

## **MPC – MIGRATION POLICY CENTRE**

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### ***Chinese Investment Strategies and Migration: Does Diaspora Matter?***

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**EUROPEAN UNIVERSITY INSTITUTE, FLORENCE  
ROBERT SCHUMAN CENTRE FOR ADVANCED STUDIES  
MIGRATION POLICY CENTRE (MPC)**

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## **The Migration Policy Centre (MPC)**

### Mission statement

The Migration Policy Centre at the European University Institute, Florence, conducts advanced research on global migration to serve migration governance needs at European level, from developing, implementing and monitoring migration-related policies to assessing their impact on the wider economy and society.

### Rationale

Migration represents both an opportunity and a challenge. While well-managed migration may foster progress and welfare in origin- as well as destination countries, its mismanagement may put social cohesion, security and national sovereignty at risk. Sound policy-making on migration and related matters must be based on knowledge, but the construction of knowledge must in turn address policy priorities. Because migration is rapidly evolving, knowledge thereof needs to be constantly updated. Given that migration links each individual country with the rest of the world, its study requires innovative cooperation between scholars around the world.

The MPC conducts field as well as archival research, both of which are scientifically robust and policy-relevant, not only at European level, but also globally, targeting policy-makers as well as politicians. This research provides tools for addressing migration challenges, by: 1) producing policy-oriented research on aspects of migration, asylum and mobility in Europe and in countries located along migration routes to Europe, that are regarded as priorities; 2) bridging research with action by providing policy-makers and other stakeholders with results required by evidence-based policy-making, as well as necessary methodologies that address migration governance needs; 3) pooling scholars, experts, policy makers, and influential thinkers in order to identify problems, research their causes and consequences, and devise policy solutions.

The MPC's research includes a core programme and several projects, most of them co-financed by the European Union.

Results of the above activities are made available for public consultation through the website of the project: [www.migrationpolicycentre.eu](http://www.migrationpolicycentre.eu)

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## Table of Contents

Introduction .....	1
1. Chinese international migration trends .....	1
2. Migration from China to Europe and Africa .....	4
2.1 Europe .....	5
2.1.1 Labour migration .....	6
2.1.2 Students and highly skilled migrants .....	7
2.2 Chinese in Africa .....	8
3. China's governance of international migration .....	10
3.1 Overseas Chinese affairs .....	10
3.2 Going out .....	12
3.3 Foreign study and "inviting in" .....	14
4. Conclusion .....	16

## **Introduction**

After the victory of the Chinese Communist Party in 1949, China rapidly shut itself off from the rest of the world. Emigration from China, already much reduced due to the Great Depression and the Second World War, diminished even further and came to an almost complete standstill in the 1960s, with the important exception of illegal emigration across the border into Hong Kong.

This situation contrasts sharply with Chinese migration today. China now is one of the most important sending countries and has also become increasingly significant as a destination for international migrants from the whole world. The most important fact about Chinese international migration is perhaps the incredible diversity of migratory flows. The interaction between the many different Chinese migratory flows and communities is clearly crucial in shaping the way that new migrants insert themselves in receiving societies. Unlike thirty years ago, migrants are now from all kinds of social and cultural backgrounds, hail from all over China, and include business and government expatriates, investors and entrepreneurs, students, professionals, contract workers, unskilled job seekers, and family migrants. Chinese migrants fan out all over the world in search of employment, business opportunities, educational qualifications, marriage or family reunification. Added to this must be the vastly larger number of Chinese who travel abroad for shorter periods as tourists or visitors on business, on exchange programmes, or as members of delegations. The world is indeed becoming a Chinese space, with long-term emigration being a vital, but by no means the only component.

In the first chapter of this report we outline the main changes in the Chinese migration order since roughly 1980. In the second chapter we turn to a discussion of Chinese emigration and settlement in Europe (by which we mainly refer to the EU countries) and Africa (mainly sub-Saharan Africa), whose similarities and contrasts help us highlight the range of permutations in recent emigration from China. The third chapter turns to China's administration, management and institutional and legal framework for dealing with the many different Chinese migratory flows and their ramifications for China, both domestically and for its rising global presence. Chapter 4 is a brief conclusion including some reflections on future trends.

## **1. Chinese international migration trends**

The most important change in the Chinese emigration order in the last forty years obviously has been the resumption of emigration from the PRC. The main driver, at least initially, of the new migration from the PRC was a gradual but fundamental relaxation of the country's emigration policy from the early 1970s onward. From an almost total ban on officially endorsed emigration, the PRC moved to a policy framework that now allows foreign travel and emigration to virtually all Chinese citizens who can produce a visa or other evidence of the right of legitimate entry to a foreign country. The frequent chastening of China for not letting its citizens out is now but a vague memory of a distant Cold War past.

Between the early 1970s and late 1980s, the new Chinese migration from the PRC consisted of two very different types. The first one was the resumption of emigration from areas where before 1949 the majority of overseas Chinese came from. These new overseas Chinese first went to communities of overseas Chinese established before 1949, but gradually branched out to other destinations in search of opportunities. The chief examples of this are migrants from the Taishan area in Guangdong province to the US and from the Wenzhou/Qingtian area in Southern Zhejiang province to Europe. Only somewhat later did emigration from the central part of Fujian province start. Despite being an old overseas area with communities in Southeast Asia, Central Fujian had no pre-existing ties with North America and Europe. Nevertheless, those became the chief destination areas of new migrants from Fujian.

The second initial flow of new Chinese migrants consisted of students and visiting scholars. Chinese students chiefly went to the US, with smaller numbers accepted by other developed countries

(Japan, Canada, Western Europe, Australia, New Zealand) as well. At this time, almost all Chinese students were postgraduates, accepted and supported on exchange programmes or western scholarships; few Chinese could as yet afford the costs of study abroad themselves.

This relatively ordered pattern of Chinese international migration, with reasonably well-defined flows and areas of origin and destination, changed fundamentally in the 1990s and 2000s. Some of these changes were at least partially path-dependent in that they followed from the impact that on-going migration had on policy-making and social and economic development in sending and receiving areas. However, change has equally much been driven by fundamental changes in Chinese society. Economic reform in the cities really began to bite in the early 1990s, weaning increasing numbers of urban Chinese from the dependence and restrictions of the Chinese “work unit” system. Reform and foreign trade also generated unprecedented economic growth, in turn creating a new entrepreneurial elite and middle class with a life style and expectations to match. In terms of social and spatial mobility, Chinese now have almost as much freedom as residents of non-socialist countries. However, as China’s market reform creates an increasingly level playing field, it produces not only winners but also losers: rural dwellers in the interior or otherwise isolated places, farmers in peri-urban areas losing their land to development projects, and urban residents shed by state enterprise reform without much hope of finding comparable employment elsewhere.

The overall result of these developments has been that the types, origins and destinations of Chinese migration have changed and proliferated, both within China itself and abroad. Emigration is no longer limited to a few pockets of Chinese society, but has become an option that can be entertained by Chinese across the country and from a wide range of backgrounds. In other words, these migratory flows have to be understood as transnational aspects of domestic patterns of geographical and social mobility resulting from the fundamental changes that have taken place in Chinese society, rather than being caused by the near-universal “culture of migration” in many overseas Chinese areas. The universalization of migration across China therefore emphatically not entail that the number of Chinese migrants is now only limited by the obstacles that sending and receiving countries manage to put in their way – many factors impinge on migratory decisions, opportunity being one and only one of them – but it does mean that Chinese migration has become highly diverse, making it increasingly difficult to speak about Chinese migration in the singular in any analytically meaningful sense. Below we will briefly review the most important of these changes in the Chinese migration order. We will start with (1) commercialization of emigration; and then discuss (2) the involvement of local government before moving on first to (3) the globalization of Chinese migration and then (4) the rise and diversification of education and professional migration.

