

Changes in Funding Structure for Higher Education in an Age of Global Mobility

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Yukari Matsuzuka, Hitotsubashi University

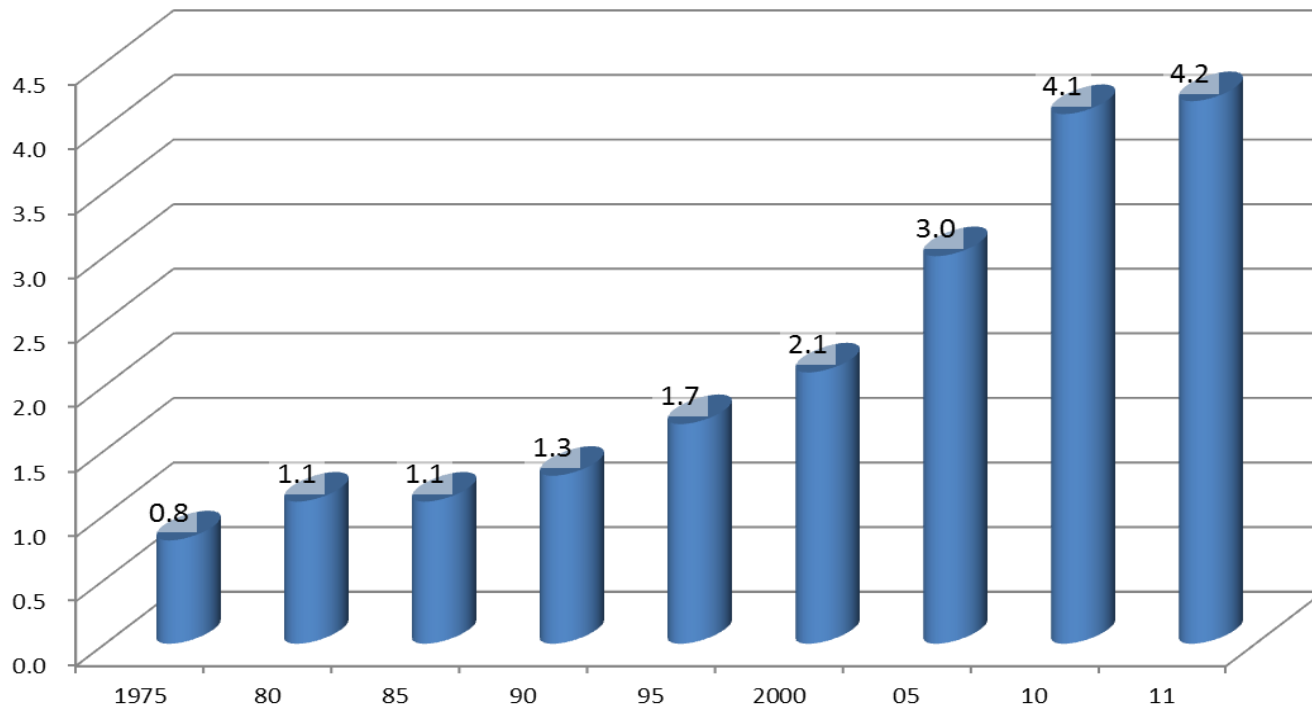
Fujie Yuan, The Open University of Japan

Outline

1. Growing mobility in the world
2. Who pays the increasing cost of mobility
3. Theoretical interpretation
4. Changes in Funding Structure for Higher Education

