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EMIGRATION TRENDS AND POLICIES IN CHINA

MOVEMENT OF THE WEALTHY AND HIGHLY SKILLED

By Biao Xiang

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Executive Summary

As a result of market-oriented reforms beginning in the 1970s that reduced barriers to emigration, China has become one of the world's leading source countries of migrants. As of 2013, it provided 4 percent of the world's migrants—a testament to its vast population of 1.4 billion rather than to its emigration rate, which remains one of the lowest in the world.

Emigration from China may be categorized in two major streams: those who are highly skilled and/or wealthy, and those who are low-skilled or unskilled. High-skilled and high-value emigration from China is rising fast, while low-skilled and unskilled emigration is stagnant—a divergence that has been widening since the late 2000s. The emigration rate of China's highly educated population is now five times as high as the country's overall rate. China's wealthy elites and growing middle class are increasingly pursuing educational and work opportunities overseas for themselves and their families, facilitated by their rising incomes.

This group often applies for skilled migrant or immigrant investor visas; a number of countries offer residence permits to wealthy foreigners willing to invest a certain sum in the destination country. Chinese nationals dominate many of these immigration pathways in highly developed countries such as the United States, Australia, and Canada. For example, in 2014-15, 31 percent of all international students enrolled in U.S. higher education institutions were Chinese nationals. In 2014, China was the second-largest recipient of U.S. employer-sponsored work visas (H-1B), and 85 percent of all U.S. immigrant investor visas (EB-5) were granted to Chinese nationals. Interviews and surveys suggest that while their economic position enables emigration, high-skilled Chinese nationals are motivated by a complex mix of political, economic, and social concerns about China.

*High-skilled and high-value emigration from China is rising fast,
while low-skilled and unskilled emigration is stagnant.*

Unskilled migration from China, on the other hand, is proceeding at a much slower pace. Though government reforms have liberalized exit controls and facilitated overseas employment, making the process safer and more orderly, old restrictions have been replaced by regulations that also serve to deter migration. Increasingly detailed government regulations have slowed down the recruitment process, while driving up costs for migrants as more and more actors become involved. Unlike skilled migrants who can switch visa categories with relative ease, low-skilled or unskilled migrants have little opportunity to settle overseas as a result of stringent return requirements included in bilateral labor agreements. Government reforms have thus inadvertently served to polarize emigration and further entrench social inequality.

Concerns about “brain drain” in the late 1980s have now given way to a variety of government efforts to connect with China's diaspora members without necessarily expecting their permanent return. These include targeted recruitment programs for skilled diaspora members in academia and the science and technology sectors, conferences and online portals to engage with overseas experts, in-country associations for overseas students and professionals, and temporary exchange programs and special visas for second-generation diaspora members. The key to China's success in engaging its diaspora lies in its public-private partnerships, which involve many local government and private stakeholders, and have achieved remarkable results.



I. Introduction

China¹ has experienced a noticeable surge in emigration over the past four decades. This report analyzes the evolution of Chinese emigration since the end of the 1970s through the present day. The evidence points to a particular trend: more wealthy and well-educated people are moving to a select number of the most developed countries in the global north. By contrast, unskilled labor migration has increased at a much slower pace, reflecting stagnant financial returns and complicated and expensive recruitment procedures. Before 1949, Chinese emigration was primarily composed of low-skilled or unskilled migrants; today, wealthy and highly skilled migrants dominate outflows.

The report also traces shifts in government policy toward skilled and unskilled migration, and the motivations behind these changes. The overall trend in the past four decades has been to liberalize exit controls, allowing migrants to leave China but encouraging them to contribute to their country of origin while overseas. For the migration of high-skilled and wealthy individuals, exit controls have been replaced by policies that aim to encourage return and transnational engagement. In the case of low-skilled or unskilled migration, exit controls have now been substituted by complicated policies to manage recruitment procedures that continue to serve as de facto barriers to emigration. These policies are effective in conditioning migration flows, although they by no means determine China's basic migratory dynamics.

Before 1949, Chinese emigration was primarily composed of low-skilled or unskilled migrants.

II. Contemporary Emigration Trends in China

Emigration from China is increasing in absolute terms, though the country still has one of the lowest emigration rates in the world. According to the United Nations Department of Economic and Social Affairs (UN DESA), the stock of international migrants from China increased from 4.1 million in 1990 to 5.5 million in 2000, and to 9.3 million in 2013.² China is now the fourth-largest source country (representing 4.0 percent of the world's migrants in 2013), having moved up from seventh place (2.6 percent) in 1990.

Table 1. Net Emigration Rate from China and Projected Rate, (per thousand), 1985–2020

1985-90	1990-95	1995-2000	2000-05	2005-10	2010-15	2015-20
0.0	-0.1	-0.1	-0.4	-0.3	-0.2	-0.2

Source: Organization for Economic Cooperation and Development (OECD) data, cited in Asian Development Bank Institute (ADBI), *Labor Migration, Skills and Student Mobility in Asia* (Tokyo: ADBI, 2014), 55.

Nevertheless, these numbers are still disproportionately small when compared with China's total population, which at nearly 1.4 billion in 2014 made up almost 20 percent of the world's population.³

1 Unless noted otherwise, China, as used in this report, refers to the People's Republic of China (PRC) excluding Hong Kong, Macau, and Taiwan.

2 United Nations Department of Economic and Social Affairs (UN DESA), *Total Migrant Stock at Mid-year by Origin and Destination*, tables 1, 5, and 12 (Washington, DC: UN DESA, 2013), <http://esa.un.org/unmigration/TIMS02013/migrantstocks2013.htm?msdo> (including PRC citizens in Hong Kong and Macau).

3 World Bank, "Population (Total), 2014," accessed November 29, 2015, <http://data.worldbank.org/indicator/SP.POP.TOTL>.



Data from the Organization for Economic Cooperation and Development (OECD) for 2010-11 indicate that China's emigration rate remains one of the lowest in the world, at 0.4 percent of the population.⁴

Chinese emigration is characterized by a widening divergence between the migration of highly skilled and wealthy individuals on the one hand, and of the low-skilled or unskilled on the other. The emigration rate of China's highly educated population, at 1.8 percent, was almost five times higher than the overall rate in 2010-11.⁵ This disparity is certainly not unique to China: OECD averages by continent indicate that the highly educated in Africa are also almost five times more likely to migrate, and the highly educated in Asia are almost four times more likely to migrate. However, in more developed regions of the world, this disparity is lower: in Europe the emigration rate of the highly educated is only marginally higher than the overall emigration rate (0.3), and in North America, it is marginally lower (-0.1).

Alongside the increasing share of wealthy and highly skilled migrants, the percentage of Chinese who migrated to more developed countries (namely, Australia, New Zealand, Japan, and countries in Europe and North America) increased from 53.4 percent in 1990 to 58.6 percent in 2013. The share of Chinese migrants moving to developing countries fell from 46.6 percent to 41.4 percent in the same time period.⁶ Chinese nationals are among the largest new migrant populations in United States, Canada, Australia, and New Zealand.

The liberalization of visa policies at home and abroad enables high-skilled and wealthy Chinese migrants to enjoy ever-greater freedom in permanent settlement and back-and-forth transnational movement. In sharp contrast, the numbers of low-skilled or unskilled emigrants from China remain much lower, and are subject to tight controls and recruitment procedures that are complicated and costly. This section reviews the trends in investor, student, family reunification, and unskilled labor migration from China.

One of the most noticeable developments in China's migration trends over the past few years has been the dramatic increase in immigrant investors.

