

Drivers of Mobility of Chinese and Indian Students

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India and China are becoming increasingly influential, not only in the global economy but also in the supply of globally mobile students. The proportion of Chinese and Indian students among international students grew from 25 percent in 2004/05 to 30 percent in 2008/09. This translates into an addition of nearly 59,000 more Indian and Chinese students in the United States over five years. What is driving this pace and direction of mobility of Indian and Chinese students? It is important to understand the context of mobility so that policies and practices could be effectively implemented.

Regarding Chinese and Indian students, on the supply side, two key drivers are increasing prosperity and the ability to afford foreign education and rapid expansion of the system at the expense of quality. On the demand side, two key drivers are an aggressive outreach by universities to compensate for budget cuts and availability of a wider range of recruitment channels and service providers.

INCREASING PROSPERITY

Chinese and Indian economies are prospering and making it more affordable to pursue foreign education. According to Asia-Pacific Wealth Report in 2009 there were 477,000 and 127,000 (US dollar) millionaires in China and India, respectively. This is an addition of 113,000 and 43,000 millionaires in one year for China and India, respectively. In addition, the number of such millionaires in China and India are expected to triple between 2008 and 2018.

This increasing prosperity reflects the changing nature and growth of the economy, which is also demanding new talent. For example, consider the case of the insurance industry in India and China. Both India and China pursued reforms in the insurance industry in the 1990s, which resulted in expansion of the sector. This, in turn, propelled the demand for new professionals, like actuaries, who are still in huge demand by the industry and command significant premium in the labor market. Likewise, there are several new sectors and professions that have created new wealth among Indians and Chinese.

EXPANSION WITHOUT QUALITY

Even though the Indian and Chinese economies have grown, the supply of higher education has increased at a great pace but without emphasis on quality, although China has invested in its top universities with reasonable success in terms of academic quality. This has resulted in a skill gap and significant unemployability among educated youth. For China, the gross-enrollment ratio increased from 6 percent to 23 percent in a decade. However, according to the Chinese education ministry, more than 1.5 million college graduates from the

class of 2010 are unemployed. Likewise, for India, the annual intake of undergraduate engineering seats has doubled to over 1 million in five years. However, only 25 percent of engineering students are employable.

This situation has created a paradoxical situation of high demand for talent on one side and unemployment among educated youth on the other side. Often, this issue of skill gap does not reflect the ability of the student but more so the quality of the institution that has failed to provide sufficient learning and development opportunities for students. A significant portion of these students intend to study abroad in search of better education and employment opportunities. This is also the segment that needs significant assistance in their search process and hence reaches out to agents for hand-holding. Most self-directed, high-quality students do not go through the agents and apply directly.

INSTITUTIONAL OUTREACH

On the demand side, state budget cuts for higher education institutions is pushing them to aggressively recruit and accept international students. According to the Center on Budget and Policy Priorities, at least 43 states have implemented cuts to public colleges and universities. For example, Georgia has reduced state funding for public higher education for 2011 by US\$151 million, or 7 percent. International students who pay nonresident fees and get no federal financial aid help universities in overcoming some financial challenges by increasing the tuition earned per student.

Several public universities including Kent State University, Iowa State University, and Arkansas State University have reported double-digit growth in

international student enrollment for fall 2010. This growth is not only a result of increased outreach to leading source countries like India and China but also an increase in the acceptance of international students by some universities. For example, the proportion of freshman international students in the University of California system increased from 3.5 percent in fall 2008 to 5.3 percent in fall 2010, indicating a higher acceptance of international students.

NEW MODELS OF RECRUITMENT

Increased outreach efforts by universities are being enabled by the emergence and acceptance of new models of international recruitment. These new models include online advertising and also commission-based agent models. For example, a statement by Marlene M. Johnson, executive director and chief executive officer of NAFSA: Association of International Educators, was quoted in the *Chronicle of Higher Education*: “There's clearly an acceptance of agents or counselors that there wasn't five years ago, or even one year ago.”

While an online recruitment channel was simply nonexistent a couple of years back, today many Web sites exist—like Chasedream.com in China and Pagalguy.com in India—which have become integral to the student decision-making process. Chasedream.com has nearly 220,000 members, while Pagalguy.com has more than 400,000 members; and both of them cater to prospective master of business administration students. Several institutions are now using Web sites for advertising and outreach opportunities to prospective students. While the acceptance of new models is increasing, the debate about the value-added and ethical standards employed by them is also evolving.

CONCLUSION

While the United States continues to see the growth in students from India and China, its share as a preferred destination dropped from 26 percent to 19 percent in the period 2000–2008. Here, the loss is not only about the numbers but more so about the talent and associated opportunities of innovation and development. Thus, in these times of increasing competition for attracting the best global talent with decreasing budgets, understanding of the drivers of mobility from the two largest-source countries—India and China—would aid policymakers, practitioners, and researchers in recruiting from these countries in an efficient and effective manner. It is also clear from these drivers that the commercial intent is becoming more dominant than the academic or intercultural values of international education.