

Research on the Countermeasures to Promote the Development of Education Service Trade in China

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Abstract: With the development of the economy, international trade globalization, and the improvement of people's living standards, coupled with the development of international trade globalization, education service trade has become an important part of the economy of various countries. Since China acceded to the WTO, the educational service trade has been effectively developed and made some achievements. It is worth mentioning that with the advent of the post-COVID-19 era, the global economy has begun to show new vitality, promoting the development of international trade in education services. What's more, this paper uses the Porter diamond model, which facilitates the study of Chinese international education services trade competitiveness. On the basis of explaining the relevant theories of educational service trade, this paper focuses on analyzing the current situation and existing problems of educational service trade and puts forward targeted strategic choices. Finally, at the end of the thesis, there is a brief conclusion for the paper.

Keywords: educational service trade, scholarship, international competitiveness

1. Introduction

With the continuous development of the economy and the continuous progress of technology, the world has gradually become a "global village". Not only is commodity trade between countries more and more prosperous, but the flow of people is also more and more frequent. After Organization for Economic Cooperation and Development (OECD) first introduced the definition of international trade in services in September 1972. The education trade has become one of the most promising service trades. China's education trade is increasing yearly, but the deficit continues, and international competitiveness is insufficient. Therefore, studying the development of the education service trade is significant. This paper focus on researching the current situation of the education service trade in China. China started the education service trade relatively late, resulting in its international competitiveness being insufficient. What's more, the policy of education services in China is not perfect, which cannot provide a adequate market for this field. After that, some advanced experiences of America were summarized in this paper, which facilitates the policymakers to refer to. Finally, at the end of the paper, some measures are put forward to improve China's education trade. For example, China should integrate educational resources, increase overseas publicity, improve discipline construction in China, and expand the scale of scholarships.

2. Literature Review of Concepts and Theoretical Elaboration

2.1. Important Concepts of Trade in Education Services

The Organization for Economic Cooperation and Development (OECD) first introduced the definition of international trade in services in September 1972. In short, service trade refers to the trade between residents of one country and residents of another. The service exporter is the party who obtains services and benefits from trade. The party who buys other people's services is the service importer. Chinese scholar Zhou Hanmin pointed out that the narrow scope of international service trade includes the import and export behaviors between countries that comply with the service laws and regulations. Still, the broad scope of international trade in services involves the input and output of actual labor force and intangible transactions, such as satellite transmission and patent technology trade [1].

Among them, the services include business, communications, construction, related engineering, sales, education, environmental, financial, and health and social services. In a broad sense, trade in services refers to the exchange of goods between those who provide the service and those who receive the service without direct contact. In practice, trade in services generally applies to the above cases. [2]. Education service trade refers to the exchange activities of education service trade between countries or regions.

2.2. Basic Characteristics of Trade in Education Services

Education service trade refers to the exchange activities of education service trade between countries or regions. The object of the education service trade is educational service products offered by related institutions to satisfy people's educational needs. These products are different from capital goods and tangible goods. There are four aspects of service products in education market. However, regardless of the variety of educational products, service is the basic characteristic of educational service products precisely because of this characteristic. It determines the basic characteristics of the education service trade.

2.2.1. Intangible

Intangibility is the most basic and most important feature of service. The intangible characteristics of educational services also make the trade in educational services intangible. Educational services differ from tangible commodity, there are not clear cross-border movement of goods in educational service, and most educational services' import and export are invisible.

2.2.2. Inseparability

In contrast to the trade of tangible goods, one of the most fundamental features of the subject matter of educational service trade is that educational service has the characteristic of being inseparable. That is, when educational products are produced, they are consumed.