A. Emigration of High-Income Individuals

One of the most noticeable developments in China's migration trends over the past few years has been the dramatic increase in immigrant investors—wealthy individuals who obtain residence permits abroad by agreeing to invest a significant sum of money in the destination country. Depending on the country and its investor visa regime, immigrant investors may purchase property, government bonds, or special low- or zero-interest bonds; pay a sum to national development funds; or invest in private-sector businesses.⁷ In return, immigrant investors receive some residency rights in the destination country, whether immediate citizenship, permanent residence, or temporary residence with an eventual pathway to permanent residence.

4 UN DESA and Organization for Economic Cooperation and Development (OECD), "Emigrant Population 15+ in the OECD in 2010/11 by Country and Region of Birth," in *World Migration in Figures*, a joint contribution by UN DESA and OECD to the United Nations High-Level Dialogue on Migration and Development, New York, October 3-4, 2013.

5 Ibid.

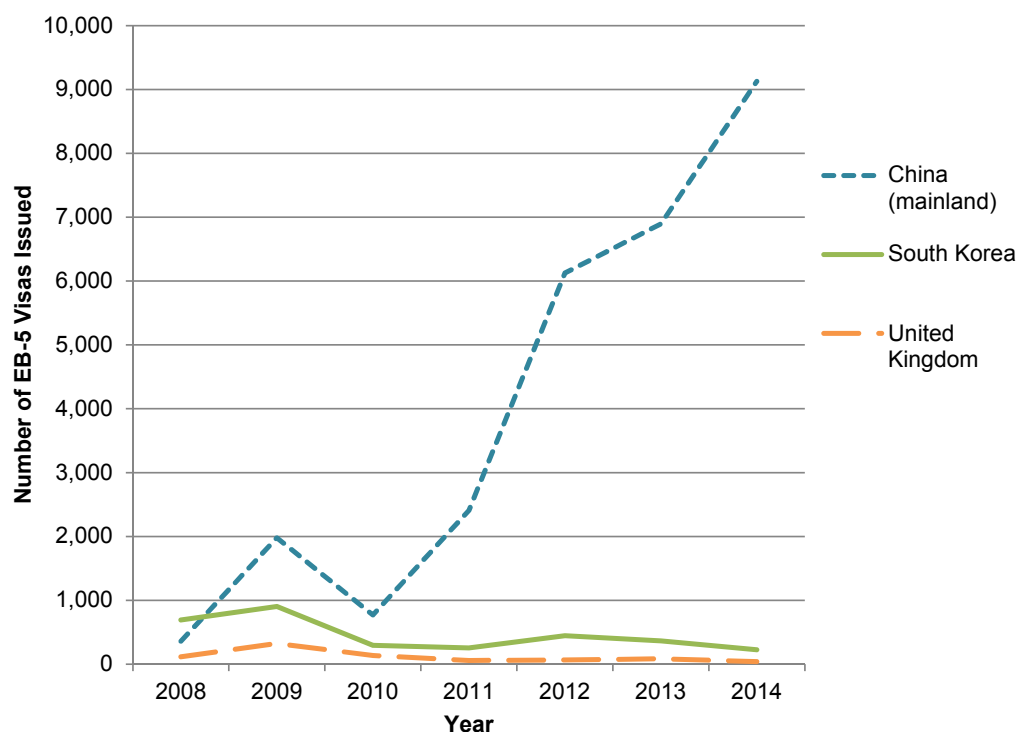
6 UN DESA cited in Wang Huiyao, "New Characteristics and General Trends of Chinese International Migration," in *Annual Report on Chinese International Migration*, eds. Wang Huiyao and Liu Guofu (Beijing: Social Sciences Academic Press, 2014), 20.

7 See Madeleine Sumption and Kate Hooper, *Selling Visas and Citizenship: Policy Questions from the Global Boom in Investor Immigration* (Washington, DC: Migration Policy Institute, 2014), www.migrationpolicy.org/research/selling-visas-and-citizenship-policy-questions-global-boom-investor-immigration.



Wealthy Chinese investors are driving much of the demand for these immigrant investor programs. For example, in the United States, Chinese nationals received 85 percent of all immigrant investor (EB-5)⁸ visas in 2014.⁹ China was the leading source country for immigrant investors in Canada throughout the 2000s, until this channel was suspended in 2012 and formally closed in 2014.¹⁰ In 2010, 58 percent of immigrant investors in Canada were Chinese nationals, followed by Taiwanese at 8 percent.¹¹ Similarly, in Australia, Chinese nationals received 87 percent of all Significant Investor Visas between 2012 and 2015.¹²

Figure 1. U.S. EB-5 Visa Holders' Three Main Countries of Birth, FY2008-14



Source: U.S. Department of State, *Report of the Visa Office*, years 2008-14 (Washington, DC: Department of State), Table V, Part 3, www.travel.state.gov/content/visas/en/law-and-policy/statistics.html.

Many wealthy Chinese nationals have considered, or are considering, emigrating overseas. A recent survey of the high-income population in 18 major Chinese cities found that 60 percent of “super high-

8 Immigrant investors must invest US \$1 million (or \$500,000, if in a Targeted Economic Area) and create or preserve at least ten jobs for U.S. workers. In exchange, they are awarded a temporary residence permit that becomes permanent if they reach this job-creation/-preservation threshold.

9 U.S. Department of State, Bureau of Consular Affairs, “Table V: Immigrant Visas Issued and Adjustments of Status Subject to Numerical Limitations, Fiscal Year 2014,” in *Report of the Visa Office, 2014* (Washington, DC: 2015), <http://travel.state.gov/content/dam/visas/Statistics/AnnualReports/FY2014AnnualReport/FY14AnnualReport-TableV-PartIII.pdf>.

10 Canada launched a much smaller Immigrant Investor Venture Capital Pilot Program in late 2014, which significantly raised the minimum investment threshold (from CA \$800,000 to \$2 million) and minimum net worth (from \$1.6 million to \$10 million), and asked for a nonguaranteed investment in a venture capital fund (instead of guaranteed government-issued bonds). The old Immigrant Investor Program still operates in Quebec, which selects its own economic immigrants and refugees.

11 Citizenship and Immigration Canada (CIC), “Business Immigrants—Investors: Findings from the Longitudinal Immigration Database (IMDB),” IMDB 2008 Research Series, March 2012, 4, www.cic.gc.ca/english/pdf/pub/imdb/INV_3.pdf.

12 Data from November 24, 2015, to October 31, 2015. Nationals of Hong Kong, who are counted separately, received an additional 3.2 percent of Significant Investor Visas in this timeframe. See Commonwealth of Australia, Department of Immigration and Border Protection (DIBP), “Significant Investor visa statistics,” accessed December 7, 2015, www.border.gov.au/about/reports-publications/research-statistics/statistics/work-in-australia/significant-investor-visa-statistics.



net value” individuals—those who possess assets of RMB 10 million or more (approximately US \$1.6 million)—have considered emigrating.¹³ Among “high-net value” individuals—those who possess assets of RMB 6 million (approximately \$970,000) or more—who have considered emigration, 77 percent identified the United States or Canada as their intended destinations.¹⁴

Information on the causes of the recent rise in Chinese immigrant investors is limited, but surveys and interviews of wealthy Chinese nationals point toward three possible motivations. One is the high quality of secondary and tertiary education overseas, particularly in destination countries—such as the United States and the United Kingdom—that dominate world university rankings.¹⁵ A second motivation is quality of life; China’s food-safety record is poor, and levels of pollution are extremely high: between 350,000 and 500,000 Chinese die prematurely each year because of air pollution.¹⁶ A third oft-cited motivation is broader concern among the wealthy middle classes about long-term political, economic, and social conditions in China, and the potential for unrest.¹⁷ One recent survey of Chinese entrepreneurs found many were concerned about a lack of regulated business norms and weak rule of law.¹⁸

The emigration of immigrant investors has induced significant capital outflow. One report estimates

Many wealthy Chinese nationals have considered, or are considering, emigrating overseas.

that immigrant investor emigration from China to the United States in 2012 alone drained between \$3.6 billion and \$6.1 billion, excluding expenditure on housing, education, and day-to-day living costs.¹⁹ Chinese nationals²⁰ were the second-largest group of foreign purchasers of real estate in the United States in 2013, after Canadians.²¹ More strikingly, the median price of the houses bought by the Chinese was \$425,000, and about 69 percent of all the deals were all-cash purchases, far higher than any other foreign nationality group.²² The concern about the outflow of capital has made this stream of emigration a topic of heated debate in China, with some media referring to these flows as “emptying” the country.²³

13 Bank of China and Hurun Research Institute, *2011 Private Banking White Paper* (Beijing: Bank of China and Hurun Research Institute, 2011).