Expansion of International Flow of Students

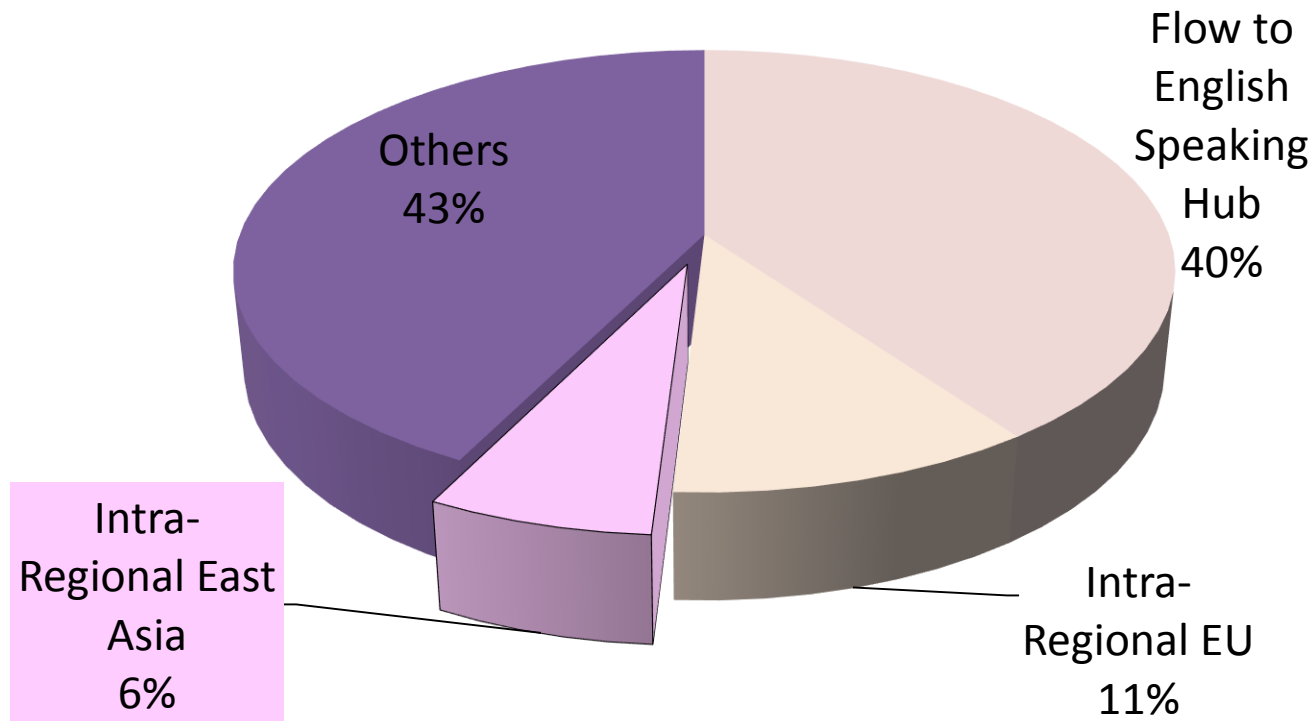
- Students in foreign Countries (10 thousand)
- Doubled since 2000



出所: OECD(2013), Education at a Glance: OECD Indicators.

The patterns of global mobility (%)

