2.1 Introduction: Categories of Chinese Migrants Abroad

To speed up the process of China’s globalization, China’s international migration group is also expanding rapidly. Since 2000, the number of people from the Chinese mainland with an American permanent residence permit has increased to more than 900,000. In recent years, the number of Chinese people who have been granted permanent residence in the U.S., Canada, Australia, New Zealand, Singapore and other countries has been about 150,000 each year. Policies regarding investor migration have varied across the world, however, while the American policy emphasis on potential employment opportunities can be created by investor migrants, investor policies in some European countries prioritize investments in properties in the country. In 2014, the quota of the U.S. Business Migration Visa (EB-5 visa) in China was used up before the end of the fiscal year, more than 85% of the EB-5 visa was issued to Chinese citizens. China has been the largest source country of business migrants in the U.S. and Australia for many years.

In the development of Immigration Dividend, the U.S., Germany, Australia and other countries are undoubtedly the fastest countries to promote it. Combined with China’s national conditions, the experience of introducing the advanced skilled personnel in Germany and its implication to China. Traditionally, Germany is not an immigration country, which results in highly restrictive control over foreigners’ entry and employment in Germany. During the Second World War, German immigrants accounted for only about 1% of the total population. At the end of the twentieth century, there was a phenomenon in Germany of population aging, negative growth in birth rates and a shortage of high-tech talents. The German government had to consider the interests of long-term social and economic development, so it started to conditionally encourage advanced skilled talents to immigrate there by loosening immigration restrictions. According to statistics from the UN, in 2013, the number of immigrants living in Germany was as high as 9.845 million, accounting for 11.9% of the total population. Germany had become
the third largest recipient of immigrants after the U.S. and Russia, and immigrants have played a positive role in Germany’s economic growth and rise. With the development of China’s economy and along with its aging population, the introduction of the highly-skilled talents and the maintenance of economic competitiveness have become the consensus of Chinese society as well.

Meanwhile, international students are an important international talent and China is also fully aware of its talent dividend. As early as October 2013, in the 100th anniversary celebration of Western Returned Scholars Association Chinese Overseas-Educated Scholars Association, General Secretary Xi Jinping fully affirmed the role of Chinese students studying abroad. Under the guidance of the principle “support studying abroad, encourage retuning back, freedom to come and go, play a role,” China will provide greater policy support to the overseas students, as well as encouraging and assisting them to return to work or serve the country in various forms. From the reform and opening up period until the end of 2015, the total number of various overseas students has reached 404.21 million, while the total number of returned students from studying abroad has only reached 2,218,600 people. The development and expansion of the international students community not only strengthened the understanding among peoples between China and other countries, but also became an important group serving the “New Normal” of China’s diplomacy. Chinese returned overseas students directly became the new force of “widespread entrepreneurship and innovation,” enhanced the internationalization level of the new round of entrepreneurship and innovation.

As one of the largest groups of international migrants, Chinese international migrants have been one of the recent popular groups of immigrants for academic studies. Under the influence of the rapid economic development in China in recent decades, an important part of investor migrants are the “High-Net-Worth Individuals” (HNWI) from China. Meanwhile, there have been increasing numbers of skilled migrants in the developed countries, some of them may be also the HNWI. The overlap between skilled migrants and investor migrants is showing potential for a new developmental trend regarding Chinese migrants, to some extent it is also posing new challenges regarding recording statistics for Chinese skilled migrants and investor migrants.

### 2.2 Chinese Investor Migrants

Since the early 2000s there have been increasing numbers of Chinese migrants applying for investor visas. As will be discussed in this section, the number of investor migrants is increasingly dominating applications in the U.S., Canada, European member countries. There are two possible reasons for such an increase in numbers of Chinese investor migrants to these countries. Firstly, Chinese investors might be benefiting from the economic reform as increasing numbers of Chinese are able to financially support their application as investor migrants in these countries. Secondly, as China is increasingly integrating with the world internationally,
information on international migration is becoming increasingly accessible for Chinese people.

2.2 Destinations of Chinese Investor Migrants

This part is to demonstrate a general picture of the contemporary Chinese investor migrants abroad, as well as reviewing policies from major investment countries for Chinese investor migrants.

2.2.1 North America

The U.S. and Canada have always been two of the most popular destination countries for Chinese migrants. As summarized in the Annual Report on Chinese International Migration (2015) regarding Chinese immigration, the population of Chinese migrants in the U.S. has always taken the largest percentage of Chinese migrants. Benefiting from the economic reform, the range of average income among the Chinese population increased by more than tenfold in first-tier cities, such as Beijing, Shanghai and Guangzhou. Thereby increasing numbers of Chinese have the financial ground to apply for investor or similar types of migration to other countries. Such a change of trends can also be reflected in the changing trends of Chinese investor migrants in the U.S. and Canada (Wang et al. 2015).

The American investment immigration refers to the Employment-based Fifth Preference (EB-5) immigrants, as Employment Creation Investors. According to the U.S. Citizenship and Immigration Services (USCIS), EB-5 investor program required each applicant to invest USD $1 million (USD $500,000 in some rural areas) in the States. In addition, the U.S. also imposed an economic evaluation standard to its EB-5 applicants which required each individual investment to create at least ten full-time job positions within two years (USCIS 2016). Since 2009, China surpassed South Korea as the biggest source of EB-5 visas, as well as becoming the largest source of investment immigration in the U.S. for seven successive years. Figure 2.1 shows that the percentage of EB-5 visas granted to Chinese migrants increased from 15.5% in 2007 to 86.8% in 2015. Further, in August 2014, the U.S. State Department announced that the number of EB-5 visa applicants exceeded the quota for Chinese applicant of that fiscal year, which was the first announcement of this kind since it was implemented from 1990. According to statistics, the approved Chinese applicants achieved the maximum amount, which was 90% of the total EB-5 visas granted in 2014 fiscal year. During the 2015 fiscal year, the U.S. issued 8773 investment immigrant visas, of which 7616 were from mainland China, a decrease of 692 approved Chinese applicants compared with that in the 2014 fiscal year.
Canada, as one of the traditional countries of immigration, is one of the countries that abolished its nationwide investment immigration programs recently, though the investor migrant program in Quebec has still remained active (Government of Canada 2014). In 2012, the Canadian Citizenship and Immigration Service announced that after the 1st July 2012, it would indefinitely suspend new deferral investment immigration applications. At the beginning of 2014, the federal government announced the termination of the federal investment immigration program. On 11th February 2014, Canada’s new federal budget bill said that 59,000 investment immigration applications in the system would be returned (Government of Canada 2014). The main reason for the adjustment of the policy is that the program has no long-term economic development benefits to achieve the anticipated result, the taxation of investment immigrants is much lower than other economic categories of immigrants. In addition, this adjustment was also used to promote the investment immigration projects in the provinces, a balanced development of the Canadian provinces.

In order to improve the immigration policy, the Canadian government is seriously reviewing the past history and re-modifying the investment immigration policy that is suited to its national conditions, such as increasing investment, raising the threshold, and setting a reasonable quota, in order to be more responsible for the Canadian nationals. The purpose is to improve the quality of the applicants, to avoid nonparticipation in business after getting a green card, failing to acceptable residence requirement, not paying taxes, and failing to create long-term economic value.

**Fig. 2.1** The number of U.S. investment immigration (EB-5) visas issued between 2007 and 2015. *Source U.S. Department of State (2015)*
2.2.1.2 European Union (EU)

Compared to EB-5 visa in the U.S. which exists especially for investor migrants, Real Estate Investment Immigration policies are widely adopted in European countries as the equivalent of investor policies. It should be recognized that such Real Estate Investment Immigration policies have a close relationship with macroeconomic policies, which has an especially close relationship with the economic crisis in 2008. As economies of some European countries were severely damaged by the crisis, countries such Iceland, Greece, Cyprus and more started reforming the Real Estate Investment Immigration policies in order to attract capital to the country. As well as increasing the number of Chinese investor migrants who are leaving the country and investing abroad, the destinations for such migration are also becoming increasingly diverse. It is highly likely that increasing numbers of Chinese investor migrants are going to continue investing in estates in European countries for the purpose of settlement.

The reform in the Real Estate Investment policies started in Cyprus in 2009, which was available to both EU and non-EU citizen. Policies in other European countries then followed such reform, which attracted large numbers of Chinese investor migrants applying for the policies. In 2012, for example, the Portuguese Ministry of Internal Affairs implemented the Golden Residence Plan, a new type of immigration legislation for non-EU citizens that have invested more than 500,000 euro in estates to immigrate to Portugal with their family. According to newly released data by Portuguese Immigration Services, as of 30th November 2014, 1936 families were granted the Golden Residence Permits, with a total investment of 1.177 billion euros. Among these applications, 1561 visas were issued to Chinese applicants, which is more than 80% of the total visas granted from the policy.

