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Deus ex M.A. China: Are Mainland Chinese students saving Britain's universities?

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Summary

- The numbers of Mainland Chinese studying in UK higher education have increased dramatically in the last five years to 32,000 in the 2002-03 academic year, making them the largest group of non-EU nationals. Over 2000-02, the number rose at a startling 74% each year on average, and has probably risen to 40-45,000 for the 2003-04 academic year, with additional Chinese students studying English and taking courses at non-university institutions.
- Chatham House surveyed Britain's top universities to discover the scale of the financial contribution these students are making. Based on our survey findings, we estimate that the average top-100 UK university received £2.9m from Mainland Chinese students in tuition fees in 2003-04. As a group, the top one hundred universities received an estimated £223m.
- How significant was this money to the university sector? Based on our estimates, Mainland Chinese students contributed the equivalent of 4.7% of the amount that was granted to the universities by the government in 2003-04. At some institutions the figure was much higher. At the University of Essex, for instance, Mainland Chinese students provided finance equivalent to 29% that provided by the government.
- Chinese students are not yet saving the UK's university sector, and the rates of growth in their numbers will fall over the next five years. The British Council predicts that total Mainland Chinese student numbers will be 130,900 in 2020. Mainland Chinese students are playing an increasingly important financial role in the sector as a whole and are playing a hugely important role in funding a small number of institutions.

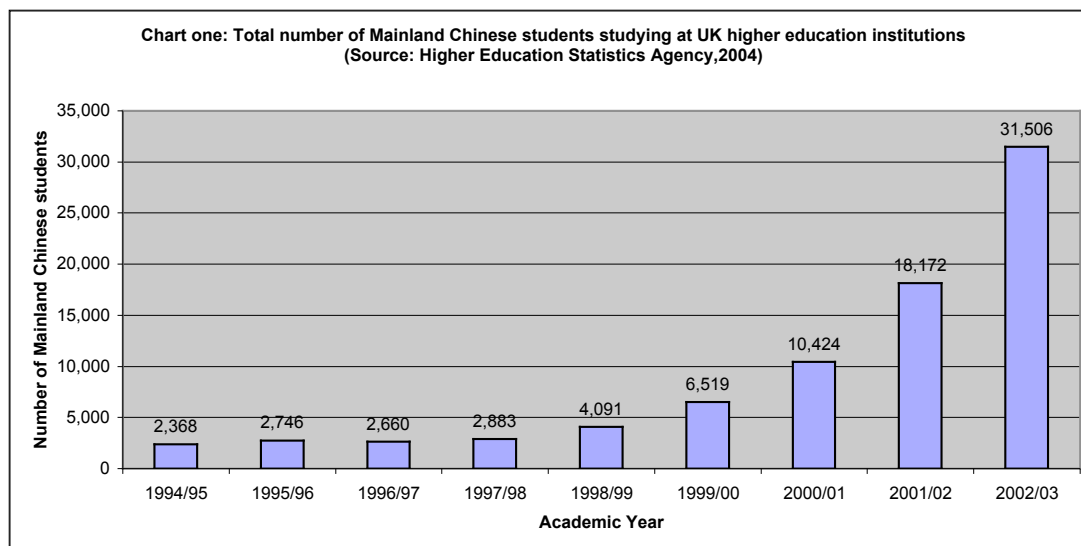
Introduction

Chatham House surveyed the UK's top one hundred universities to discover the financial contribution made by these students to university finance. We contacted the International Offices and Admissions Offices of the UK's top one hundred universities, and 37 of them responded positively to requests for data. Some declined to comply due to the commercial sensitivity of the numbers – the UK's universities are competing intensely over Mainland Chinese students. In some circumstances, the staff responsible for the data were busy, many on trips to China, during the month in which we were in contact with the university.¹ We also carried out interviews with a small group of students currently in the UK.

The estimates in this report are therefore tentative since they are based on a relatively small sample. We conclude that while Chinese students are not yet saving the UK's university sector, they are playing an increasingly important financial role in the sector as a whole and are playing a hugely important role in funding a small number of institutions.

The great leap forward in student numbers

There has been a rapid expansion in the numbers of Mainland Chinese students studying in the UK during the past decade, particularly in the last three years.² As chart one shows there were only 2-3,000 Mainland Chinese students studying in the UK during the early 1990s. Numbers started increasing in 1998-2000 and exploded over 2000-03. In the last two years for which data is available numbers increased at an annual rate of some 74%. During 2002-03, there were 31,506 Mainland Chinese students registered at UK universities. This rise has been driven by the accumulation of savings in urban Chinese households and the thirst for education among the younger generation. Another reason for the unforeseen surge in numbers in 2002-03, is likely the increased difficulties faced by students applying to study in the United States, where student visas are now very difficult to obtain.



