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International Student Migration and Social Stratification in China

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Abstract
During the late 1990s China moved from a period of “wealth creation” that benefited the majority of the population to a period of “wealth concentration” that benefited a minority. This essay focuses on the role of international student migration from China to other countries in this process. In particular the authors delineate how different types of capital—the human, social, political and cultural (specifically foreign degrees)—transform into each other. In the process the analysis considers how the conversions among these different types of capital have intensified and have become concentrated in the top stratum of society. The essay links the international education to general patterns of social transformation currently occurring in China. Specifically the discussion brings in a transnational dimension to the examination of social stratification in contemporary China.

Key words: International education, student migration, capital, convertibility, social stratification, social closure

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Introduction

China’s economic reforms which commenced at the end of the 1970s reached a watershed in the late 1990s. According to the Chinese sociologist Sun Liping, during the 1990s the reforms turned from being a period of “wealth creation” that benefited the majority to being a period in which wealth became concentrated among a few. The cleavage between the have and have-nots have become unprecedentedly wide (see also Wu and Perloff, 2004), with all forms of resources - economic, social, political and cultural - increasingly converging and concentrating in the hands of an emerging elite group. Government officials are now among the best educated and economically most privileged; elite education paves the way to wealth and status, and it is common for the rich to possess high degrees and close connections with the state.

This is in stark contrast to the situation in the 1980s when the rich were mostly household entrepreneurs with low social status. By the 2000s it had become nearly impossible for ordinary people to enter the top circle of the society. Li Qiang (2005) aptly portrays the structure of the Chinese society as an inverted “T” that consists of a massive low-income population and a tiny minority who possess disproportionately large amounts of wealth on the top. Class formation and class closure are underway.

What is the underlying logic of this process of social closure? Based on our historical and ethnographic study of international student migration from China throughout the reform era, we address this question by focusing on the conversions among different types of capital. The 1980s can be seen as a time of limited triumph of financial capital over political capital, when state-based redistributive inequalities gave way to social stratification based on individuals and groups’ performance in the growing market-oriented economy (Bian 2002). But state-controlled areas (e.g. education and research) and market-based spheres were initially separate, and the convertibility between different types of capital was low. This contributed to the well-known phenomenon that “nuclear scientists were worse off than street peddlers” in the 1980s, what described by Chinese sociologists at that time the “distintegration of resources” (e.g. economic and symbolic resources scattered among different groups). The situation in the new millennium is dramatically different. Different types of capital—the social, cultural financial and political, — became actively convertible to each other, and furthermore the exchange and convergence

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2 Beijing University, known for its anti-establishment tradition and eccentric intellectualism, is now dubbed the "Cradle of Tycoons," (China’s University Alumni Association 2008, cited in Xinhua News Agency, 9 January 2008).

3 An important exception is the so-called “princelings” who capitalized on their parents’ political power to seek commercial profit. This type of capital conversion was confined to a very small group of population and is regarded as outright corruption. This essay is concerned with more routinized, socially acceptable, and institutionalized capital conversion.
between them became increasingly intensified and concentrated to a top stratum of the society. We regard the conversion a central dynamics underpinning the process of social stratification. As Bourdieu (1986) powerfully pointed out, it is convertibility that determines the value of capital. Social and cultural capital will mean little if they cannot be converted to other types of capital, especially economic capital. Similarly, economic capital acquires its sociological significance only when it is converted to social and cultural capital, thus translating economic inequalities to particular social relations and cultural representations. The international student migration from China that emerged in the late 1980s constitutes an important link for the Chinese new rich to convert economic capital to internationally recognized cultural capital, which is in turn converted into political capital that legitimates their newly acquired status.

The conversion between forms of capital, however, never occurs automatically; nor is the process of conversion free of internal contradictions. It is always conditioned and mediated by social institutions, and it constantly faces new dilemmas and demands new strategies. We must examine the specific patterns of capital conversion in order to discern the underlying logic of social stratification. Emerging from our historical and ethnographic data are three aspects. First, the tension between a desire for smooth exchange between different types of capital and a desire for the autonomy of the each type defines to a large extent the specific mode of convertibility. Different types of capital must maintain a certain autonomy from one another for the exchange to be sustainable. Otherwise, for example, if educational degrees were for sale, they would lose their intrinsic value and would subsequently have no market value. They would also be deprived of their symbolic power of legitimating the privileges of the degree holders. In the present case, a symbolically constructed hierarchy among education institutions serves as a means to keep the balance. Initially, all foreign degrees were highly valued and were hardly differentiated in China. By the early 2000s, when many more Chinese students joined the international education market and increasing numbers of foreign degree holders returned every year, special attention was given to the international ranking of universities. Degrees from prestigious universities are regarded qualitatively different from those from colleges that are said to “sell” seats. In response to this, ambitious parents send their children to elite schools abroad as early as possible, hoping the children would accumulate enough human and cultural capital over the years to get into top universities in the destination country. Thus, the route of conversion between financial and cultural capital becomes longer, and becomes more institutionalized.

Second, spatial scale—an emergent, provisional fix of territorial scope of social actions or relations—is crucial for capital convertibility. A group of human geographers have recently
highlighted the importance of scale in social changes. For example, it is crucial for the labor movement to re-scale shopfloor solidarity up to national alliance (see Smith 2002; Swyngedouw 1996; Brenner 1999 and 2001). The spatial scale at which one converts one type of capital to another determines the efficiency of the conversion and subsequently the total value of the capital. For instance many socially disadvantaged groups—children, women, ethnic minorities, and the poor—often have high “stocks” of social capital (e.g. trust among peer groups). But their social capital has low value because their scale of convertibility is limited; they may acquire locally recognized symbolic capital, but have difficulties in accumulating nationally or internationally valued social assets (see Leonard 2005). Similarly, the authority of an elder with ample cultural capital in a village can easily be undermined by a young migrant returned from the city because the latter is able to accumulate and convert capital on a much larger scale.