The emigration business has become a world-wide phenomenon that includes everything from schools for language or professional training in preparation for work or study abroad, to emigration agencies that advertise in newspapers or on the Internet, to the gradual commercialization of assistance originally given free of charge to friends or family. The commercialization and professionalization of emigration was pioneered by Fujianese migrants to the US in the 1980s. The first things that may very well come to mind here are illegal migration, asylum abuse, human smuggling and trafficking, but commercialization is actually a much broader issue. In recent years and in response to increasingly successful attempts at cracking down on people smuggling from China, smugglers in Fujian branched out from transport by sea and over land to organized flights using counterfeit documents. When that became increasingly difficult as well, smugglers started arranging for genuine visas for fake marriage, business or study abroad.<sup>1</sup> Emigration from Fujian foreshadowed developments in China’s Northeast (also known as Manchuria) and other provinces, which in the late 1990s suddenly put themselves on the Chinese emigration map. The Northeast in the 1990s was a rustbelt of ill-performing state-owned

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<sup>1</sup> Frank N. Pieke, Pál Nyíri, Mette Thunø and Antonella Ceccagno, *Transnational Chinese: Fujianese Migrants in Europe*. Stanford: Stanford University Press, chapter 3 (2004); Julie Y. Chu, *Cosmologies of Credit: Transnational Mobility and the Politics of Destination in China*, Durham: Duke University Press, chapter 3, 2010.

enterprises. Emigration provided urban workers a much needed escape from unemployment; in their wake, rural dwellers also quickly availed themselves of the opportunities to go abroad. Commercial agencies that facilitate travel and emigration abroad drive much of the emigration from the Northeast and elsewhere. These agencies are often connected to state-owned enterprises and operate in full view of the authorities.<sup>2</sup>

Local government is involved in Chinese emigration in ways that are often not condoned by policy or law of the central government. Central Fujian province provides the best-documented example. Informally, individual officials of the government of coastal central Fujian had been involved in the illegal emigration business already from the early 1980s (one of the key reasons why emigration could flourish in this area), but the government could not openly be seen to be involved.<sup>3</sup>

In many other places beyond the designated overseas Chinese areas, local government (rather than individual officials) is in fact one of the key agents in the spread of mass emigration. The first example from my own research dates from 1990 in the interior of Fujian province (principally Mingxi County), an industrial centre dating from Mao Zedong “Third Front” strategy of the 1960s and early 1970s, but also an area without any overseas Chinese tradition. Acutely aware of the success of international migration very nearby in coastal Central Fujian, the authorities were keen to raise the local standard of living through migration just as had happened along the coast. At the time, the local government’s encouragement of emigration still had to be carefully weighed against the provincial government’s displeasure and the general sensitivities arising from Fujian’s illegal emigration business, and the local government could not openly facilitate emigration. Later, however, the county government felt confident enough to establish a migration guarantee fund. This fund gave loans to potential migrants to help them pay for their migration overseas. Money for the fund was provided by the county’s International Economic and Trade Office, the Agricultural Bank, and the Department of Finance. Subsequently, a new policy allowed banks directly to fund migration rather than through this government fund, thus even further widening the scope of such practices and fully integrating migration into the local economy. With the backing of the local authorities, the area became an important sending area of Chinese migrants to Europe.<sup>4</sup>

The third key feature of the new Chinese migration order is the globalization of migration. Until the late 1980s, individual Chinese migratory flows tended to specific destination areas with well-established Chinese ethnic sectors and communities from the same area of origin, only gradually expanding into adjacent areas, thus minimizing competition between Chinese groups. Starting in the mid-1980s, the Fujianese were the first to break through this mould. By focussing on the US and later Western Europe, Fujianese migrants entered the territories of entrenched communities of Chinese from Hong Kong, Guangdong, or Zhejiang, where they were mostly treated with hostility and as cheap, expendable labour.

In the late 1980s and early 1990s this example was quickly followed by the Zhejiangese, who aggressively expanded from their traditional stronghold in Western (and more recently Southern) Europe. In the 1990s, Zhejiangese appeared in new frontier areas, such as Eastern Europe or Africa. They also established a foothold in North America.

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<sup>2</sup> Frank N. Pieke and Xiang Biao, “Legality and labor: Chinese migratory workers in Britain”, *Encounters* 3, pp. 15-38, 2010.

<sup>3</sup> This is information from informal conversations with members of foreign visiting delegations or journalists and of-the-record comments in interviews with migrants, but is hard to corroborate in formal interviews or other sources. Published academic research carefully skirts the issue, only mentioning tacit or active encouragement of emigration or corrupt involvement by local officials; see Chu, *Cosmologies of Credit*, chapter 3; Pieke et al., *Transnational Chinese*, chapter 2; M.R.J. Soudijn, *Chinese Human Smuggling in Transit*. Den Haag: Boom Juridische Uitgevers, 2006, p. 69; Sheldon X. Zhang, *Chinese Human Smuggling Organizations: Families, Social Networks, and Cultural Imperatives*. Stanford: Stanford University Press, 2008.

<sup>4</sup> Pieke et al., *Transnational Chinese*, chapter 2.



Globalization of Chinese migration is also a consequence of the rise of educational and professional migration, which is the third aspect of the new Chinese migration order that we would like to highlight here. In the 1990s and 2000s, Chinese education migration has proliferated, both in terms of sheer numbers and in the range of student backgrounds, destinations, and degrees pursued. As China got richer, foreign study came within reach of the offspring of China's burgeoning entrepreneurial elite and even the salaried middle classes.

Chinese professional migration is to a large extent the by-product of educational migration, when graduates seek employment in the country of study (or perhaps elsewhere abroad) rather than return home. This pattern is particularly pronounced in the US, but is significant in for instance Western Europe and Japan as well. Direct immigration of professionals from the PRC is also significant and on the rise, not only to regions and countries where one might expect it (North America, Western Europe, Australia and New Zealand, Singapore and Hong Kong), but also to African countries that perhaps seem non-obvious to a Western observer.

Since the late 1970s and accelerating in the early 1990s, Chinese migration has changed almost beyond recognition. Some old overseas Chinese areas (for instance in Southern Fujian or much of the Pearl River Delta) that were able to tap into the opportunities for employment and entrepreneurship in New Economic Zones close by have conspicuously failed to generate new flows of mass migration. However, other, less well-located overseas Chinese areas (Central Fujian, Southern Zhejiang, and to a lesser extent the Sze Yup area in Guangdong) have instead capitalized on their overseas links and have generated commercialized migration flows with a truly global reach. In these areas, emigration has become virtually universal: migrating abroad is the number one choice for success for all but the very rich and the very poor.

Simultaneously, emigration has also become a much more generally available avenue for social mobility for people across China and from all kinds of backgrounds. For them, a decision to emigrate follows from diverse educational, employment, or entrepreneurial strategies in which emigration is carefully weighted up against domestic employment, entrepreneurship, or higher education, all of which may also include possible migration elsewhere in China. In other words, these migratory flows have to be understood as aspects of general domestic patterns of geographical and social mobility created by the fundamental changes that have taken place in Chinese society. Migrants of this type aspire to find white-collar employment or self-employment, although a considerable number may actually end up having to settle for low-skilled work abroad, either in the ethnic Chinese sector or else as day labourers in agriculture, manufacturing, or food-processing.<sup>5</sup> The numbers involved in these migratory flows can be large and are most likely to grow in absolute terms, but we would expect that only a very small percentage of the potential migration base will ever actually emigrate. For the vast majority, opportunities in China itself will continue to be less risky and expensive, and more attractive, realistically available, or in tune with one's preferred life style.

## 2. Migration from China to Europe and Africa

Migratory flows to Europe and Africa reveal both clear similarities and profound differences. The similarities have to do with direct connections between at least some migratory flows to the regions and the general dynamics of the Chinese global migration system. The differences are explained by the specific mix and timing of individual Chinese migration flows in the two continents and the vastly different economies and societies that Chinese migrants encounter. In each continent, China's highly diverse migratory flows encounter not only the institutions of the receiving countries and established groups of overseas Chinese, but also each other. In this encounter, Chinese migrants have to make choices on how to deal with the realities and discourses of Chinese life abroad, choices that in turn

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<sup>5</sup> Pieke and Xiang, "Legality and labor."

weave patterns of community formation, identity creation, division of labour and political participation that are as much Chinese as they are unique to each place and time.

Another factor is the different strategic role of the two continents for China. This is in particular a factor that is often discussed in the context of China's involvement in Central and Southeast Asia, on the African continent and in Latin America, regions where China is often suspected of expansionist, hegemonic, or even neo-colonial ambitions. This has given rise to a virtual cottage industry of popular or academic work that directly or indirectly derives from Samuel Huntington's post-Cold War dystopic ruminations.<sup>6</sup> In the discussion below, we will make some reference to these concerns in the context of Africa without however wishing to imply that there is a plan for Chinese world domination in which Chinese emigration is one strategic component. Chinese migration (and investment and trade) is simply too diverse and too much subject to individual, local, or sectorial agency to be subordinated to Beijing's agenda. Conversely, in China different policy priorities compete with each other that make it very difficult to arrive at a sustained and coordinated approach to migration and its strategic implications.