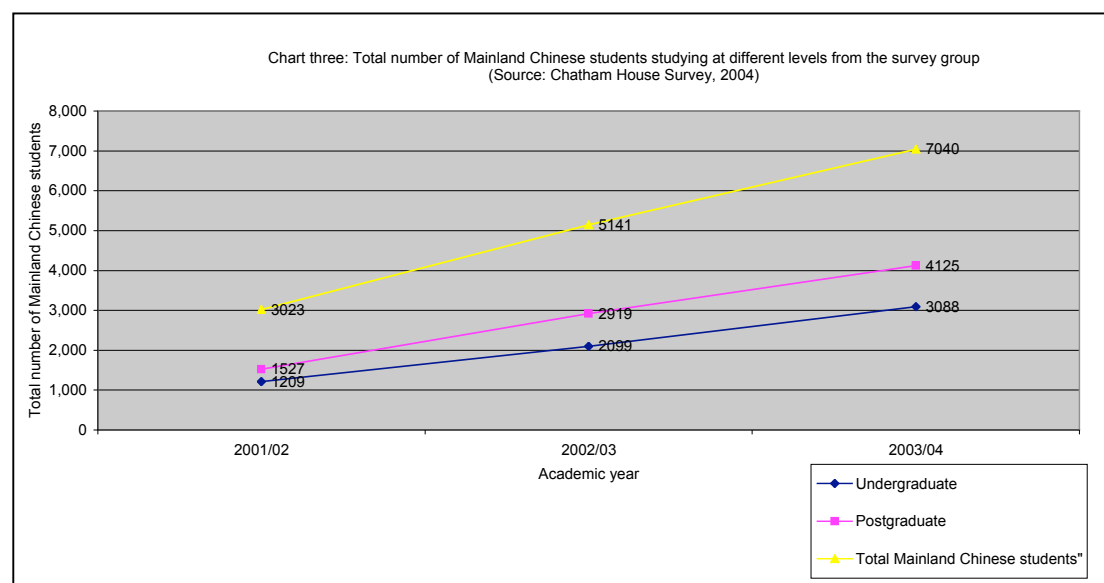
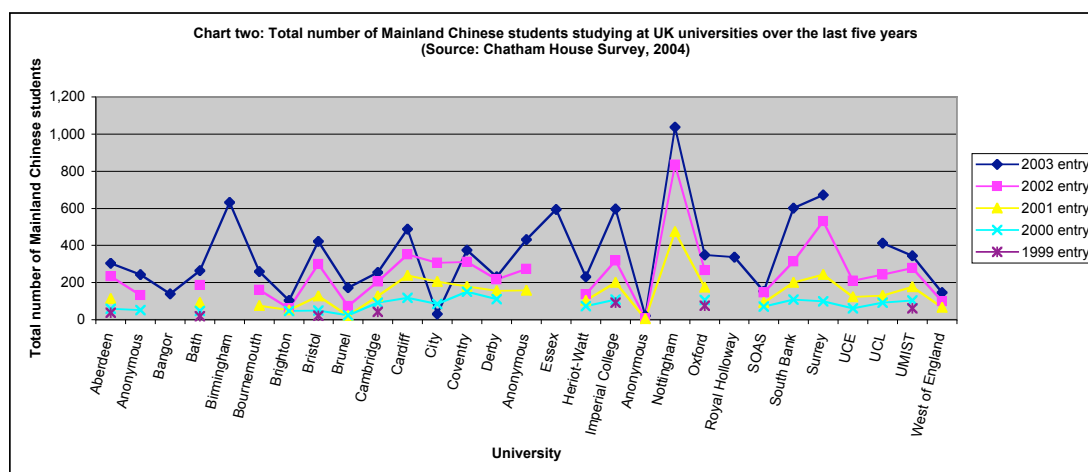
There have been sharp increases in the numbers of Mainland Chinese students at nearly all of the universities involved in the Chatham House survey. 29 of the 35 universities that responded fully to our survey, 83%, stated that they were now their largest non-EU student

¹ In addition, HESA (Higher Education Statistics Agency) and DFES (Department for Education and Skills) provided background statistical data. HESA was only able to provide data on 1994-95 – 2002-03 Mainland Chinese student entry. Data for 2003-04 is not released until November 2004.