Appadurai (1986) pointed out that “things” (objects, signals, currencies) acquire their value through circulation, and thus the remit and mode of circulation constitute integral part of the “politics of value”. Education is intrinsically related to social stratification not only because it enables people to accumulate various types of capital, but more importantly it “lifts” people to a higher scale of capital conversion. The upper-middle-class population in Hong Kong, for example, has actively engaged in international education in order to transform the spatial scales of social reproduction. Facing unprecedented extension of higher education and rapid increase of university degree holders among those from the working class backgrounds since the 1960s, upper-middle-class populations secure their social status through the acquisition of a Western education (Waters 2006). This is the similar logic that the new rich in the mainland are following, as we will detail below.

But mainland China is also different from Hong Kong in that international education is primarily part of the production, rather than reproduction, of social inequality. What concerns us is the not how an established structure perpetuates itself, but is the question of how a structure of stratification emerges anew. This leads to the third specific feature of the process of capital convertibility in China, namely the role of the state. The Chinese state not only initiated international education migration, but also facilitates the convertibility of different forms of capital. The state remains a major provider of symbolic capital. By appropriating particular discourses of human capital, meritocracy, globalization and competitiveness, the state adds political value to internationally acquired degrees in the national context, encourages and assist foreign degree holders to “cash in” their human capital, and at the same time projects itself to be progressive, pragmatic and capable, thus reinforcing its legitimacy in the era global competition and mass communication.
The internationalization of education has attracted considerable academic interest because international student migration has become a prominent aspect of social change in China over the last thirty years. Most of the literature, however, examines the phenomenon as a form of education exchange and human resource development (e.g. Cheng Xi 2002; Chen Xuefei et al. 2003), and often situates it within the debate on brain drain, brain gain and brain circulation (Iredale et al. 2003, chapter 4; Cao Cong 2004; Zweig et al. 2006; Chen Yun-Chung 2007). While drawing on this literature, this paper adopts a broader perspective and takes student migration as a critical lens through which to examine larger social changes. In what follows, we will first review the history of the migration of Chinese students that began at the end of the 1970s, and has been directly influenced by both domestic politics and the international relations of China. Initiated as a government programme imbued with heavy symbolic capital, student migration is now largely a matter of private choice and is often facilitated by professional and commercial agents. We will then probe why people invest disproportionately large amounts of resources in overseas education. We argue that the dramatic social stratification within China makes people regard overseas education as a means of providing extra advantage in the fierce competition for scarce resources and opportunities. This however does not mean that education is completely commodified. The third section of the paper describes how international education, as a relatively autonomous “field” in Bourdieu’s terms, reacted to the trend of commodification, and how people adopted new strategies to balance convertibility and autonomy. The fourth section of the paper calls attention to the role of the Chinese state. As leaving China for study has become a private activity, the Chinese government has put in place numerous policies and programmes to encourage the students’ return. These policies provide the new elite with symbolic and political capital, and at the same time incorporate them into the establishment.

The paper is based on both authors’ long-term research on student migration and social change. Xiang has worked on skilled migration and student migration in and from Asia from 2000. From 2005, he has been working on emigration dynamics and social transformation in northeast China, particularly Liaoning province, which is also a major sending place of student migrants. Shen has worked on student migration from China to Europe, return migration and circular migration between the two continents. From 2003, he has conducted extensive documentary studies and interviewed students, students’ parents and educationists in China, the UK and France as well as on returnees in major Chinese cities.

1. From State Programmes to Private Investment
Since 1978 more than 1.2 million students have left China to study. As indicated in Figure 1, in 2007 alone, China sent around 144,000 students abroad, 167 times the 1978 figure (860) (Ministry of Education. 5 April 2008). This makes China the largest source country of international students in the world. More than 85 percent of the students study in North America, Europe, and Asia, particularly the USA, UK, Germany, France, Australia, and Canada (Ministry of Education 2005). But student out-migration has always held particular political and symbolic meanings in China. For instance, studying abroad was out of the question for most Chinese during the Cultural Revolution period (1966 – 1976). This changed at the end of the 1970s when the Ministry of Education, pushed by Deng Xiaoping, started sending selected researchers to the West for studying. Subsequently China and the USA signed the Understanding on Educational Exchanges (October 1978) and the Agreement on Cooperation in Science and Technology (January 1979), both of which included student exchange as an important component (see Zweig and Chen 1995: 19). In 1979, the Ministry of Education, the National Science Committee and the Ministry of Foreign Affairs of China jointly issued the first document regarding the regulation of Chinese students overseas, which set strict rules and those who did not return on time would be punished.

In 1981, the State Council approved the Temporary Regulations on Self-financed Overseas Education. This was the first time that the Chinese government formally recognised self-financing study overseas—studying abroad without the state's sponsorship—as a legitimate means of exiting China. Since the early 1980s, individual institutions were also allowed and even encouraged to send their employees overseas for academic exchange or degree education. The employer covered all or part of the costs and normally the individual was obliged to return to the same employer on the completion of his or her education. The Tian’anmen incident in 1989 dealt a minor blow to the PRC policies regarding overseas education. But after a brief period of uncertainty, the government liberalised overseas education policy. The new policy line is often summarised as the “Twelve-words Approach”: in Chinese the twelve words are zhichi liuxue, guli huiguo, laiqu ziyou, meaning “support study overseas, encourage returns, guarantee freedom of movement”.

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4 Educational exchanges with the West began before that, in 1972-73, with the UK, Australia, France, Italy, New Zealand Canada and other countries that had established diplomatic relations. But the numbers of students involved were very small.

