Diversification of International Student Base: A Misplaced Effort

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ABSTRACT

Underlying the goal of diversifying the sources of international students in post-secondary education is a naive logic: The portfolio of international students is controlled by the recruitment efforts of host countries and universities. Given this logic, the host countries and universities decide on where their international students are from and how diverse their international student population is. The logic results in an overestimate of the value of recruitment efforts by host countries and universities. It tends to overlook a whole range of other macro factors that determine international student mobility more significantly than recruitment efforts. Most notably, certain macro factors are beyond the control of host countries and universities, and thus their diversification efforts are futile and a waste of resources.

Keywords: diversification, international student, macro factors, mobility, recruitment

International student enrollment has become a key revenue source for host universities and a growing export industry for host countries. However, the high percentage of Chinese students in the total international student body, and thus the over-reliance on one country for international enrollment, has been perceived as a risk factor by major host countries and universities. There appears to be a unanimous strategy adopted in Anglo host countries and universities to diversify the base of international students. Will this effort succeed in diversifying away from Chinese students? This article is an attempt to answer this question.
The Dominance of Chinese International Students

In the 21st century, Chinese students have become the largest group of international students in major countries where English is the primary language—that is, Anglo countries. By 2015, more than 40% of student visas (600,000) in the United States were issued to students from mainland China (Schrager, 2018). The United Kingdom is the second most popular study-abroad destination worldwide for international students. As of 2017–2018, 106,530 of the 458,520 international students attending universities in the United Kingdom were Chinese, representing 23% of the total international student body, second only to the European Union’s 30% (Study in UK, 2019). With Brexit completing, the United Kingdom might lose the big international student number from the European Union, making Chinese students the number one group. China is also the largest source country of international students in Australia, at 40% of total international student enrollment (Tran & Forbes-Mewett, 2019). Likewise, in Canada, the number of international students at all education levels reached 494,525 in 2017, with 40% of this population being Chinese (Canadian Bureau for International Education, 2019).

In all Anglo countries, international student education has become a key export industry. International students contributed $42 billion to the U.S. economy (Institute of International Education, 2019), £25 billion to the U.K. economy (Universities UK, 2019), $34.9 billion to the Australian economy (Study International, 2019), $12.8 billion to the Canadian economy (Government of Canada, 2017), and NZ $4.28 billion to New Zealand’s economy (ICEF Monitor, 2017a) per year. International students’ tuition has also become a very important source of institutional income. In the United States, international students constituted 12% of the total student population in 2015, but their tuition fee accounted for $9 billion of revenue to American public universities, or 28% of total annual tuition revenue (Loudenback, 2016). In Canada, international student fees amounted to $2.75 billion, which represents 35% of all fees collected and 9.3% of total institutional revenue (Usher, 2018). Some major public universities in Anglo countries receive more revenue from international students’ tuition fees than from their provincial or state governments. For example, in the 2018–2019 school year, the University of Toronto reported 30% of its operating budget was generated from international students’ tuition, while the provincial grant only amounted to 25% of the same budget (University of Toronto, 2019).

Diversification as Risk Management

It was once good news that public universities in the West could find new sources of revenue in the context of declining operating grants from governments. However, major host countries and universities of international students are becoming increasingly concerned about the fact that students from a single country, China, constitute the majority of the international student base. Host countries have been asking the “what if” question: What if something happens to significantly alter the current scale of outbound student mobility from China?
One clear result of this happening is that many major host universities would plunge into financial difficulty, given the large portion of the institutional revenue contributed by international student fees. How can major host universities of Chinese students manage such a potential risk?

As a strategy for risk management, Brown University in the United States has taken the lead in purchasing insurance to protect itself against the potential loss of international student tuition revenue, with $424,000 paid since 2017 in premiums for coverage up to $60 million if there’s a 20% drop or more in revenue from Chinese students in a single year following “triggering events,” such as visa restriction, a pandemic, or a trade war (Schrager, 2018). The three “triggering events” seem to be real threats. At the height of the Trade War between the United States and China in 2019, the Chinese Ministry of Education issued a study abroad alert, warning Chinese students about the visa delays, denials, and other risks they might encounter in their applications for U.S. schools (Skinner, 2019). The 2020 COVID-19 world pandemic has significantly decreased international student mobility from mainland China and Hong Kong, as health and safety have become a major concern for students and their families (see Mok et. al, 2021).