2.2.3. Heterogeneity

Educational service has various characteristics, among which the most important feature is quality. In fact, the educational products produced by different producers are quite different. In this process, even if the producers are the same, the specific quality of educational products will vary with different learners. The same educational content will have different effects in different educational institutions. Many large educational institutions have formed their own educational models and brands in recent years. With regard to quality, educational institutions in developed countries are

very dominant in the international education service market. They have high-quality educational resources, forming absolute competitiveness. Hence, the heterogeneity of education service makes the competition of education service trade very fierce, and educational institutions pay great attention to their brand image and reputation. As the result, the less developed countries are usually in a very disadvantageous position.

2.2.4. The Complexity and Particularity of the Legal Relationship Involved

The particularity of education service trade makes the law involved relatively complicated. Under the invisible influence of education service trade, education service trade can take some measures to avoid the customs supervision. Therefore, various countries try to achieve regulatory control over education service trade through various means, such as domestic legislation. In this way, the trade in education services will inevitably involve various countries' complex laws, regulations, and other issues. These laws and regulations usually have some conflicts with existing laws and regulations and involve some sovereignty issues [3].

2.3. Impact Factors of Trade in Education Services and "Porter Diamond Model"

Michael Porter (Michael Porter), a management professor at Harvard University, proposed the famous "diamond model" in 1990. Porter thinks competitive advantage is by the factor conditions, demand conditions, related industries and support industries, enterprise strategy, and basic factors and auxiliary factors. Porter model of industry competitiveness analysis and education service trade competitiveness analysis has highly fit, based on the porter diamond model of competitive advantage theory. The following will be analyzed from several aspects of the factors affecting China's education service trade international competitiveness [4].

2.3.1. Government Factors

Education service trade plays an important role in a country's economic development. In recent years, China's education service trade benefit the development growth significantly, and the government attracts international students to study in China through an active opening policy. First, the government can use its diplomatic and political capabilities to open the way for developing the education service trade. Secondly, the government also vigorously publicized the huge role of trade in education services to social and economic development. In addition, in terms of the development strategy, Government development planning is also critical to developing trade in education services. For example, some developed countries have put forward the policy of revitalizing the education trade long before. The United States believes that attracting international students to study in the United States plays a considerable role in enriching the American talent team. This is a rare opportunity to boost economic growth in the United States. France has also proposed that developing trade in education services can promote the public flow and integration of culture, which plays a great role in developing a global culture. The "300,000 International Students Plan" makes Japan gather talents from all sides.

2.3.2. Related Talent Factors

In the education service trade, the related talents play a role that cannot be ignored. First, if a country's educational institutions have the world's top professors, experts, and scholars, then students worldwide will come to it. In fact, overseas consumption mainly focuses on which country has senior experts in a certain field: a strong talent team. The second is whether knows education service trade and education economic consciousness of high-quality talents, because if our country

in education service trade lack of knowledge of talent, doesn't know how to do this aspect of education trade, countries in this rules, what is the general international practice, the WTO organization regulations and rules have how rules and how to implement, it all need to know the talent.

2.3.3. Opportunity Factor

The opportunity here refers to the environment in which an educational institution or school is located, including both the small domestic and global environmental environments. Trade in education services happens to develop in this environment. In the trade in educational services, Countries around the world can learn from and communicate with each other, Develop domestic trade in services through trade, To promote domestic economic development and economic restructuring. Developed countries have long realized that trade in services can bring huge benefits to their own countries, So they have long done a lot of work in policy and institutions. Developed countries use their economic advantages to attract less developed countries, and Developed countries have unique advantages in this regard. Add in some of their preferential policies, Cause the developed country's education service trade development potential is huge. At present, China's economy has ushered in the golden age, and political, economic, and cultural have been unprecedented changes; the education service trade field also actively learns from developed countries. In recent years in China, a number of breakthroughs are 400000 a year; this is a very good opportunity for development.