5 In Chinese, studying abroad without state’s sponsorship is called “zifei liuxue”, literally meaning self-financed overseas education. But most Chinese students who moved abroad to study without government funding are supported by scholarships from the receiving universities or other international foundations.
Partly as a result of the policy shift, the profiles of student migrants from China changed over time. In the early 1980s, most students were sponsored by the government and enrolled in post-graduate or short-term training courses overseas. The majority of student migrants of the 1990s were supported either by overseas scholarships or by themselves. They tended to be post-graduate students, but few had work experience and thus the average age was lower than the first group. Those who went abroad after the late 1990s are different yet again. They pay for their education from their own (or rather, the parents’) pockets. This group is characterised by a high proportion of young students taking undergraduate programmes or language courses, and their migration is typically facilitated by private education agents. We will return to this group later.

In the Chinese official language, both the second and the third group are called “self-financing students,” because neither of them require funds from the state. Statistics from the Chinese Ministry of Education (2007, cited in Xinhua News Agency 12 March 2007) revealed that only 11,000 students left China on a self-financing basis in 1998, but the number jumped by 11 times to 117,000 in 2002 and to 120,000 in 2006. In 2007, self-financing students made up 90 percent of all student migrants (129,000 out of 144,000), government sponsored students accounted for 6 percent and employer dispatched students comprised 4 percent (Ministry of Education 5 April 2008). In sum, student migration, began as a state project and evolved to become a “societal” phenomenon. Following the distinction made by Findlay et al (2006), the state project induced “student mobility” in the sense that the exchange was pre-arranged by actors other than the students themselves, with an expectation that students to return home after their sojourn. But student mobility soon became “student migration” in the 1990s that is driven by students’ own initiatives, more open-ended, less predictable, and possibly exerts a more profound long-term impact on society.

2. To be one step ahead

Self-financing students invest enormous amounts of resources in international education. A widely circulated figure estimates that overseas education drained USD 4 billion a year from China in the late 2000s. A Chatham House survey (2004) of 100 UK universities shows that in 2004 students from Mainland China contributed at least GBP 300 million in tuition fees alone. In some cases, the contribution by Chinese students amounts to 30 percent of the government grants that a university receives. Furthermore, Chinese students pay a staggering GDP 479 million in living expenses (Chatham House survey 2004: 9). A BBC news report (7 September 2005) about Chinese students in the UK concludes that international education yields more
profit than export sales of arms and ammunition. It is therefore not surprising that a commentator in the *New Statesman* (Monro 2004) called the inflow of Chinese student “the migration that nobody objects to”.

These figures appear even more striking if we consider the general income levels in China. The average cost of studying in the UK, USD 30,000 a year, is 23 times the per capita annual disposable income of urban residents in China (2007), and 70 times that of the rural residents! Malaysia is normally regarded as one of the most affordable countries for foreign students, but a course there still costs a minimum of USD 6,000 a year, more than double the average household income in Chinese cities. In order to finance overseas education, apart from exhausting household savings, parents also mobilize funds from among the extended family, borrow money and apply for bank loans.

Families make such investments in the hope that an overseas education would lead to high income positions. But the reality may be less promising. According to a 2006 survey conducted by China’s Central TV channel (CCTV) with 100 employers including a substantial number of foreign companies and international joint ventures, 92 companies thought that the value of foreign degrees declining. A returnee with a Masters degree in international trade from the UK sent out over 200 CVs during three months but secured fewer than 20 interviews and no job offer at all (Oriental Domain at CCTV 19 January 2006). An estimated 7,000 returnees in Shanghai were jobless alone in 2003 (Zweig 2006). This group is well known as the “seaweed”. They are called so because the shorthand of “returning from overseas to wait for jobs” in Chinese has the same pronunciation as the word for seaweed (haidai), and at the same time seaweed conveys the image of floating around without being able to settle. Xiang came across a returnee from Singapore who was earning less than RMB 1,000 a month in a city in northeast China. In the informant’ words, for “a person who has been overseas” (by which she means that she is particular about certain things such as hygiene and thus needs a lifestyle better than the average), this wage level is just enough to survive on. She spent more than RMB 60,000 on her studies in Singapore. This means that she will probably never be able to recoup the investment.

Thus, international education is to a great extent part of “over-education,” a situation that educational returns are lower than inputs, and the skills acquired through education exceed the

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6 The data on tuition fee was obtained from agents specialized in overseas education interviewed by Xiang. For the data on disposable income see Chinese Academy of Social Sciences, 3 January 2008.
7 There are various reasons for the emergence of the seaweed group: the rapid increase in the sheer number of the returnees, returnees’ inadequate knowledge about business practice in China and even in their specialized field, the mismatch between returnees’ high expectations and employers’ offer etc.
expectations of the employer (see Freeman 1976; Tsang and Levin 1985). This means that pursuing a foreign degree is an exercise in “venture investment” whereby returns cannot be guaranteed. Why do people keep pouring money in? We argue that the frantic investments in international education is not only “pulled” by potential benefits, but is more importantly “pushed” by anxiety about the future and the rapid social stratification in China is a fundamental driving force of this anxiety. In a short space of thirty years, China was transformed from one of the most egalitarian countries to one of the most unequal. According to the World Bank (2007), the Gini coefficient in China increased from 0.16 before 1978 to 0.47 in 2007, compared to 0.25 of Japan, 0.37 of India and 0.41 of the United States at the same year, ranking the thirtieth highest in the world (27 out of the 29 countries with lower Gini indices are in Latin America or Africa) (see also UNDP 2005; Asian Development Bank 2007). The income ratio of urban to rural residents increased from 2.9:1 in 2001 to 3.3:1 in 2007 (National Statistics Bureau of China, cited in Asian Development Bank 2008: 136). Social inequalities in cities are even more striking—the inequality emerged quicker (the Gini coefficient in cities rose from 0.18 to 0.32 from 1981 to 2001, compared to the increase from 0.25 to 0.36 in the countryside over the same period of time; see Ravallion and Chen 2004: 46), and the inequality is more visible and induces a much stronger sense of relative deprivation among low-income groups. In the process of privatisation, managers of state-owned enterprises purchased state assets at rock bottom prices, and thus became millionaires overnight. At the same time hundreds thousands workers were laid off and thrown into poverty (see Solinger 2002, 2003). In these circumstances of “accumulation by dispossession” (Harvey 2000, Chapter 9), a “last-bus sentiment” prevails. It is feared that if one misses this bus now, one will miss out on everything, so therefore one should seize all opportunities to rush one step ahead of others. Birth planning policies have exacerbated the last bus sentiment. The college students of the late 1990s are the first generation who were born after the One Child Policy was implemented nationwide. They are “only hope” of the family (Fong 2004) and often regard white-collar jobs as the only acceptable occupations. Overseas education is expected to provide extra advantage to be one step ahead in the fierce competition.

