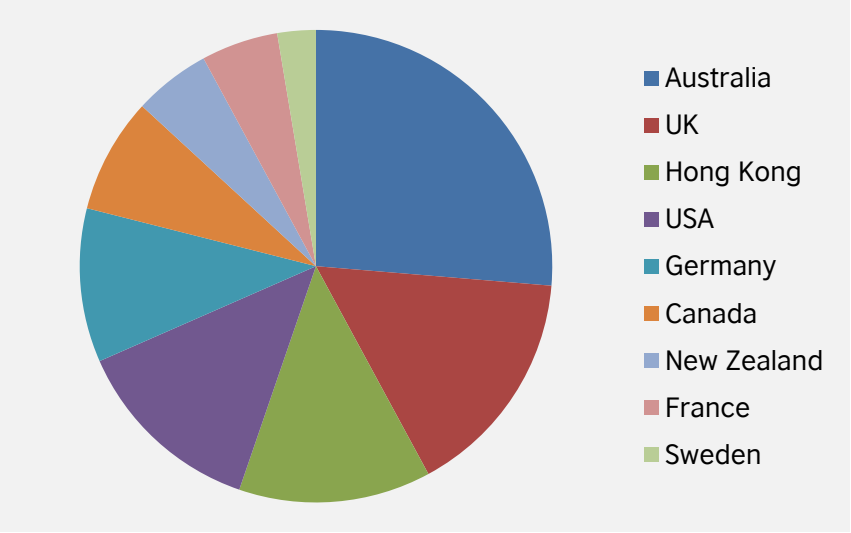
TNE in Hangzhou

The UK is underrepresented in TNE

- One joint institute and 37 joint programmes (24 undergraduate, 13 postgraduate) – roughly in line with student population size
- Leading subjects are computer science, finance, and civil engineering
- Six joint programmes with UK universities, at five different institutions
- No UK university has more than one joint programme in Hangzhou

Joint programmes and institutes in Hangzhou, by partner country



Source: Ministry of Education

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Case Study: Xiamen

A developed but non-capital city

- Coastal city on the Taiwan Strait
- Metropolitan population of 3.6 Mn – slightly larger than Fujian's capital Fuzhou
- Also richer than the provincial capital in terms of average incomes and high-income individuals
- Key industries include electronics, chemicals, maritime industries and pharmaceuticals.

Xiamen cityscape. Image Source: Miramimi (Creative Commons)

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Higher Education in Xiamen

Relatively small number of universities

- Only six universities in the city granting bachelor's degrees. 150,000 HE students in total (including higher vocational)
- One, Xiamen University, is a Project 211 institution. Generally rated as the best university in Fujian province.
- Most of Fujian's universities are in the capital Fuzhou – but Xiamen is still a "net importer" of HE students

Xiamen University campus. Image Source: Xiamen University

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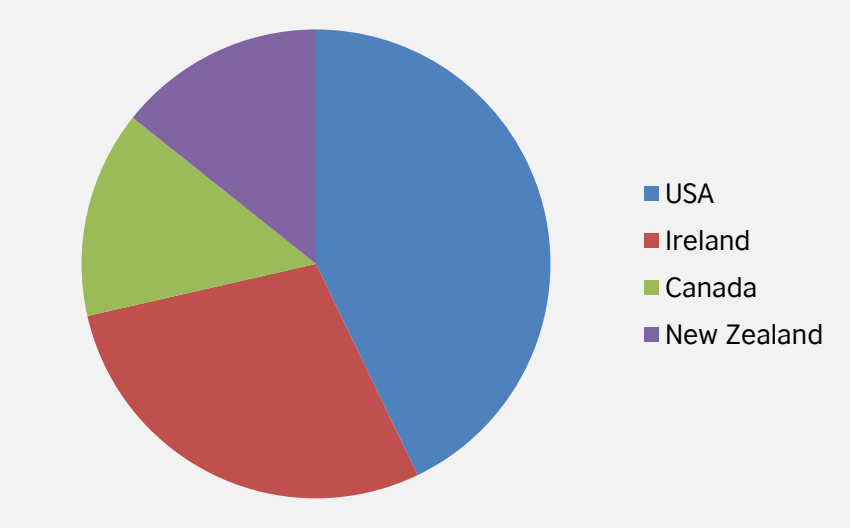
TNE in Xiamen