Other than Portugal, the Spanish governments also reformed their policies in order to attract foreign investments. The Spanish Parliament passed the Real Estate Investment Immigration bill in 2013 for the purpose of recovery from the 2008 crisis. Meanwhile, also due to the reform, more destinations are offered to Chinese investors interested in migrating to European countries. According to the latest data from the Business Investment Department in Spain, by 30th October 2014, about 2000 migrants were attracted to the country by the Real Estate Investment Immigration policy. Of these investors, 15% came from China. However, for the same visa, Portugal has proven more popular than Spain. On one hand the permanent residence and naturalization policies in Portugal is more lenient and requires less procedures compared to those in Spain; on the other hand the performance of the Golden Residence Plan for real estate investment in Spanish has not been enough to progress in the past year.

Following the footsteps of Portugal and Spain, the Italian government also reformed the Italian Investment Immigration policies which since 2011 has allowed all property buyers in Italy to be eligible to apply for the Italian National Residence Card. As the detailed regulations for the policies were implemented in 2013, it was then that the policy became clear. Compared to those in Spain and Portugal, the
Italian Investment Immigration policy set the financial threshold for the policy much lower, at 300,000 euro. As a comparatively new policy, data available for the policy is currently limited. Data from 2014 showed that at least 100 such visas were granted to Chinese investors. Also possibly benefiting from implementation of this policy, property prices in Italian started to rise again in 2014. This slight recovery in housing prices after the 2008 financial crisis might partially be due to increasing numbers of foreign investment in Italian properties.

As one of the countries hit hard by the economic crisis in 2008, the Greek parliament passed a bill in 2013 to promote the investment immigration program. The bill aims to support economic recovery in the country, as experiences from Cyprus, Spain and more showed positive evidence of the policy supporting economic recovery from the crisis. Similar to those in other European countries previously, the bill in Greece also opened the ground for non-EU citizens, while the threshold for application further reduced to property investment to 250,000 euros or more.

However, restrictions are also placed on this visa. For instance, the visa can only serve as a residence permit, while work in the country is not permitted. Further, the residence card is not renewable once the property is sold; and it does not lead to permanent residency or citizenship. These obvious policy limitations hindered the promotion of the project in China. For example, the current price for property in Greece has been cut to almost 50% of that in 2008, which should have made the Greek housing market more attractive to Chinese investor migrants. However, data showed there were less than 200 Chinese investors who applied and received the residence card (Wang et al. 2015).

2.2.1.3 Australia

As one of the most popular destinations for Chinese migrants, the Australian government is also reforming their investment immigration policies to attract foreigners. For example, the Australian government reformed policies regarding Significant Investor Visas (SIV) in 2012, which has been one of the most popular immigration policies for investor migrants from China. For the increasing popularity of SIV among investor migrants, especially those from China, the Australian government has increased the available number of SIV under the Business Innovation and Investment category since November 2012. From November 2012 to September 2014, 286 SIV were issued, which brought 1.43 billion dollars of investment to the Australian economy. Among all applicants successfully applied for the SIV, 90.5% were Chinese citizens (DIBP 2014). As further attempts to attract more affluent investors, the “high-end investor visa” was implemented by the Australian Immigration Department in October 2014 to provide a new channel for Chinese immigrants.
As another recent policy for attracting Chinese investor migrants, the Australian Department of Immigration and Citizenship implemented a 3-year, multiple-entry visa policy for Chinese business people in February 2014. This policy is one of the attempts by the Department of Immigration and Border Protection (DIBP) on simplifying the procedures for the immigration process for investor migrants from China. To some extent it reduced the administrative barriers for Chinese investment when entering the Australian economy, and a number of Chinese investor migrants have been attracted to Australia since 2014 which resulted in increased trade between China and Australia between 2014 and 2016. Further, it is significantly influencing the implementation of similar immigration policies between China and other countries. For example, a similar long-term business visa between China and the U.S. was implemented in November 2014, while a similar long-term business visa between China and Canada was implemented in March 2015.

2.2.2 High-Net-Worth Individuals (HNWI) in Developed Countries/Region

In mainland China, investment immigrants are primarily from affluent backgrounds and are usually a part of the “High-Net-Worth Individuals (HNWI).” The HNWI is defined as those whose private investable assets are above RMB 10 million. According to the White Paper on China Spiritual Investments 2014, there are over 2.9 million Chinese that had over RMB 6 million worth of personal assets in 2013. Further, there are 67,000 personnel with personal assets above RMB 100 million. It also indicated that the number of the HNWI in China, as well as assets owned by these personnel, has been on the increase. By the end of 2014, as shown as the White Paper on Chinese High-Net-Worth Individuals Wealth Report 2015, the total China private investable assets were RMB 106.2 trillion. Compared with 2011 they have increased by RMB 33.1 trillion, with an average annual growth rate of 13.3%.

According to the White Paper on China Spiritual Investments 2014, the geographic distribution of the HNWI in China follows the trend of regional economic development in the country. The population in Eastern Chinese regions accounts for 44%, followed by Northern Chinese regions at 23%, and Southern Chinese regions with 18%. Regions in Northeast, Southwest, Central and Northwest combined accounted for 15% of the total population of the HNWI in the country. Looking at the distribution of the HNWI in terms of cities and provinces, it should also be recognized that the population are concentrating in economically developed regions. For example, the number of the population in Beijing is the highest at 490,000, followed by Guangdong (486,000), Shanghai (420,000) and Zhejiang (380,000). Numbers of the HNWI in these four provinces and cities accounted for 61% of the total HNWI in China.
2.2.2.1 Investment Immigration and Dual Locations

Another recent phenomenon from Chinese investor migration is working and living in China with non-Chinese citizenship or pending application for the investment immigration in other countries. As discussed earlier in this chapter, with examples of relevant policies in the US, Canada and Australia, investor immigration often leads to settlement in the host country. However, the continuing economic development in China is presenting business opportunities from China, and it is especially the case in international cooperation between China and other countries. On the other hand, it should also be recognized that large numbers of Chinese investor migrants are in the businesses of or relating to international cooperation between China and other countries. Although these Chinese investor migrants have non-Chinese citizenship or a pending application for investment migration abroad, they are in circular migration between China and host countries or mainly residing in China. Mainly due to how most participants in this population are declaring confidence for the Chinese economy, the assets of these investor migrants are mostly in China.

2.2.2.2 Categories of Investment

According to the White Paper on China Private Wealth Report 2015, the Chinese HNWI investments abroad concentrated in three main categories, which together account for 80% of the total numbers of the Chinese HNWI investment abroad in 2015. These three main categories include stocks (29%), fixed income products (27%) and real estate (24%). Categories for the remaining investments include 8% in structured product; hedge fund accounted for 8%; 5% in others. Such categories of Chinese investment abroad provide evidence that the Chinese HNWI investments are currently concentrating on investments with relatively lower risks, yet which yield high returns. However, the proportion of equity products (e.g. stocks) with higher returns in foreign assets has increased compared with two years ago.

2.2.2.3 Chinese Investor Migrants and Property Investment Abroad

Under the influence of the continuous economic development in China, especially after the economic crisis in 2008, the number of Chinese investor migrants and investment in properties abroad has also been on a continuous increase.

First there has been a continuous increase in the number of Chinese investor migrants internationally. As the Report of the Visa Office showed, the number of Chinese investor migrants in the U.S. increased from 581 Chinese EB-5 conditional “green cards” holders in 2010 to 8308 in 2014, to 7616 in 2015 (U.S. Department of State 2015). Further, as shown as the latest customer survey from Boston Consulting Group (BCG), the global assets allocation of the Chinese HNWI
showed an increase in demand in 2015: 27% of high-net-worth clients already had offshore investment, 48% of high-net-worth customers have increased their overseas assets allocation in 2015, and 56% of HNWI who have not yet made overseas investment said they would consider investing abroad in the next three years. To sum up, we expect that the proportion of China’s foreign asset allocation from the current 4.8 to 9.4% over the next five years and the new market scale to reach RMB 1.3 billion.

Moreover, according to the White Paper on China Private Wealth Report 2015, the increasing number of the Chinese HNWI investments is concentrating in Hong Kong, the U.S. and Australia, with countries such as Canada, Singapore and the U.K. following behind. Such a concentration of Chinese investment in Hong Kong, the U.S. and Australia is hardly surprising. Hong Kong is close to mainland China, many Chinese banks have set up the local service network to provide more a more convenient opening service for investment accounts. For the HNWI in China, Hong Kong has been the first choice of overseas investment, especially financial investment, due to its favorable policies with low tax rates, geo-advantages with close cultural and comparatively free and an open economic environment. While the Chinese HNWI who select the U.S., Australia or other countries normally invest their money in real estate or industrial investment, there also seems to be no shortage of investment immigrants. Investment in Hong Kong is still mainly based on equity funds and other financial products.

Among these categories of Chinese investments, investment in properties abroad is a category with increasing popularity. In 2015, China’s capital investment in overseas real estate funds amounted to USD $30 billion; twice as much as in 2014. In fact, this figure in the first ten months of 2015 had more than the total annual amount of USD $15.1 billion in 2014, compared with 2009 increased by 50 times (Tencent Finance and Economics 2016). The White Paper on Going Global: Trends of the Chinese HNWI 2016 reported that immigration agencies and international real estate consultants are the two most commonly used channels by the Chinese HNWI for investing in property overseas, with 50% of the Chinese HNWI investing through immigration agencies and 43% investing through international real estate consultants. The Chinese HNWI with an overseas presence have an average of 2.3 properties overseas. Investment is the main purpose of their overseas home ownership, accounting for 75%; this is followed by their children obtaining a foreign education, accounting for 56%. The U.S. is definitely the Chinese HNWI overseas home buyers’ favorite country, with a selection rate up to 66%. The top five countries are Australia (14%), Canada (10%), the U.K. (5%) and Japan (4%).