A more common strategy adopted by many countries and universities has been to diversify the source countries of international students by shifting recruitment efforts. For example, in the Canadian International Education Strategy (2019–2024), one of the three major goals is “to diversify the countries from which international students come to Canada” (Ministry of International Trade Diversification, 2019). Similarly, Australia aims to diversify its international student population to reduce its reliance on China (Walker, 2018). Institutions and schools have also aimed to diversify beyond China (and India) in their recruitment strategies (see e.g., ICEF Monitor, 2017b). It is risky to put too many eggs in only one basket, which is common sense. But how risky is China as a basket? What exactly are the risk factors for the Chinese basket? One typical approach in predicting international student mobility is to examine the “pull” and “push” factors (Altbach, 1998). In this context, students are pulled by more favorable conditions in host countries and pushed by unfavorable conditions at home. So what are the pull and push factors for Chinese students?

The Pull Factors

One most important historical pull factor for Chinese students’ decision to pursue overseas study has been the technological advancement in the West through the large-scale industrialization that took place almost two centuries before China. As a result of the Western industrialization,

…(a) few countries dominate global scientific systems, the new technologies are owned primarily by multinational corporations or academic institutions in the major Western industrialized nations, and the domination of English creates advantages for the countries that use English as the medium of instruction and research. (Altbach, 2015, p. 7)
After China’s repeated defeats in military encounters with Western invaders that landed on China’s shores since the late 1930s, the Qing government (1644–1912) finally realized they needed to end their closed-door policy and start learning from the industrialized West. In 1872, the Qing government sent the first group of 30 young teenagers to study in the United States. In order to establish China’s own navy, many Chinese soldiers were sponsored to study the navy in Europe. This is considered the first wave of overseas studies by China (Shu, 2011).

In 1911, the Republican Revolution, led by Sun Yat Sen, overthrew the last dynasty in China and started the Republican era. Sun and his party were mostly educated in Japan, the first industrialized Asian country. Accordingly, during his leadership (1911–1927) there were many Chinese students studying in Japan. This became the second wave (Shu, 2011). In 1927, Jiang Kai Shek led a coup and seized power from the Nationalist Party. Jiang was pro-Western and pro-American. During his leadership, he introduced the American educational system in China and declared Chinese medicine witchcraft. During his rule (1927–1949), many young people studied in the United States, which was the third wave (Shu, 2011). During Mao’s leadership (1949–1965), China was isolated by the West; China turned to Russia as its central international ally. During this time, Russia was also the only destination for Chinese students studying abroad. This was considered the fourth wave of Chinese overseas study (Shu, 2011).

The fifth wave, also the current wave, started after the Cultural Revolution (1966–1976). The new Chinese leader, Deng Xiaoping, adopted a more pragmatic approach in China’s social and economic development. His “Reform” initiative introduced market principles and entrepreneurship in running the economy domestically. His “Open-up” policy encouraged Chinese businesses and people to reengage with the West and learn from the West. In 1985, China put forward a very clear policy on Chinese citizens studying overseas: “Support students’ efforts to study overseas; encourage them to come back upon completion; free to go and free to return.” (Biao & Shen, 2009, p. 515). The same policy continues to be in force today. The economic success China has had in the past few decades is to a large extent due to China’s trade and engagement with the West. Actively learning from the West has helped China speed its catch-up with the West. Such Western exposure and reference may have taken the form of both Western-trained Chinese scholars returning to work in China and the “Brain Circulation” (Saxenian, 2005) of Chinese scholars working overseas.

Another important pull factor, as pointed out by Altbach (2015), is the dominance of English as a world language. The status of English as a foreign language in Chinese school curriculum might be one of the highest in the world, if not the highest, carrying the same curriculum weight as Math and Chinese language art (Liu & Lin, 2019). English, while serving as the world’s first language in business, is also intertwined with economic factors. A breakdown of the percentages of world gross domestic product (GDP) by language shows that English accounts for 20.77% of the world GDP, though Chinese is closing the gap, accounting for a little less than 20% (19.64%) of world GDP, as of 2018 (see Alexika, 2018). Even if the Chinese-speaking world can surpass the English-
speaking world as the number one GDP generator, English will remain a very important language to learn, with instruction in English continuing to be the advantage of higher education in Anglo countries. Within China, students’ achievement in English as a school subject has very high stakes both for their educational advancement (from elementary school all the way to graduate programs) and their future employment, in a very competitive environment (Liu & Lin, 2019). For Chinese parents, even if the quality of education in a certain subject area in an overseas university is equivalent to a domestic Chinese university, being able to master the English language alone would make their children’s overseas study a worthy investment.