- Intra-regional mobility of East Asia is small relative to the population size

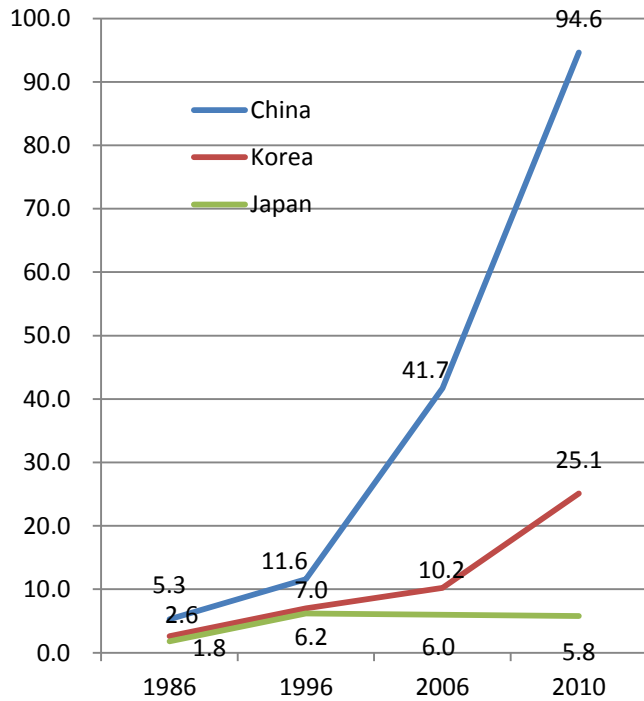


Source: Estimated from OECD, *Education at a Glance 2010*, Box C2.7

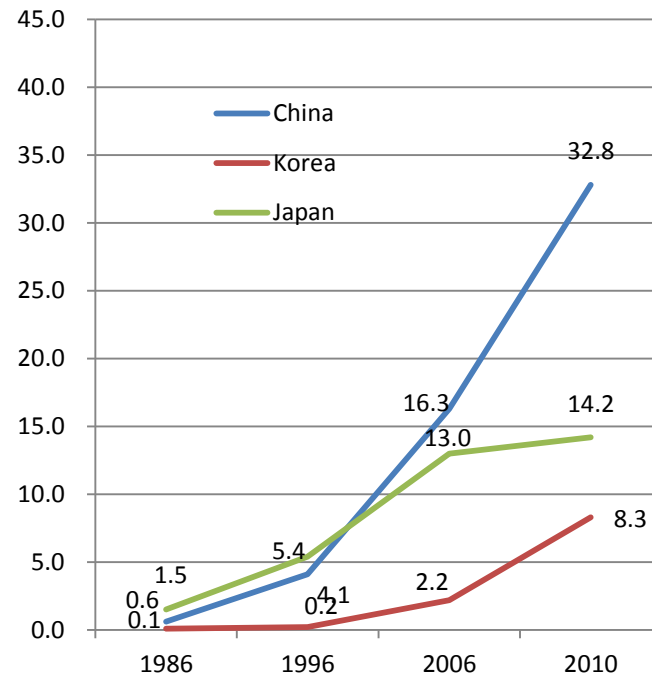
International flow in East Asian countries

- China — Rapid expansion in both outbound. Recent expansion in inbound
- Korea — Rapid expansion in both outbound. Recent expansion in inbound
- Japan — Inbound has expanded, surpasses outbound

Outbound (10 thousand)



Inbound (10 thousand)

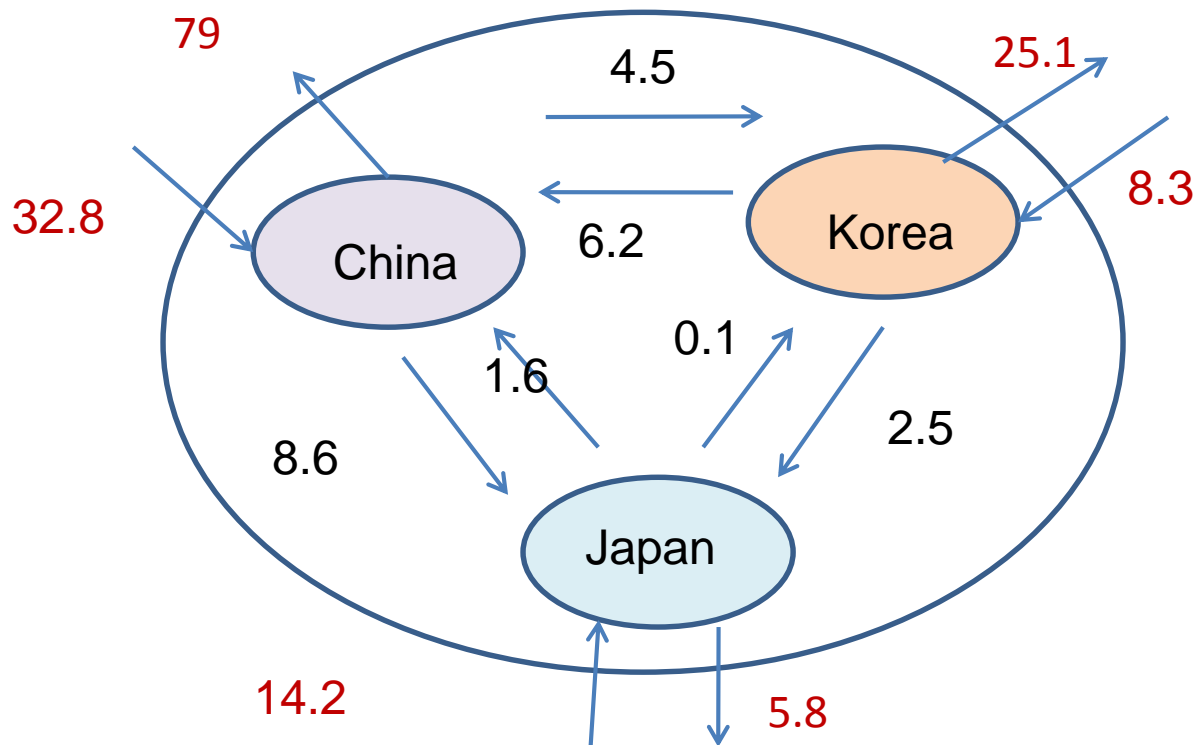


出所: UNESCO Statistical Yearbook, UNNESCO Global Education 1988,1998

<http://www.studayinchina.edu.cn/infoIndexisp>, <http://www.mest.go.kr/web/275/ko/board>