14 Ibid., 8.

15 For example, in 2013, the top ten universities in the QS World Universities Rankings were all either in the United Kingdom or the United States, while China only had two universities in the top 50. QS, “QS World University Rankings 2013/2014: An Overview,” www.topuniversities.com/university-rankings/articles/world-university-rankings/qs-world-university-rankings-20132014.

16 Zhu Chen, Jin-Nan Wang, Guo-Xia Mac, and Yan-Shen Zhang, “China Tackles the Health Effects of Air Pollution,” *The Lancet* 382, no. 9909 (2013): 1959–60.

17 See, for example, interviews conducted in Rachel Wang, “Why China’s Rich Want to Leave,” *The Atlantic*, April 11, 2013, www.theatlantic.com/china/archive/2013/04/why-chinas-rich-want-to-leave/274920/; Jason Chow and Angus Loten, “More Wealthy Chinese Said to Prepare Exits,” *Wall Street Journal*, May 11, 2012, <http://online.wsj.com/news/articles/SB10001424052702304203604577393841014313050>; *The Economist*, “Middle Class Flight: Yearning to Breathe Free,” *the Economist*, April 26, 2014, www.economist.com/news/china/21601305-more-middle-classes-are-leaving-search-cleaner-slower-life-yearning-breathe.

18 Survey conducted in August 2013 by *Economic Information (Jingji Cankao)*, cited in Zheng Wang, “Why China’s New Rich Want to Leave,” *The Diplomat*, November 5, 2013, <http://thediplomat.com/2013/11/why-chinas-new-rich-want-to-emigrate/>.

19 Huiyao, “New Characteristics and General Trends,” 22.

20 Including Mainland China, Taiwan, Hong Kong, and Macao.

21 National Association of REALTORS®, *Profile of International Home Buying Activity* (Chicago: National Association of REALTORS, 2013), www.realtor.org/sites/default/files/2013-profile-of-international-home-buying-activity-2013-06.pdf.

22 Ibid., 28.

23 See, for example, *Southern Daily*, “Is the Third Wave of Outmigration Emptying China?” *Southern Daily*, December 13, 2011.

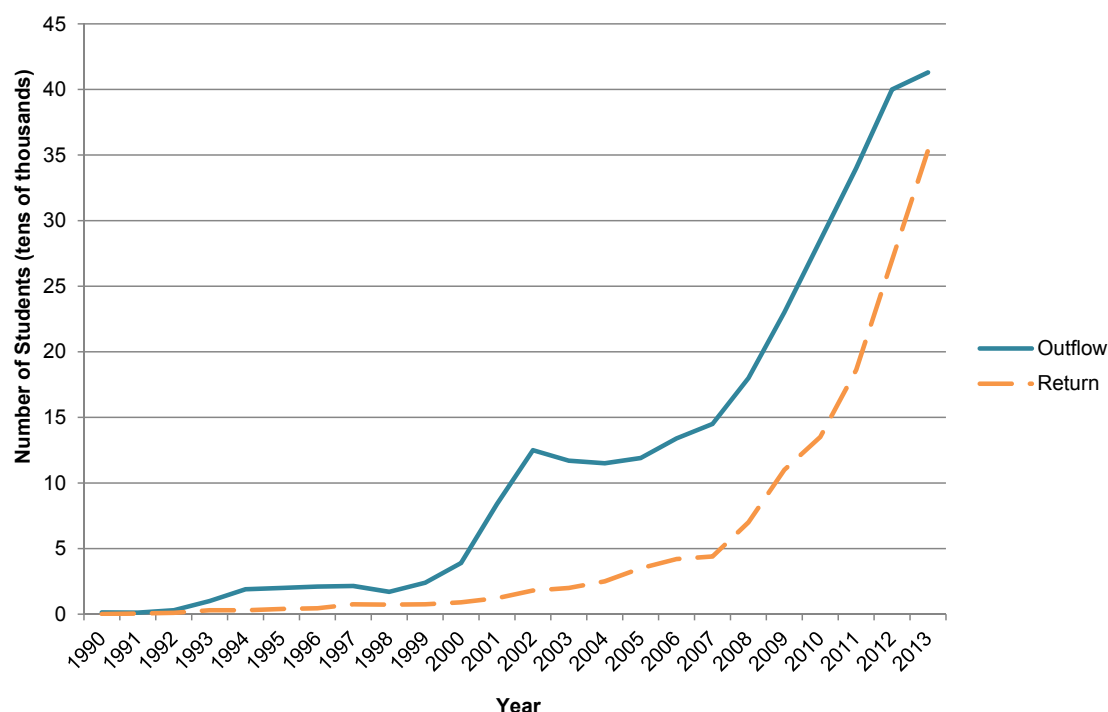


B. Emigration of the Highly Skilled and Students

China is now the largest source country for international students—who may or may not return after completing their studies. From 1978 to 2013 more than 3 million students left China to study overseas. Their number was 414,000 in 2013 alone²⁴—more than 465 times the 1978 figure of 860 migrants.²⁵ Figure 2 demonstrates how outflows of Chinese students have increased dramatically in recent years, from less than 50,000 in 2000 to more than 400,000 in 2013.

The United States is by far the most popular destination for Chinese students. Nearly 200,000 students from China were enrolled in tertiary learning institutions in the United States in the 2011-12 academic year, compared with 65,000 in the United Kingdom, 25,000 in Canada, and 23,000 in Australia—the other three leading destinations.²⁶ In the 2014-15 academic year, there were 304,000 Chinese students enrolled in the United States, accounting for 31 percent of all foreign students and outnumbering Indian students (the second-largest nationality group) by a wide margin.²⁷

Figure 2. Outflow and Return of Chinese Students, 1990-2013



Source: Ministry of Education, *China's Annual Book of Statistics*, various years.

Most of these students are self-financed; the number of Chinese paying for their own education overtook the number on scholarships back in the 1990s. This has turned overseas education into a major economic sector, with an estimated annual revenue of US \$3.2 billion in 2012—85 percent of which was spent in the

24 Ministry of Education, *Situations on International Students of China in 2013* (Beijing: Ministry of Education, 2014), www.moe.gov.cn/publicfiles/business/htmlfiles/moe/s5987/201402/164235.html.

25 Ministry of Education, *Education Exchange and Cooperation* (Beijing: Ministry of Education, 2008), www.moe.gov.cn/publicfiles/business/htmlfiles/moe/moe_2441/200810/39412.html.