3. Learn from the Experience of the Development of American Trade in Education Services

3.1. Existing Resources Have been Fully Utilized and the Industrial Chain of Education Service Trade Has been Improved

With the expansion of the market scale of higher education service trade, the US government actively integrates the existing resources. It forms a relatively complete industrial chain of education service trade. America has integrated its resources in both administrative and examination institutions. First of all, the United States has set up a series of specialized agencies, such as the American Association for International Educational Exchange, the United States Agency for International Development, the American Foundation for Education, the Federal Commission of Investigation, and the National Commission on International Trade in Education, to actively promote international exchanges and project cooperation, build Bridges between international students and American universities. Secondly, the United States has established comprehensive preparatory education institutions, and international language and professional standards testing institutions. For example, the Educational Testing Service (ETS) launched GRE and TOEFL standardized tests, forming a huge industrial chain of English tests. The tests became a measure of students' learning ability for educational institutions in the United States, generating huge revenue while ensuring enrollment quality [5].

3.2. The High Quality of Education has Consolidated International Competitiveness of Education Service Trade

The United States has a great competitive advantage in the education service trade and has the best quality education resources in the world. According to The Times Higher Education World University Rankings 2018, seven of the top 10 universities in the world for education services are in the US. The high level of education in the United States is reflected in the conditions of running

schools, the level of teachers, and the strength of scientific research. Many scientists, politicians, and successful people in business have come out of America's elite schools. As a result, the reputation of American education is far from universal. In addition, the educational concept of the United States is also very advanced. The United States encourages more communication between educators and the educated, encourages the educated to think creatively and develop their personalities, and is not limited to exam-oriented education [7].

4. Analysis of the Current Situation of Education Service Trade in China

4.1. Overall Situation of China's Education Service Trade

International trade in services is increasing yearly, but the deficit state is continuing. Although China's education service trade is increasing yearly, the deficit state is continuing. Education has always existed in an unprofitable way, and its economic profits are often ignored.

According to the IEE data, the number of students studying abroad in China has increased yearly from 2013 to 2020. Up from 328,000 in 2013 to 492,000 in 2019. In recent years, the number of international students in China has increased significantly. It is predicted that the number of international students in China will reach 529,000 in 2020. With these data available, China's service trade has increased since 2013, as shown in Figure 1.

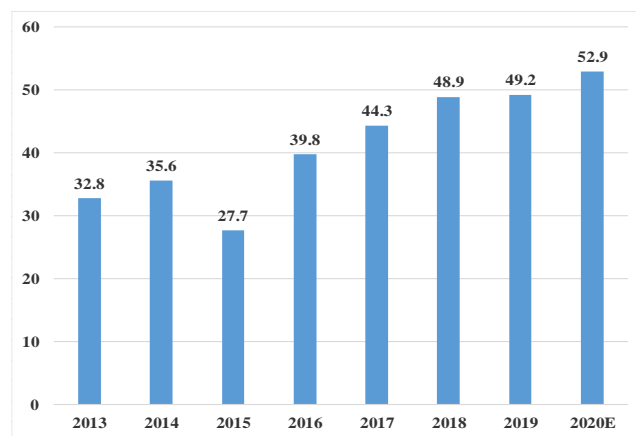


Figure 1: Changes in the number of international students coming to China from 2013 to 2020. (unit: ten thousand people) (Source: New Oriental published 2020 China Study Abroad White Paper: Six years of big data analysis of the future study abroad trend)

According to the data in Figure 2, in 2010, 1% and 28%, and in 2020, 9% and 20%. From 2010 to 2020, the number of international students studying in China increased by 8%. These data show that China's service trade has increased year by year, but there is still a big gap compared with the United States, so China's education service trade maintains a deficit.