² Figures received from DFES on April 6th 2004.

group.³ This is shown in chart two. Of particular note are Birmingham, Essex, Imperial College (London), South Bank, Surrey, and Nottingham universities, which among those surveyed had the most Chinese students. Surprisingly perhaps, the School of Oriental and African Studies (SOAS) is not a significant player, while Cambridge and Oxford both have average numbers. Some universities that declined to respond to our survey, including the London School of Economics, are also thought to host large numbers of Mainland Chinese students.

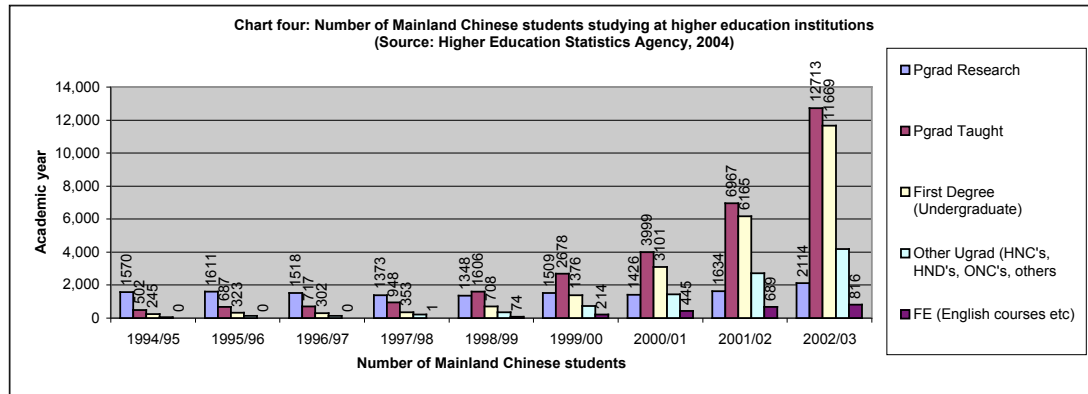
There has been a rapid increase in the numbers of Mainland Chinese students studying in the UK at both undergraduate and postgraduate level over the last three years, as charts two and three, based on our survey, show.



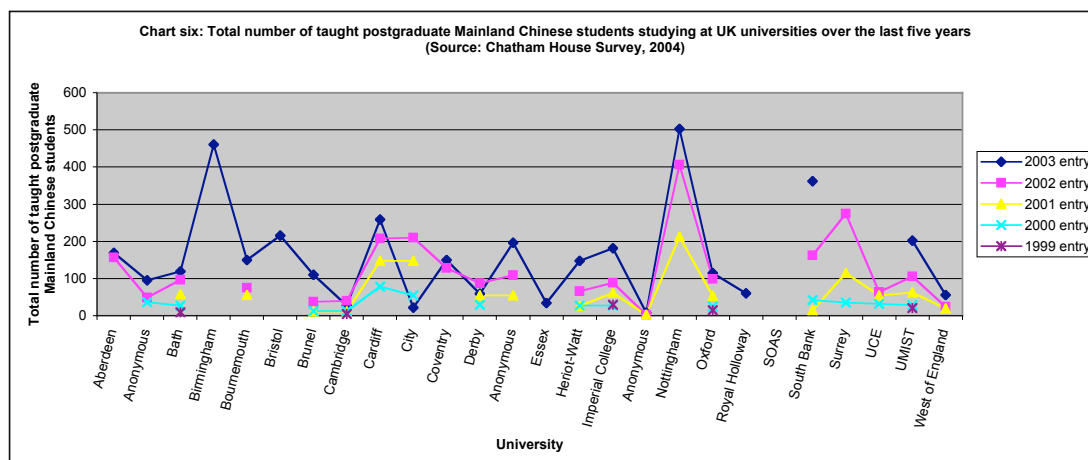
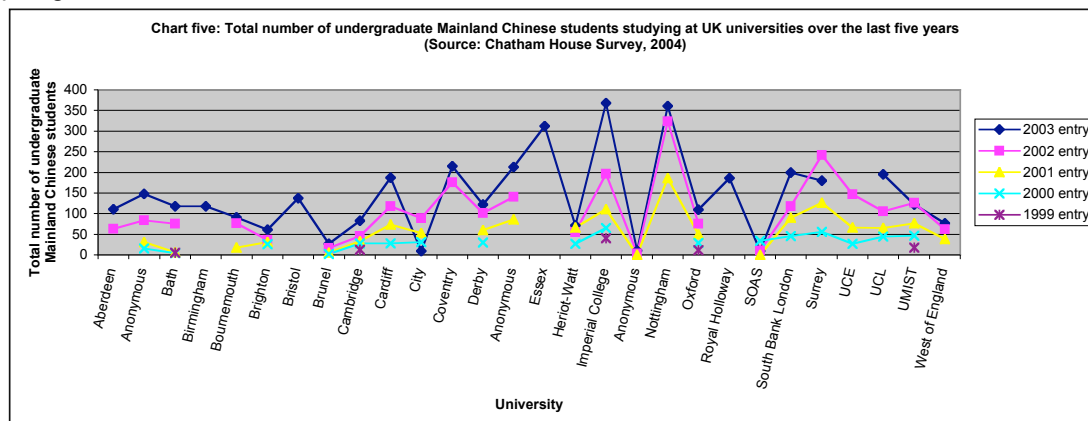
Our survey found that the composition of types of degree taken by Mainland Chinese students has changed dramatically since the mid-1990s. During 1994-98 there were more research postgraduate students than other categories of student, and only a small number of undergraduates. However, by 2002-03 undergraduates and taught postgraduates were clearly dominating the student mix. In 1995-96 only 32% of Mainland Chinese students were undergraduate and taught postgraduate, a proportion that rose to 77% in 2002-03. Research