26 Ministry of Education, cited in China Education Online, *2013 Report on Trends of Student Emigration* (Beijing: China Education Online, 2013), www.eol.cn/html/lx/baogao2013/page1.shtml.

27 Indian students comprised 13.6 percent of all foreign students in the United States. See International Institute for Education, "Open Doors Data. International Students: Leading Places of Origin," accessed December 7, 2015, www.iie.org/Research-and-Publications/Open-Doors/Data/International-Students/Leading-Places-of-Origin/2013-15.



destination countries, 13 percent for language training in China, and 2 percent for intermediary services.²⁸ The average cost of studying in the United States—\$36,000 a year²⁹—is about eight times the per capita annual disposable income of urban residents in China, and 25 times that of rural residents in 2013.³⁰

In the past decade or so, return migration increased even more significantly than outflows (see Figure 2). The number of returning students began increasing in 2000, and the rate escalated after 2008. In 2013 more than 350,000 students returned: this represented a nearly 30 percent increase from 2012, and an increase of nearly 4,000 percent from 2000 (when fewer than 10,000 students returned to China).³¹ At the same time, the rate of increase in the outflow of students from China has slowed in recent years.³² Although government policies play a role in attracting returnees from cutting-edge sectors such as science and technology, this sharp increase in the number of students returning to China is primarily motivated by economic growth in China, coupled with the tightening of Western job markets following the 2008 financial crisis. The vast majority of returnees are driven by concerns about job and business opportunities.³³

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C. Family Reunification

Chinese emigration through family-based channels is also on the rise, in part linked to increasing levels of emigration among immigrant investors and the highly skilled. Many Chinese nationals immigrate to other countries through family-based streams or as dependents of highly skilled migrants. Family reunion was the single-most important means through which individual emigration from China resumed at the end of the 1970s, following the Cultural Revolution. Since the 1990s, family reunion has been increasingly tied to investor and skilled migration. Throughout the history of the U.S. EB-5 visa program, roughly two family members have been granted conditional permanent residence visas for every immigrant investor.³⁴

In 2013-14 Chinese nationals represented the largest source of family migrants to Australia, accounting for 17 percent of all family visas granted.³⁵ Many Chinese-born immigrants in Australia sponsor their parents, as well as their partners, for Family Stream visas, of which 42 percent went to parents and 52

28 China Education Online, *2013 Report on Trends of Student Emigration* (Beijing: China Education Online, 2013), www.eol.cn/html/lx/baogao2013/page1.shtml.

29 Estimate according to education migration agencies in China, see Overseas Studies Web, "List of American Education Expenses," accessed November 14, 2014, <http://meiguoliuixue86.com/feiyong/>.

30 The urban and rural per capita annual disposable incomes are, respectively, \$4,325 and \$1,427. See National Bureau of Statistics, *2013 National Economic and Social Development Statistics Bulletin* (Beijing: National Bureau of Statistics, 2014), www.stats.gov.cn/tjsj/zxfb/201402/t20140224_514970.html.

31 China Education Online, *2014 Report on Trends of Student Emigration* (Beijing: China Education Online, 2014), www.eol.cn/html/lx/2014baogao/.

32 While the number of students leaving increased by 27.5 percent between 2008 and 2009, this number increased by only 3.6 percent between 2012 and 2013; see China Education Online, *2014 Report on Trends of Student Emigration*.

33 Zheng Wang, "Why China's New Rich Want to Leave," *The Diplomat*, November 5, 2013, <http://thediplomat.com/2013/11/why-chinas-new-rich-want-to-emigrate/>.

34 Brookings Institution, "Analysis of DHS Office of Immigration Statistics," in *Improving the EB-5 Investor Visa Program: International Financing for U.S. Regional Economic Development*, eds. Audrey Singer and Camille Galdes (Washington, DC: Brookings Institution, 2014), 8, www.brookings.edu/research/reports/2014/02/05-eb-5-investor-visa-program-singer-galdes/.

35 DIBP, *Australia's Migration Trends 2013-14* (Canberra: Commonwealth of Australia, 2014), 31-35. www.border.gov.au/ReportsandPublications/Documents/statistics/migration-trends13-14.pdf.



percent went to partners in 2013-14.³⁶ Chinese nationals received about half of all family visas allotted to parents in 2013-14; this was a far greater proportion of parent visas compared to other major immigrant groups in Australia.³⁷ For many, securing residence for elderly parents and young children in a high-quality living environment is equally—if not more—important than seeking new opportunities for their own career or business.

Chinese nationals now tend to migrate at much younger ages, implying that primary and secondary school opportunities are another relevant consideration for families thinking of emigrating. Families with children may migrate because of the parents' work, for example, or because concerns for their children's future education prompt parents to emigrate. While Chinese student migrants before the mid-1990s tended to be graduate students granted academic scholarships, their post-2000 counterparts are high school and college students from wealthy families who seek elite international education as early as possible. Between 2005 and 2011 the number of Chinese enrolled in high schools in the United States increased more than tenfold.³⁸ In 2011, 76,800 students migrated in order to graduate from a high school overseas, accounting for 23 percent of all students migrating.³⁹ Many of these younger migrants end up attending elite, costly secondary schools in destination countries. For example, during the 2012-13 academic year, Chinese nationals comprised 15 percent of all overseas pupils enrolled in fee-based ("independent") schools in the United Kingdom.⁴⁰ In the United States 23,795 Chinese were enrolled in private high schools (K-12) in the 2012-13 school year, compared with 65 in 2005-06.⁴¹ A recent survey of Chinese high net-worth individuals found 29 percent wished to send their children to secondary schools in the United Kingdom, while 26 percent aspired to do the same in the United States.⁴²

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D. Unskilled Emigration

Despite comprising 25 percent of the world labor force, China contributed only 1 percent of unskilled international labor migrants in the 2010s. Unskilled labor migration from China takes place through two channels: project-tied collective labor deployment and individual overseas employment (officially known as "international labor cooperation"). In project-tied migration, workers are hired by Chinese companies and are dispatched overseas. In the case of labor cooperation, migrants are supposedly hired by a foreign company and receive their salary overseas, though the reality can be complex; in some cases, workers are nominally hired by placement agencies or associations of employers. In 2013, 527,000 Chinese nationals migrated as unskilled workers; of these, 271,000 were project-tied and 256,000 were individual migrants.⁴³

36 DIBP, *Country Profile: People's Republic of China*, 4.

37 Ibid.

38 Ministry of Education, cited in China Education Online, *2013 Report on Trends of Student Emigration*.

39 Ibid.

40 HM Government of the United Kingdom, *International Education—Global Growth and Prosperity: An Accompanying Analytical Narrative* (London: HM Government of the United Kingdom, 2013), www.gov.uk/government/uploads/system/uploads/attachment_data/file/340601/bis-13-1082-international-education-accompanying-analytical-narrative-revised.pdf.