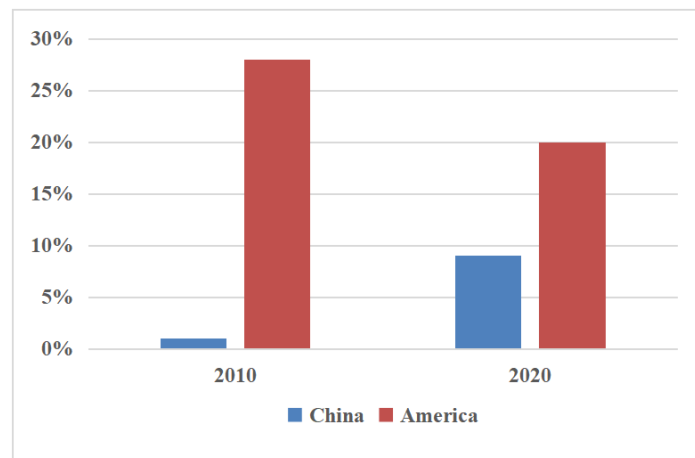


Figure 2: Share of international students studying in China and the United States from 2000 to 2020. (unit: %) (Source: New Oriental published 2020 China Study Abroad White Paper: Six years of big data analysis of the future study abroad trend)

The nationality of Chinese students is relatively fixed, mainly from Asian countries. According to the country distribution in Figure 3, South Korean students accounted for 10.28% of the total population in 2019, while the United States only accounted for 4.271%. According to the Ministry of Education statistics, overseas students from countries along the Belt and Road routes accounted for 54.1 percent in 2019. It can be seen that " the countries along the Belt and Road line have become the main force of China to study in China.

According to IEE data, the largest number of students studying in China are from South Korea, with 50,600 students, or 22%, followed by Thailand, with 28,600 students, accounting for 13%.

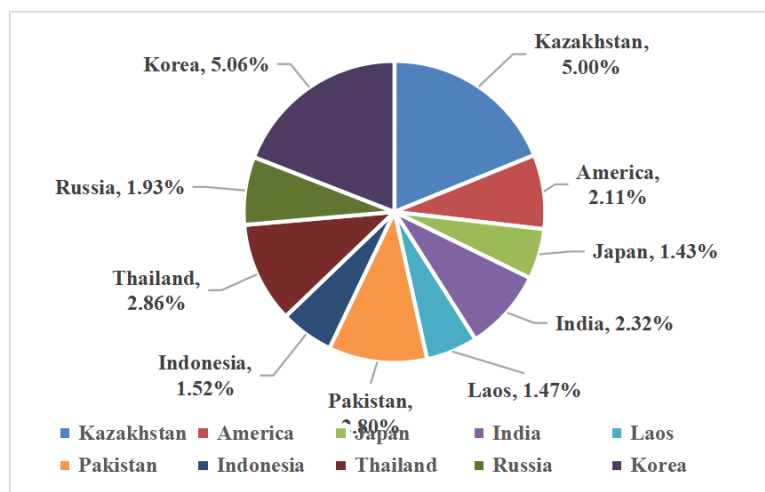


Figure 3: The distribution area of international students in China in 2019. (Source: New Oriental published 2020 China Study Abroad White Paper: Six years of big data analysis of the future study abroad trend)

4.2. Existing Problems in China's Education Service Trade

First, trade in education services started relatively late, and international competitiveness was insufficient.

According to the Ministry of Education, a total of 258,122 international students (52.44% of the total number of international students in China) were enrolled in bachelor's degree or above

education in 2018, among which only 17.28% were enrolled in master's degree or above education [5].

The majors for international students in China are mainly limited to the Chinese language, traditional Chinese medicine, and opera. At the same time, there are relatively few majors in inquiry, science, engineering, medicine, and art, and the emerging technical disciplines are also very weak. However, Chinese students studying in developed countries focus on choosing advanced engineering and management majors. China's education service trade started relatively late compared to western countries, and international competitiveness is insufficient.

Second, the education service trade policy is not perfect enough, and the scholarship scale is small.

According to the Ministry of Education, statistics, 49,022 students received Chinese government scholarships in 2016, including 29,903 students from countries along the Belt and Road Belt and Road. The number of people enjoying government scholarships in Pakistan ranked first, reflecting the gradual tilt of government scholarships to countries along the Belt and Road. In addition, there are two main problems in scholarships: first, the scale of scholarships needs to be improved, considering the serious impact of the epidemic, many countries along the Belt and Road are developing countries, the number of scholarships offered by the government is insufficient, which is lower than the psychological expectations of students from most countries; on the other hand, the main source of scholarships is the government, the scholarship within the university or jointly established with enterprises and non-governmental organizations is limited. The limited source and insufficient coverage of scholarships are one of the problems of trade in education services in China [6].