According to the data of National Association of Realtors of the U.S., Chinese buyers were already the largest foreign buyers of U.S. real estate from March 2014 to March 2015. The Chinese contribution to sales were more than USD $28.6 billion, accounting for 30% of the total sales (nearly USD $104 billion). In the case of European countries, Chinese investor migrants are also playing an increasingly important role. This is particularly the case since the economic crisis in 2008, which are still influencing the housing market in most European countries. The relatively lower property prices in European countries are attracting increasing
numbers of Chinese investor migrants investing in properties in these countries. The largest British property developer Barratt Developments sold 2250 houses to Chinese buyers in 2012, accounting for 15% of their total sales in that year. In March 2012, the numbers of people from overseas who were renting houses in Britain surpassed 2 million for the first time (China.com 2017).

Chinese real estate buyers quickly became the prominent, new customers for local real estate markets in the U.S., the U.K., Australia and others, known as “the group of Chinese property buyers.” Meanwhile, Chinese property investors are extending their investment from capital cities and first-tier cities to the rest of these European countries, such as Germany and Belgium. They can also be found in housing markets in Edinburgh, Detroit, Kuala Lumpur and more. To some extent these can all be seen as evidence that Chinese investor migrants are supporting recovery of local housing markets in these countries since the economic crisis in 2008. Property developers in Sydney went further by predicting that without investments from Chinese property buyers, housing prices in some Australian regions might have to fall by a further 25% (NetEase 2013).

2.2.2.4 International Chinese Migrants’ Role in Promoting Enterprise Globalization

Other than the increasingly important role of Chinese investor migrants in supporting the recovery of global housing markets, their businesses are also playing an increasingly important role in the globalization of Chinese enterprises and brands. Such an increasingly important role can be reflected in two main themes, Chinese property businesses and Chinese financial institutions expanding overseas.

Other than as individual property buyers abroad, evidence shows that increasing Chinese insurance companies and property developers are also investing abroad. In 2015, Insurance companies have become one of the most powerful roles for Chinese capital overseas real estate investment activities. Chinese insurance companies bought more than USD $4 billion in overseas property assets in 2015, which was double the amount compared to 2014 (USD $2 billion). In particular, Anbang Insurance Group scored the largest investment project in overseas real estate in 2015. Anbang spent USD $1.95 billion to invest Waldorf Hotel which is a landmark building in New York, and also spent USD $414 million to invest Merrill Lynch in Manhattan. Meanwhile, China Taiping Insurance Group spent USD $820 million to invest the New York 111 Murray Street development projects in July 2015; Bank of China spent USD $600 million to invest the New York 7 Bryant Park office building projects in May 2015; Ping An Insurance (Group) Company of China spent USD $506 million to invest in the London Tower Place office building projects in January 2015; China Life Insurance (Group) Company spent USD $420 million to invest in the London 99 Bishopsgate office building projects in October 2015; and Fosun International spent USD $384 million to invest in the Milan Palazzo Broggi office building project in July 2015 (Tencent Finance and Economics 2016). Likewise, Real estate developers were also an influential force in
2015. These Chinese companies invested more than USD $90 billion for development and construction around the world, an increase of 50% compared with the year before (USD $6 billion).

In response to the increasing scale of Chinese investors purchasing abroad, financial institutions from China as well as international ones are expanding their services. As discussed earlier in this section, Chinese investors, especially high-net-worth individuals, are in a circular migration between China and their host countries/regions. This is particularly the case for Chinese business investors. This is increasing the demand for flexible international financial services, for example overseas investment and asset allocation services. The provision of such services in the expansion of Chinese and international finance institutions are market responses to the increasing numbers of Chinese investor migrants abroad; meanwhile, it is also accelerating the process of globalization for the international finance market.

### 2.2.3 Future Trends of Investor Migrants

As discussed in the beginning of this section, the rapid economic development in China is setting the foundation for the development of Chinese investor migrants. It is likely that the purchase power for Chinese will continue to grow. Meanwhile, Chinese governments are continuing to ease regulations for Chinese population investing abroad, China’s State Administration of Foreign Exchanges lifted the overseas investment limit from USD $20,000 to $50,000 in 2007 (Ministry of Commerce of the People’s Republic of China 2007). Further, RMB joined the Special Drawing Right (SDR) on October 2016 which could have a positive influence over purchasing power of Chinese people as well as Chinese investment abroad (The People’s Bank of China 2016). These are supporting a potential expansion of Chinese investment abroad from the Chinese perspective.

The international community is gaining knowledge and experiences of the positive influence Chinese investor migrants could have on local economies through their support in the recovery of housing markets in European countries, the U.S., Australia and more. It is highly possible that Chinese investor migrants will remain one of the most attractive groups of migrants internationally. It means that policies regarding investment migration internationally will remain positive about Chinese investor migrants. It is highly possible that Chinese investor migrants will continue to grow in the near future.

### 2.3 Chinese Skilled Migrants

Compared to the Chinese investor migrants which are a recently established group of Chinese international migrants, Chinese skilled migrants started from pre-world wars, and are widely distributed internationally. Professional migrants such as Prof.
Qian Xuesen and Prof. Yang Zhenning made significant contributions in their relative fields internationally. Together with the rapid economic development in China in recent decades, the number of skilled migrants, especially professional migrants from China, are also on the increase. Furthermore, they are increasingly influential internationally. These Chinese skilled migrants are gaining such importance in the global labor market that they are becoming an important part of the Chinese brand internationally. Therefore this section will provide a brief picture of Chinese skilled migrants, especially professional migrants internationally.

## 2.3.1 Geographic Distribution

In recent years, increasing numbers of Chinese skilled migrants are migrating to almost all countries in the world. Other than traditional migration destinations in the global north, there is an increasing presence of Chinese skilled migrants in countries/regions of the global south (DESA 2013). The reason for the increasing presence of Chinese skilled migrants internationally is due to the increasing influence of the growing economic development in China, and its increasing global influence.

For the past few years, there have been increasing numbers of Chinese businesses investing abroad. Possibly for the lower levels of costs compared to countries in the global north, increasing numbers of Chinese businesses, including State-Owned Enterprises (SOEs) are investing in Africa and Latin American countries. China’s Foreign Direct Investment (FDI) into Africa averaged USD $14 million per year in the first half of the 1990s and this number jumped to a peak value of USD $11.7 billion in 2008, then the FDI fell to USD $568 million in the first half of 2015 due to the impact of the economic crisis. Although China’s total investment in Africa fell sharply in the first half of 2015, investment in extractive industries nearly doubled. In this period, China’s investment in oil, gas, coal, mining and metals projects in Africa increased from USD $141.4 million in the same period the previous year to USD $288.9 million (The Financial Times 2015). China has also been active in infrastructure investment in Latin America, from USD $285 million in 2004 to USD $29 billion in 2015, an increase of 100 fold within a period of 12 years (Inter-American Dialogue 2016). Recently, three Ministries (Ministry of Commerce of the P.R. China, National Bureau of Statistics of the P.R. China, State Administration of Foreign Exchange) jointly issued the 2015 Statistical Bulletin of China’s Outward Foreign Direct Investment (National Bureau of Statistics of the P.R. China 2016). China’s direct investment in the U.S. reached a record high of USD $8029 million in 2015, accounting for 5.5% of the China’s total FDI flows. Statistics show that the direct investment fields of China were diversified in the U.S. in 2015. Chinese immigrant investors primarily invested in three industries in the U.S., and their investment has surpassed USD $1 billion. Investment in U.S. manufacturing ranked first with USD $4080 million, which increased by 122.2%, accounting for 49.9% of investment flows to the U.S.; with
leasing and business services, scientific research and technical services, ranked second and third respectively, at USD $22.39 billion and USD $1.228 billion. To sum up, most of these investments are from Chinese SOEs. Together with these Chinese businesses investments in these countries, there is an increasing presence of Chinese skilled migrants in these businesses.

Despite increasing numbers of Chinese skilled migrants in the countries of the global south, the majority of Chinese skilled migrants, in particular professional migrants, are concentrating in countries/regions in global north. They are mainly concentrating in the U.S., Canada, the U.K., Germany, Australia and so on. Using Chinese skilled migrants in these countries as examples, the following briefly discusses the trend for development of Chinese skilled migrants in these regions.

2.3.1.1 North America

Since pre-First World War, the U.S. and Canada have been two of the traditional top destinations for Chinese skilled migrants, especially professional migrants, both countries have the largest population of Chinese skilled migrants abroad internationally.