## 2.1 Europe

Chinese living in Europe can be divided into two main categories. Europe has long been the destiny of Chinese migrants seeking employment or trading opportunities, often in a specific Chinese sector of the economy. Their aim usually is to start in menial, unskilled employment and then work one's way up to become the owner of a business, for instance a restaurant, store, or workshop. The other group of Chinese residents is, on the whole, a much more recent development. Chinese are increasingly coming to Europe to study at a university, vocational school, training programme, or high school. In addition, an unknown number of wealthy Chinese own a second home in Europe, are here as expatriate employees of Chinese firms or organizations, have immigrated or stayed behind after graduation as professionals, or have married a European resident.

Meaningful and reliable figures on the total number of Chinese in Europe are notoriously hard to get. This is not a new problem, yet little seems to be done about it. Eurostat collects and compiles data from its member states; a recent report details that China with 97,000 immigrants in 2008 was the second largest source of immigrants into the EU (after Morocco with 157,000). The same report states that Chinese were the tenth most numerous group of foreign citizens resident in the EU with 2.1 per cent of EU total foreign population in 2008. With a reported total number of foreign nationals in EU member states (including nationals from other EU states) of 31,860,300, this percentage yields a total of 669,066 Chinese nationals in the EU in 2008.<sup>7</sup>

National statistical bureaus of individual European countries often (but not always) provide numbers on their Chinese population. However, individual countries employ different definitions and methodologies to divide their population up into ethnic or national categories. The UK, for instance, employs ethnic self-identification in its censuses. In 2011, this yielded a total number of resident ethnic Chinese in England and Wales of 393,141.<sup>8</sup> The Netherlands in its population records uses country of birth of self and/or parents: a 2011 study yielded a total number of Chinese of 71,500 in 2010, almost two-thirds Dutch nationals.<sup>9</sup>

<sup>6</sup> Samuel P. Huntington, *The clash of civilizations and the remaking of world order*, New York: Simon Schuster, 1996. An example currently very much in vogue appears to be Martin Jacques, *When China rules the world: the end of the western world and the birth of a new global order*. London: Allen Lane, 2009.

<sup>7</sup> Eurostat, *Migrants in Europe - A statistical portrait of the first and second generation*, 2011, p. 73 and p. 75; [http://epp.eurostat.ec.europa.eu/cache/ITY\\_OFFPUB/KS-31-10-539/EN/KS-31-10-539-EN.PDF](http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-31-10-539/EN/KS-31-10-539-EN.PDF).

<sup>8</sup> <http://www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcn%3A77-286262>.

<sup>9</sup> Mérove Gijsberts, Willem Huijnk and Ria Vogels, eds, *Chinese Nederlanders: van horeca naar hogeschool* (Chinese Dutch: from catering trade to university), The Hague: Sociaal en Cultureel Planbureau, 2011, p. 29 and 41.

One Chinese estimate of the total number of Chinese in Europe (however that might have been defined or measured) ranges between 2.6-3.2 million in 2010. Of this group 800,000 are said to be “new migrants” who plan to stay in Europe (excluding illegal migrants and students).<sup>10</sup> This estimate, while probably generous, seems not too far off the mark when compared to the Eurostat, UK and Dutch figures, especially when not taken too literally and used merely as point of comparison with similarly derived figures for Africa and other places.<sup>11</sup>

### 2.1.1 Labour migration

In all, five major groups of Chinese labour migrants have fanned out across Europe. In the 19<sup>th</sup> century the first to come to Europe were small traders from two adjacent areas in southern Zhejiang: the hinterland of the port city of Wenzhou and the rural area around the town of Qingtian.<sup>12</sup> Emigration from Zhejiang subsided after the Great Depression, the Second World War and the founding of the People’s Republic of China in 1949, but quickly gained pace again after roughly 1974.

The second group are the Cantonese from the Pearl River Delta came to the major ports in Northwestern Europe (London, Liverpool, Rotterdam, Amsterdam, Antwerp, and Hamburg) as seamen. By the end of the Second World War, most had left Europe, but a few stayed on. They were joined in the 1950s by fellow Cantonese from the New Territories of Hong Kong who came to Britain in large numbers to find work in the Chinese catering trade.<sup>13</sup> From Britain they spread first to the Netherlands, and later to Belgium, France, Germany, Scandinavia, Spain and Portugal.

The third group of Chinese in Europe are from former European colonies in Southeast Asia and other regions. After the fall of the US-backed regimes in Vietnam, Laos and Cambodia in 1975, 75,000 Chinese from Indochina fled to France; smaller numbers of refugees were accepted by other Western European countries. Approximately 10,000 Chinese from Indonesia arrived in the Netherlands after Indonesian independence in 1947 and the Chinese pogroms in the 1950s and 1960s. Finally, relatively small numbers of Chinese from other former colonies, such as Singapore, Malaysia, Mozambique and Surinam, also found their way to Europe.

A fourth group of Chinese are immigrants from Central Fujian province who appeared in Europe in the second half of the 1980s. Their arrival was a direct consequence of the activities of human traffickers in Fujian. Originally, most of those who ended up in other European countries either could not afford passage to America, were abandoned half-way, or were simply given no other choice. Only in the 1990s did Europe become the target of migratory flows from Fujian specifically destined for one or more countries in Europe, most commonly Britain or (in the case of Fujianese from Mingxi county) Central Europe or Italy.<sup>14</sup>

<sup>10</sup> These figures are from Song Quancheng, “Ouzhou de Zhongguo xin yimin: guimo ji tezheng de shehuixue fenxi” (New Chinese migrants in Europe: scale, special characteristics and sociological analysis), *Shandong Daxue xuebao* Year 2011, No. 2, pp. 144-150. See also Li Minghuan, “Ouzhou Huaren shehui pouxi: renkou, jingji, diwei yu fenhua” (A social analysis of the Chinese in Europe: population, economy, position and composition). *Shijie minzu* Year 2009, No. 5, pp. 47-53.

<sup>11</sup> In the Dutch data (see note 5 above), roughly one-third of Chinese in the Netherlands holds Chinese citizenship. If we extrapolate this on to the Eurostat figure of 670,000 Chinese citizens we can conclude that there are probably three times as many, i.e. about 2 million people, with China as the country of birth of self and/or parents. To this an unknown but significant number of people must be added who in a UK-style census would classify themselves as Chinese, despite the fact that they or their parents were born outside China. A further unknown are illegal immigrants who are almost completely beyond the reach of government statistics.

<sup>12</sup> Thunø, Mette, “Moving stones from China to Europe: the dynamics of emigration from Zhejiang to Europe”, In *Internal and international migration: Chinese perspectives*, Frank N. Pieke and Hein Mallee, eds. Richmond: Curzon Press, pp. 159-180, 1999.

<sup>13</sup> James L. Watson, “The Chinese: Hong Kong villagers in the British catering trade”, In James L. Watson, ed. *Between two cultures: migrants and minorities in Britain*, Oxford: Basil Blackwell, pp. 181-213, 1977.

<sup>14</sup> Frank N. Pieke, Pál Nyíri, Mette Thunø and Antonella Ceccagno, *Transnational Chinese: Fujianese migrants in Europe*, Stanford: Stanford University Press, 2004.

The fifth and final wave of Chinese immigrants are city dwellers, initially mainly from Northeast China, but not much later from all over the country. Their presence became first apparent in Central and East Europe immediately after the fall of communism there. Particularly in the initial phases, their migration often was an individual, rather than a family decision. Many built on contacts with state enterprises and trading networks in China to provide goods and services to the undersupplied economies in the former Soviet bloc.<sup>15</sup> Soon, however, urban Chinese appeared all over Europe.

Specialization in specific sectors of the economy has given the Chinese populations in each region of Europe its own characteristics. In Western Europe the catering trade and the ethnic sector continue to dominate. In Eastern Europe the importation, wholesale and retail of cheap Chinese manufactured goods is the main activity of the Chinese population. In Southern Europe Chinese specialize in small workshops that produce leather goods, garments or other products specifically aimed at local tastes and fashions.

For labour migrants from old and new overseas Chinese areas, employment in Chinatown or more generally the Chinese ethnic sector, such as the catering trade or leather goods or garment sweatshops in Europe, is not merely a second choice option, but in fact the main pull factor. Immigration of large numbers of Chinese willing to accept often gruelling work and living conditions revitalized the ethnic enclave economies and spurred their growth and spread.