Relatively little TNE – and none from the UK

- Only seven joint programmes (six undergraduate, one postgraduate)
- Three of Xiamen's universities offer TNE courses – all have multiple programmes
- Most popular programmes are environmental engineering and accounting – both offered at two universities
- No joint programmes with UK universities

Joint programmes and institutes in Xiamen, by partner country



Source: Ministry of Education

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Case Study: Changsha

A provincial capital in Central China

- Capital of Hunan Province in South-Central China, as well as the province's largest and wealthiest city
- Population of 3.2 Mn (metropolitan) / 7.3 Mn (administrative area)
- Important industries include construction machinery, new materials, automotive parts and logistics – but also cultural and creative industries anchored by Hunan TV.

Changsha cityscape. Image Source: Bilae Boyce (Creative Commons)

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Higher Education in Changsha

HE hub for Hunan province

- 25 universities, and almost 480,000 HE students from around Hunan province and beyond
- Four Project 211 institutions: Hunan University, Central South University, Hunan Normal University, and the National University of Defence Technology
- Central South University usually seen as the city's (and province's) top institution

Central South University library. Image Source: Central South University

Hunan University administration building. Image Source: Geographer (Creative Commons)

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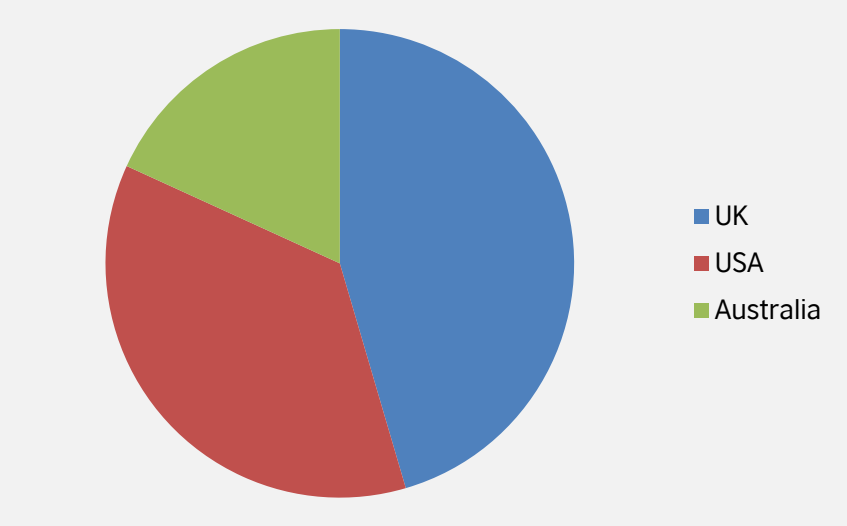
TNE in Changsha

The UK is the local leader in TNE

- A total of 10 joint programmes and one joint institute, at seven different institutions
- The UK is the local market leader, with four joint programmes plus one joint institute
- All are either in business-related or science/engineering subjects –accounting, civil engineering and environmental science each have two programmes

Joint programmes and institutes in Changsha, by partner country



Source: Ministry of Education

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I. China macro trends

II. What makes a city attractive?

III. Benchmarking Chinese cities

IV. Which cities are the most attractive overall?

V. Conclusions and recommendations

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Conclusions and recommendations

Less developed areas have high growth, but Tier 1-2 cities are still more attractive

- Directly governed municipalities
- Most provincial capitals
- Other large cities in more developed areas

Size and wealth are the most important factors

- All else being equal, wealth has a larger effect on potential international students
- Different strategies are needed for wealthier and less wealthy cities

Strong brain drain towards a few areas

- Students in the top 20% of gaokao scores are far more likely to leave their province

International schools are valuable, but mostly concentrated in a few cities

- More than doubled in the last five years – and no sign of slowing down
- Almost all graduates go abroad to study

Cities have their own subject focus

- Most cities have development plans focusing on particular sectors

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Thank you!

Any questions?

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