As one of the most popular destination countries, there were 21,889 Chinese skilled migrants in the U.S. in the fiscal year 2015 as shown in Table 2.1. As the U.S. economy also requires large numbers of skilled migrants, the designated migration policies are made and implemented for skilled migrants, especially for professional migrants. But international students and skilled migrants became worried about their prospects in the U.S. after Trump ran for president successfully. However, the U.S. Department of Homeland Security published the “Final Rule” on November 18th 2016 in the “Federal Register,” where published the new regulations and policies for the Federal Government. The “Final Rule” involved a number of amendments to the regulations for EB-1, EB-2 and EB-3, which provided positive benefits to Employment Immigration Visa and Nonimmigrant Visas, such as improving the application process, increasing the certainty of U.S. employers in funding and retaining foreign employees, and providing foreign employees with greater stability and work flexibility (especially important). Also the “Final Rule” was going to be implemented on January 17th 2017, three days before Trump was sworn in (U.S. Homeland Security Department 2016).

To be understood, this was a tactic of the outgoing Obama administration to help U.S. employers to attract and retain high-skilled professional and technical immigrants. In particular, the “Final Rule” emphasized that these positive adjustments were made primarily for those approved employment-based immigrant visa petitions as well as those who were waiting to become lawful permanent residents to facilitate these skilled migrants to promote and accept other positions offered by current employers (or to replace employers) and search for alternative employment options.
Table 2.1 The number of Chinese obtaining lawful permanent resident status by employment-based preferences in the U.S. between 2006 and 2015

<table>
<thead>
<tr>
<th>Year</th>
<th>Total employment-based preferences</th>
<th>First: priority workers</th>
<th>Second: professionals with advanced degrees or aliens of exceptional ability</th>
<th>Third: skilled workers, professionals, and unskilled workers</th>
<th>Fourth: certain special immigrants</th>
<th>Fifth: employment creation (investors)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>1815</td>
<td>457</td>
<td>72</td>
<td>1213</td>
<td>10</td>
<td>63</td>
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<td>2007</td>
<td>13,615</td>
<td>2982</td>
<td>6797</td>
<td>3681</td>
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<td>110</td>
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<td>2008</td>
<td>15,067</td>
<td>5602</td>
<td>6955</td>
<td>2057</td>
<td>93</td>
<td>360</td>
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<tr>
<td>2009</td>
<td>11,191</td>
<td>4999</td>
<td>3045</td>
<td>1077</td>
<td>91</td>
<td>1979</td>
</tr>
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<td>6741</td>
<td>6505</td>
<td>3676</td>
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<td>2011</td>
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<td>3940</td>
<td>8257</td>
<td>2542</td>
<td>78</td>
<td>2408</td>
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<td>2012</td>
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<td>6183</td>
<td>5858</td>
<td>2827</td>
<td>117</td>
<td>6124</td>
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<td>3627</td>
<td>3229</td>
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<td>4202</td>
<td>3211</td>
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</tbody>
</table>

In the specific provisions, the Government provides 60 days of unemployment grace period for H-1B, L1, O1 and other types of work visa holders. So even if they lost their jobs, the identity will not also be lost, and they will have ample time to apply for a new job or to reapply for the H-1B (no need to re-draw). In addition, the application of I-140 immigration green card was approved by the immigration authority, so even if the employer revoked the application or there was a company failure, it would not affect the validity of immigration green card applications.

There are three categories of Chinese migrant visas: permanent residence visas applicants, nonimmigrant temporary visas for professional migrants, and international students, who are the potential high-skilled labors. Moreover, H, L, O, P, and the TN visas are designed for professional migrants on a temporary basis. The number of Chinese professionals in the U.S. with one of these temporary visas has also been on the increase in the past few years as shown as in Table 2.2. There were 23,787 Chinese professionals who received the H-1B visas in 2012, a 19.8% increase from 2011. The number further increased to 26,393 in 2014. Meanwhile, as will be discussed in the next section, the U.S. has the largest group of Chinese students abroad, which is also on the increase. Such general increasing presences of Chinese skilled migrants, professional migrants and potential skilled labor in the U.S. might be evidence that the reputation for Chinese skilled migrants and potential skilled migrants is spreading internationally.

However, Trump’s inauguration brings the uncertainty of the H-1B program for highly-skilled immigration. Trump believes that “The H-1B program is neither high-skilled nor immigration; these are temporary foreign workers, imported from abroad, for the explicit purpose of substituting for American workers at lower pay. I will end forever the use of the H-1B as a cheap labor program, and institute an absolute requirement to hire American workers first for every visa and immigration program. No exceptions.” Nevertheless, the relevant provisions of the H-1B visa are protected by U.S. immigration law. If the relevant content of immigration law would be amended, Senate and House would need to approve the changes via a

<table>
<thead>
<tr>
<th>Year</th>
<th>International students</th>
<th>H-1B</th>
<th>Permanent residence</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>People</td>
<td>Proportion</td>
<td>People</td>
</tr>
<tr>
<td>2008</td>
<td>81,127</td>
<td>13.0</td>
<td>13,828</td>
</tr>
<tr>
<td>2009</td>
<td>98,235</td>
<td>14.6</td>
<td>12,922</td>
</tr>
<tr>
<td>2010</td>
<td>127,628</td>
<td>18.5</td>
<td>19,493</td>
</tr>
<tr>
<td>2011</td>
<td>157,558</td>
<td>21.8</td>
<td>19,850</td>
</tr>
<tr>
<td>2012</td>
<td>194,029</td>
<td>25.4</td>
<td>23,787</td>
</tr>
<tr>
<td>2013</td>
<td>235,597</td>
<td>28.7</td>
<td>23,429</td>
</tr>
<tr>
<td>2014</td>
<td>274,439</td>
<td>31.0</td>
<td>26,393</td>
</tr>
</tbody>
</table>

*Unit People (%)*  
vote, and then the amended content of immigration law would be implemented after the president signed. It is possible that this process is unable to be approved before the president steps down. Therefore, it is still a question mark whether the Trump’s H-1B program can be achieved.

Other than the U.S., Canada is the other popular destination for Chinese skilled migrants in North America. As showed in Table 2.3, the number of Chinese migrants to Canada increased rapidly after the economic reform in 1979. Since 2001, the number of Chinese migrants have become the largest group of migrants in Canada, exceeding those from Hong Kong and Taiwan.

Like other countries, Canada is also faced with a labor shortage, especially a shortage in skilled and professional workers. The Hays Global Skills Index Score shows that Canada has a score around 5.9, which means the country is facing a challenge finding qualified staff for skilled jobs (HAYS 2013).

In order to fill such gap of labor, numerous programs and policies were made by the Canadian government to attract skilled international migrants to the country. Since January 1st 2015, foreign nationals who wish to immigrate to Canada as skilled migrants need to submit their personal data and immigration applications through Express Entry (including the Federal Skilled Worker Program, Federal Skilled Trades Program, Canadian Experienced Class and a portion of the Provincial Nominees Program) which is a reform concerning Canada’s application management system for certain economic immigration programs. According to Express Entry Year-End Report 2015 (Government of Canada 2016), the report shows that over 31,000 invitations to apply for permanent residence have been issued to a diverse range of high skilled immigrants and almost 10,000 individuals (principal applicants and their family) have already landed in Canada as permanent residents, of which 409 (Country of Residence) and 1678 (Country of Citizenship) invited candidates from China as of January 3rd 2016.

Other than policies attracting skilled migrants internationally, the Canadian government also reformed relevant social welfare policies so that skilled migrants have access to the welfare system, such as the child tax benefit, child care subsidy, government housing, social welfare, employment insurance (EI), healthcare plan, vocation opportunity, pension plan (CPP) and so on. As migration programs and

<table>
<thead>
<tr>
<th>Year</th>
<th>Mainland, China</th>
<th>Hong Kong, China</th>
<th>Taiwan, China</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970–1980</td>
<td>10,600</td>
<td>83,900</td>
<td>9000</td>
<td>103,500</td>
</tr>
<tr>
<td>1981–1990</td>
<td>36,200</td>
<td>129,300</td>
<td>14,300</td>
<td>179,800</td>
</tr>
<tr>
<td>2001–2009</td>
<td>301,700</td>
<td>13,200</td>
<td>24,400</td>
<td>339,300</td>
</tr>
<tr>
<td>2010–2015</td>
<td>170,136</td>
<td>3919</td>
<td>7394</td>
<td>181,449</td>
</tr>
<tr>
<td>Total</td>
<td>699,836</td>
<td>470,819</td>
<td>134,694</td>
<td>1,305,349</td>
</tr>
</tbody>
</table>

Unit: People (%)
Source: Government of Canada

Table 2.3 The number of Chinese immigrants in Canada between 1970 and 2015
policies attract international skilled migrants to the country, while access to the Canadian welfare system retaining skilled migrants by providing safe-net for their living and working in the country. As shown as Annual Report on Chinese International Migration (2015), it was revealed that a developed welfare system is one of the top five factors influencing the decision-making for Chinese migrants on their migration. This likely influences the increasing numbers of Chinese skilled migrants to Canada.

2.3.1.2 European Union (EU)

Similar to their Northern American counterparts, European countries are also facing a shortage of skilled labor. There are low fertility rates across the economically developed countries in Europe. In 2014, the total fertility rate in the EU-28 was 1.58 live births per woman, while a rate of around 2.1 is normally required for a stable population (Eurostat 2016). The low fertility rate is putting extra pressure on the future of the skilled labor force in European countries (The National Bureau of Economic Research 2016). In order to fill gaps in labor shortage, increasing numbers of European countries are implementing migration policies targeting migrants with high levels of skills and/or education. This section uses the U.K. and Germany to illustrate Chinese skilled migrants in Europe.