The Push Factors

The push factors in China that drive students’ outbound mobility may include the fierce competition for admission into top Chinese universities, the perceived lower quality of higher education at home in second- and third-tier institutions, and the increasing number of middle class families enabled by the robust economic growth in the past few decades (Liu, 2016). The Chinese open-door policy was adopted since the late 1970s, as mentioned above. However, the number of students studying overseas from China in the 1980s and 1990s was small, and most of them were government-sponsored students (www.eol.cn, 2020). The number grew quickly since 2000 at about 25% each year, and over 90% of the growth was driven by self-sponsored students (see Figure 1).

![Figure 1: Number of Chinese Students Studying Overseas (in thousands) (based on www.eol.cn, 2020)](image)

The general trend of Chinese students’ outbound mobility, despite some small fluctuations, matches the trend of Chinese GDP per capita growth perfectly in the past 20 years, which speaks to the force of Chinese economy as a push factor (see Figure 2). There are many doomsayers in the West about the Chinese
economy, forecasting that China will face economic crisis, if not in one already (see e.g., Pesek, 2019; Rapoza, 2019; Schuman, 2019). In spite of such negative views toward Chinese economic growth and the heightened uncertainty regarding a trade war with the United States, the Chinese economy still grew over 6% in 2019 (Reuters, 2019). China’s economy also performed well in 2020, after effectively managing the COVID-19 pandemic. Whoever argues for the imminent bust of the Chinese economy thinks against the bigger trend of Asia as a whole returning to the historical norm of leading world economic growth (Mahbubani, 2018). The Chinese economy may not be able to grow at 10% annually in the future, but the large scope as a world’s second largest economy today makes each small percentage increase a large increase in absolute terms.

The strong Chinese economy is a necessary condition for Chinese students’ outbound mobility, but it is not a sufficient condition. People prioritize differently in their spending. In addition to economics, Liu (2016) suggested that the Chinese educational culture is the most important push factor for Chinese students’ international mobility. The Chinese education-first culture encourages parents to try to send their children to the best institutions of higher learning possible, as far as they can afford. The Chinese saving culture makes Western tuition fees affordable to many middle-class Chinese families. Additionally, the Chinese extended-family culture makes one student’s higher education a priority for the whole extended family. These features of traditional Chinese culture, together with economic growth, will continue to serve as push factors and drive the outbound mobility of Chinese students for a few decades to come.

The Political Factors
From the above analysis on the major pull factors and push factors, the Chinese basket as a source of international students does not seem to be such a risky basket. However, the risk analysis of China as a major source country of international students has been predominantly a political analysis. In a *Washington Post* article, Anderson and Svrluga (2019) posited that the accusation of the Chinese-sponsored Confucius Institutes as an espionage threat to the Western countries may potentially result in the retaliation of the Chinese government and thus the loss of Chinese students. A *Global News* (2019) article stated that Canadian universities would face a cash crunch if Canada’s diplomatic difficulty with China over the arrest of a Huawei executive resulted in the world’s most populous nation pulling its students from Canadian schools. Such politically oriented analyses boil down to the view that the Chinese government is an authoritarian oligarchy and it is by nature unpredictable. Worse yet, it is repressive and can exert power to inhibit its citizens’ international mobility and travel. This seems to be the number one risk factor perceived by the host countries and universities of Chinese international students. But is such fear well founded?

In the first place, as we discussed above, China has viewed international education more as an opportunity than as a risk since the late 1970s (Li & Bray, 2007). In this sense, the concern over the Chinese government’s obstruction of Chinese students’ outbound mobility is unwarranted. The Chinese government believes in the benefit of Chinese citizens’ overseas study, and China has had consistent policies to encourage Chinese citizens to study overseas over the past few decades. In the second place, political freedom and personal freedom are two different issues in the Chinese context, and China allows significantly more personal freedom to its people than the West has acknowledged. Every year, according to Mahbubani (2018), over 150 million Chinese travel overseas. If the Chinese government is as repressive as perceived by the West, would this many of its people be able to travel overseas? Additionally, once they are out of country, would they return to their country of origin? The China we have today is fundamentally different from the China during the Cultural Revolution, a point that most Westerners don’t seem to get.