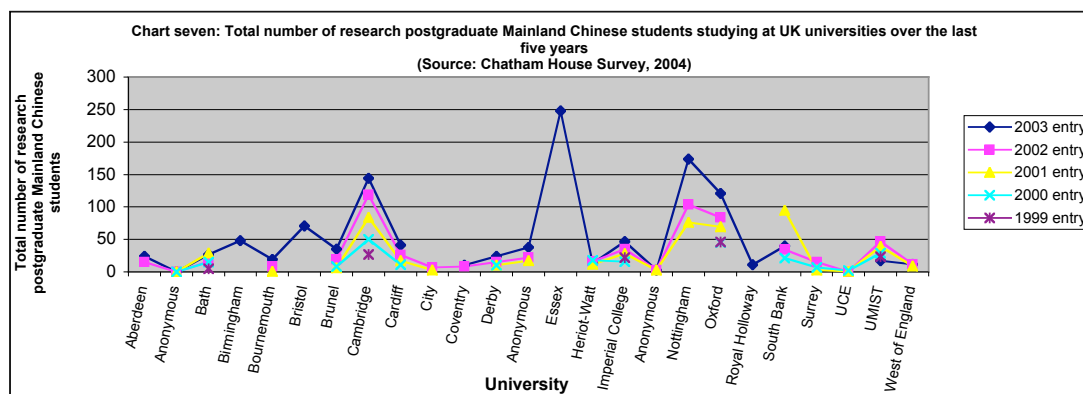
³ Other universities interviewed said that students from India, Pakistan and the United States made up the largest non-EU groups.

students rose from 1,570 in 1994-95 to 2,114 in 2002-03, while taught postgraduate student numbers increased more rapidly, from 502 in 194-95 to 12,713 in 2002-03. First degree undergraduates increased from 245 in 1994-95 to 11,669 in 2002-03. This is shown in chart four.



Charts five to seven display this breakdown of student types across the surveyed universities. Chart five shows that in the majority of universities the number of undergraduate students has been rapidly increasing each year. Chart six shows a similar situation for taught postgraduates, while chart seven shows only a moderate increase in the number of research postgraduates.





Most of the universities surveyed by Chatham House have set limits on the number of places they offer to students from one ethnic group/country, and do not have a limit *per se* on their intake of Mainland Chinese students. For example, UMIST does not allow a single group to exceed 20% of the student population, whereas Queen Mary's allows up to 50% of the total student body to be made up of one ethnic group.⁴ At Cambridge University all of the 29 undergraduate colleges that make up the university have to recruit a basic number of UK and EU students, and then are able to fill their places with non-EU students.⁵

How much does the UK and its universities benefit?