4.3. Analysis of Existing Problems of China's Education Service Trade

China's education service trade mainly presents problems such as a large trade deficit, limited sources of students, insufficient competitiveness, and small policy strength. The main reasons are as follows:

China's educational resources lack integration and integration and do not combine the specific national conditions to launch educational products with Chinese characteristics. The construction of China's higher education started much later than that of developed countries, and many disciplines are still under construction, so there is still much room for progress. European and American students are more willing to stay in their own countries for subject study, so the students of China's education service trade mainly come from Asian, and African countries and the deficit state is relatively significant [4].

China's education and publicity are not enough to create a brand effect. The overseas publicity of China's education service trade is relatively low, and many students do not know enough about China's education service. The perfection of the foreign intermediary market to study in China is not enough. There is still a long way to go to create a business card effect.

China's education service trade policy is not perfect enough, and the policy support is insufficient. The construction of weak industries cannot be separated from the support of policies. The establishment of scholarships and the improvement of discipline construction need policy support everywhere. Policy support is necessary for higher education in China, which mainly depends on financial allocation.

4.4. The Government's Macro-Control Ensure the Healthy Development of the Education Service Trade

The U.S. government has fully empowered the government's leadership role and implemented a series of macroeconomic regimes in education, investment, immigration policy, and financial support. In 1958 and 1966, the United States introduced the National Defense Education Act and the International Education Act, which aimed to make higher education institutions develop international education. In 2000 and 2004, a Memorandum of Understanding on the Globalization of Higher Education and a memorandum on U.S. International Education Policy was introduced, establishing a liberal visa policy and a bill for cooperation between educational institutions. In 2008, it also signed the National Education Act 2008 to promote U.S. competitiveness, which impedes the fundamental right of foreign talent to participate in the equal competition in the United States. At the same time, the United States have also increased its investment in education year by year through direct government grants, support for former corporate students, and NGO contributions, which are used to set up scholarships for international students, including scholarships, federal grants, and grants from private funds. The United States invests \$2.5 billion annually in international scholarships. Take the Fulbright scholarship, for example, which has supported more than 160,000 scholars since 1946. In addition, the United States also set up the "Benjamin Gilman" scholarship in 2001 to empower particularly outstanding students to study abroad.[5]

4.5. Summary of the Advanced Experience in Service Trade

The United States enjoys a high reputation in higher education. As we all know, American university tuition is high. Although American education in the market system improves the economic benefit of the American education service trade, I think China mainly relies on financial allocation rather than tuition income fiscal, way is more suitable for China's national conditions. Chinese higher education can learn from the experience of the United States, further improve the quality of education, increase the figures for international students, and increase the income of education service trade. In addition, the macro-control of Chinese national government can provide greater support to the education service trade, increase the financial allocation, scholarships, and other related financial support.

5. Research on the Countermeasures of Promoting Education Service Trade

5.1. Integrate China's Educational Resources to Reduce the Trade Deficit

Although China entered the industrial age late, and its competitive advantage in some disciplines is not as strong as that of developed countries, we should find a bright spot in the Chinese national culture and find a new way to reduce the trade deficit. For example, China can set up Confucius Institutes all over the country. On the one hand, the Chinese language will be favored by more people, and more and more people will accept Chinese culture. On the other hand, it can ease China's trade deficit. In addition to Chinese history, traditional Chinese medicine, opera, martial arts, ancient philosophy, and so on all have Chinese national characteristics. China has a profound historical and cultural heritage and a wide variety of cultures. Currently, China has 34 United Nations intangible Cultural Heritage lists and 1,530 national intangible cultural heritage lists, making it the country with the largest intangible cultural heritage in the world. If the traditional culture can be integrated into the world culture to create educational products with Chinese characteristics, then China's education service trade may make a qualitative leap [8].