The anxiety of the young generation about the future has been further exacerbated by the rapid expansion of universities in China since the end of the 1990s. The Asian financial crisis in 1997 placed China in an unfavourable position with regard to competing with neighbouring countries for exports (due to the depreciation of other currencies). As a response the Chinese government decided to try to sustain domestic growth by stimulating domestic consumption. Owing to the lack of social security, people have generally preferred to save rather than spend
on general commodities. However education has been an exception; it has been identified by planners and ordinary citizens as a new consumption item with great potential. At the same time, the number of universities started to increase: the number of admissions jumped from 1.08 million in 1998 to 2.5 million in 2001 and by 2007, the number of planned enrolments reached 5.67 million! While the expansion widened access to universities to an unprecedented level, the inflation of degrees rendered university education less valuable in the job market. Unemployment among university graduates has subsequently become a major concern of the Chinese government. According to a study by Chinese Academy of Social Sciences (cited in the China Radio International, 15 January 2008) about 20 percent of university graduates in China who graduated in 2007, that is, one million, remained unemployed in the beginning of 2008. Further, an indication of the wider difficulties of finding a job in an era of the “diploma disease” (Dore, 1976) can be seen in a report from the Xinhua News Agency (19 June 2006) about a Bachelor degree holder who sent out 800 applications in one year but received no offers.

When domestic degrees are devalued, foreign universities become more desirable. As many of Xiang’s informants (students and their parents) pointed out, though the actual rewards of overseas education are uncertain, it is clear that degrees from average colleges in China cannot lead to desirable jobs. A graduate student who studied business in France told Shen: “I could not decide where to be born [a rural town in the relatively backward Hunan province] but I can choose where to work. And the only way to do it is to study hard and go to a big city [he studied in Shanghai]. Nowadays, just having a Chinese university diploma is not enough, that’s why I left Shanghai to study abroad.” Thus, in order to be ahead of the competition, he has been constantly on the move: from the countryside to the city, from the hinterland to the coast, and eventually overseas. Sarah, a 24-year-old woman who was working in a migration agency in northeast China told Xiang about how her decision to go to Singapore to study was ‘pushed’ by developments in China rather than ‘pulled’ by expectations about Singapore:

I went to Singapore after I had studied for one year in a college in Dalian [a prosperous city in Liaoning province]. During that year [2000] China expanded university recruitment again. Everyone felt that graduates didn’t have good prospects. Some students who entered colleges after [earlier rounds of] expansion were already graduating. Many couldn’t find jobs at all. I felt there was no point to staying in the college. My mother was very worried. She has a friend whose son went to Singapore to study. She [the mother’s friend] introduced me to the [education] agent.8

8 A more common strategy is for students to take the national university entrance examination in China first, and if fail to enter top-level universities in China, they would go overseas. A student who graduated from one of the best high school in Shenyang, told Xiang that he and his four classmates went overseas after being admitted by secondary rank universities in China in 2002. For students who managed to enter
Social stratification in China has been happening not only rapidly, but also in an unpredictable and irregular manner. Those who became rich through questionable means during the 1980s and 1990s needed to legitimate their wealth and consolidate their newly acquired positions. Sending offspring overseas has become a typical strategy to achieve this. Mr Gao, a former government official and now an education agent in Singapore, told Xiang that most of the students whom he recruited in the late 1990s were from families of civil servants and army officials. The phenomenon of civil servants and army officials sending their children to study overseas became so obvious that the Chinese ambassador to Singapore discouraged him from recruiting too many. The ambassador told him at a dinner: “How many people in China can earn so much money by doing [legitimate] business? Aren’t these people either taking bribes or stealing public assets? Scale down [the business] if you can.” It is also widely known that corrupt officials send their children overseas to set a foothold, particularly in Australia and Canada, to prepare for the escape of the whole family.

For ordinary people, there is a strong sense of anomie and studying overseas is thus regarded as a path to a more predictable and secured future for the next generation. A junior official working for the Liaoning provincial government told Xiang that he decided to send his only daughter overseas because China is too “chaotic.” He did not only mean the chaotic traffic or the lack of security, he was instead referring to a moral order:

Somebody can become so rich nowadays. You have no idea where they got the money from. How should we understand this? If my daughter says that she wants to become like that, what should we say!... These rich people are not necessarily happy. They may be very worried. But I also feel imbalanced in my heart to see that they are having such a good life. People like you will be different. You live overseas, and you have clear rules to follow. What you should stand for, and what should be against, are all clear. I think young people will know better what they should do overseas.

Social stratification is always gendered and this applies also to international student migration. Our informants, especially agents, agreed that the number of female postgraduate students who pursue foreign degrees has been increasing. This is widely interpreted to be a result of increasing gender discrimination in the job market that has occurred alongside privatization (see Wang 2000; World Bank 2002; Pan 2004). Between 2000 and 2006, among people aged top universities in China, they typically plan to go overseas later for postgraduate studies on full scholarships. Self-financing overseas education is a choice for those who do not excel in examinations but have enough financial means.