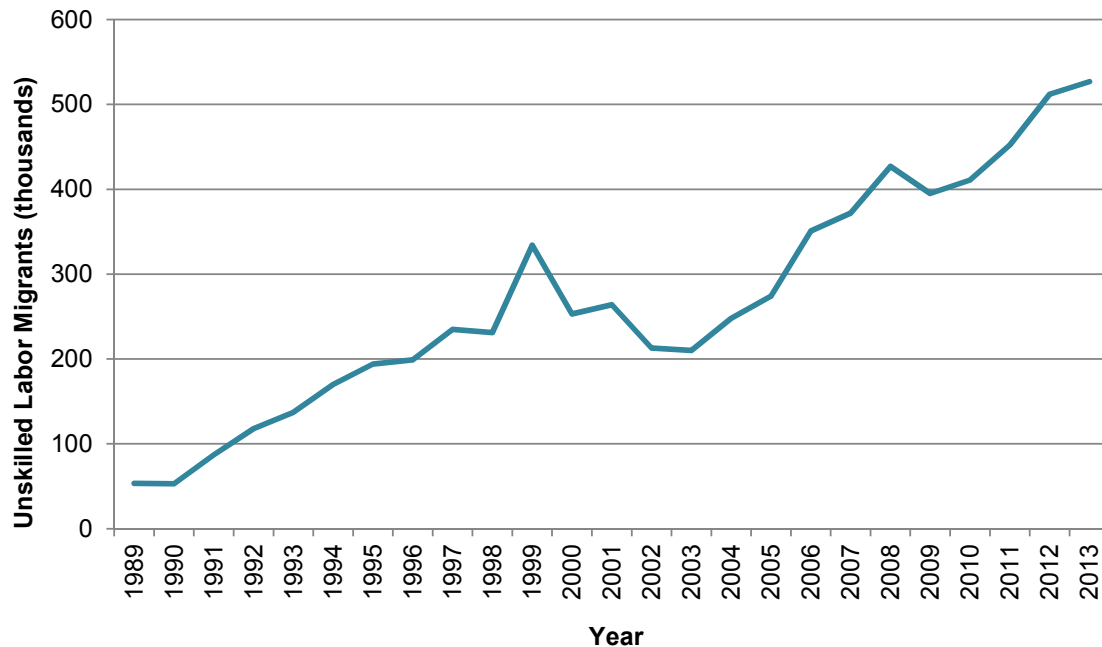
41 U.S. Department of Homeland Security (DHS), "Study in the States," September 2013, <http://studyinthestates.dhs.gov/2013/09/more-chinese-students-attend-k-12-schools-in-the-united-states>.

42 Hurun Institute, *Hurun Report: Chinese Luxury Consumer Survey, 2014* (Beijing: Hurun Institute, 2014), www.hurun.net/EN/ArticleShow.aspx?id=262.

43 Ministry of Commerce, "Brief Statistics on China's Foreign Labor Service Cooperation Condensed 2013," January 17, 2014, http://big5.mofcom.gov.cn/gate/big5/fec.mofcom.gov.cn/article/tjzl/lwhz/201401/1796137_1.html.



Figure 3. Unskilled Labor Emigration from China, 1989-2013



Sources: China International Contractors Association (CHICA), *Annual Report on China's International Labor Collaboration*, 2014-13 (Beijing: CHICA, various years); Chinese government, *Annual Statistics on International Economy*, 1990-2013.

The distribution of Chinese migrant workers by occupation has remained largely unchanged since the end of the 1990s. From 1995 to 2013 around 40 percent of Chinese migrants worked in manufacturing industries (especially textiles and food processing); 25 percent worked in construction and 15 percent in the agriculture, forestry, and fishing industries. Less than 0.5 percent of migrants worked in white-collar jobs.⁴⁴

When China first allowed individual overseas deployment in the 1980s, most Chinese migrant workers chose to move to destinations in the Middle East, such as Iraq and Kuwait. Since the end of the first Gulf War, more than 70 percent of unskilled and semi-skilled Chinese workers emigrated to countries in East and Southeast Asia (Japan, Singapore, and South Korea were the top three destinations for many of these years). Beyond Asia, an average of 20 percent migrated to Africa, 5 percent to Europe, 3 percent to Australia and New Zealand, and 2 percent to other destinations (primarily the U.S.-controlled Pacific islands of Saipan and Guam) in the same timeframe.⁴⁵ These migration patterns remained more or less constant between 1991 and 2008, and form a sharp contrast to the trends among highly skilled and wealthy migrants, who predominantly migrate to Western destinations.

Despite the apparent stability of unskilled migration routes, levels of such migration have been volatile in the past few years due to market fluctuations and frequent policy changes. For example, the onset of the global financial crisis in 2008 and the 2011 Great East Japan Earthquake prompted the number of Chinese migrant workers entering Japan to drop from 68,188 in 2007 to 1,923 in 2012.⁴⁶ Migration to South Korea, another top destination, was suspended between 2008 and 2011 because the two governments could not

44 China International Contractors Association(CHICA), *Annual Report on China's International Labor Collaboration*, 2004-13 (Beijing: CHICA, various years); Zhang Gesheng, *International Labor Economy* (Chongqing: Chongqing University Press, 1999); Yin Hao, "Study on the Development of China's International Labor Cooperation Since the Reform and Opening Up," *Population Journal* 1 (2009): 27-30.

45 Ibid.

46 Shao Chunfen, "New Developments in Chinese Migration to Japan," in *Annual Report on Chinese International Migration*, eds. Wang Huiyao and Liu Guofu (Beijing: Social Sciences Academic Press, 2014), 186-87.



agree on recruitment procedures. Once a migration scheme is downsized or cancelled, a large number of migrant workers may be left in limbo. An already high level of uncertainty surrounding low-skilled labor migration is compounded by the involvement of a large number of commercial brokers in China and in receiving countries. Brokers often recruit more migrants than needed by employers, in part due to poor coordination among the multiple actors involved.

III. Historical Context: The Effects of Market-Oriented Reforms on Emigration

China's liberalization of its emigration policies from the 1980s onward prompted huge increases in emigration and reconfigured the government's relationship with Chinese nationals abroad. Before the 1980s the Chinese state was built upon a foundation of immobility: people were not supposed to move, either internally or internationally. In 2013 nearly 100 million mainland Chinese went abroad—primarily as tourists and students⁴⁷—up from 31 million in 2005, 10 million in 2000, and around 4.5 million in 1995.⁴⁸ In 2015, a record 120 million mainland Chinese exited as tourists alone.⁴⁹

A. The Liberalization of China's Emigration Policy, 1980-Present

The year 1986 stands out as a landmark year, ushering in three major policy changes. First, contractual employment relationships replaced life-tenure jobs. On the one hand, this created an open labor market where it became normal for individuals to seek and quit jobs; on the other hand, state-owned enterprises could now lay off workers when they privatized or closed down—passing off the costs of business to the workers. This directly fed into the surge of labor emigration, both internally to coastal areas with robust private sectors and internationally in the late 1990s, especially from the rustbelt northeastern region.

Before the 1980s the Chinese state was built upon a foundation of immobility: people were not supposed to move, either internally or internationally.

Second, national ID cards were introduced for the first time in 1986. Until then, the only documents Chinese citizens could use to prove their identity were their household registration booklets (issued to an entire family) or introduction letters from their work units or township governments (for rural residents). The ID card was introduced to ensure social control, and in particular to fight crime, but it unintentionally provided an unprecedented level of freedom of mobility. The ID cards enabled all Chinese adult citizens to apply for passports and other documents, open bank accounts and make money transfers, purchase air

47 Border Exit and Entrance Administration Bureau, "Statistics on Border Crossing," cited in Xinhua News Agency, "Zhongguo Gong'an Bu: 2013 nian yu 45 yi ren ci churu jing" [Ministry of Public Security: Over 450 Million People-Time Crossed the National Border in 2013], January 15, 2014, http://news.xinhuanet.com/edu/2014-01/15/c_118985410.htm.

48 National Statistics Bureau, *Chinese Statistics Yearbook 1995* (Beijing: National Statistics Bureau, 1996); National Statistics Bureau, *Chinese Statistics Yearbook 2000* (Beijing: National Statistics Bureau, 2001); National Statistics Bureau, *Chinese Statistics Yearbook 2005* (Beijing: National Statistics Bureau, 2006).