The most immediate and obvious benefit that the recent expansion in Mainland Chinese numbers has brought to the UK's universities is funding. Our survey data allowed us to make a rough estimate of how significant this finance is. Using student numbers from 23 universities in our sample group, we estimated the top 100 universities' income from tuition fees.⁶ These results are shown in table 1. An average top 100 university received an estimated £1.4m from undergraduate Mainland Chinese students in 2003-04 and £1.5m from postgraduates, a total of £2.9m. In our survey group there were 8,660 students paying an estimated £60.4m in fees to 23 universities in 2003-04. Taking the 32,000 figure for the total number of students studying at UK universities for the previous academic year, 2002-03, one can estimate that they contributed a total of some £223m.⁷ Data on numbers of students for 2003-04 have yet to be officially released, though an unofficial estimate of 43,000 suggests that in this current academic year, Mainland Chinese students are providing £300m in fees.

⁴ Karen Wang, International office, UMIST, April 2004 information received from questionnaire, and Tao Tao International office, Queen Mary's University, London, April 2004, information received from questionnaire.

⁵ Matthew Moss, International Education Office, University of Cambridge, April 2004 telephone interview.

⁶ We had 23 useable replies from our survey and had to exclude non-English universities since data on their government grant was not provided by the Higher Education Funding Council for England.

⁷ The figure 43,000 is from *Vision 2020: Forecasting International Student Mobility*, The British Council, 2004.

Table 1. Estimates of fees paid by Mainland Chinese students derived from the Chatham House survey, and government funding to universities, 2003-04.

<i>University</i>	<i>1.Total from Undergraduate Mainland Chinese Tuition Fees</i>	<i>2.Total from Postgraduate Mainland Chinese Tuition Fees</i>	<i>3.Total from Mainland Chinese Students Tuition Fees</i>	<i>4.Total Grant from Higher Education Funding Council</i>	<i>5.Regulated Fee Income</i>	<i>6.Total Resource</i>	<i>7. Percentage contributed by Mainland Chinese students compared to the total resource of UK universities</i>
Anonymous	£1,320,160	£905,350	£2,225,510	£23,504,790	£5,086,350	£28,591,140	7.8
University of Bath	£973,500	£1,204,500	£2,178,000	£36,998,657	£6,838,550	£43,837,207	5.0
University of Birmingham	£1,044,300	£4,046,550	£5,090,850	£95,215,589	£15,370,725	£110,586,315	4.6
Bournemouth University	£623,350	£1,326,650	£1,950,000	£27,401,599	£8,055,050	£35,456,650	5.5
University of Brighton	£491,965	£361,410	£853,375	£36,149,879	£8,060,200	£44,210,079	1.9
University of Bristol	£1,249,851	£2,609,178	£3,859,029	£82,396,964	£10,611,650	£93,008,613	4.1
Brunel University	£233,631	£1,254,685	£1,488,316	£38,519,150	£8,783,150	£47,302,300	3.1
University of Cambridge	£233,631	£1,254,685	£1,488,316	£136,489,589	£11,973,300	£148,462,889	1.0
City University, London	£76,230	£189,525	£265,755	£23,864,291	£3,807,100	£27,671,391	1.0
Coventry University	£1,483,500	£1,280,000	£2,763,500	£41,115,858	£10,891,800	£52,007,658	5.3
University of Derby	£854,000	£220,400	£1,074,400	£27,242,449	£8,113,550	£35,355,998	3.0
Anonymous	£1,980,900	£2,176,200	£4,157,100	£34,023,498	£6,174,800	£40,198,298	10.3
University of Essex	£2,839,200	£2,566,200	£5,405,400	£25,861,907	£5,186,450	£31,048,357	17.4
Imperial College of Science, Technology and Medicine	£4,876,000	£3,261,540	£8,137,540	£119,523,736	£6,309,950	£125,833,686	6.5
University of Nottingham	£3,496,285	£7,700,875	£11,170,160	£84,665,687	£13,994,150	£98,659,837	11.3
University of Oxford	£1,003,310	£2,060,044	£3,063,354	£132,278,396	£11,773,350	£144,051,746	2.1
Royal Holloway, University of London	£1,969,368	£751,748	£2,721,116	£25,892,666	£4,024,025	£29,916,691	9.1

School of African and Asian Studies, London	£85,500	£614,250	£699,750	£11,197,965	£1,584,050	£12,782,014	5.5
London South Bank University	£1,320,000	£3,075,300	£4,395,300	£31,480,529	£5,635,550	£37,116,079	11.8
University of Surrey	£1,575,000	£4,305,000	£5,880,000	£34,363,912	£4,291,575	£38,655,487	15.2
University College London	£2,811,900	£3,333,120	£6,145,020	£135,637,944	£10,306,925	£145,944,868	4.2
University of Manchester Institute of Science and Technology	£1,256,600	£2,255,700	£3,512,300	£34,445,239	£4,177,450	£38,622,688	9.1
University of the West of England, Bristol	£536,921	£474,164	£1,011,085	£50,738,540	£14,014,875	£64,753,415	1.6
Total	£32,335,102	£34,264,066	£60,401,780	£1,289,008,834	£185,064,575	£1,474,073,406	