Together with the points-based migration system, the British Home office is employing a Tier 1 visa (migrants with highly professional skills) and Tier 2 visa (skilled workers with an offer of employment) programs for long-term skilled migrants to the U.K. Since the 2008 economic crisis, the U.K. has shown that British immigration policies have been becoming increasingly restrictive, especially for work visas. However, it should be recognized that these restrictions include rising requirements in terms of levels of education and skills, and the amount of investment in the U.K. Rather than restrictions, such changes in the regulations regarding visas should be regarded as evidence that the British labor market is increasingly targeting skilled and professional migrants. Under such changes in British immigration policies, increasing numbers of Chinese skilled migrants are migrating to the U.K. Compared to those in the U.S. and Canada, the population of Chinese skilled migrants in the U.K. is small. In 2013, according to Annual Report on Chinese International Migration, there were 11,300 Chinese people from mainland China who were paying for National Insurance in the U.K. From Sep. 2013 to Sep. 2014, the U.K. has issued 161,585 work visas, the top 10 countries with the highest number of work visas were India (57,165), Australia (16,510), the U.S. (14,846), Philippines (8900), Canada (6407), New Zealand (5447), China (5002), Pakistan (4605), Japan (4410) and Russia (3574), of which the number of work visas from China increased by 17% compared with 2013, an increase of 728 Chinese people (Wang et al. 2015).

Germany is one of the most popular destinations for Chinese skilled migrants and the number of immigrants employed there is slowly increasing (Fig. 2.2). On August 1st 2012, the German government implemented the new “residence law”
which added the EU blue card system. This systems legal foundation is provided by section 19a of the Residence Act for attracting highly-qualified specialists into the German labour market from third world countries. At present, the issued EU blue cards account for 87% of the total issued visas in Germany. The advantage for EU blue card holders is that they just need to stay in Germany for 33 months to be able to obtain the permanent residence. If the language (German) reaches B1 level, the applicants only need to stay in Germany for 21 months to obtain the permanent license.

In the first half-year of 2016, 8670 EU Blue Cards were issued in Germany (Fig. 2.2), up by 17.8% compared with the same period of the previous year, when 7363 Cards were issued. 4766 (55%) of the Cards issued in first half-year 2016 were to first-timers, i.e. the holders had never held a residence title in Germany before.

As Fig. 2.3 shows, the vast majority of applicants in first half-year of 2016 came from India (22.1%), China (8.7%), the Russian Federation (7.9%), Ukraine (5.3%) and Syria (4.7%).

### 2.3.1.3 Australia

Other than the U.S. and Canada, Australia is another popular destination for Chinese skilled migrants. The “Skill stream” is designed for workers who have the skills, qualifications and entrepreneurship most needed in the Australian economy. These skilled migrants help the Australian economy directly through increased productivity and by filling labor market needs and shortages (Fig. 2.4). They also provide an indirect benefit through increased demand for goods and services, creating more jobs and reducing unemployment.
In 2014–2015, the Skill stream took in 127,774 skilled migrants, representing a 0.6% decrease from the previous year. Australia’s Skill stream comprises four components. The largest is Points Tested Skilled Migration, which accounted for 57% of the Skill stream. This was followed by Employer Sponsored visas (37.8%) India, 22.1% China, 8.7% Russian Federation, 7.9% Ukraine, 5.3% Syria, Arab Republic, 4.7% Others, 51.3%.

Fig. 2.3 Top 5 nationalities receiving EU blue cards in first half-year of 2016. Source Federal Office for Migration and Refugees (2016)

Fig. 2.4 Youth labor market outcomes have been declining. Source Productivity Commission of Australian Government (2016)

In 2014–2015, the Skill stream took in 127,774 skilled migrants, representing a 0.6% decrease from the previous year. Australia’s Skill stream comprises four components. The largest is Points Tested Skilled Migration, which accounted for 57% of the Skill stream. This was followed by Employer Sponsored visas (37.8%)
and the Business Innovation and Investment visas (5.1%). Distinguished Talent is the smallest visa component, representing 0.2% of the Skill stream in 2014–2015.

According to Australia’s Migration Trends 2014–2015, 205,383 permanent migration visas were granted for the 2014–2015 program year—a decrease of 1.2% on the 207,947 available in the previous year, this comprised 189,097 places under Australia’s Migration Program. For the fourth year in a row, China was the second largest source country for the Migration Program with 27,872 visas granted, of which 8584 Chinese applicants granted through the Points Tested Skilled Migration component, an increase of 245 places compared with 2013–2014 (Table 2.4). After the economic crisis, the number of Chinese immigrants who received the skilled immigrants visa in Points Tested has increased for four years since 2011, but has not yet reached the level of 2010 (DIBP 2016).

Permanent Employer Sponsored migration allows businesses to employ the skilled workers they need to fill genuine job vacancies. These workers can be from outside Australia or they can be temporary visa holders living in Australia. Permanent Employer Sponsored visas are not capped and receive higher processing priority, to respond quickly to the needs of Australian employers. In 2014–15, 3365 Chinese permanent Employer Sponsored places were filled (Table 2.4), equivalent to 7.0% of the overall permanent Employer Sponsored visas and 2.6% of the Skill stream.

As Table 2.4 shows, Chinese nationals continued to be the main recipients of BIIP (Business Innovation and Investment Program) visas, with their share of each year’s total, increasing from 72.2% in 2012–2013 to 75.1% in 2014–2015. Most Chinese nationals in 2014–2015 were granted BIIP visas under the Business Innovation stream (39.6%) and the Significant Investor stream (33.4%).

Moreover, a series of reforms to the Skill stream during the past six years, which had an impact on the number of students eligible to apply for permanent residence

Table 2.4 The number of Chinese immigrants of skill stream in Australia between 2009 and 2015

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Points tested skilled migration visas</td>
<td>5698</td>
<td>12,158</td>
<td>7895</td>
<td>8034</td>
<td>8339</td>
<td>8584</td>
</tr>
<tr>
<td>Permanent employer sponsored visas</td>
<td>4496</td>
<td>3480</td>
<td>3235</td>
<td>3718</td>
<td>3476</td>
<td>3365</td>
</tr>
<tr>
<td>BIIP visas</td>
<td>4294</td>
<td>4791</td>
<td>4614</td>
<td>5058</td>
<td>4614</td>
<td>4870</td>
</tr>
<tr>
<td><strong>Summation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total skilled visas</td>
<td>14,488</td>
<td>20,429</td>
<td>15,744</td>
<td>16,810</td>
<td>16,429</td>
<td>16,819</td>
</tr>
<tr>
<td>Total permanent visas</td>
<td>24,764</td>
<td>29,547</td>
<td>25,509</td>
<td>27,334</td>
<td>26,776</td>
<td>27,872</td>
</tr>
<tr>
<td>Proportion</td>
<td>59</td>
<td>69</td>
<td>62</td>
<td>61</td>
<td>61</td>
<td>60</td>
</tr>
</tbody>
</table>

Unit People (%)

immediately after graduation. The primary effect of this was a fall in the number of Skilled Independent visas granted to graduating students.

A better academic environment, well-developed industry, and abundant resources might be some of the key factors which caused them to migrate. Because of these factors, Chinese professionals tend to migrate to developed countries. Under this circumstance, most of the Chinese skilled migrants tend to migrate to North America, Europe and Oceania where most of the Chinese skilled migrants are located. By estimating the overseas Chinese professionals residing in these countries, it will give us a rough understanding about the overall distribution of the highly skilled Chinese migrants.

2.3 Chinese Skilled Migrants

2.3.2 The Characteristics of Chinese Skilled Migrants

Other than the three countries/regions discussed above, Chinese skilled migrants can also be found in almost every continent. From data currently available, this section summarizes four major characteristics of Chinese skilled migrants abroad.

2.3.2.1 Diverse Distribution in Profession

According to the 2012–2013 survey conducted by Center for China and Globalization (CCG), overseas Chinese skilled workers, including professionals, are working across a diverse range of industries, including computer engineering, information technology, biotechnology, medical research, arts and design, green energy and so on (Wang and Miao 2014a, b). The engineering-related industries may remain the dominant career path for Chinese skilled migrants abroad. Figure 2.6 shows that Chinese skilled migrants, especially professionals, have started engaging across various industries. For example, 32% were engaged in the innovation of new generation electronics and IT services, 17% on new medicines and more. Further, Fig. 2.5 suggests that Chinese skilled migrants have started to engage in recently emerged industries, for example, 7% in new energy and 5% in energy saving and environment protection.

Another interesting fact from Fig. 2.5 is the proportion of Chinese skilled workers in the culture creativity industry. This industry was not popular with Chinese skilled migrants previously, but currently there are 7% of Chinese skilled migrants abroad that are working in it. However, the reasons for such a sudden development in the number of Chinese skilled migrants in this industry still requires further research to explain.
The second characteristic of Chinese skilled migrants abroad, especially for Chinese professionals, is that they are growing at a steady rate. Such steady growth should be recognised as the result of the continuous economic development in China, and the overlap between skilled migrants and investor migrants from China.