Regional mobility of students in East Asia(in 10 thousand persons, 2010)


- ▶ Intra-regional mobility is much smaller than those towards out of the region
- ▶ Flows from Japan to China and Korea are very small



出所: Institute of International Education. Opendoors Fast Facts. Unesco Global Education Digest, Statistical Yearbook, <http://www.studayinchina.edu.cn/infoIndexisp>, <http://www.mest.go.kr/web/275/ko/board>

Incentives for studying abroad

1. To gain advanced knowledge and technology in host countries
 - More likely for graduate students
2. For better chance for better employment
 - Diplomas from foreign countries help to get better opportunities for employment at home country
3. For the experience of education AND culture
 - Significance of self-exposure to foreign culture and language
 - Could be Short-term sty in foreign institution



Major Factors of
expansion in the 2000s

Incentives for Chinese students to return to home country

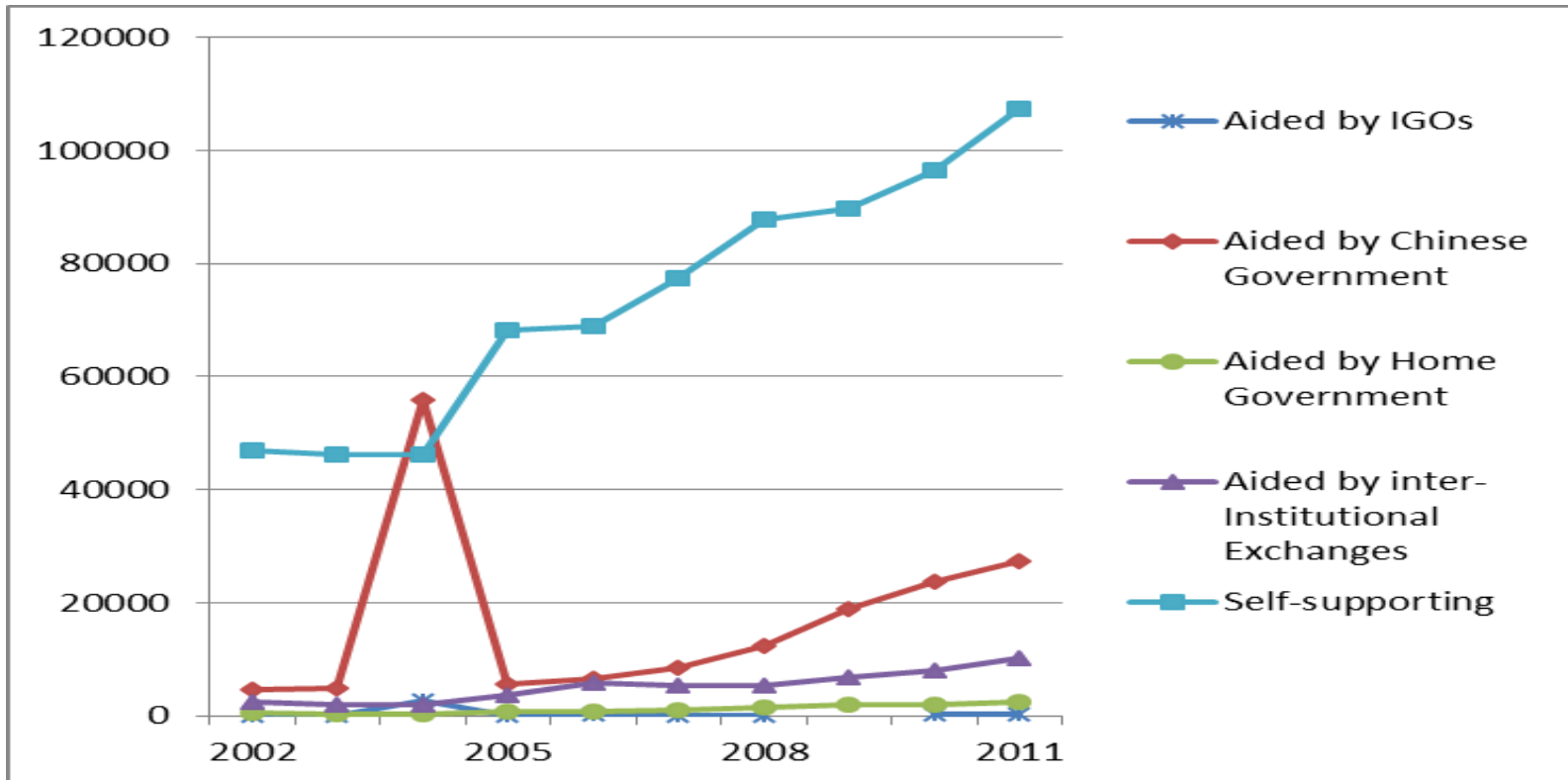
At both central and regional government, provision of:

1. Changjiang Scholar Program
2. Guest Professorship
3. Special visiting professorship
4. Talented one thousand program

With

- a) Higher salary
- b) High amount of research support
- c) Large office or laboratory for research
- d) Arrangement of a support team for research
- e) Work arrangement of work for his/her family
- f) Provision of housing

What are the Sources of Funding for Foreign Students Studying in China?



Source: Prepared by based on Annual Report of China Education Statistics

Application of economic theories for the interpretation of mobility and its financing

More students moving abroad by their own decision and based on private financing

➤ Self selection hypothesis applied

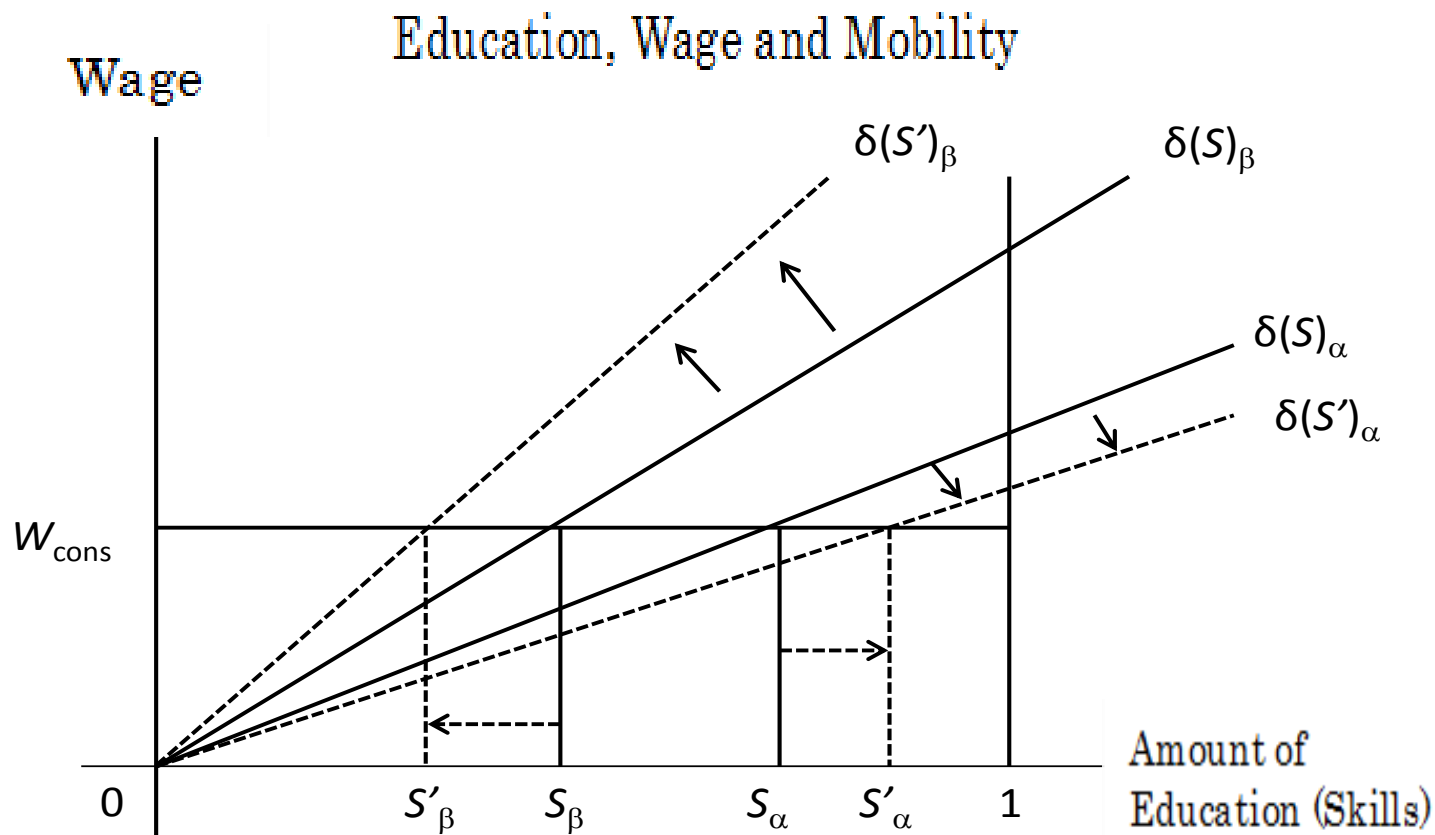
1. Roy Model (Job selection for hunter and/or fisher)