Sources: Columns 1, 2, 3 & 7 based on Chatham House Survey. Columns 4, 5, & 6 from the Higher Education Funding Council, Recurrent grants for 2003-2004, October 2003, <<http://www.hefce.ac.uk/pubs/hefce/2003/03-53/>. Sourced, April 10th 2003.

The table only contains universities who provided data for 2003-04 Mainland Chinese student entries in our survey and which are based in England. Data provided by the Higher Education Funding Council for England is limited to England.

Columns 1 & 2 were calculated by working out the medium university fee at each type of degree and then multiplying this by the number of students studying at that level. Column 3 is the total of columns 1 & 2.

Note: Regulated fee income is the income from undergraduate tuition fees and tuition fees of a small number of postgraduates who are eligible for funding from the Teacher Training Agency.

UK universities receive a grant from the government's Higher Education Council and receive regulated fee income (income received from UK student undergraduate tuition fees and tuition fees from a small number of postgraduate students).⁸ We compared the estimated fee income from Mainland Chinese students with these funding sources. On average, Mainland Chinese students contributed an equivalent of 4.1% of the amount that the universities receive from the government and from regulated fee income in 2003-04, and 4.7% of the government's HEC grant.⁹ According to our estimates, the University of Essex received the highest proportional amount of funding from Mainland Chinese students – equivalent to 29% of the amount provided by the government grant. Essex was followed by the University of Surrey, where Mainland student income was equivalent to 17.1% of the government grant in 2003-04. These are significant proportions, and although we expect the 74% annual growth in student numbers to slow over the next decade, the trend is clear: some of the UK's universities are becoming hugely dependent on Mainland Chinese students.

Getting educated in the UK is a lot more expensive than in China. UK undergraduate fees for non-EU students vary between £6,000 for arts subjects to £12,000 for science subjects.¹⁰ Postgraduate fees tend to be roughly the same as undergraduate fees, while MBAs are expensive, for example £20,000 at Bath University. We looked at fees at five of the top universities in China and found that the undergraduate fees varied between £314-444 a year, while postgraduate fees were only £512 a year.¹¹ Living costs for Chinese students are also low in the Mainland. Students pay £2-3,000 a year just on university accommodation in the UK, while in China students may only be paying £41-102 a year.¹² Add to that the basic living costs, which are significantly more expensive in the UK than they are in China. The Mainland Chinese students we interviewed suggested an annual spend of £4,000 to £7,000 on total living costs (excluding accommodation fees) in the UK. Qin Rongrong studied a BA at Heilongjiang University in China and then came to England to study a BA Honours degree at the University of Leeds. In 1999 her tuition fees in China were £410 and her accommodation cost was £20. At Leeds, the degree usually costs approximately £7,000 (though this was reduced to £3,750 for Rongrong because of an arrangement between Heilongjiang and Leeds universities). Qin Rongrong's accommodation in Leeds cost £2,600 a year, and she estimates that her total costs, including accommodation not tuition, is about £7,000.¹³ On average we estimate that a Mainland Chinese student is spending around £8,000 on total living costs a

⁸ The four funding bodies that provide the largest amounts of funding for universities in the UK are the Higher Education Funding Council for England (HEFCE), the Higher Education Funding Council for Wales (HEFCW), the Scottish Higher Education Funding Council (SHEFC) and the Northern Ireland Department for Employment and Learning (DEL). Universities in the UK also generate funds from a wide variety of private sources such as sponsorship, fee paying students, conferences, donations and through providing services. See *Higher Education in the UK – Revised Guide*, HEFCE, January 2004, p. 5.

⁹ This is a tentative estimate based on survey data in table 1.

¹⁰ At collegiate universities such as Oxford, students also pay extra college fees of between £1,750 to £4,300.