What is unusual about the case of recent Chinese labour immigration is the sheer force and volume of the migration push generated by the high degree of commercialization of emigration in China. This has led to a surplus of Chinese labour and an even further deteriorating bargaining position of recent immigrants versus potential employers in the countries of destination. The obvious consequence has been an even further worsening of wages and working conditions. Migrants, especially if they stay and work illegally, are also especially vulnerable to extortion and protection rackets. Migration pressure in Britain recently has also had the effect of pushing Chinese migrants into employment outside the ethnic enclaves, which, in the case of women, also includes prostitution.<sup>16</sup>

### 2.1.2 Students and highly skilled migrants

Young Chinese travel to Europe not only for a postgraduate degree at a top-level research university, but also for undergraduate degrees, high school diplomas, pre-university courses, or short-term certificate courses in English or other vocational skills. Europe is attractive not only for the quality of the education received, but also for the relatively modest fees that universities charge, especially compared to the usual number-one choice, the United States. Chinese students currently are by far the largest group of foreign students in most European countries, whose governments and educational institutions energetically compete in this profitable growth market.<sup>17</sup>

According to a recent report of the European Commission and the Chinese Ministry of Education, the total number of Chinese students in the EU in 2010 was between 118,700 and 120,000, or about six times more than in 2000. This number is comparable to the United States which had 127,600 Chinese students in 2010. Of the total number of Chinese students in the EU, 40 per cent was in the UK, 23 per cent in France, and 20 per cent in Germany.<sup>18</sup> In the UK, China is the number one foreign

<sup>15</sup> Pál Nyíri, *New Chinese migrants in Europe: the case of the Chinese community in Hungary*, Aldershot: Ashgate, 1999.

<sup>16</sup> Yun Gao and Véronique Poisson, *Le trafic et exploitation des immigrants chinois en France*, Geneva: International Labour Organization, 2005; Pieke and Xiang, "Legality and labor."

<sup>17</sup> A. Bohm, M. Fallari, A. Hewett, S. Jones, N. Kemp, D. Meares, D. Pearc and K. Van Cauter, *Vision 2020: Forecasting international student mobility a UK perspective*, London: The British Council/IDP Australia, 2004.

<sup>18</sup> European Commission and the Ministry of Education in China, *EU-China Student and Academic Staff Mobility: Present Situation and Future Developments*, April 2011; [http://ec.europa.eu/education/external-relation-programmes/doc/china/mobility\\_en.pdf](http://ec.europa.eu/education/external-relation-programmes/doc/china/mobility_en.pdf).

country of origin for higher education students.<sup>19</sup> There is some doubt whether this high number will continue in the future. Chinese universities have been expanding fast and Chinese parents and students often rank good universities in China higher than European universities. In the UK in the mid-2000, considerable disquiet existed among Chinese students at third-tier institutions, while English-language training centres were often mere fronts for labour immigration.<sup>20</sup> Recently, the rescinding of post-study work visas threatens to make the UK less attractive to Chinese students.<sup>21</sup>

The aspect of the Chinese presence in Europe that is least known about is investments and enterprises and the associated immigration of Chinese professionals and their families (and quite unlike Africa where it is the aspect that receives the most attention). Fortunately there is one recent study of Chinese direct investment in Europe by Haiyan Zhang, Zhi Yang and Daniël Van Den Bulcke.<sup>22</sup> Haiyan Zhang will write another background paper for this project, so here I will be very brief on this subject. Chinese-invested enterprises fall roughly into two categories. Larger Chinese corporate subsidiaries are more concentrated in Western Europe. Smaller individual entrepreneurial firms predominate in Eastern Europe, although they are by no means absent in Western Europe. The smaller firms tend to be concentrated in wholesale or retail trade; the larger firms focus on knowledge-intensive sectors. Smaller firms, usually privately owned, are more likely to have been set up in close corporation or even partnership with local Chinese, who thus play a crucial role in bringing these investments to Europe. Larger investments are strategic, aimed at accessing European technology, brands, markets and skills. They may employ local ethnic Chinese or Chinese from Hong Kong or Taiwan for their familiarity with western culture and business practices, but their business partners tend to be non-Chinese.

## 2.2 Chinese in Africa

There are currently about 10,000 South African-born Chinese, whose presence in the country dates back to the 17<sup>th</sup> century. During the era of apartheid, several tens of thousands Taiwanese (Taiwan being one of the few countries to recognize South Africa) came to and settled in the country: there are now several thousand left. Chinese emigrants from the PRC came in rapidly rising numbers from the late 1980s. Rough estimates of their numbers currently in South Africa range between 200,000 and 350,000.<sup>23</sup>

Chinese were present elsewhere on the continent at former Western trading ports or colonial centres, but, with the notable exception of Mauritius that served as a hub of the Chinese coolie trade, these were much smaller than the South African community. Africa now is very different: Chinese live in larger or smaller numbers all across the continent. They hail from all over China and are in Africa for many very different reasons and duration. Four different types of Chinese in Africa can be distinguished. The first is the established Chinese community of Chinese born in Africa. As mentioned, this category is only significant in South Africa and possibly Mauritius.

<sup>19</sup> Higher Education Statistics Agency, Press release 172 – Non-UK domicile students, 23 February 2012; [http://www.hesa.ac.uk/index.php?option=com\\_content&task=view&id=2371&Itemid=161](http://www.hesa.ac.uk/index.php?option=com_content&task=view&id=2371&Itemid=161).

<sup>20</sup> Personal communications to the author from the Chinese embassy in the UK and officials at the British Home Office. See also John Cross and Richard Hitchcock, “Chinese students’ (or students from China’s) views of UK HE: differences, difficulties and benefits, and suggestions for facilitating transition”, *The East Asian Learner*, Vol. 3, No. 2, November 2007.

<sup>21</sup> Chen Jia and Ai Yang, “UK visa rules may force Chinese student exodus”, *China Daily* 15 December 2010; [http://www.chinadaily.com.cn/china/2010-12/15/content\\_11702526.htm](http://www.chinadaily.com.cn/china/2010-12/15/content_11702526.htm); Wang Dongliang, “UK visa policy change to impact Chinese students”, *People’s Daily Online* 21 March 2012; <http://english.peopledaily.com.cn/90883/7765064.html>.

<sup>22</sup> Haiyan Zhang, Zhi Yang and Daniël Van Den Bulcke, *Euro-China investment report 2011-2012 – The European landscape of Chinese enterprises: An analysis of corporate and entrepreneurial firms and the role of the ethnic communities*, Antwerp: Antwerp Management School, 2011; [http://www.portofantwerp.com/circleoffriends/sites/default/files/imce/Testimonials/Antwerp\\_Forum\\_report\\_AMS\\_eng.pdf](http://www.portofantwerp.com/circleoffriends/sites/default/files/imce/Testimonials/Antwerp_Forum_report_AMS_eng.pdf)

<sup>23</sup> Huynh, Tu T. Yung Jong Park, Anna Ying Chen, “Faces of China: new Chinese migrants in South Africa, 1980s to Present”. *African and Asian Studies*, Vol.9, No. 3: 286-306, 2010; [http://www.academia.edu/1765362/Faces\\_of\\_China\\_New\\_Chinese\\_Migrants\\_in\\_South\\_Africa\\_1980s\\_to\\_Present](http://www.academia.edu/1765362/Faces_of_China_New_Chinese_Migrants_in_South_Africa_1980s_to_Present).

The second category includes traders, businesspeople and investors, mostly from an urban background. Just like in Eastern Europe and at about the same time, they were the first to explore this virgin territory for business opportunities, pioneering individual agents of China rapid economic expansion. This group has now diversified to include not only individual businesspeople and independent professionals (medical practitioners for instance), but also employees or owners of Chinese companies with often very considerable interests in Africa that include mining, construction, manufacture, land development and agriculture. Development projects are another important aspect to China's presence in Africa. According to Deborah Brautigam, Chinese companies carry out most of the African Development Bank and World Bank projects in Africa.<sup>24</sup>

The third category is mostly rural migrants from the overseas Chinese areas in Southern Zhejiang and Central Fujian. They arrived somewhat later in Africa, sometimes in the first instance as extensions of Europe's large communities from these areas. For these migrants, migration to Africa is not part of a state or corporate effort to strengthen China's presence on the continent. Not infrequently, these overseas Chinese migrants (especially the Zhejiangese who were longest established in Europe) followed existing post-colonial links into Africa from the European country where they or their family had settled. From Portugal Chinese travelled to the Cape Verde Islands, Guinea-Bissau, Angola, or Mozambique; from France, they left for Francophone African countries.