49 World Tourism Organization statistics cited in Jingji Cankao Bao, "Zhongguo Chujin Renshu he Xiaofei ju Shijie zhishou [Chinese outbound tourism and consumption ranks first in the world]," Jingji Cankao Bao, January 29, 2016, http://news.xinhuanet.com/fortune/2016-01/29/c_128682084.htm.



tickets, and sign legal contracts independently—all actions that are indispensable for pursuing overseas opportunities.

Finally, beginning in 1986 any Chinese individual could for the first time apply for a “private” passport, rather than an “ordinary public” passport. While private passports can be obtained by most individuals and are possessed by them, ordinary public passports were reserved for state employees. Public institutions must apply for ordinary public passports on behalf of their employees, and they typically hold them for the individual. Ordinary public passports are different from diplomatic passports which are issued to senior diplomats only. The application procedure was also considerably streamlined; by 2005 most urban residents could obtain a passport within five working days after applying in a major city (and 15 days in other locations). The Passport Law (effective beginning in January 2007) enshrined citizens’ legal entitlement to possess a passport.

Other institutional changes also have had important impacts on emigration. Urban housing reform, begun in 1998, allowed citizens to purchase state-owned housing at subsidized prices. The resulting property certificates are now widely used by would-be migrants as security when dealing with recruitment intermediaries, loan creditors, and foreign embassies. In the countryside, house property certificates and household contract certificates (for land or forest), introduced in the mid-2000s, have had similar effects. The establishment of public notary offices has also been indispensable in translating local evidence into internationally accepted legal documents. Most foreign embassies in China require documents to be verified by public notary offices, as do many employers and schools overseas.

The liberalization of state regulation over private migration agencies in 2002 was another decisive measure. This policy shift put the responsibility for labor emigration on overseas employers and individuals themselves (and, it turns out, domestic recruiters) rather than on the Chinese state. It broke the state monopoly over labor exports, and allowed private individuals to apply for licenses to enter the labor export and recruitment market.⁵⁰ Now, four types of commercial agencies are in operation: overseas education, labor emigration, general emigration, and international tourism.

It is important to stress that these policy liberalizations have not undermined state power, but instead enhanced it. In the old passport application system, for example, would-be migrants had to obtain political approval from their work unit or local government to apply for passports and exit clearance. This system put everyone under strict scrutiny, but in a decentralized and scattered manner. Some corrupt officials managed to obtain multiple passports by manipulating local loopholes, which enabled them to abscond overseas even when they were under investigation. The simplification and centralization of the application procedure means that decisions are now made according to a simple, single set of criteria instead of a subjective assessment, and all the data are administered in a unified manner. The effort is largely successful; the migration industry was formalized and illegal emigration has been contained since the 2000s. Indeed, the strengthening of the regulatory capacity of the state is an important factor underpinning the rise of China.

While these policies of general liberalization have increased population mobility of all kinds, different types of emigration have been affected differently. What follows is a review of specific policy changes relevant to student and labor migration.

B. Student Migration

A number of policy changes have facilitated greater student migration from China since the 1980s, in a signal of the country’s opening up after the Cultural Revolution of 1966-76. This opening up has been a gradual process, as indicated by the slow increase in the numbers of students studying overseas right up

50 Biao Xiang, “Predatory Princes and Princely Peddlers: The State and International Labour Migration Intermediaries in China,” *Pacific Affairs* vol. 85, no. 1 (2012): 48.



to the early 2000s, when student emigration quickly accelerated (see Figure 2).

Studying abroad was out of the question for most Chinese during the Cultural Revolution. Then at the end of the 1970s the Ministry of Education, pushed by Deng Xiaoping, started sending select researchers to the West to pursue their study. This initiative was further facilitated by the Sino-America Understanding on Educational Exchanges of October 1978, and the Agreement on Cooperation in Science and Technology of January 1979.⁵¹ In 1981 the State Council first recognized self-financed overseas study—that is, going abroad to study without the state’s sponsorship—as a legitimate means of exiting China.

In the late 1980s the low return rate of Chinese students studying internationally triggered debates about brain drain. The top leadership argued that those who failed to return should be regarded as China’s “overseas reservoir of talent,” and as such the government should continue supporting student emigration. This resolve was put to the test in 1989 by the student protests at Tian’anmen Square. Tian’anmen arguably marked a turning point in student migration from China. Following the protests, the United States and other Western countries granted permanent residency to a large number of Chinese students (about 70,000 in the United States alone), turning students into skilled migrants en masse. Meanwhile, the Chinese government, surprisingly, not only continued sending students overseas, but made a significant policy shift—from implementing punitive policies against students who overstayed their overseas studies, to encouraging return regardless of whether students had ever broken agreements with the state. Returned students were also allowed to quit their jobs in the public sector if they preferred to work in private or foreign-owned enterprises. The new policy line was to “support study overseas, encourage returns, guarantee freedom of movement.” This enabled students to come and go from China, with their spouses and children, and work and live in any part of China upon their return.⁵²

In the late 1980s the low return rate of Chinese students studying internationally triggered debates about brain drain.

The late 1990s saw the emergence of “transnationalism” in Chinese government policy, when the central government altered the slogan of *huiguo fuwu* (“return and serve the motherland”) to *weiguo fuwu* (“serve the motherland”). In 2003 overseas students were no longer required to pay back the state to compensate for the public higher education they received before migrating.⁵³ There are no policies currently restricting student migration; instead, the focus has shifted toward the regulation of private education agencies and the facilitation of efforts to promote returns (see Section IV).

C. Unskilled Labor Migration

International labor migration from China started with foreign-aid projects in the 1950s, when the Chinese government sent personnel to more than 50 developing countries. Between the 1950s and

51 David Zweig and Chen Changgui, *China’s Brain Drain to the United States: Views of Overseas Chinese Students and Scholars in the 1990s* (Berkeley, CA: China Research Monograph, Institute of East Asian Studies, University of California, Berkeley, 1995), 19.

52 David Zweig and Stanley Rosen, “How China Trained a New Generation Abroad,” *SciDevNet*, May 22, 2003; David Zweig, “Learning to Compete: China’s Efforts to Encourage a “Reverse Brain Drain,” in *Competing for Global Talent*, eds. Christiane Kuptsch and Pang Eng Fong (Geneva: International Labor Organization, 2006): 190–91.

53 According to the rule set in 1993 by the State Commission of Education (now the Ministry of Education), BA graduates must work in China for five years and MA graduates for three years before leaving China. Otherwise BA graduates have to pay RMB 2,000 (US \$244 in 2000) for every year short of the five, and MA graduates have to pay RMB 4,000 for every year short of three.



1970s, for example, China sent some 150,000 technicians to Africa to work on building infrastructure and the capacity of the agricultural and technology sectors.⁵⁴ China set up a group of state-owned companies during the 1980s to engage with labor export on a commercial basis as part of its market-oriented reform program.

In 1992 the “individual overseas employment” category was formally introduced as a new form of international labor cooperation. This meant that any individual—including one without formal employment—could search for overseas jobs through commercial companies, whereas workers had once needed endorsement from their work units to do so. Workers’ new mobility was aided further by a 2002 reform allowing privately owned companies to apply for a special license to facilitate international labor recruitment.

Unlike the case of skilled migration, unskilled labor migration policy has liberalized even as the migrant recruitment process has become increasingly complex.