There have been large numbers of Chinese skilled migrants in traditional migration countries such as the U.S., Canada, and Australia, since the pre-economic reform period (before 1979) in China. Under the influences of the rapid economic development in China since the economic reform, increasing numbers of Chinese have had access to higher levels of education as well as skill training. Those that became successful are the main sources for investor migrants, for example the high-net-worth individuals discussed in the previous section.

The overlap between skilled migrants and investor migrants is further demonstrated in the 2013 China Private Wealth Report, released jointly by the China Merchants Bank and Bain Management Consulting Company. The 2013 report is aimed at providing an accurate description of the major trends in China’s current market and a clear picture of high-net-worth individuals’ investment attitudes, especially Chinese skilled migrants and professionals abroad. According to the report, the number of Chinese skilled migrants migrating abroad are not only skilled migrants, frequently they are migrating through applications as investor migrants. Therefore, skilled migrants from China may be one of the traditional types of Chinese migrants internationally. The overlapping with investor migrants can be regarded as one of such new characteristics.
2.3.2.3 Increasing Participation in Academic Fields

The third growing characteristic for Chinese skilled migrants abroad is the increasing participation in academics. According to report by Essential Science Indicators (ESI), 439 Chinese scientists are in the top 1% of the scientists who have the highest number of citations between 1st January 1999 and 30th April 2009, of which 309 (70%) of these Chinese scholars were living overseas (Wang et al. 2010). The diverse geographic distribution for these Chinese professionals internationally (Fig. 2.6) shows that majority of Chinese professionals are shared between the U.S. (62%) and Mainland China (19%).

By the end of 2013, among the academics in National Academy of Sciences (NAS) and National Academy of Engineering (NAE) of the U.S., there were total 188 overseas Chinese, of which 156 were Chinese American, accounting for 3.9% of the total number of academics (Table 2.5).

The Chinese Scientific and Technological Personnel Overseas Development Current Situation Analysis Report 2008 published by the Institute of Scientific and Technical Information of China (ISTIC), provided further evidence for the increasing participation in academic fields of Chinese skilled workers, especially professionals. According to the report, there were about 1 million Chinese skilled migrants, especially professionals, working in science and technology fields, more than 90% of them holding masters or doctoral degrees. Meanwhile, there is a high concentration of Chinese professionals in the natural sciences and roughly 40% of academic journals published in fields of Science, Nature or Cell were either written or contributed to by Chinese scholars (Wang and Miao 2014a, b).

Such an increase in participation of Chinese professionals in academic fields is, however, hardly surprising. The number of Chinese skilled migrants is increasing

![Fig. 2.6 Geographic distribution of the top 1% Chinese scientists between 1st January 1999 and 30th April 2009. Source Essential Science Indicators (ESI) (2010)](image-url)
steadily under influence of the rapid economic development in China. Further, the geographic distribution of skilled migrants is spreading from traditional migration destinations such as the U.S. and Canada, to the rest of the world. For example, evidence suggests that increasing numbers of Chinese skilled migrants are migrating to non-traditional migration destinations, such as developing countries in Africa and the Middle East (Wang and Miao 2014a, b).

2.3.2.4 Circulate Migration

The fourth and final growing characteristic of Chinese skilled migrants is the increasing trend of circular migration between host countries and China. As it was discussed in the previous section, circular migration is increasingly becoming one of the main characteristics for Chinese investor migrants. Coinciding with the overlap between investor migrants and skilled migrants, evidence shows an increasing trend of circular migration for Chinese skilled migrants.

The most significant official evidence is the latest reform in the Thousand Talent program in 2010, where an applicant can live in China part-time. This part-time residence in the country means that the applicant can take jobs in China as well as abroad, compared to how previously the applicant had to live in China full-time. It should be recognized that Chinese policies have also reformed as a response to the increasing needs of the target recipients of the policy. This means that these professionals do not have to give up their jobs in the host country in order to work in China under the Thousand Talent program.

Such increasing trend of circular migration for skilled migrants is again coinciding with that of investor migrants, as discussed in the previous part. The potential reason for this is summarized in this section and is similar to that for investor migrants in China. The most influential reason for it remains the rapid economic development in China.

Under the influence of the rapid economic development in China, and the increasing need for upgrading skills and knowledge in technology and more, have been creating large numbers of opportunities in the market. Compared to

<table>
<thead>
<tr>
<th>Institution</th>
<th>Total academicians</th>
<th>Overseas Chinese academicians</th>
<th>Proportion</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Academy of Sciences (NAS)</td>
<td>1770</td>
<td>79</td>
<td>4.46</td>
</tr>
<tr>
<td>National Academy of Engineering (NAE)</td>
<td>2196</td>
<td>109</td>
<td>4.96</td>
</tr>
</tbody>
</table>

Unit People (%)

non-Chinese professionals, Chinese professionals have the advantage of having originated from the country. First, they have better knowledge of internal as well as the international market between China and the rest of the world, due to their experiences in the country as well as abroad. Second, compared to non-Chinese professionals, Chinese professionals who have returned have better knowledge of the Chinese culture, which in theory should assist with better integration of Chinese professionals to the local market.

In summary, these features of Chinese professionals together are contributing significantly to the development of Chinese skilled migrants, especially professionals internationally as well as domestically. Increasing numbers of Chinese skilled migrants are migrating to increasingly diverse destinations globally. With the development of globalization, Chinese skilled migrants are migrating to developing economies as well as traditionally developed economies. This in turn is going to increase the global proportion of “Chinese made,” as well as a growing reputation of Chinese professionals.

Chinese skilled migrants have four characteristics, which is making the study of Chinese skilled migrants the new starting point for studying new trends of international migration. These characteristics include the diverse distribution in professions, especially in new technologies, overlapping with investor migrants, increasing academic participation, and most importantly circular migration, which is against the traditional view in migration studies.

2.4 Chinese Students Overseas

Over the last decade, Chinese international students have become one of the largest groups of migrants from China. One of the possible reasons facilitating this increase might be the booming Chinese economy since the 1980s, and increasing numbers of Chinese middle class families are supporting their children to study abroad. Summarizing the data from the Ministry of Education of the P.R. China between 2009 and 2014, more than 90% of Chinese students overseas are self-funded. Subsequently, the population of Chinese students overseas increased significantly under the influence of the booming economy. Annual Report on the Development of Chinese Students Studying Abroad (2016) published by CCG showed that the population of Chinese students studying abroad were increasing at an average annual rate of 18.9% between 2000 and 2015 (Wang and Miao 2016).

2.4.1 Overview of Mobility of Overseas Chinese Students

China has become the largest source country of international students globally. The latest data reported by Ministry of Education of the P.R. China show that the number of Chinese students abroad reached 404.21 million between 1978 and
2015, of which 126.43 million are in the studying stage. In 2015, the total number of overseas students studying abroad was 523,700, an increase of 13.9% (Wang and Miao 2016). The traditional destinations, like the U.S., the U.K., Australia, Canada and so on, remained the most popular destinations for Chinese international students (Table 2.6).

The high levels of education available in the countries above are one of the important reasons for Chinese students have chosen to study in these countries. The Open Doors Report 2015 by the Institute of International Education showed that 31.2% of international students studying in the U.S. are Chinese, Indian students followed in second place at 13.6% and the third was South Korea at 6.5% in 2015. Meanwhile, nearly 33% of international students in Canada are Chinese students, furthermore, Chinese students remained the largest source of international students in Canada from 2008 to 2014 (Science, Technology and Innovation Council to the Government of Canada 2015). It can clearly be seen that countries all over the world are continuing to accept large amounts of Chinese students.

In recent years, the education system in China has become increasingly open, welcoming increasing numbers of Asian and European education institutions coming to China to recruit students. For example, Germany and France are offering high quality educational resources, with scholarships and potential part-time work opportunities for students. Figure 2.7 shows that the population of Chinese students in Germany has increased by 32.8% in the last five years (DZHW & DAAD 2016).

<table>
<thead>
<tr>
<th>Country</th>
<th>Chinese students</th>
<th>Percentage</th>
<th>Ranking of Chinese students</th>
</tr>
</thead>
<tbody>
<tr>
<td>The U.S.</td>
<td>30.40</td>
<td>31.2</td>
<td>1</td>
</tr>
<tr>
<td>Australia</td>
<td>13.60</td>
<td>27.3</td>
<td>1</td>
</tr>
<tr>
<td>Canada</td>
<td>8.73</td>
<td>32.5</td>
<td>1</td>
</tr>
<tr>
<td>Japan</td>
<td>7.78</td>
<td>55.9</td>
<td>1</td>
</tr>
<tr>
<td>The U.K.</td>
<td>9.29</td>
<td>18.8</td>
<td>1</td>
</tr>
<tr>
<td>South Korea</td>
<td>9.91</td>
<td>62.0</td>
<td>1</td>
</tr>
<tr>
<td>Singapore</td>
<td>5.00</td>
<td>–</td>
<td>1</td>
</tr>
<tr>
<td>Germany</td>
<td>3.05</td>
<td>10.1</td>
<td>2</td>
</tr>
<tr>
<td>Russia</td>
<td>2.50</td>
<td>13.4</td>
<td>1</td>
</tr>
<tr>
<td>New Zealand</td>
<td>1.55</td>
<td>33.3</td>
<td>1</td>
</tr>
<tr>
<td>Sweden</td>
<td>0.44</td>
<td>9.3</td>
<td>1</td>
</tr>
<tr>
<td>France</td>
<td>2.97</td>
<td>10.0</td>
<td>2</td>
</tr>
<tr>
<td>The Netherlands</td>
<td>0.66</td>
<td>7.3</td>
<td>2</td>
</tr>
<tr>
<td>Belgium</td>
<td>0.11</td>
<td>2.6</td>
<td>3</td>
</tr>
<tr>
<td>Switzerland</td>
<td>0.11</td>
<td>2.5</td>
<td>5</td>
</tr>
</tbody>
</table>

Unit: Ten thousand people (%)

Notes: (1) Data for Singapore was updated in 2011; Data for Sweden and Switzerland were updated in 2012; Data for Canada was updated in 2014
(2) Except the countries of the former Soviet Union, the Ranking of Chinese Students was No. 1 in Russia
The data from the Institute of International Education (IIE) showed that France received 29,709 Chinese students, which accounted for 10% of all international students in France in 2015 (IIE 2016).