Conversely, many migrants come to Africa in the hope to move on to other, more promising destinations in the developed world. There is also much mobility between African countries as Chinese migrants seek out opportunities for employment or business. South Africa, for instance, increasingly serves as a springboard for Chinese into other countries in Southern Africa. They set up or seek employment in trading companies or shops that specialize in the cheap manufactured goods that China produces in copious quantities and for which there is a ready market in many parts of Africa.<sup>25</sup>

The fourth and final category of Chinese in Africa is skilled and unskilled workers recruited by companies or agencies in China to work on construction projects carried out by Chinese companies in Africa.<sup>26</sup> The less-skilled tend to return after the end of their contract, at least some of the managers and professionals remain in the African host country as independent migrants, often establishing themselves as small entrepreneurs.<sup>27</sup> The official total figure for contract and labour cooperation migrants has increased from 39,000 in 1997 to 114,000 in 2007.<sup>28</sup>

While the rapid increase and diversification of Chinese migration to African countries is commonly known, statistics widely vary. A reasonable total estimated figure, including older and newer migrants, would be around 500,000 Chinese residents in the entire African continent, up from around 100,000 in

<sup>24</sup> Deborah Brautigam, "China in Africa: seven myths". Real Instituto Elcano. 2 August 2011; [http://www.realinstitutoelcano.org/wps/portal/rielcano\\_eng/Content?WCM\\_GLOBAL\\_CONTEXT=/elcano/elcano\\_in/zonas\\_in/sub-saharan+africa/ari23-2011#\\_ftn22](http://www.realinstitutoelcano.org/wps/portal/rielcano_eng/Content?WCM_GLOBAL_CONTEXT=/elcano/elcano_in/zonas_in/sub-saharan+africa/ari23-2011#_ftn22).

<sup>25</sup> Heidi Østbø Haugen and Jørgen Carlin, "On the edge of the Chinese diaspora: The surge of baihuo business in an African city", *Ethnic and Racial Studies* Vol. 28, No. 4, pp. 639-662, 2005; Gregor Dobler, "Chinese shops and the formation of an expatriate community in Namibia", *The China Quarterly* 199, pp. 707-727, 2009.

<sup>26</sup> Already by 2005, there were 1,609 government-licensed private employment agencies; Malia Politzer, "China and Africa: Stronger Economic Ties Mean More Migration", 2008; <http://www.migrationinformation.org/feature/display.cfm?ID=690>.

<sup>27</sup> Yoon Jung Park, *Chinese Migration in Africa*. South African Institute of International Affairs, 2009, p. 6; <http://dspace.cigilibrary.org/jspui/bitstream/123456789/29711/1/SAIIA%20Occasional%20Paper%20no%2024.pdf?1>

<sup>28</sup> Li Pengtao, "Zhong-Fei guanxi de fazhan yu Feizhou Zhongguo xin yimin" (The development of Chinese-African relations and new Chinese migrants in Africa). *Huaqiao Huaren lishi yanjiu*, Year 2010, No. 4, p. 25. On the website of the China-Africa Joint Association for Industry and Trade (*Zhongguo Feizhou Lianhe Gongshanghui*) is a list of the number of Chinese contract labourers in a wide variety of African countries in 2008; <http://www.china-africajcci.org/news.asp?id=295>

2000. By far the greatest concentration of Chinese migrants is in South Africa (200,000-300,000), with Nigeria as a second-largest host country (50,000).<sup>29</sup>

### 3. China's governance of international migration

For a correct understanding of China's governance of international migration the basic observation should first be made that China knows no uniform, comprehensive and consistent approach. Instead, there are many, each associated with certain parts of the administration (usually a ministry, sometimes a CCP department). To add to the confusion, local governments often pursue their own agenda, which may (or may not) be at odds with priorities entertained by the Centre. The only consolation is the fact that this is true for all policy areas in China. Fragmentation is intrinsic to China's system of government, in which there is no distinction between politics and administration. As a result, all administration is politicized; conversely, all politics is administratively informed.<sup>30</sup>

Emigration, migrants and return migration are aspects of many policy fields. Most important among these are overseas Chinese affairs, strengthening China's role in the world, development assistance to foreign countries, economic development in China itself, attracting high-end foreign and returnee talent, avoiding the "middle income trap", national security and maintenance of the leading role of the CCP, and no doubt several more. We will not be able to do justice to all of these, but will focus on just a few that seem most germane to the purposes of this report.

#### 3.1 Overseas Chinese affairs

Since the end of the 19<sup>th</sup> century, policies of China's governments toward emigrated Chinese and their descendants have wavered between two opposing notions, one inclusive, the other restrictive. The inclusive notion recognizes all Chinese worldwide, regardless of nationality or residence (and sometimes even ethnicity), as belonging to the Chinese nation. The opposite is a restricted notion of "Chinese" that only includes those who live in China, often further restricted in terms of either having Chinese ethnicity of descent or else citizenship.

After 1955, when at the Bandung Conference China committed itself to a leadership role in the movement of non-aligned countries, the People's Republic of China adopted a severely restricted notion of Chineseness in its dealings with emigrants, returned migrants and their descendants. This was a concession to Indonesia and other Southeast Asia countries in particular that were very weary of China's potential involvement in their very large and influential Chinese communities.

A cornerstone of the policies that followed from this choice was the refusal to allow dual citizenship. This was a sharp break with the past. Both the Qing dynasty in the last decades of its rule and the Republic of China after the fall of the Qing in 1912 were committed to a policy of automatic Chinese citizenship for all ethnic Chinese. Now suddenly, overseas Chinese were encouraged to adopt the nationality of their country of residence and to give up their Chinese nationality. Overseas Chinese affairs (*qiaowu*) thus was limited to Chinese abroad who had retained Chinese citizenship (termed "overseas Chinese", *Huaqiao*), dependents left behind in China (called *qiaojuan*), and overseas Chinese who had returned to China (*guiqiao*). All other "ethnic Chinese" (*Huaren*) were considered foreign nationals beyond China's responsibility. The main objective of this policy was to limit the

<sup>29</sup> These figures are from Li 2010, pp. 24-31. They tally well with the figure on South Africa of between 200,000 and 350,000 from the Hyunh, Park and Chen (2010) cited earlier in this section. Emmanuel Ma Mung, "Chinese and China's foreign policy in Africa", *Journal of Chinese Overseas*, Vol. 4, No. 1, pp. 91-109, 2008, provides an estimate for the whole of Africa of 270,000-520,000.

<sup>30</sup> The first to formulate this "fragmented authoritarianism" approach to Chinese politics were Kenneth Lieberthal and Michel Oksenburg in their book *Policy making in China: leaders, structures, and processes*, Princeton: Princeton University Press, 1988.

diplomatic fallout on the PRC's relations with countries where ethnic Chinese resided, particularly in Southeast Asia. A secondary objective was to ensure the flow of remittances that supported overseas Chinese dependants in China, while insulating socialist China from unchecked bourgeois influences emanating from the overseas Chinese.<sup>31</sup>

In 1977, after the turmoil of the Cultural Revolution period, China formally reinstated these notionally restrictive policies, but immediately their scope was widened in practice to include significant elements of the other, inclusive notion of Chineseness. Compared to the pre-Cultural Revolution period, the privileges and profile of overseas Chinese and returned overseas Chinese were expanded in an effort to strengthen their attachment and dedication to the land of their ancestors. Overseas Chinese were encouraged to make charitable donations to their native place. They also were encouraged to return to China for visits to their place of origin, and for tourism, study, or business.