In May 2012 the State Council issued the Regulation on the Administration of Foreign Labor Cooperation, which defined in detail the legal relations among recruitment companies, migrant workers, and local governments. The regulation was meant to facilitate labor emigration as well as to enhance the protection of workers’ rights and to discipline recruitment companies. It requires written contracts from overseas employers that delineate migrants’ employment and labor conditions, benefits, and protection and compensation.⁵⁵

Unlike the case of skilled migration, unskilled labor migration policy has liberalized even as the migrant recruitment process has become increasingly complex. This complexity is in part due to the requirements of migrant-receiving countries, and in part to concerns about migrants’ rights. For instance, under the policy framework set by the Chinese and Japanese governments, a Japanese employer wanting to hire a Chinese worker must submit hiring plans to local industry associations in Japan, who apply for quotas on its behalf from a national association, which in turn applies to the government. After government approval, the quotas are sent to a public institute in China that distributes the quotas among qualified licensed companies that often, in turn, pass on recruitment tasks to lower-level, unlicensed brokers.

This complex system is compounded by the commercial interests of both licensed and unlicensed brokers. Licensed companies—most of them capital-rich, large-scale corporations located in large cities—regularly outsource actual recruitment tasks to unlicensed brokers that tend to have better access to the labor force itself. However, these brokers’ unauthorized status means they cannot send workers overseas (even if they have workers and overseas contacts) without the aid of the licensed companies. This system has created hierarchical recruitment chains and driven up intermediary fees, while migrant incomes have remained stagnant. For example, it is estimated that the average cost for migrants going to Japan, Singapore, or South Korea to work on a two- or three-year contract rose to US \$8,000 by the late 2000s, including intermediary fees and airfare. Meanwhile, the incomes of unskilled migrants in these three destinations have either remained stagnant since the early 1990s (averaging \$500 a month) or have decreased.⁵⁶

Unlike skilled migrants, who can switch from one visa category to another with relative ease, unskilled

54 Malia Politzer, “China and Africa: Stronger Economic Ties Mean More Migration,” *Migration Information Source*, August 6, 2008, www.migrationpolicy.org/article/china-and-africa-stronger-economic-ties-mean-more-migration.

55 Winston & Strawn LLP, “China Promulgates Regulations on Foreign Labor Service Cooperation,” *Greater China Law Update*, August 2012, <http://cdn2.winston.com/images/content/1/2/v2/1246.pdf>.

56 Author’s field research in northeast China, Singapore, South Korea, and Japan, 2004-12.



labor migrants are constrained. It is almost impossible for Chinese labor migrants to permanently settle in most parts of Asia or Africa. Compulsory return upon the completion of a job contract is stringently enforced. Employers and recruitment agencies in Japan, South Korea, and Singapore are fined or banned from bringing in more migrant workers in the future if their workers go missing or overstay. The employers and recruiters pass on this liability to migrants, who are required to pay sureties—reportedly about \$3,500 for going to Japan and \$5,000 for South Korea—before their departure to ensure their timely return.⁵⁷ Migrants' property certificates are often surrendered as an additional surety.

In sum, policy reforms have created a paradoxical situation in which unskilled labor migration is more orderly than before in the sense that illegal immigration has been mitigated, systematic rules are put in place to guide the procedures about recruitment, and the government has developed various methods to monitor the intermediary business closely, but the process is now far more complicated and costly for migrants.

It is almost impossible for Chinese labor migrants to permanently settle in most parts of Asia or Africa.

IV. Emigration and Diaspora Engagement Policies

A study commissioned by the Chinese State Council Office of Overseas Chinese Affairs estimated there were nearly 50 million Chinese nationals and diaspora members worldwide in 2008, including 73 percent in Southeast Asia, 12 percent in North America, and 5 percent in Europe.⁵⁸ Of these, the so-called “new migrants”—those who left China after the 1980s—became a main target for diaspora engagement policies beginning in the early 2000s. Such policies are divisible into three main categories: those that help migrants at destination, those that facilitate the return of overseas nationals and diaspora members, and those that encourage diaspora members to build and maintain strong ties with their country of heritage. Compared with earlier efforts to connect with the Chinese diaspora in the 1980s and 1990s, the current phase has two particular characteristics. First, the policy priority has shifted from financial investment (remittances are almost never mentioned in recent policy discussions in China) to technology transfer, capacity building, and rights protection. Second, diaspora engagement is increasingly conceived as part of China's deeper integration into the world rather than as a means for narrowly defined economic benefits.

A. Assisting Chinese Migrants at Destination

The Chinese government is increasingly cognizant of its overseas nationals' needs at destination, and has passed a series of regulations in recent years geared at maintaining contact with overseas nationals, protecting their rights, and, when necessary, providing for their security. For example, by 2012 China had stationed education offices (or teams) in 65 overseas missions in 40 countries to maintain close ties with overseas students. Another important example—this time of policies targeting labor migrants at destination—is the aforementioned Regulation on the Administration of Foreign Labor Cooperation of 2012, which further formalized the recruitment process for unskilled migrant workers and required written contracts outlining terms of employment and workers' benefits and rights.

⁵⁷ Ibid.

⁵⁸ These figures include PRC citizens, foreign citizens originally from China, and people from Hong Kong, Taiwan, and Macau who are currently outside China, regardless of their citizenship status. See Guotu Zhuang, “Distribution and Trends of Overseas Chinese,” *Studies on Overseas Chinese Affairs* 4 (2010): 30.



China has become much more active in protecting its overseas citizens in times of social unrest. In 2004 China established the Interministerial Working Meeting on Protecting the Rights of PRC Legal Persons and Citizens Overseas; its 2012 regulation includes clauses that require recruitment companies to develop detailed emergency plans and defines it as the responsibility of the local (that is, provincial) government where the recruitment company is registered to facilitate rescue operations if necessary.

The Chinese government has signed bilateral agreements on labor migration with Bahrain, Japan, Malaysia, Russia, and South Korea, and is now negotiating with other countries to develop clear bilateral frameworks to regulate migration and enforce rights protection. Until recently, China had concluded next to no bilateral portability agreements that would allow its overseas nationals to accrue, preserve, and transfer social benefits upon their return.⁵⁹ Now, there are a few exceptions, such as China's portability agreements with South Korea, Denmark, and Germany.⁶⁰

B. Return and Reintegration Policies

China's government has introduced a number of policies geared toward encouraging skilled overseas nationals to return on a temporary or permanent basis. Efforts include providing financial incentives, assisting with the return process itself, and setting up overseas associations for scholars and professionals that then run recruitment drives.⁶¹ A Returnee Service Center was created in 2002 as a single window to assist returnees with settlement. In 2002 the Ministry of Education (in conjunction with the Ministry of Public Security and Ministry of Foreign Affairs) designated special "green channels" for returnees that made entry, exit, and settlement easier. The Ministry of Education also devised policies to address returnees' concerns about their children's schooling: for example, it encouraged cities to establish special school programs for returnees' children with poor Chinese language skills.⁶²

Local-level governments such as in Shanghai often run their own recruitment drives, sending representatives to overseas job fairs. At the local level, many provinces and municipalities offer special research grants or business start-up loans to returnees. Guangzhou municipality hands out \$12,000 as a "golden hello" to returnees who decide to work there.

China's government has introduced a number of policies geared toward encouraging skilled overseas nationals to return on a temporary or permanent basis.

China has established a number of science and business parks, and uses financial incentives and direct recruitment to encourage the return of overseas nationals with expertise in the science and technology sectors. For example, returnees may be provided with low-interest loans or exemptions on importing certain equipment, and given subsidies on housing or salaries. It is estimated that by 2015, China had

59 Robert Holzmann and Johannes Koettl, "Portability of Pension, Health, and other Social Benefits: Facts, Concepts, and Issues" (Working Paper No. 4002, Munich Society for the Promotion of Economic Research group [CESifo], Munich, November 2012), 4–5.