Roy, A. D. (1951), "Some Thoughts on the Distribution of Earnings," *Oxford Economic Papers*, 3(2): 135-46.

2. Applied model by Kaz Miyagiawa for skills migration over the scale of economic growth

Miyagiwa, K. (1991), "Scale Economies in Education and the Brain Drain Problem," *International Economic Review*, 32(3): 743-58.

Theory: Self selection hypothesis



- Suggests that more students will move to countries (institutions) that offer higher return to education at steeper rate

Then what recipients do?

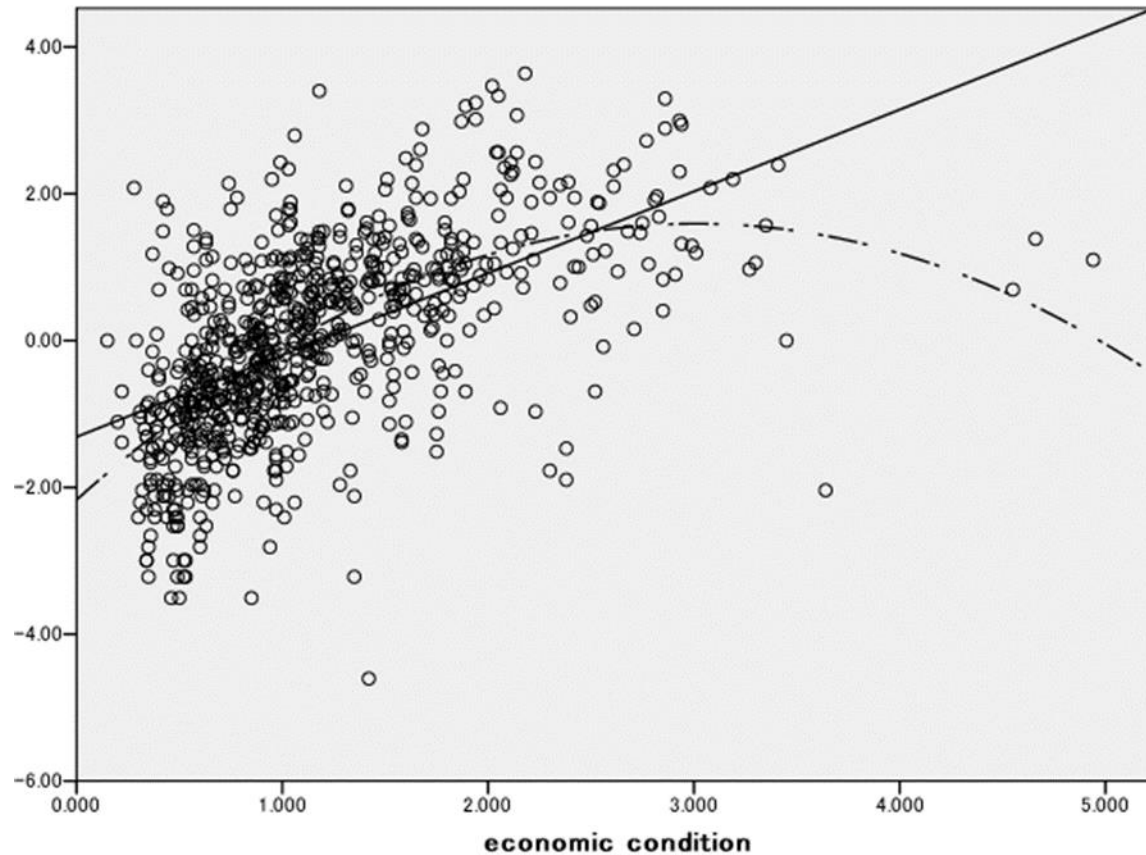
Two step migration

1. Attracting highly performing students from other countries
2. Let ablers to stay by offering working visa

	Number of status change	% of staying	Reason for Change		
			Work	Family	Other
Australia	200	18.0	—	—	—
Belgium	280	—	66	17	17
Canada	10010	14.7	76	20	4
France	14680	27.4	56	39	5
Germany	10180	29.5	46	47	7
Japan	10260	19.8	100	—	—
Netherlands	1010	15.0	65	34	1
Norway	660	22.5	80	18	2

Source: OECD (2010), International Migration Outlook 2010: SOPEMI 2010, OECD Publishing.