With reform and opening up, overseas Chinese had become much more than a liability that had to be managed. Their access to foreign capital, know-how and markets made them a valuable asset that had to be carefully cultivated. It no longer was particularly relevant whether a particular overseas Chinese investor, businessman, or academic held Chinese or a foreign nationality: all were now kith and kin to be welcomed back in the embrace of the Chinese fatherland. This approach yielded rich dividends: since the start of reform overseas Chinese have generated the vast bulk of inward overseas investment in China. Furthermore, by formally hanging on to a restrictive approach to overseas Chinese, China can choose to involve itself in the internal affairs of overseas Chinese communities and their countries of residence only to the extent that this conforms to China's own interests. There is no obligation, unless China wants to do so, to represent overseas Chinese interests outside China's own borders, with the exception of the interests of Chinese passport holders. Because of the ban on dual citizenship that China continues to hang on to, the latter are almost all recent migrants. They are therefore relatively powerless both in China itself and in their country of residence.<sup>32</sup>

As we have seen in the preceding sections, with the onset of reform an end also came to the PRC's highly restrictive emigration policies. Already in the early 1970s, the almost complete ban on emigration was lifted, followed by progressively further relaxation after 1978. A milestone was the 1985 "Law of the People's Republic of China on the control of exit and entry of citizens", in 2012 incorporated into the "Exit and entry administration law of the People's Republic of China".<sup>33</sup> The regulations turned exit by Chinese citizens into a normal event in principle within reach of all Chinese citizens, although they explicitly stopped short from granting the automatic right to exit. Chapter 2 of the law requires Chinese citizens to apply for a passport and gain permission to travel abroad, giving almost unlimited scope to the authorities to refuse such permission if they wish to do so. Nevertheless, by the early 2000s, the government increasingly treated exit and entry, as Xiang Biao put it, "as an area of service rather than of control."<sup>34</sup> However, a key issue regarding exit of Chinese citizens for purposes of residence abroad remains that they lose their household registration in their place of residence in China.<sup>35</sup> With that, they and their children also forfeit a very extensive range of rights to

<sup>31</sup> Frank N. Pieke, "Four models of China's overseas Chinese policies", *China Information* Vol. 2, No. 1, pp. 8-16, 1987; Wang Gungwu, "Greater China and the Chinese overseas", *The China Quarterly* 136, pp. 926-948, 1993; Wang Cangbai, Wong Siu-lun and Sun Wenbin, "Haigui: a new area in China's policy toward the Chinese diaspora?", *Journal of the Chinese overseas* Vol. 2, No. 2, pp. 294-309, 2006.

<sup>32</sup> Mette Thunø, "Reaching out and incorporating Chinese overseas: the trans-territorial scope of the PRC by the end of the 20th century", *The China Quarterly* 168, pp. 910-929, 2001; Elena Barabantseva, "Trans-nationalising Chineseness: overseas Chinese policies of the PRC's central government", *Asien* 96, pp. 7-28, 2005.

<sup>33</sup> For the text of the 2012 "Zhonghua Renmin Gongheguo chujing rujing guanli fa" (Exit and entry administration law of the People's Republic of China), see [http://www.npc.gov.cn/npc/xinwen/2012-07/01/content\\_1728516.htm](http://www.npc.gov.cn/npc/xinwen/2012-07/01/content_1728516.htm). An unofficial translation is available at <http://lawandborder.com/?p=1425>.

<sup>34</sup> Xiang Biao, "Emigration from China: A Sending Country Perspective", *International Migration* Vol. 41, No. 3, p. 22, 2003.

<sup>35</sup> Elaine Lynn-Ee Ho, "Caught between two worlds: mainland Chinese return migration, hukou considerations and the citizenship dilemma", *Citizenship Studies* Vol. 15, Nos 6-7, pp. 643-658, 2011.



settlement, housing, education and welfare; their rights and legal status are therefore not much different from returning ethnic Chinese with foreign citizenship. If they were to choose to return to China, they will therefore have to do so as overseas Chinese rather than as ordinary Chinese citizens returning home and the local overseas Chinese affairs office is responsible for making arrangements, such as housing and schooling.<sup>36</sup>

Initially, the largest number of what in the 1990s became known as China's "new migrants" came from China's old overseas Chinese areas. These new migrants could therefore relatively easily be accommodated with the existing policy and institutional framework established for overseas Chinese affairs. Overseas Chinese affairs are fully integrated in the dense and complex mesh of Chinese administration. Usually at all levels of administration, from the Centre down to the county or even the township level, these include the government Office of Overseas Chinese Affairs (*Qiaoban*), the Overseas Chinese Federation (*Qiaolian*), the People's Congress Overseas Chinese Commission (*Huaqiao Wei Yuanhui*), and the People's Political Consultative Conference's Taiwan, Hong Kong, Macao and Overseas Chinese Affairs Commission (*Zhengxie Tai-Ao-Gang Qiaowei*). Furthermore, one of China's eight so-called democratic parties that participate in the rule of China under the guidance of the CCP, the *Zhonggongdang* (a name usually not translated but roughly meaning "party dedicated to the public cause"), represents returned overseas Chinese and the relatives of overseas Chinese.<sup>37</sup> Finally, the Chinese Communist Party's United Front Department (*Tongzhanbu*) has overall responsibility for guidance, supervision and coordination of overseas Chinese affairs work across the administration.

### 3.2 Going out

After the 1980s, the old overseas Chinese and their native places ceased to be a government priority. From the perspective of the central government, new overseas Chinese migration, both from the traditional overseas Chinese areas and from other parts of China, often was more of an issue to be managed than an asset to be developed. The connection with illegality, asylum seeking and human smuggling made unskilled and unregulated overseas Chinese emigration a diplomatic headache for the central government in its dealings with receiving countries, especially those in the developed world. These insisted, reasonably or unreasonably, on a Chinese crackdown on "snakeheads" and a cooperative attitude in the admission of repatriated illegal immigrants and refugees who had been refused asylum.

An altogether different matter is the migration of students, skilled professionals, businesspeople and, increasingly, organized contract workers. In Chinese discussions, as far as Chinese enterprises, investments and contract labour are concerned, these new foreign connections and migratory flows are usually connected to the government's so-called "going out" (*zou chuqu*) drive to strengthen China's economic presence abroad.

"Going out" was initiated in the latter half of the 1990s in the run-up to China's WTO accession in 2002. At the time, the Asian financial crisis of 1997 had left China largely unaffected, putting the country in a relatively favourable position to take advantage of business opportunities abroad. The surge in student and professional migration, however, predates the "going out" drive by at least five years when in the early 1990s the Chinese government allowed self-funded study abroad (as distinct from students on a government scholarship). As we shall see, in this area, not "going out", but "inviting in" (*yin jinlai*) is the key consideration.

<sup>36</sup> Article 13 of the 2012 Exit and Entry Law. Against this background, it seems highly significant that recently Ma Jianguo, vice chairman of Jiangsu Provincial Committee of China Zhi Gong Party, at the annual session of the Chinese People's Political Consultative Conference National Committee, announced that China shall issue special identity documents for overseas Chinese to provide them the same convenience concerning children education, medical service, home purchases and entrance-exit procedures as domestic citizens to facilitate overseas Chinese returning to the motherland to live and start businesses; "Reforms urged to attract overseas Chinese", Xinhua News Agency, 11 March 2012, [http://www.china.org.cn/china/NPC\\_CPPCC\\_2012/2012-03/11/content\\_24865428.htm](http://www.china.org.cn/china/NPC_CPPCC_2012/2012-03/11/content_24865428.htm)

<sup>37</sup> Elena Barabantseva, "Trans-nationalising Chineseness: overseas Chinese policies of the PRC's central government", *Asien* 96, pp. 7-28, 2005.

The “going out” policy is associated most to the Ministry of Commerce, whose profile in China’s international involvement has risen steadily in the 1990s and 2000s. As the main ministry (*zhuguan bu*) dealing with foreign economic cooperation, the Ministry of Commerce is at the centre of labour export policy, which is ultimately about its contribution to the Chinese economy. This role was expanded after the restructuring and readjustment of the tasks of ministries in 2009. The Ministry of Commerce already had responsibility over those who were sent abroad through contracting, but since then also has been made responsible for managing Chinese individuals working abroad.<sup>38</sup>

Regarding foreign study, however, the Ministry of Education takes the lead; when we include the increasingly important issue of return migration of the highly educated, the Ministry of Human Resources and Social Security, the Ministry of Science and Technology and the Ministry of Public Security (in charge of border exit and entry) play an important role as well. However, here too the Ministry of Commerce is involved. Many returned “talents” settle in a science and innovation park that is managed through committees that fall under the Ministry of Commerce or the Department of Commercial Affairs of the local government.