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9 Interview, 15 August 2007, Singapore.
between 16 and 29, the employment rate among women declined by 7 percent (Renmin University, cited in Chinanews 15 January 2008). In a sense women need extra education credentials in order to compensate for sex discrimination. In this context the length of courses also becomes a concern. One-year Masters courses are strongly preferred because they enable female students to return to China to get married early. In recent years, there is a resumption or even growth of the preference for younger women in the marriage market in China, and marrying early is as important as having a good degree in finding desirable grooms. A marriage bureau interviewed by Xiang in south China reported that some of their female candidates are as young as eighteen. Bourdieu (1984) made the analytical distinction between the male-dominated “economic ladder” and the “cultural ladder” that is more female friendly in the process of social stratification. The case of Chinese student migrants seems to confirm the general impression that male students primarily expect higher incomes when investing in international education, and female students expect heightened social status, particularly desirable positions in the marriage market, in addition to higher earning power.

3. From “wild chicken” to golden phoenix

In the words of education agents and public media, student migration became more “rational” in the early 2000s: students chose universities according to international hierarchies of reputation and targeted well-established institutions. Foreign certificates per se were not good enough and were no substitute for internationally reputable degrees. Students who attended small private colleges were looked down on because they were thought to have ‘bought’ their degrees. This contrasts with the approach of the first stream of self-financing students who migrated from China. The first major stream of self-financing students from China went to Japan for study in language schools in the 1980s. In 1983, the then Japanese Prime Minister Nakasone Yasuhiro proposed the plan of enrolling 100,000 foreign students by the year 2000 as part of his outward-looking policy. This announcement was warmly welcomed by universities, and even more enthusiastically by small colleges. Due to the dramatically declining birth rate and the subsequently shrinking student population, many colleges, particularly small ones located in remote areas, faced the danger of having to close. Foreign students became the savior. A further benefit of Chinese students was their contribution to an important supplementary labor force for low-end, labor-intensive industries. Japan faced acute labor shortage since the 1980s but the government has persistently refused to accept unskilled foreign workers. Student migration provided a “side door” solution (Tsuda and Wayne 2004). The language schools had poor
facilities, but they charged relatively low tuition fees, and required minimum academic performance for admission. Most importantly the language schools were lenient enough to allow students to work part-time for long hours. As one agent told Xiang, for a long time “Japan was the only country in the world in which you could earn money as a student.” Students’ absence from schools for several days was not uncommon (see Komai 2001:55-58). These language colleges are commonly referred to as “wild chicken.” During the early 1990s, many European wild chicken schools also started recruiting Chinese students.

Such private colleges fall outside the established tertiary education system. Even so they consciously position themselves as part of the mainstream hierarchy, through strategies such as affiliating with prominent institutions. An “Irish International University,” exposed by the BBC (7 January 2008) had hardly any facilities, but had nevertheless lured students from the third world simply by hiring facilities in Oxford and Cambridge. The college also played the card of racial hierarchy. The Honorary Chancellor, addressing himself as “Sir,” told the BBC undercover reporter that “I am white, and they are…I handed out the degrees…as long as they don’t know [the truth], they’re happy.”

It is no coincidence that large numbers of private colleges are located in what World System theorists would call emerging “semi-peripheral” areas such as Cyprus, Ireland, Denmark, Iceland, Malta, Singapore and Saipan (capital of the United States Commonwealth of the Northern Mariana Islands). Compared to the “core” countries such as the United States proper and the United Kingdom, the costs of living are lower and the immigration controls are less strict. A further advantage is that they may serve as gateways to the center. For instance colleges in Ireland project themselves as a springboard to the UK, and those in Cyprus and Malta claim to open the door to EU countries. College fees in Saipan are higher than those in comparable places because, according to agents in China interviewed by Xiang, Saipan is technically part of the USA and this connection would be valuable for the student’s future migration projects.

The gateway position of private colleges is actively utilized by students in their efforts to enter the center of the mainstream hierarchy of global educational institutions. A former student who studied in Ireland told Xiang that on average, at least 10 per cent of Chinese students in a language school went to more desirable countries, primarily the UK and Australia on graduation. About 60 per cent tried to stay on in Ireland, while the rest returned to China. Private colleges in Singapore may be even more useful in facilitating subsequent mobility. When Xiang commented that it was expensive to spend RMB 40,000 (including agent fees and tuition) to study at a private college in Singapore, Sarah disagreed: “The price is only half of the price of
going to the UK [from China]. If you go to the UK from Singapore, the agent there asked for SGD 1000 only!" 10 About 20 out of the total 32 students in Sarah’s class were Chinese, and 10 of them moved overseas including to Finland, New Zealand, Spain, UK, and the USA after or even during the course.

By the early 2000s, wild chicken colleges had lost their popularity among Chinese students. Governments in receiving countries had tightened up regulations. Ireland for example stopped granting visas to language school students that were valid for more than 1.5 years. In 2003 it became so difficult to apply for visas for attending language schools in Japan that a few recruitment agents in Liaoning province decided to stop the business altogether. The UK government requires self-paying students to provide proofs of a minimum long-term deposit of RMB 0.5 million, and the students must establish legitimate sources of the income by, for example, submitting the parents’ salary slips, income tax records or business licenses. These documents used to be available for purchase in China, but under pressure from foreign governments, the Chinese authorities have contained the trade in fabricated documents, particularly bank statements.

Tighter regulations resulted in significant changes in the business of student recruitment. As Liu Yang, a young woman who had worked at three international agents in Shenyang over six years, told Xiang:

the business become much “purer.” A few years ago, people said that they wanted to go overseas to study, but in fact they wanted to work. Nowadays studying means studying… Everyone becomes much more rational. They know which universities are good, and they are willing to invest. They want a better future, not want to make quick money now… We don’t want to do irregular business either. Control in foreign countries become tighter and tighter; and they can reject [visa application] because of age, financial statements, education backgrounds, housing certificates, English level, your statement, anything. What’s point of making an application, which costs us a lot of time, to be rejected in the end?