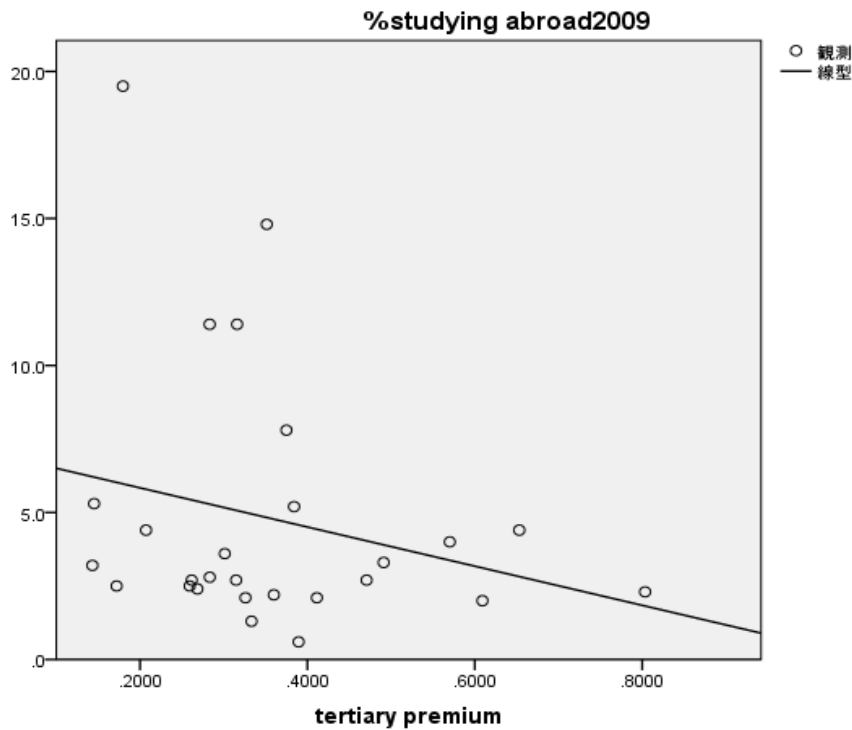
Indication of more students moving to countries with higher growth rate: Economic power and mobility



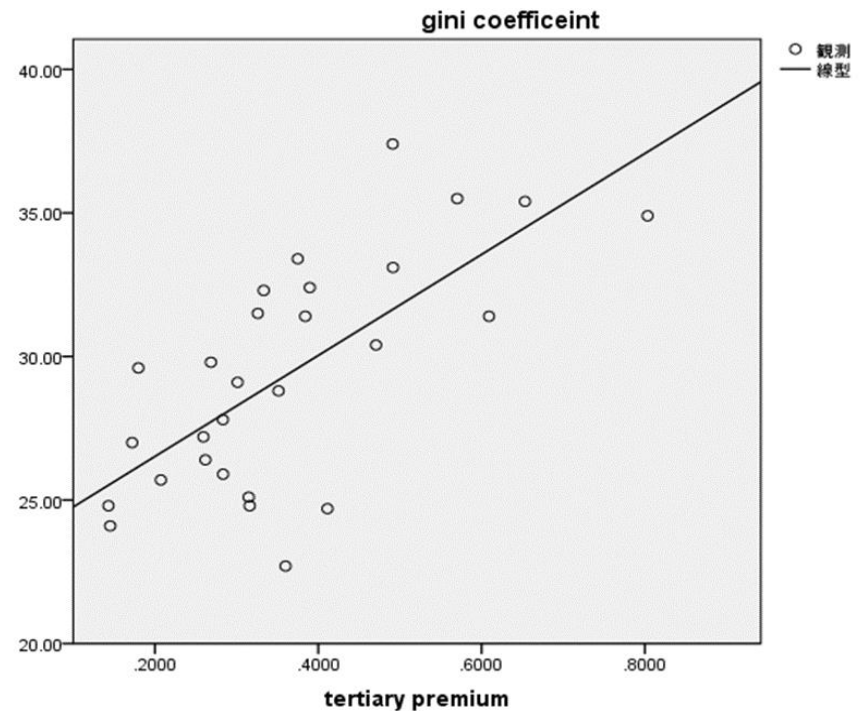
Source: Author's estimation based on Eurostats published in 2012