Policies for both organized labour export and new immigrants tend to come in packages that require cooperation between many different ministries. Adjustments to such a package will then inevitably lead to long-drawn out re-negotiations between the main ministry in charge (usually the Ministry of Commerce) and each of the other parts of government. If one ministry is slow in making the necessary budget adjustments or the like, the entire package is delayed. This process tends to be characterized by long delays resulting in slow change and inefficiency.<sup>39</sup>

Labour export on fixed-term contracts through recognized agencies was vigorously promoted in the 2000s as an alternative for unregulated overseas Chinese migration, but there is no real evidence of success in the countries of the developed world. As we have seen in the section on Africa, labour export has become hugely important in the developing world, but not so much as an alternative to overseas Chinese migration, but rather simply as a completely separate flow associated with Chinese investments and projects.

Especially after 2003, labour export (often somewhat euphemistically called “foreign labour cooperation”, *duiwai laowu hezuo*) increased rapidly. According to the Ministry of Commerce, in 2010 346,888 workers were dispatched abroad. The top-five source provinces of these workers were Shandong, Jiangsu, Henan, Guangdong and Hubei. According to data from the State Statistical Bureau, in 2009 154,801 contracts were signed with a value of US\$6.73 billion. Of the contract workers sent abroad since 1978, a full 40% worked in construction, 28% in manufacture, 11% in agriculture, forestry, animal husbandry and fishery, 7% in transport and transportation, 5% in catering, and 9% in other sectors of the economy. More than 80% of all contract labour export takes place within Asia.

Despite its growing importance, foreign contract employment remains insufficiently regulated. Many unlicensed intermediaries fleece gullible and inexperienced Chinese workers. More in general, Chinese workers abroad lack any form of Chinese legal protection. In response, in 2012 the Ministry of Commerce promulgated the “Regulations for the administration of foreign labour cooperation”.<sup>40</sup> These regulations for the first time provide a clear framework for employment and intermediaries. Earlier State Council regulations from 2008 were principally aimed at Chinese enterprises engaging in contract labour, while in the new regulations the positive rights of the workers are also mentioned. In article 44, for instance, the new regulations stipulate that the fees of employing companies should conform to China’s domestic labour contract law of 2008.

<sup>38</sup> Interview with Feng Lei, Institute of Finance and Trade Economics, Chinese Academy of Social Sciences, 10 September 2012. The Ministry of Commerce for instance hosts the website for the “going out” drive; <http://zsq.mofcom.gov.cn/>.

<sup>39</sup> Interview with Feng Lei, 10 September 2012.

<sup>40</sup> For the full text of the 2012 “Duiwai laowu hezuo guanli tiaoli” (Regulations for the administration of foreign labour cooperation), see [http://www.gov.cn/zwgg/2012-06/11/content\\_2157905.htm](http://www.gov.cn/zwgg/2012-06/11/content_2157905.htm). The 2008 State Council “Duiwai chengbao gongcheng tiaoli” (Regulations for projects on foreign contracts) can be found at [http://www.gov.cn/flfg/2008-07/28/content\\_1058146.htm](http://www.gov.cn/flfg/2008-07/28/content_1058146.htm).

The regulations also stipulate measures against other problems with labour export. Currently, contracts usually start with a government agreement. Then the local Chinese consulate and Chinese enterprises obtain specific information about labour supply and demand, making use of the services of usually state-owned intermediaries that have the right to send contract workers abroad. There is thus insufficient scope for Chinese labour supply and foreign demand to meet freely and workers often lack training and qualifications for work abroad. There are also no guarantees that workers abroad do not anything that is, as the regulations put it, “bad for the country” (Article 15). To address these issues the Ministry of Commerce plans to provide a free information service to both enterprises and workers, establish an international labour cooperation information and notification system (article 30), and set up a foreign labour cooperation risk assessment and evaluation system (article 31). The state will financially support training programs, and in cooperation with the Ministry of Personnel and Social Security the Ministry of Commerce will increase supervision of the training programs. Where relevant, local governments at the county level and above should establish an international labour service desk to provide service, as well as encourage and guide worker recruitment (article 34). The 2012 regulations promise work on a crisis management system at the state and local (county and above) level (article 36) and a publicly accessible black list of domestic and international untrustworthy businesses (article 37). Finally, under the heading “legal responsibility”, article 40 states that permission to engage in labour cooperation will be cancelled in the case of 1) the organization of labour under a business, travel, or study visa; 2) loaning out one’s license to other organizations or individuals; 3) organizing labour related to gambling or prostitution.<sup>41</sup>

Risk assessment and evaluation are a particularly acute issue, not only for workers but also for Chinese enterprises abroad. Earlier in 2012, the Ministry of Commerce had issued a document proposing a warning and information system for incidents endangering Chinese workers’ lives and possessions.<sup>42</sup> The proposal describes different kinds of risks and ways workers abroad should be notified of these risks. The proposal came right after the kidnapping of 29 Chinese workers in Sudan and 24 workers in Egypt (two of 13 such incidents in the last five years), and the subsequent discussion about the fate of Chinese workers abroad in international and domestic media.

### 3.3 Foreign study and “inviting in”

Studying abroad has become the fastest growing flow of foreign migration; (former) students account for most of the growth of the Chinese population in many destination countries, especially in the developed world. Study abroad has long ceased to be the privilege only of China’s most talented youth. Many senior high school graduates will at some point have the opportunity to study abroad for a period of time<sup>43</sup>, while the children of many of China’s elite often venture abroad even earlier, being

<sup>41</sup> Zhang Ning, “Renli ziyuan ‘zou chuqu’ fangshi chuangxin” (Innovation of methods for human resources ‘to go out’), in Feng Lei and Xia Xianliang, eds. *Zhongguo zou chuqu fangshi chuangxin yanjiu* (Research on the innovation of methods for China to go out), Beijing: Sheke Wenxian, pp. 120-164, 2011. Wu Bin’s research on Chinese seafarers echoes the same concerns about abuse, lack of legal protection and arbitrarily high fees; see Wu Bin, *Vulnerability of Chinese contract workers abroad*. University of Nottingham, China Policy Institute; <http://www.nottingham.ac.uk/cpi/documents/discussion-papers/discussion-paper-32-vulnerability-seafarers.pdf>.

<sup>42</sup> “System for advance warning and information notification on safety and risks abroad of foreign investment cooperation” (Duiwai touzi hezuo jingwai anquan fengxian yujing he xinxi tongbao zhidu), 15 February 2012; <http://www.mofcom.gov.cn/aarticle/i/jyjl/k/201202/20120207967111.html>. This document is a further elaboration of regulations from 2010. On the 2012 kidnappings of Chinese workers abroad, see Peter Ford, “Why Chinese workers are getting kidnapped abroad”, *Christian Science Monitor*, 1 February 2012; <http://www.csmonitor.com/World/Asia-Pacific/2012/0201/Why-Chinese-workers-are-getting-kidnapped-abroad>; Zhu Dazhi, “The country’s influence is large, but Chinese are being kidnapped. What is the logic?” (Guojia yingxiang da, guoren zao bangjia, shenme luoji?), 2 February 2012; <http://zhudazhi.blog.caixin.com/archives/32774>.

<sup>43</sup> On this point, see for instance Vanessa Fong’s *Paradise redefined: transnational Chinese students and the quest for flexible citizenship in the developed world*, Stanford: Stanford University Press, 2011.

prepared for an application to a foreign elite university in pre-university programmes, private high schools, or, in some cases, even earlier than that.

Self-funded study abroad was permitted in the early 1990s; by 2010, 93% of Chinese students abroad were self-financed.<sup>44</sup> Only a minority of these students ever return to China, but find employment, obtain permanent residency and ultimately citizenship abroad. Until the early 2000s, this was a matter that raised remarkably few questions in China itself. In fact, the opportunity to study abroad has for many aspiring Chinese individuals and families been one of the great gifts of the reform era; restricting this freedom would very likely come at a disproportionately high political price.

However, as the Chinese economy has grown Chinese students and professionals abroad are increasingly talked about in terms of a brain drain. According to the Ministry of Education, at the end of 2011 the accumulated number of Chinese students abroad was 2,244,100, of whom 818,400 or 36% have returned to China. This is considered very low by policy makers and advisors in China, especially in view of the fact that the higher the educational qualifications attained, the lower the chance that a student returns.<sup>45</sup>

Policy has increasingly emphasized return, as part of the “inviting in” of foreign businesses and individuals (*yin jinlai*). In 1987 returning was made a legal requirement for publicly funded students. In 1993 a policy was adopted towards students abroad summarized as “support study overseas, promote return home, maintain freedom of movement” (*zhichi liuxue, guli huiguo, lai qu ziyou*).<sup>46</sup> In 1996 China started actively encouraging students abroad to return with the founding of the China Scholarship Council. Policy documents have been coming out every year, for example 2007 regulations according to which publicly funded students have to return upon completion of their degree and work in China for a minimum of 2 years. Failure to do so results in having to pay back the entire scholarship plus a 30% service charge.<sup>47</sup>

Despite the relatively low return percentage, returnees are very prominent among academics and senior administrators in higher education and research institutions, especially the more prestigious and better funded ones. Others are high-tech entrepreneurs or independent professionals; yet others work for large multinationals or government. National and local governments and university administrations strongly encourage students and scholars abroad to return to China to take up academic employment, encouraging them with a range of privileges and perks (salary, housing, research funds) regardless of foreign permanent residence status or even citizenship.