Related to this, there is also a change in students’ family background. During the mid 1990s, the majority of the students were from salary earning families, but by the mid 2000s, Liu Yang estimated that about 70 percent of the students were from business families.

Chinese students and their parents became ever more conscious about the international ranking of universities. The league tally produced by Shanghai Jiaotong University attracted much attention immediately after it was published for the first time in 2003. Many students and their

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10 Interview, 21 March 2005, northeast China.
parents are also well aware of the rankings produced by the *Times Higher Education Supplement*, the *Financial Times* and the *Economist*. The proliferation of the ranking tallies—the most typical means of establishing hierarchies—constitutes an integral part of the making of a unified, therefore effective, global market for higher education. A student in Loughborough University, UK, told Shen:

> There are so many foreign universities now recruiting students in China. If you are paying for your education, you want to pick a good one. I looked at many tallies, [including] by foreign newspapers and by Chinese students in Internet online forums. The ranking varies a lot sometimes, [but] it is a good reference to differentiate schools, especially for us who don’t know much.

Destination countries are also differentiated in a hierarchical order. The US and the UK are regarded the most desirable, followed by Australia and New Zealand, then comes Singapore, Malaysia, South Africa and other English-speaking countries. European countries such as Germany and France are also popular for their perceived high educational quality and relatively low tuition fees and living expenses. A manager of an IT company in China was quoted to say that he, as an employer, would check which country the student graduated from, and a student from a “so-so school in a so-so country” wouldn’t have much chance (Oriental Domain 19 January 2006). An education agent in Shenyang promoted a private college in Singapore called “Australian Polytechnic” by emphasizing that the college would offer “Australian degrees” after studying in Singapore. Education agents also come up with their own ranking lists of cities, universities and departments according to various criteria (world recognition, research outputs, job prospects, prestige of faculty member) in order to cater to the needs and financial capacities of different groups of clients.

The rationalization of the pursuit of overseas higher education has raised a paradox. Precisely because the established universities are reputable, one is not supposed to buy into them simply by paying higher fees. In other words, the transaction between financial and cultural capital becomes less smooth at the higher level of the mainstream hierarchy. It is in this context that privileged families developed a new strategy—sending children to elite junior colleges and even secondary schools overseas. The change in the strategy was aptly summarized by Liu Yang, staff of a large overseas education agency in Shenyang, “Nowadays only those students who lack means go to ‘wild chicken’ colleges… Good families send their kids to private schools such as Eton while they are still small.” Elite junior colleges and secondary schools are much easier to enter than universities as long as one has enough financial capacity, and graduates from these
schools are expected to have a much higher chance of entering reputable universities in the future. In Oxford University, for example, about half of its students are from private ("independent") schools (Sutton Trust 2005: 6, Figure 1), even though private schools made up about 7 percent of British secondary pupils (Independent School Council 2008: 5). This means that if one can buy into a private school, he/she will have a chance 13 times higher than that of an average local student to get into Oxford. In Japan, elite private universities such as Keio and Waseda set up their own so-called “escalator” system consisting of kindergartens, primary and secondary schools. Thus children from wealthy families buy the expensive ticket to enter the escalator on the ground floor, which helps to take them to the top universities. As a result, social inequality is produced and reproduced without upsetting the “merit”-based hierarchy of universities. The shift to the migration of pre-university students represents a stage of truly transnationalised production of inequality whereby rapid social stratification in China and well entrenched elitism in the advanced capitalist countries reinforce each other.

The migration of xiao liuxuesheng ("little overseas students"), starting from the prosperous southern and coastal regions of China, has now become a nationwide phenomenon (see also Cheng Xi 2002: 37-48). According to the Canada Education Centre (cited in China.com 8 April 2008), out of the 20,000-30,000 self-financing Chinese students who go to Canada every year since 2000, half are under 18 years old. The number of younger Chinese students in the US has also increased rapidly: by the end of 2007 there were over one thousand teenage Chinese students in Los Angeles alone (Chinanews.com 15 January 2008). Across the Atlantic, there were 7,000 Chinese teenagers (15-18 years old) studying in the UK (BBC Chinese 4 June 2003), and the number increased to over 8,000 in 2005 (BBC 7 September 2005). In 2008 students from the mainland China and Hong Kong made up 40% of all overseas pupils enrolled in the private ("independent") schools in the UK (12% from the mainland and 27% from the Hong Kong), far ahead than any other nationality (Independent School Council 2008: 11).

For education agents in both China and overseas, the “little overseas students” constitute the most profitable business niche. In the mid 2000s, large international education agents in China served three groups of clients: first, there were adult students, particularly professionals with working experiences, who typically spent RMB 250,000-300,000 of their own savings for a Masters degree overseas; second were middle-income families which paid about RMB 300,000 to send their children overseas for postgraduate courses; and finally, wealthy families put in RMB 800,000 as the first phase investment for high school, undergraduate or junior college education in the West, and were ready to spend more for subsequent university education. The third group of clients are not only willing to pay the most, but also had sufficient financial resources to
draw on constantly over a long period of time, and so generated various new business opportunities. For example, some large agents began providing follow-up services such as helping students apply for universities when they graduate from high schools and searching for host families or guarantors in the destination countries. As Liu Yang pointedly mentioned, “These people pay high fees, they want good education and good service.”