Mobility and other indicators

Mobility and college premium

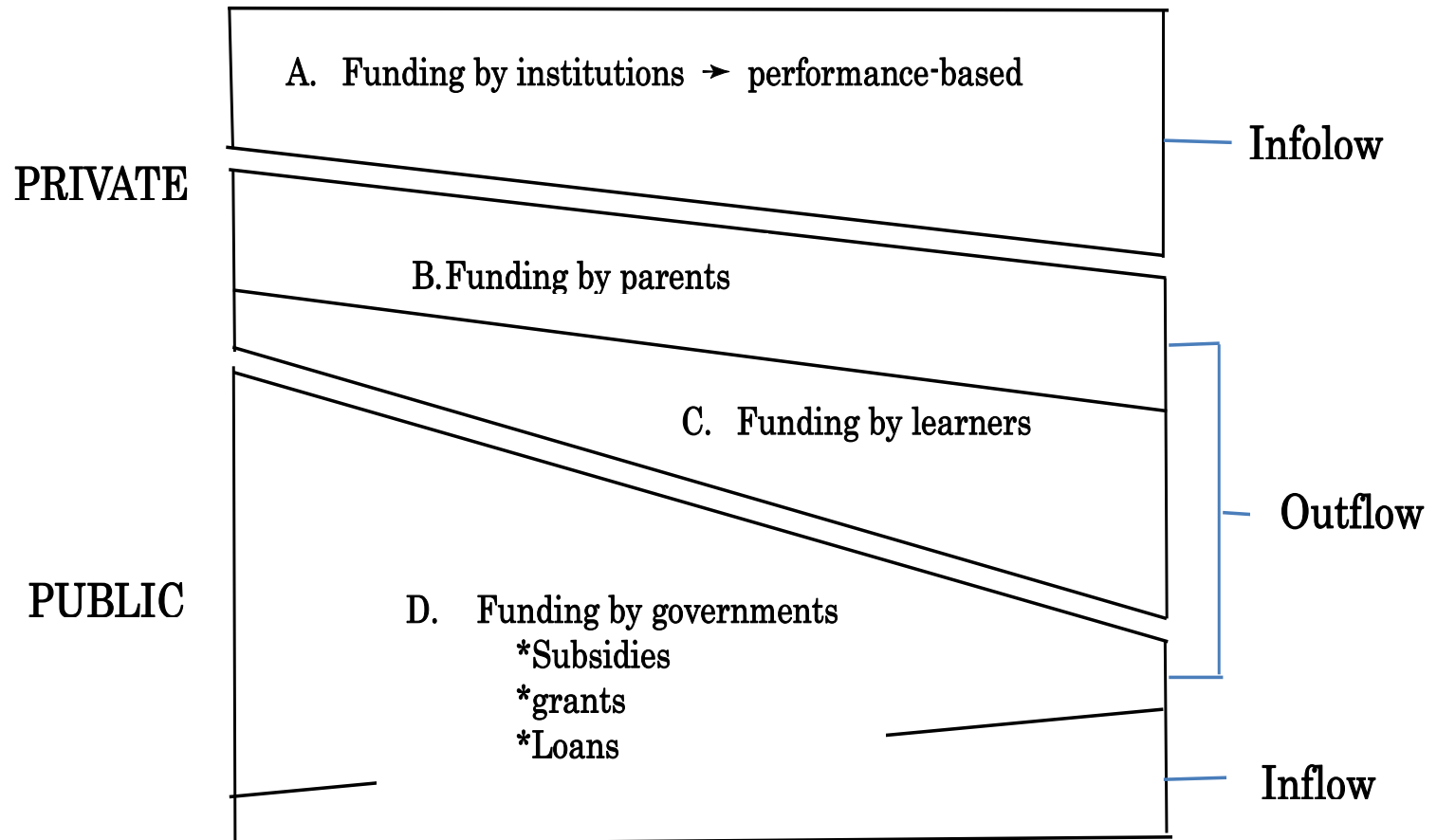


Mobility and disparity



Source : Authors estimation based on Eurostats published in 2012

Changing funding structure under increasing mobility



Thank you

謝謝