The number of Chinese international students in the U.K. has always been a growing trend, from 67,325 in 2011 to nearly 90,000 in 2015. Although there are overall increases, the growth rate has slowed down significantly (Fig. 2.7). The growth rate of Chinese students studying in U.K. has dropped sharply in 2013 and slipped to 1.87% in 2015. This trend may indicates that Chinese students have developed a more rational and cautious mindset regarding studying in the U.K. (HESA 2016).

China has always been Germany’s largest source of students abroad and has maintained stable growth for the past five years. In 2015, the number of Chinese international students in Germany was 30,259 a growth of 6.62% from 2014 (DZHW & DAAD 2016). Moreover, China was France’s second largest source country of foreign students. The number of Chinese international students has maintained a slight increase from 2011 to 2013. At the beginning of 2014, this number started to decrease slightly. By 2015, the growth rate of Chinese international students reported a loss and the proportion fell to negative 1.55% (IIE 2016).

In 2015, China was still the largest source country of international students in Japan with the number of Chinese students being 94,111 (Fig. 2.8), only a slight decline compared with 2014. As a result the significant increase in international students studying in Japan in 2015, the total number of Chinese students decreased by 45.2% this year. For a long time, due to historical issues and disputes over the sovereignty of the Diaoyu Islands, the relationship between China and Japan has

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<table>
<thead>
<tr>
<th>Year</th>
<th>Chinese Students in France</th>
<th>Chinese Students in Germany</th>
<th>Chinese Students in U.K.</th>
<th>Annual Growth Rate in France</th>
<th>Annual Growth Rate in Germany</th>
<th>Annual Growth Rate in U.K.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>29,122</td>
<td>22,828</td>
<td>29,965</td>
<td>18.13</td>
<td>4.62</td>
<td>-0.22</td>
</tr>
<tr>
<td>2012</td>
<td>67,325</td>
<td>29,635</td>
<td>24,8715</td>
<td>16.92</td>
<td>6.45</td>
<td>1.97</td>
</tr>
<tr>
<td>2013</td>
<td>83,790</td>
<td>30,349</td>
<td>22,5564</td>
<td>7.04</td>
<td>6.45</td>
<td>0.22</td>
</tr>
<tr>
<td>2014</td>
<td>87,895</td>
<td>30,176</td>
<td>28,381</td>
<td>11.02</td>
<td>4.90</td>
<td>-0.57</td>
</tr>
<tr>
<td>2015</td>
<td>89,540</td>
<td>30,259</td>
<td>29,709</td>
<td>6.62</td>
<td>-1.55</td>
<td>-1.55</td>
</tr>
</tbody>
</table>

**Fig. 2.7** The number and growth rate of Chinese students studying in U.K., Germany and France from 2011 to 2015. Source (1) HESA (2016), (2) DZHW & DAAD (2016), (3) Institute of International Education (IIE) (2016)
been a “politically cold and economically hot” phenomenon, which lead to unstable growth of Chinese students in Japan in the last five years. Such as 2012, 2014 and 2015, the number of Chinese students has seen a slight downtrend as compared with previous years. However, the number of Chinese students studying in Japan exceeded 90,000 in 2013, 2014 and 2015. Especially, in 2013, the number of Chinese students in Japan reached a record high of 97,875.

According to the statistics of Korea Immigration Service (Fig. 2.8), there were 60,934 Chinese students studying in Korea by April 2015, accounting for 58.9% of all foreign students (103,509) there. However, the satisfaction of Chinese students in Korea is not high. In April 2014, the Korea Trade Association conducted a comparative survey of 562 Chinese students studying in Korea and in Japan (Oversea.huanqiu.com 2016). The results show that the satisfaction of Chinese students in Korea is much lower than that of Chinese students in Japan. Owing to discriminative treatment, 23.3% of Chinese students recommend against studying in Korea to their friends. The statistics of the Ministry of Education of the Republic of Korea also showed that there were 2000 international undergraduate students dropping out of Korea to return home in 2015, accounting for 3.4% of the total.

Fig. 2.8  The number and growth rate of Chinese students studying in Japan and South Korean from 2010 to 2015. Source (1) Japan Student Services Organization (JASSO) (2015), (2) Korea Immigration Service (2016)
2.4.2 Development Trends of Overseas Chinese Students

2.4.2.1 Changing Trends of Chinese Students

Together with increasing numbers of Chinese students studying abroad, the degree chosen and age they are left the country for their studies is showing a changing trend. The first changing trend are choices taken by students between bachelors and master’s degrees. In the U.S., for instance, the growth rate of Chinese students in the undergraduate level was significantly faster than that of Chinese postgraduate students during 2009–2016 academic years, the percentage of China’s university graduates going the U.S. to do postgraduate work has been declining, while Chinese students studying in the U.S. for bachelor degrees were increasing (Fig. 2.9). In 2014–2015 academic year, specially, the number of Chinese undergraduate students for the first time exceeded the amount of Chinese postgraduate students studying in the U.S., of which 124,552 Chinese undergraduates, an increase of 12.7% compared with the previous academic year, and 120,331 Chinese postgraduates, an increase of only 4% from the previous academic year.

Other than universities, the number of Chinese students in high schools abroad is also on the increase. According to a joint survey by CCG and MyCOS, the proportion of Chinese students studying abroad after finishing domestic high school courses dropped from 61 to 44%, and the proportion of Chinese students studying high school abroad rose from 17 to 27%. Over one-third of Chinese students plan to go abroad to study high school or matriculation or language schools, which means that most of the students will not participate in China’s college entrance examination, and will not choose to study in domestic high schools. In recent years, for example, tens of thousands of students from mainland China flew to Hong Kong for the SAT (Scholastic Assessment Test). As shown in Fig. 2.10, the top three destinations for the young Chinese students to study high school abroad remains Canada, the U.S. and Australia between 2007 and 2014. Even as the data from Student and Exchange Visitor Information System (SEVIS) showed the number of overseas Chinese students enrolled in high school with F-1 international student

visa in the U.S. increased from 433 to 4.3 million between 2004 and 2015, the growth was nearly a hundred times during 11 years (U.S. Immigration and Customs Enforcement 2016). The increasing numbers of Chinese students admitted to high schools rather than universities implied that the age of the Chinese students start studying overseas is getting younger.

Further evidence according to the survey of students who are planning to study abroad, from 2015 White Paper of China’s Study Abroad, showed 29% of interviewees are interested in studying abroad in secondary schools, and 59% of interviewees are interested in undergraduate degrees abroad (Wang and Miao 2015). It can be seen that Chinese students are increasingly studying overseas at a younger age, but university study is still the mainstream chosen by Chinese students as the education industry becomes more globalized. The number of very young Chinese receiving schooling in overseas countries has risen significantly, while their destination countries have become more varied.

### 2.4.2.2 Performance of Chinese International Students

A majority of Chinese students studying abroad are those who performed well when they were in Chinese schools. Therefore, in 2013, CCG surveyed students from five different middle schools in Beijing about studying abroad (Wang and Miao 2014a, b). Results showed that more than two-thirds of Chinese students studying abroad were those who performed well in class, the so-called “top students.” As shown in Fig. 2.11, among the 1000 students surveyed for the research, more than 60% of Chinese students planning to study abroad are those that performed in the top 25% of the class. On the contrary, only 2.3% of Chinese students that performed below 75% of the class have plans of studying abroad.

*The Chinese Young Students Studying Abroad Research Report* further found that 70% of Chinese international students previously won at least one award for their achievements in Chinese high schools or colleges, nearly 5% of the students...
received national awards, 25.8% were previously awarded provincial or municipal level awards, and 63.3% district or school level awards. All this evidence refutes the previous argument, that “only those who can’t learn well go abroad” (EIC Education 2014).

2.4.2.3 Diverse Choice and Disciplines

For a long time, FAME (Finance, Accounting, Administration and Economics) and STEM (Science, Technology, Engineering and Mathematics) have been the most popular specialties for international students, mainly because these professional graduates have an extensive employment outlook and a generous remuneration. For instance, Table 2.7 shows that Chinese international students predominantly focus on Business of FAME and Engineering of STEM in the U.S., of which the Top 3 disciplines chosen by Chinese students were Business Administration at 24.3%, Engineering at 18.6%, and Mathematics and Computer Science at 14.1% (Institute of International Education 2016).