As an alternative strategy to sending young students, some education agents collaborate with high schools in China to prepare students for overseas education “on shore”. A locally well known high school in a medium-sized city in southeast China, for example, works with a Shanghai-based private education agent and set up a class specializing in preparing students for going overseas. Students enter this class with lower academic scores than other students in the same school, but have to pay much higher tuition fees (RMB 50,000 per year for three years compared to almost free for other students). The students are guaranteed to be sent to overseas for A level studying in the UK at their own cost. The class has become extremely popular. Receiving countries also actively accommodate and even encourage the enrolment of young students. So much so that some universities in the UK are accused of giving foreign students, including Chinese A-level leavers, preferential treatment in admissions because they pay higher tuition fees (BBC 7 September 2005).

The emergence of the group of “little overseas students” represents a crucial turning point in the interplay between international education and class formation in China. On one hand, only families with top level incomes can afford to pursue this strategy; on the other hand, by immersing in the foreign society from the early age, the students acquire the social capital and social skills of the dominant class in the economically advanced societies. This enables them to enter elite tertiary education institutes and develop a wide range of embodied assets (including manners and accent) that firmly distinguish them from the “masses”. At the end of the 1990s when the trend had just started, a Chinese journalist in Beijing commented to Xiang: “They are new aristocracy, but they are real aristocracy.” In Bourdieu’s words, they develop the proper habitus and the “competence” for further capital accumulation and conversion.

The hierarchical differentiation among foreign degrees, the investment in elite primary and secondary education, and the prolonged route of conversion between financial and cultural capital, seem to ameliorate, although by no means eradicate, the “diploma disease” to some extent. Dore (1976) diagnosed the diploma disease partly as the problem that education certificates become “access cards” rather than a representation of true knowledge. The

11 Interview, Shenyang, November 13, 2007.
economist Spence (1974) had pointed out that employers value education degrees not because they believe that the degree truthfully reflect the candidate’s expertise, but because, without any other information, they take the degree as a “signal” of the candidate’s general competence. It is assumed that, since the candidate has pulled him/herself through the university, regardless what subject he/she studied, the candidate should be able to perform basic tasks. In a stratified education market, a degree from reputable university is indeed capable of signaling the graduate’s competence as required by the mainstream society. Thus, the diploma disease does not seem to become ever more contagious, driving everyone to seek education certificates; it will rather be stabilized into an exclusive game with clear rules. Those who do not have enough means may decide not to invest in acquiring high-end cultural capital at all. In other words, what is at issue here is not the inflation of certificates or the divorce between diploma and real knowledge, but is precisely the opposite, namely the convertibility and close connections between symbolic, human, social and economic capital, and the resultant exclusiveness.

4. Returnees

The foregoing account may have created an impression that financial and cultural capital have replaced political capital in the production of social inequality. This is untrue. When self-financing became the main channel for studying overseas, the Chinese government shifted its policy focus from direct, all-encompassing control to indirect and selective intervention. New policy methods include providing scholarships, working with student associations, and most importantly, offering generous incentives to attract graduates back to China. If we regard the policy of sending students out as a plan of cultivating human capital for the long term, attracting the internationally educated graduates back can be seen as a short-term strategy to “purchase” mature human resources. Since the late 1990s, the number of returnees to China has been increasing at almost the same speed as outmigration. By the end of 2007, nearly 320,000 graduates had returned to China (Shao Wei 2008). An increasing number of the returnees were self-financing students: more than 80 percent of the total 44,000 returnees in 2007 (Ministry of Education 5 April 2008). The returnees have attracted much academic attention. Most research literature focuses on returnees’ career trajectories and their contributions to China’s development (e.g. Cao Cong 2007; Li Cheng 2005; Wei Shen 2007, 2008). This section however situates the case of returnees in our larger concern with processes of social stratification in China, and outlines how state policies have conferred special symbolic and political capital to the returnees and subsequently to students overseas in general, thereby incorporating them into the political establishment.
Returnees with higher education degrees from the West have become an important policy subject and even political constituency of the Chinese government. Following an index provided by the Ministry of Education, we collected 180 government policies promulgated between 1986 and 2003, including 7 on education for returnees’ children, 27 on personnel policy, nationality, household registration and even the marriage of returnees, and 14 on customs regulations. In March 2007, the Chinese Ministry of Education issued the high-profile document *A Number of Decisions on Further Strengthening the Work of Attracting Back Outstanding Students from Overseas* that promises a wide range of generous offers. Local government promulgated even more specific and financially oriented policies. For example, as early as August 1993, the Shanghai municipality government issued *The Notification on Special Treatment on Installing Telephones, Gas and Air Conditioners for Overseas Students Who Are to Work in Shanghai*. Guangzhou municipal government handed out RMB 100,000 (USD 12,000) as a "golden hello" (*jianmianli*) to returnees who have decided to work in Guangzhou. Even relatively poor provinces such as Shanxi and cities such as Xi’an also provide OCPs with free office and facilities, seed funds for research, and housing.

While these promised material and financial benefits do not always materialize, they nevertheless make the policies to encourage return tangible and render the returnees a special social category. One of the government flagship programmes has been the establishment of state-of-the-art industrial parks exclusively for returnees. The parks provide returned high-tech entrepreneurs with special benefits such as subsidies, low interest loans and tax breaks. By the end of 2006 there were a total of 115 such parks nationwide. Although the claimed success of this initiative is questionable, especially when compared to the experiences of other countries (Xiang 2007), the parks, often located in conspicuous buildings enclosed by walls, make the returnee entrepreneurs highly visible. The programme establishes a strong association between returned graduates and technological progress, economic prosperity, political legitimacy and social respect. According to a recent survey conducted by the Department for Overseas Scholars of the Chinese Youth Federation and the newspaper *Digests for Youth*, 41 percent of those who had never studied or worked overseas regarded the favourable government policies for overseas graduates as necessary, only slightly lower than the percentage of the returned overseas graduates who held the same view (43 percent). Overseas graduates probably benefit more from the effects of the policies on perceptions with domestic society than the policies themselves.