¹¹ The undergraduate tuition fees were taken from Beijing University (May 2004, Admissions office, Beijing University, Beijing, China), Qinghua University (May 2004, Admissions Office, Qinghua University, Beijing, China), Fudan University (sourced from <http://www.ao.fudan.edu.cn/show.php?articleid=1271>, May 18th 2004), Tianjin University, (May 2004, Admissions Office, Tianjin University, Tianjin, China), and Nanjing University (sourced from <http://202.119.39.100/zhaosheng.xgc?id=203>, accessed May 18th 2004). Information from postgraduate fees was only available from Tianjin and Fudan universities.

¹² Accommodation costs were taken from Qinghua University (May 2004, Admissions Office, Qinghua University, Beijing, China) Fudan University. Sourced from <http://www.ao.fudan.edu.cn/show.php?articleid=1271>, May 18th 2004. Tianjin University, (May 2004, Admissions Office, Tianjin University, Tianjin, China), and Nanjing University (sourced from <http://202.119.39.100/zhaosheng.xgc?id=203>, May 18th 2004).

¹³ Qin Rongrong, studying a MSc in International Management for China at SOAS, April 2004, telephone interview.

year. 32,000 Mainland Chinese students are therefore estimated to have spent around £256m on living in the UK in 2002-03, £479m in 2003-04.

How do UK universities attract students from China?

For a number of years UK universities have been highly proactive in their recruitment of Mainland Chinese students. They have advertised on Chinese education websites, attended numerous exhibitions in China, made private visits to schools and colleges in China and employed Chinese education agencies to publicise their courses and recruit students. Some – including four of those institutions that responded to our survey – have even opened an office and/or have a representative permanently based in China. Napier University, for instance, has run an office in China for three years. It is responsible for managing a network of Chinese education agencies, and developing links with universities and colleges in China to increase student numbers at home.¹⁴ The University of East London also has an office in China with two national staff, and the University of Brighton has a permanent representative.¹⁵ In early 2004, the University of Nottingham opened a campus in Ningbo, Zhejiang Province, as a joint venture with the Wanli Education Group (WAG). Nottingham is the first UK university to establish an educational facility in Mainland China.¹⁶ This may well become a future trend as the UK's home campuses become full – and resentment at the large numbers of Chinese students develops. Exporting the prestige, educational standards and experience of UK university institutions into China makes a great deal of sense though clearly there are issues of quality control and how to replicate a UK university atmosphere in China.

17 of the 35 universities we surveyed stated that they used Chinese education agencies to help them in marketing and recruitment. 27 of the 35 said that they send International Officers to China at least once a year on recruitment missions, with most making three to four visits a year. Some universities, like the University of Derby, visit even more – in its case, some 10-12 times a year.¹⁷ In addition to visits by international officers many institutions also send out academics. The University of East London goes so far as to send its vice-chancellor to China every 18 months.¹⁸

Most universities attend travelling exhibitions on their visits, the most popular being one run by the British Council's Education Counselling Service (ECS).¹⁹ The ECS organises an exhibition tour around China, which gives universities an opportunity to meet students

¹⁴ Jane Oliver, International Office, Napier University, April 2004, information received from questionnaire.

¹⁵ In addition, the University of Nottingham has an office in Shanghai and the University of Newport stated that it is planning to establish an office in China in the future. Graham Minshaw, International Office, University of East London, questionnaire. Vivian Wu, Chinese Liaison officer, University of Birmingham, questionnaire; Pam Bath, Office manager and assistant to director of International office, University of Nottingham, questionnaire; Ray Morgan, International Affairs, University of Newport, questionnaire.

¹⁶ Nottingham already has a campus in Malaysia. Press notice issued by the Public Affairs Office of the University of Nottingham, April 14th 2004. Sourced from <http://www.nottingham.ac.uk/public-affairs/chinaNingbo.phtml>, April 20th 2004.

¹⁷ Oliver Matthews, Business Development, Derby University, questionnaire.

¹⁸ Graham Minshaw, International Office, University of East London, April 2004 received information from questionnaire.

¹⁹ The official vision of the ECS is to 'actively increase the international student recruitment market for UK education and training providers'. This is supported by the government's intention to 'make UK education the first choice for international students'. Sourced from <http://www.britishcouncil.org/ecs/about/index.htm>, April 22nd 2004. The last ECS tour took place from 21st February 2004 – 3rd March 2004 and travelled to five major cities – Beijing, Chongqing, Shenzhen, Shanghai, Xiamen. The British Council's China Education Promotion Team also runs Information days, Agent Training Workshops, PR activities, Summer Schools, Institutional Promotion Events and Pre-Departure Briefings through the year.

throughout the country. Another popular education exhibition tour is the China International Education Exhibition Tour (CIHEET).