Returnees, or *haigui* in Chinese, have become a policy priority in China. Chinese administrations actively recruit among overseas graduates and scholars and encourage them to set up businesses or contribute their knowledge, skills and patents to partnerships with Chinese businesses. To woo potential investors, governments frequently organize conventions or fairs, creating what Xiang Biao has called an elaborate “ritual economy of ‘talent’.”<sup>48</sup>

<sup>44</sup> Ye Zi, *Zhongguo zaiwai liuxuesheng 127 wan ren – cheng shijie zuida shengyuanguo* (China’s students abroad reach 1,270,000, becoming the world’s largest source country); [http://news.xinhuanet.com/overseas/2011-04/18/c\\_121317007.htm](http://news.xinhuanet.com/overseas/2011-04/18/c_121317007.htm).

<sup>45</sup> Huiyao Wang, *China’s competition for global talents: strategy, policy and recommendations*, Asia Pacific Foundation of Canada, 2012; <http://www.asiapacific.ca/sites/default/files/filefield/researchreportv7.pdf>.

<sup>46</sup> Cheng Xi, “The evolution of the Chinese Government’s policies on selecting and sending students abroad since China’s opening up” (*Gaige kaifang yilai Zhongguo zhengfu xuntai liuxueshengde zhengce yange*), *Huaqiao Huaren shi yanjiu* Vol. 1, p. 43; cited in Barabantseva *Trans-nationalising Chineseness*, p. 16.

<sup>47</sup> Chen Hefang and Feng Jie, “Gaige kaifang yilai woguo gongpai liuxue huiguo zhengce huigu yu sikao” (Review and reflections on policies regarding China’s publicly-funded foreign study and return since the reforms), *Shijie jiaoyu xinxi* Year 2012, No. 2; <http://www.cnki.com.cn/Article/-JYXI201202016.htm>.

<sup>48</sup> Xiang Biao, “A ritual economy of ‘talent’: China and overseas Chinese professionals”, *Journal of Ethnic and Migration Studies* Vol. 37, pp. 821-38, 2011.

Educated Chinese abroad are increasingly talked about in terms of *brain gain*, a huge talent pool that China will be able to draw on in the years to come. At the Centre, return migration is directly linked with a key strategic issue that preoccupied the new Hu Jintao-Wen Jiabao regime that came to power in 2002. In order to strengthen China and its position in the world, China will have to retain its long-term competitiveness and not get caught into the so-called “middle-income trap.” The way to do this is for China to make the transition to technology-intensive economic growth. Attracting or keeping highly educated workers and entrepreneurs, or “talents” (*rencai*) in Chinese government jargon, became central to this.<sup>49</sup> In 2010, the government published a long-term talents strategy that in 2011 was incorporated into the 12<sup>th</sup> Five-Year Plan.<sup>50</sup>

It should be emphasized that recruiting educated Chinese abroad is only one aspect of this policy, and a conscious effort is made also to attract “real” (this is the way it is often put in more informal discussions) foreigners to live and work long-term in China. Nevertheless, the vast majority of people thus lured back to China continue to have a Chinese background; conversely, ethnic Chinese are much easier given long-term or permanent residency. For instance, the government’s flagship Thousand Talents Programme by August 2011 already recruited over 1,500 leading scientists and entrepreneurs. Over 70% were foreign nationals, mostly ethnic Chinese.<sup>51</sup>

#### 4. Conclusion

In both Africa and Europe, and indeed all over the world, Chinese immigration has shot up in the last decades. From a Chinese perspective, Africa and Europe are very different places. Europe is a continent where Chinese have resided for many decades. In Europe, universities and other educational institutions hold the promise of valuable knowledge and qualifications that qualitatively raise career prospects and life chances. Europe is among the most highly developed economies in the world, with not only a huge market for Chinese products and services, but also a place for strategic investments in high-value assets and market access and source of state-of-the art technology and skills. More abstractly, Europe is a focus of Chinese modernist longings, a place that long ago achieved a state of modernity that China still yearns for. Africa is the exact opposite of all of these things, but therefore arguably strategically even more important for China as a country and – even more significantly – for individual Chinese migrants and firms. As a continent on which, to Chinese migrants at least, the road to modernity still seems to be much less fixed, Africa complements China; China and Chinese migrants can conceivably play a central role in the future of the continent. In Western Europe, Chinese migrants, capital and government can at best only aspire to a role in the margins. Only in parts of Eastern and Central Europe could Chinese investments and people play a role somewhat similar to Africa, albeit on a much smaller scale.

However, viewed from another angle, Europe isn’t all that different from Africa. Granted, in terms of educational migration, Europe is one of the world’s most important destinations. Conversely, Africa is the location of many Chinese investment projects and with that the destination of large numbers of contract workers employed for a fixed term on a specific project. However, in terms of the drivers of migration and the background and origin of many other migrants, many similarities and indeed direct connections exist. Just like Africa, much of Eastern and Southern Europe has been a frontier of Chinese outward migration, with many migrants ending up in surprisingly similar employment or businesses, often associated with the import, wholesale and retail of Chinese manufactures. Since the 1980s, China has also generated commercialized and highly professional migration configurations

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<sup>49</sup> Denis Fred Simon and Cong Cao, *China’s emerging technological edge: assessing the role of high-end talent*. Cambridge: Cambridge University Press, 2009.

<sup>50</sup> *Guojia zhong-changqi rencai fazhan guihua gangyao (2010-2020)* (Outline of the national plan for the medium and long-term development of talents (2010-2020)), 2010; [http://www.gov.cn/jrzq/2010-06/06/content\\_1621777.htm](http://www.gov.cn/jrzq/2010-06/06/content_1621777.htm).

<sup>51</sup> Wang, *China’s competition for global talents*, p. 3.

from Zhejiang, Fujian, and many urban areas that have developed a global reach, always seeking out new destinations and ways and means to get migrants there. To these migrants, there often actually isn't that much difference between Africa, Europe, Latin America, or any other destination. What is most important is the opportunity to emigrate and then to make the best of whatever chances there are to make a living or perhaps to move on to another, more promising destination.

Migration from China has become extremely diverse. The Chinese authorities have reacted pragmatically, without making any real attempt to construct a coherent and transparent framework of policies and institutions to deal with emigration, Chinese populations abroad and return migration. Conflicts and confusions between different policy fields and agendas cannot be resolved within the framework of overseas Chinese affairs. Rhetorically, the term "overseas Chinese" continues to be useful to way for Chinese government and emigrants to perform at specific occasions or for certain specific purposes the transnational unity of the Chinese nation, regardless of nationality, ethnicity, residence, or class. However, overseas Chinese affairs has remarkably few material implications, except when dealing with return visits or return migration of ethnic Chinese where "overseas Chinese affairs" provides a convenient framework both to fit and to insulate such returnees from Chinese society. The language and institutions of overseas Chinese affairs are ill-suited to cater fully to the priorities and expectations of migrants that do not come from any of the designated overseas Chinese areas, in particular high-skilled migrants, such as students, businesspeople, professionals, expatriates, or investors. In practice, therefore, they are treated largely separately, not only from each other, but also from other new labour migrants, either from old overseas Chinese areas or elsewhere.

In sum, there does not seem to be a coherent and joined-up strategy on the part of the Chinese government to maximize the utility of Chinese emigration to China's long-term goals of continued modernization and a more prominent place in the world. As we have seen in this paper, certain aspects of migration or certain types of migrants are enlisted to serve specific policy objectives, such as technological upgrading of China's economy, a more prominent role of Chinese enterprises abroad, or relief of unemployment pressures in certain sectors or areas. Other, troublesome aspects of migration have been the target of policy making aimed at minimizing the damage that they do. However, to read into these efforts the orchestration or manipulation of international migration to serve the Chinese government's global strategic objectives would be vastly overstating the point.