60 Luo Wangshu, "Confusing Rules Turn Expats Off Nation's Social Insurance Program," *China Daily*, January 24, 2014, http://usa.chinadaily.com.cn/epaper/2014-01/24/content_17257039.htm.

61 Zweig, "Learning to Compete," 194–97.

62 Ibid., 196.



set up more than 305 industrial parks, with more than 22,000 active enterprises set up by 63,000 returnees.⁶³

China's state and local governments also run high-profile recruitment drives that sponsor academics or professionals to return and work in China for a period of several years (or permanently). One example at the state level is the Thousand Talents Program, which recruits overseas Chinese nationals who work for an international university or international research institution (an earlier incarnation of this program was the Hundred Talents Program). The central government provides around US \$160,000 for every expert recruited, with additional matching grants from the Chinese Academy of Sciences and the University of Chinese Academic Sciences.⁶⁴ Local governments often offer further grants: for example, Hangzhou, the capital city of Zhejiang province, provides an additional \$160,000 as a gift to the returnee, a \$160,000-\$800,000 research grant, a research laboratory, five or more research assistants, and generous salary packages.⁶⁵ By the end of 2012, 3,319 high-level experts had been recruited nationwide under this scheme.⁶⁶

C. *Diaspora Engagement Initiatives*

China also has a number of policies and action plans to encourage transnational ties with its nationals overseas, particularly students and professionals. One 2001 policy called on overseas Chinese students to “serve the country from abroad.”⁶⁷ These policies range from those encouraging diaspora members to visit China, to organizing conferences and online resources that showcase the contributions of overseas experts and professionals.

The Chinese government has also introduced a number of policies to encourage diaspora members to visit China.

A number of government web portals target diaspora professionals and scholars. Notable examples include China Scholar Abroad, China Diaspora Web, Liuxue.net, China Overseas Talent, and CAS Overseas Study and Continuing Education. Most government departments that work with overseas Chinese have established portals (or dedicated sections of their websites) for overseas Chinese. There are also numerous province- or even municipality-based websites such as the Nanjing International Talent Networks and Liaoning Overseas Chinese Scholar Innovation Engineering Network.

As noted, the Chinese government has also introduced a number of policies to encourage diaspora members to visit China on a temporary basis. One example is the 2013 Law on Border Exit and Entry and the 2013 Regulations on Foreign Citizens' Border Exit and Entry, which introduced new visa categories Q and S for persons who have close family ties with Chinese citizens. Prior to this law, in June 2010, the Ministry of Public Security liberalized regulations on foreigners' applications for residence in China, in

63 Ministry of Human Resources and Social Security, “Lingting rencai qiangguo de zuying: woguo shi'erwu rencai gongzuo zong-jie” [The footsteps of the era of strengthening the nation by talents: A summary the work on skilled personnel during the twelfth five-year plan], Zhongguo Laodong Baozhang Bao, January 12, 2016, www.mohrss.gov.cn/SYrlzyhshbzb/dongtaixinwen/buneyiaowen/201601/t20160112_231551.htm.

64 University of Chinese Academic Sciences, “Thousand Talents Program,” accessed November 14, 2014, <http://english.ucas.ac.cn/JoinUs/Pages/default.aspx>.

65 People's Government of Hangzhou, “Suggestions Regarding the Implementation of the 521 Plan to Recruit Global Talents,” 2010, www.sztalent.org/content/2013-06/18/content_8193092.htm.

66 Ministry of Human Resources and Social Security, *The Work on Returned Overseas Students in 2012 Achieved All-Round Progress* (Beijing: Ministry of Human Resources and Social Security, 2013), www.mohrss.gov.cn/zyjsrygls/ZYJSRYGLSgongzuodongtai/201304/t20130412_98052.htm.

67 Zweig and Rosen, “How China Trained a New Generation Abroad.”



an effort primarily designed to benefit the Chinese diaspora. In 1996 the Ministry of Education set up the Chunhui Plan, which supports short-term visits to China for the purposes of academic exchange, the provision of training, the joint supervision of PhD students, technology transfer to underdeveloped regions in China, and participation in research and development (R&D) at large and medium state-owned enterprises.¹² This plan launched a subprogram in 2001 to enable overseas Chinese professionals (OCPs) to work in China during their sabbaticals; the ministry and hiring university share the financial costs. Other government agencies organize ad hoc, thematic workshops (for example, on the financial crisis or climate change) and visits. Ever since the first Guangzhou Overseas Student Fair was held in 1998, conferences have been convened across China in order to connect overseas professionals, potential investors (many of them are migrants or their descendants who left China before 1949), and local enterprises.

The success of these diaspora engagement programs lies in their multifaceted nature. In sum, what we see is a highly elaborate institutional matrix that consists of multiple actors (local government, various ministries, enterprises, and quasi-governmental associations); different formats and channels of communication (regular conferences, overseas visits by Chinese delegations, and dedicated online portals); and diverse, well-financed, mechanisms to provide financial, political, and symbolic incentives to returnees as well as to the government departments and commercial companies who facilitate their return.

The Chinese government's engagement with emigration can be summarized as a dual movement: simultaneous liberalization and proactive intervention.

V. Conclusions

Emigration from China is likely to remain high for a long time, in spite of economic growth and rising levels of income. The fact that emigration is concentrated among the highly skilled and wealthy indicates that while economic status is an important determinant of people's capability to migrate, Chinese emigrants are also motivated by considerations other than economic opportunities, such as quality of life. Further economic development may only strengthen both the desire and capability of high-skilled and wealthy individuals to emigrate.

The rapid increase in emigration from China is a direct result of the liberalization of exit controls, but is more fundamentally associated with broader socioeconomic developments in China and overseas. Three decades of market-oriented reforms have produced a group of ultra-high-income individuals who are migrating in growing numbers to the West through immigrant investor channels. Families in the growing middle class see overseas education as a central means to secure their newly acquired privileges for their children. At the same time, many unskilled workers are being pushed overseas by layoffs resulting from the privatization of state-owned enterprises, and the marginalization of small household businesses in favor of larger firms. While the transnational mobility of the high income and highly skilled is welcomed by both sending and receiving countries, the transnational mobility of unskilled migrants is carefully controlled by both. As such, emigration from China is increasingly a means of reinforcing and reproducing social inequality rather than a means of mitigating it.

The Chinese government's engagement with emigration can be summarized as a dual movement: simultaneous liberalization and proactive intervention. The Chinese government has developed effective public-private partnerships to facilitate emigration management. Government departments



collaborate with high-tech private enterprises to attract the return of highly skilled emigrants, and at the same time work with private recruitment companies to regulate unskilled labor emigration. Efforts to encourage return migration and diaspora engagement are widely regarded as great successes,⁶⁸ and various initiatives have certainly intensified transnational movements and connections. The regulation of unskilled labor migration has had more mixed outcomes, as it makes migration safer and more orderly but simultaneously more expensive for migrants themselves. Building and maintaining ties with the growing Chinese diaspora, as well as providing effective assistance and protections to Chinese citizens at destination, will be major new challenges for the Chinese government in the coming years.

For more on MPI's Transatlantic Council on Migration, visit:
www.migrationpolicy.org/transatlantic

⁶⁸ See, for example, David Zweig, Siu Fung Chung, and Wilfried Vanhonacker, "Rewards of Technology: Explaining China's Reverse Migration," *Journal of International Migration and Integration* 7, no. 4 (2006): 449–71; Huiyao Wang, *Globalizing China: The Influence, Strategies and Successes of Chinese* (Bingley, UK: Emerald Publishing, 2012).



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