5.2. Increase Overseas Publicity and Provide Policy Support

Most of the students who come to China to study are from Asia, while few are from other continents. In order to expand the market of China's education service trade to all continents, the first step is to strengthen the overseas publicity. The development of "Belt and Road", has attracted many students along the Belt and Road to study in China. If China can find publicity opportunities like "Belt and Road" in developed countries, more people can know about China and be willing to come to China for further study.

In contrast to developed countries, the policies on international students need to be improved in China. Governments need to improve the relevant policies to attract more international students to China for further study, . Laws and regulations in China on a study visa, off-campus housing, work-study, social security, and so on can be further improved. Improving these laws and regulations will promote the development of China's international trade in services and enable students to better integrate into Chinese society. Developed countries regulate work-study programs for international students, allowing them to work in their spare time and offering to help them find odd jobs. This helps the students integrate into the local society and relieve the pressure of many students from average families. On January 22, 1996, the Ministry of Labor, the Ministry of Public Security, the Ministry of Foreign Affairs, and the Ministry of Foreign Trade and Economic Cooperation jointly issued the second chapter of the Administration of Employment of Foreigners in China, Article 8 stipulates that international students studying or practicing in China are not allowed to work in China. On July 1, 2017, Article 30 of Chapter 4 of the Administrative Measures for the Recruitment and Training of International Students jointly issued by the Ministry of Education, the Ministry of Public Security, and the Ministry of Foreign Affairs stipulates that international students can participate in work-study activities during their study in institutions of higher learning, but shall not find employment, do business or engage in other business activities. According to the two documents, the 1996 regulation stipulates that international students are not allowed to find jobs, and the 2017 regulation stipulates that international students can participate in work-study activities. Which belong to work-study activities are not defined in the document. In order to further expand the scale of students, improve the quality of students, optimize the structure of students, and help students to solve economic difficulties, should formulate relevant rules as soon as possible, advocating the social from all walks of life to establish students funding system and tolerance of specification students work-study system, attract more international students to study in China [9].

5.3. Improve the Discipline Construction in China and Enhance the Teaching Staff

Although China's basic disciplines have developed greatly in recent years, there is still a big gap compared with developed countries. In order to promote the development of the education service trade from the root, we must first perfect the construction of disciplines in China.

The quality of teachers plays an important role in the trade of educated services. If universities have the world's leading professors and scholars, students worldwide will come to them. For international students who want to study in China, especially those who want to study for a master's degree or above, the level of discipline construction and faculty is particularly important [10]. According to the Ministry of Education of the People's Republic of China released in August 2019, the graduate guidance teachers (total), according to the total master tutor 321357, master tutor 86338, in order to improve the international competitiveness of our education trade, attract international students to study in China, reverse trade deficit laid a solid talent foundation.

5.4. Expand the Scale of Scholarships to Attract International Students to Enter China

The Chinese government needs to create unique and practical scholarship programs according to the different sources of international students. For example, regional scholarships could be set up for students from Belt and Road countries. Tuition fee waivers and related scholarships are available for students who want to study cultural heritage with Chinese characteristics. In addition, adjusting the scholarship structure can help colleges and universities recruit more outstanding students of various nationalities. Finally, the scholarships should go to key universities, disciplines and majors promote the construction of relevant majors while promoting international students' coming to China [11].

6. Conclusion

With the development of the economy, international trade globalization, and the improvement of people's living standards, the commodity trade between countries is becoming more and more prosperous. Still, also, the flow of people is becoming more and more frequent. The education trade has become one of the service trades with the most development potential. Since China acceded to the WTO organization, education service trade effective development has made certain achievements. Although the Chinese education trade deficit and international competitiveness is slightly insufficient, we believe that with the establishment of brand effect, increasing policy support, and the discipline construction gradually perfect, our country will be in the international trade in services.

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