However, the choices of disciplines by Chinese international students are becoming increasingly diverse. Report of the Social Demand of Chinese University Graduates and Their Quality 2010–2015 published by MyCOS showed that Business Administration as a popular subject to take abroad and the proportion of students who chose this subject studying abroad dropped from 45.1% in 2010 to 27% in 2015, a decrease of 18 percentage points. At the same time, there were 42.1% of the undergraduate students studying STEM abroad in 2015, which is decreasing compared with 2014 (Wang and Miao 2016). The situation indicated that a series of preferential policies (such as immigration policy etc.) in the destination country were not the only requirement as their own subject selection for studying abroad. The subject selection of undergraduate students in 2015 showed a

![Figure 2.11](image-url) Performance of Chinese Students in high school before going abroad. Source: Investigation of CCG on high school students going abroad between February and June 2013.
new trend of increasing the quantity of Chinese students in various disciplines, such as in the social sciences, foreign language literature, pedagogy, architecture, communication and journalism. There were many reasons for this, one of them being the intensified competition in the job market for FAME and STEM graduates. Considering their future of employment factors in order to avoid the competition, many have changed in subject selection from Finance, Business Administration to a broader career prospects.

Currently the domestic market has a need for high-end services, luxury goods and art talent, which has led to increasing students choosing to study in countries which are developed in these areas. The evidence suggests that factors influencing their decision-making regarding studying abroad and choices of subjects are also based on a rational understanding of the contemporary Chinese market. The employment prospect may surpass their interests to become the most important consideration. Hopefully, the more flexible career path for Chinese students studying abroad would be paved with the interrelationship between FAME, STEM and other subjects.

Meanwhile, it might also be the result of increasing information of studying abroad becoming available as the Chinese government is working towards further integration with the world. As the Chinese economy is increasingly integrated internationally through trade and more, the levels of information available for Chinese students who have intensions to study abroad also increase. Therefore, Chinese students have more clear information about schools/universities abroad, and disciplines available for application. As ranges of subjects other than FAME and STEM are becoming available, Chinese students might be simply responding to the wide range of disciplines according to the increasing levels of information available.

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Administration</td>
<td>27.5</td>
<td>28.7</td>
<td>29.0</td>
<td>28.0</td>
<td>26.5</td>
<td>24.3</td>
</tr>
<tr>
<td>Engineering</td>
<td>19.2</td>
<td>19.6</td>
<td>19.2</td>
<td>19.8</td>
<td>19.7</td>
<td>18.6</td>
</tr>
<tr>
<td>Math and Computer Science</td>
<td>10.6</td>
<td>11.2</td>
<td>11.2</td>
<td>11.5</td>
<td>12.4</td>
<td>14.1</td>
</tr>
<tr>
<td>Physics/Life Science</td>
<td>11.5</td>
<td>9.9</td>
<td>8.8</td>
<td>8.9</td>
<td>8.9</td>
<td>8.7</td>
</tr>
<tr>
<td>Social Science</td>
<td>7.0</td>
<td>7.7</td>
<td>8.2</td>
<td>8.1</td>
<td>7.8</td>
<td>8.7</td>
</tr>
<tr>
<td>Art and Applied Art</td>
<td>3.4</td>
<td>3.8</td>
<td>4.9</td>
<td>5.3</td>
<td>5.6</td>
<td>6.5</td>
</tr>
<tr>
<td>Health Care</td>
<td>2.0</td>
<td>1.5</td>
<td>1.3</td>
<td>1.4</td>
<td>1.4</td>
<td>1.3</td>
</tr>
<tr>
<td>Education</td>
<td>2.1</td>
<td>1.7</td>
<td>1.7</td>
<td>1.7</td>
<td>1.7</td>
<td>1.7</td>
</tr>
<tr>
<td>Humanities</td>
<td>1.2</td>
<td>1.3</td>
<td>1.0</td>
<td>0.9</td>
<td>0.9</td>
<td>1.0</td>
</tr>
</tbody>
</table>

Unit (%)

2.4.3 Factors Influencing Chinese Students

In recent years, with increasing numbers of Chinese international students, choices made for studying abroad are becoming increasingly diversified and rational. For example, the choices of countries are becoming increasingly widespread internationally, and fields of studies increasingly diversified; further, there is evidence to suggest that Chinese students abroad left the country with long-term planning, and diverse purposes. The following section will discuss the potential factors that are influencing the decision making process for Chinese international students studying abroad.

2.4.3.1 Reasons of Studying Abroad

There are multiple reasons Chinese students choose to study abroad. Report of the Social Demand of Chinese University Graduates and Their Quality 2012–2015 published by MyCOS showed that the top three reasons include improving their comprehensive career competitiveness, accessing higher quality education, and learning advanced science and technology (Wang and Miao 2016). These three reasons are all for the students’ own development and to enhance their competitiveness, which shows the strategy of undergraduate students studying abroad. Factors such as improving their knowledge and understanding different foreign cultures, or employment and immigration are also influential in the decision-making process.

In weighing the decision process of undergraduate students studying abroad, the influence of factors such as the overall quality of education, the difficulty of application and the degree of immigration convenience is significant in the universities of destination countries. According to Report of the Social Demand of Chinese University Graduates and Their Quality 2012–2015, the overall quality of postgraduate education has an obvious effect on the decision-making of undergraduates studying abroad, especially in North America. Up to 86.5% of undergraduate students consider this the most important reason for studying abroad, more than twice the ratio than those who choose to study in Asia and Oceania. Moreover, 32.9% of undergraduate students studying in Oceania considered the environment as an important issue when making their decision in 2015, it also shows that Oceania universities are relatively easy to apply to.

In addition, the convenience of immigrants has become an important consideration for the decision-making of undergraduates, especially under the rising immigrant trend, undergraduate students studying in Oceania have a much higher consideration for immigration than other regions, and the tuition factor is also an important consideration for the undergraduate students studying in Asia.
2.4.3.2 Sources of Information

Whereas in the past Chinese students may have only utilized a single source of information to determine where they should immigrate to study, but more recently they are getting their information from an increasing number of sources. This is due to the continuous development of the Internet and other communication technologies. The increasingly diverse sources of information and wider information about studying abroad made available are reasons contributing towards changes happening regarding Chinese undergraduate students studying abroad.

Due to how application systems are being extensively utilized by foreign educational institutions, and students are now able to obtain detailed and accurate information crucial for a smooth study abroad. *Report of the Social Demand of Chinese University Graduates and Their Quality 2012–2015* published by MyCOS showed that 38.3% of undergraduate students studying abroad selected “Domestic intermediary agencies” as the preferred channel of information with 28.2% of them choosing the “Foreign university website” as the main source for information in 2015 (Fig. 2.12). On the one hand, domestic intermediary agencies are becoming more and more user-friendly, and improved service standardization, along with streamlined processing, also have a certain attraction to students. On the other hand, the content of foreign university websites are authoritative, updated in a timely fashion, and the undergraduate students can access information without language barriers. It is noteworthy that “Foreign university seminars in China” are relatively unaware of the undergraduates, but the status of “Cooperative universities of domestic schools” increase gradually in the students’ access to information channels, which may be more relevant to the propaganda orientation of the cooperative institutions and more associated with the actual situation of domestic cooperative

![Diagram showing information-acquiring channels](image-url)

**Fig. 2.12** Distribution of information-acquiring channels for Chinese undergraduate students in 2015. *Source* MyCOS (2015)
institutions. In addition, the impact of social relations cannot be underestimated. “Relatives and teachers’ recommendation” is also the most important sources of information channels, accounted for 13.9% (Fig. 2.12).

To sum up, increasing numbers of Chinese students are choosing to study abroad. Multiple factors are contributing to such an increase both domestically and internationally. First, the increasing amount of information regarding studying abroad is being made available to Chinese students through multiple sources. Availability of such resources provided the foundation for the recent development of the present amount of international Chinese students. As more information becomes available, the choices of destinations become more diverse for Chinese students, choices of degrees as well as disciplines available also increase beyond FAME and STEM. Meanwhile, influenced by the rapid economic development in China in recent years, increasing numbers of Chinese families are able to financially support their children studying abroad. These two factors together set the important foundation for the large number of Chinese students studying abroad.

2.5 Concluding Remarks

There is a comprehensive geographic distribution of Chinese overseas emigrants in the world. While the U.S., Canada, Australia, New Zealand are major destination countries, European, Asian, Latin American, African and the South Pacific Island countries have become popular destinations for Chinese emigrants in recent years as well. A wide range of new features can be found from in following aspects: China in 2015 has become the fourth largest source country of migration in the world; the number of investment migrants from China has increased significantly; new groups of migrants such as educational migrants and blue-collar migrants are emerging. However, all of these development have expanded China’s migrant deficit. The growing outflow of Chinese emigrants and changes in immigration policies in some major receiving countries and regions are presenting severe challenges to China. It is necessary to take effective measures to respond to these challenges in order to ensure talent security and socioeconomic development in China.

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