Conclusions

Given their funding needs, it seems inevitable that the UK's universities will increase their recruitment of international students in the future. Most of the universities we surveyed expected continued growth in Mainland Chinese students over the next few years. Some claimed that they are beginning to reduce their marketing in Mainland China because their names were now known, and because they do not want to be over-reliant on one nationality.²⁰ However, this does not mean the numbers of Mainland Chinese student entries in to UK universities will decline. The British Council predicts that China will continue to be the largest provider of international students to the UK university sector with annual growth of 15% over the next decade. If true, the 32,000 students resident in 2002-03 will rise to 49,100 in 2010, 130,900 in 2020.²¹

²⁰ John Oliver, Director of Overseas Relations, University of Essex, questionnaire.

²¹ British Council, *Vision 2020: Forecasting International Student Mobility*.

Survey details

After the university had agreed to participate in our survey, a survey questionnaire consisting of two parts was provided to our contact. The first part requested figures on the PRC student population during 1980 – 2003 at undergraduate, taught and research postgraduate level. The second part of the survey asked about a variety of subjects, including marketing strategies for the recruitment of Mainland Chinese students, subjects studied by Mainland Chinese students, course and accommodation fees, as well as information on any scholarships. In some cases the International Officers preferred to give information for the second part of the survey on the phone. In-depth interviews were conducted over the phone with the representatives of the University of Birmingham, University College London, London South Bank University, University of Cardiff, University of East Anglia and University of Essex, all institutions with large Mainland Chinese student intakes. We also interviewed eight Mainland Chinese students currently studying in the UK.

Thanks

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Appendix 1: The universities surveyed by Chatham House

Chatham House used *The Times*' list of Top 100 Universities in 2003. The 37 universities that agreed to participate in the Chatham House survey are indicated with a *. 32 out of the 37 agreed to give Chatham House figures of PRC students studying at the university,

University of Aberdeen *
University of Abertay Dundee
Anglia Polytechnic University
Aston University*
University of Wales Bangor*
The University of Bath*
Birmingham University*
Bournemouth University*
Bradford University
University of Brighton*
Bristol University*
Brunel University, Uxbridge, London*
University of Cambridge*
University of Wales Cardiff*
University of Central England, Birmingham (UCE)*
University of Central Lancashire, Preston (UCL)
City University, London*
Coventry University*
De Montfort University
University of Derby*
University of Dundee
Durham University*
University of East Anglia, Norwich (UEA)*
University of East London*
Edinburgh University
University of Essex, Colchester*
Exeter University
University of Glamorgan
Glasgow Caledonian University
Glasgow University*
University of Gloucestershire, Cheltenham
University of London Goldsmiths College
University of Greenwich
Heriot Watt University, Edinburgh*
University of Hertfordshire, Hatfield
Huddersfield University
University of Hull
Imperial College of Science, Technology and Medicine*
Keele University
University of Kent, Canterbury
King's College London
Kingston University, London*
University of Wales Lampeter
Lancaster University
University of Leeds
Leeds Metropolitan University
University of Leicester
University of Lincoln

Liverpool University
Liverpool John Moores University
London Metropolitan University
University of London School of Economics (LSE)
London South Bank University*
Loughborough University
University of Luton
University of Manchester
University of Manchester Institute of Science & Technology (UMIST)*
Manchester Metropolitan University
Middlesex University
Napier University*
Newcastle University
University of Wales Newport (UWCN)*
University of Northumbria
Nottingham University*
Nottingham Trent University
Oxford University*
Oxford Brookes University
Paisley University
Plymouth University
University of Portsmouth
Queen Mary University of London*
Queens University, Belfast
Reading University
Robert Gordon University, Aberdeen
Royal Holloway, University of London*
London School of Oriental and African Studies, University of London (SOAS)*
St Andrews University
University of Salford
The University of Sheffield
Sheffield Hallam University
University of Southampton
University of Staffordshire
Stirling University*
The University of Strathclyde, Glasgow
Sunderland University*
University of Surrey, Roehampton
University of Surrey, Guildford*
University of Sussex, Brighton
University of Wales Swansea
University of Teeside
Thames Valley University, Slough
University of Ulster
University of Wales Institute, Cardiff (UWIC)
University of Warwick
University of the West of England, Bristol (UWE)*
University of Westminster, London
University of Wolverhampton
University of York
University College London (UCL)*