Chinese government policies regarding returnees are overall dominated by a highly “economist” discourse. It is argued that overseas graduates deserve generous financial rewards
because they are economically and technologically beneficial to China, and also because financial
reward is the most, and even the only, feasible means to motivate them to return. But, as Xiang
(2008) details elsewhere based on his participatory observation of two gigantic events aimed at
encouraging graduates overseas to return to set up joint ventures with counterparts in China,
this economistic language is communicated in a highly ritualistic manner. Political rituals, such as
official speeches, government banquets, tours of key development sites, and the presence of
senior officials in the ceremony of signing business contacts, hold the events together. Xiang
thus calls it a “ritual economy” that combines the ritual and the economic. The most typical
example of political ritual is the central government’s initiative of “setting up models” (shu
dianxing) whereby the state hands out symbolic capital to selected returnees directly. The
national government awarded a total of 939 returned outstanding overseas graduates (the
“models”) in 1991, 1997 and 2003. The awards were announced and handed out at high-profile
meetings in Beijing that were broadcast nationwide, thus creating minor state spectacles. While
the first two honouring conferences (biaozhang dahui) were organised by the Ministry of
Education and Ministry of Personnel, the third was organised jointly by the ministries and three
departments of the Central Committee of the Communist Party (the Organization Department,
the Department of Propaganda, and the United Front Department). In China, the direct
involvement of the party is highly significant, suggesting that the matter in question is of strategic
importance.

These ritualized activities validate the link between social value and foreign education
degrees: holders of proper western degrees have more human capital, thus more social worth,
and in turn deserve special economic and social privileges. This is clearly related to the more
general discourse of “suzhi” (human quality) that judges the value of a human being by his/her
skills, productivity and manners (see Yan 2003; Anagost 2004). Underlying the suzhi discourse in
general and the ritual economy of talent in particular is a double movement: on the one hand
human capital is disembedded from the social relations and institutions that have nurtured it and
is essentialized, reified and mystified as individual attribute (what Yan 2003 calls “neohumanism”),
and on the other hand human capital becomes ever more convertible to financial, social and
political capital, thus deeply embedded in a social system of capital conversion. The ritual
economy to celebrate the returnees also associates the state to the “advanced productive
forces” and so presents the state as progressive and modernizing.12 The economic- and

12 The “three represents” theory developed by Jiang Zemin in 2000, supposedly the defining doctrine for
the Communist Party of China (CPC) today, is widely interpreted as an explicit attempt to legitimize an
alliance between the party state and the newly emerged elites. The theory argues that the party should
technological-determinist discourse appears apolitical, but precisely because of this they acquire strong power in legitimating the current regime and in accommodating overseas graduates into the established political order.

5. Discussion

High levels of private investment in tertiary education is arguably a common phenomenon across East Asia. According to the UNESCO report *Learning Without Borders* (2006), four out of every ten tertiary students studying abroad are from Asia. Although the absolute number of overseas students from China is large, its proportion to the total population of college students remains small. In 2005, less than two (1.85) percent of college students in China were studying overseas, much lower than for other Asian countries such as South Korea (3.03), Malaysia (6.16) and Hong Kong (22.8) (UNESCO 2007). Historically, international education has played important roles in class formation and reformation in various Asian countries since the colonial times. However, the Chinese case is special because the social transformation is particularly dramatic and the relationship between international education and the social stratification is both intimate and complex.

We may divide the development of student migration from China into three stages, each representing a particular mode of conversion between different types of capital. At the first stage, from the end of the 1970s to the mid 1980s, students were selected and sent abroad by the state to learn advanced technologies and they were then assigned to important positions upon return. Reflecting the communist party’s policy of combining the “red” (politically “progressive”) with the “expert”, the government chose those who were politically and professionally qualified, and granted the returnees higher social position and more political capital because of their new cultural capital accumulated overseas. There was thus a “triangular” trading relation between human, political and cultural capital (degrees). The exchange at the second stage, from the mid 1980s to the mid 1990s, when a large number of students went overseas to study in language colleges, became simpler. With the rapidly deepening process of privatization and marketization, financial capital was directly transformed into cultural capital. Indeed, studying overseas was widely referred to as an action of “gold gilding” (dujin) in the 1980s and 1990s, meaning that one paid money to purchase a label—likened to the thin layer of always represent advanced productive forces, advanced culture, and only thirdly, the fundamental interests of the broadest masses of the people. In November 2006, the CPC Central Committee issued an important document entitled “Opinions on Consolidating and Expanding United Front in New Century and New Stage.” The sole objective of the document is to urge the entire party to recognize the importance of business people in private sectors and freelance professionals as the CPC’s potential allies.
gold coating on the surface of an ordinary object—without necessarily acquiring new knowledge or skills. The situation at the third stage becomes more complicated. High-value cultural capital (reputable western degrees) cannot be purchased monetarily without the accumulation of genuine human and cultural capital. But once succeeded, one can gain symbolic and political capital relatively easily. In sum, the transaction between different types of capital requires larger amounts of financial capital to start with, takes a longer time to accumulate, and the circulation concentrates within a smaller group of the population.

The literature on the re-emergence of class relations in post-communist countries generally distinguishes the pattern of “elite circulation” (members of lower strata move up to elite positions based on technological know-how) from “elite reproduction” (the same group transforms themselves from one type of elite to another based on the manipulation of various types of capital that they possess. For one of the best known collections about this debate, see Szelenyi and Szelenyi 1995). Following this distinction, our case study indicates that China moved from a time of elite circulation to a time of elite reproduction in the 2000s. By that time a transnational scale of capital conversion emerged, a hierarchy was established to differentiate the symbolic capital thus ensuring the sustainability of capital conversion, and involvement of the state further facilitated the exchange between different types of capital. Our study also implies that it is far too simplistic to assume that international students from China would inevitably contribute to the lineal development of democracy and market economy in China. The economic, social, and political effects of the internationalization of education must be examined as an integral part of the larger structural transformation in contemporary China.
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