**The Economic Factors**

If one is still not convinced that China is a safe source of international students, and thus a safe basket to keep our eggs in, here is another question that needs to be considered: Are there other baskets to put our eggs in? The top contributing countries to the world economic growth from the developing world today are China, India, Indonesia, Russia, and Brazil (see Figure 3; Tanzi & Lu, 2019). According to the breakdown in Figure 3, for every $100 of new wealth generated in the world today, $28 is generated in one country—China, followed by India ($13.7). So India is the other sizable recruitment market for international students, right next to China. But it would be still concerning to many people to have only two baskets. If these two baskets are still risky, are we able to create additional baskets in other parts of the world through our recruitment efforts? Based on the breakdown again, the other baskets are small—Indonesia $3.4;
Russia $2.1; Brazil $2.0—and thus the return for our recruitment efforts in these markets would be low. This is the economic reality we need to consider if we want to get the most out of our recruitment dollars.

Another crucial question in the economic analysis we need to ask here is whether the international student market today is a buyer’s market or a seller’s market. A seller’s market would happen when major host countries and universities do not have enough capacity to take on the number of students who want to study there. A buyer’s market happens when there are fewer students, and there is a competition among host countries and universities for the limited number of students. The current international student market seems to be a buyer’s market in the sense that international students have choices and they can shop around a little. The many host countries and universities are competing for a limited number of students. In a buyer’s market, we will need to pay more attention to the pull factors, very much like we need to make our house look more attractive if we want to sell it when there is a big inventory of houses on the market. We cannot afford to be picky about who the buyer is and where they are from. We sell our house to the highest bidders, students with the best grade point averages, no matter where they are from.
The push factors as discussed above are largely out of the control of the host countries and universities. As such, diversification efforts expended in low-yield markets is a misplaced effort. It does not make economic sense. It is not putting eggs in different baskets; it is throwing eggs on rocks, an unaccountable way to spend the limited resources. Underlying the goal of diversifying the sources of international students is a purely naïve and wrong logic, and the logic is: The mobility of international students is at the whim of host countries and universities’ recruitment efforts. Given this logic, the host countries of international students can decide where their international students are from and not from. If I can use another metaphor, recruitment in low-yield markets with poor push factors is like milking dry cows, thinking if we milk harder, milk will come out. Using the real estate example again, diversification effort in non-yield or low-yield markets is like trying to change the minds of potential buyers who don’t have the desire or cannot even afford to buy your property. The effort is misplaced again.

The Ethical Consideration

Internationalization worldwide is increasingly motivated by profits rather than by either government policy or goodwill (Yang, 2002). International education has been taken in the West as a driver of local economy, as a platform to recruit good-quality immigrants (Liu & Lin, 2016). Admittedly, the whole economic analysis above equates international students as commercial commodities, and such a Neoliberal approach to international education is by nature unethical. In addition, a diversification strategy is a common business practice to try to enter into a new market or industry, which does not sit well with higher education either. Ethical education should focus on the students and students’ development. Some universities appear to be still shy about discussing international education as a source of revenue and instead focus on the diversity line in open discourses to stress the global education goal in international education—that is, international students enrich campus diversity and help expose domestic students to different cultures. But imagine a Chinese student on your campus who overhears the policy of diversification away from China (or India). How would she feel? The feeling would be uneasy, to say the least. If the student is aware of the “Head Tax” and “Chinese Exclusion” that the earlier Chinese immigrants once experienced in history (e.g., Kenneth, 2007), she might make the connection and feel utterly offended. The diversification rhetoric could potentially send a very unwelcoming message to Chinese students and their families, verging on racism.

After all, the push factors for international mobility, as discussed above, create a generalized interest in overseas education but do not give specific direction to individuals, while the pull factors are specific to potential host countries and institutions (Davis, 1995). To put it another way, the concern should not be the demand for international education from international students. The concern should be the quality of supply and the competition between the suppliers of international education in the West. More serious effort should be made within host institutions in Anglo countries to improve the quality of education and
services to international students to make sure that they stay as a more desirable choice for future international students, no matter where they are from. This is the only wise thing to do and the ethical thing to do. One Chinese saying goes to the following effect: “If your liquor smells good, you would not need to worry that customers won’t find you in the deep alley.” If an analogy can be drawn here, the major host countries and universities of international students should focus on providing the best educational experience, and customers from far and near would find their way to you.

CONCLUSION

The diversification strategy of international students is based on unwarranted political fear and is a misplaced effort. It is unwarranted because the economic rise of Asia, an undoubted trend, will continue to supply international students who desire the perceived high quality post-secondary education in English. Diversification efforts are misplaced, as efforts should instead be channeled toward ensuring better quality education and services to international students in order to remain well placed in the competition among major host countries.

REFERENCES


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