



# China's brain gain strategy

The role of local governments in the recruitment of 'talents'

By Pär Nyrén, February 2021

## Opportunities – for China...

- Talent recruitment programs form part of China's efforts to strengthen competitiveness in academia and high-tech sectors. The plans reinforce policy ambitions such as *Made in China 2025* and *Military-Civil Fusion*

## ...and challenges – for liberal democracies

- At best, China's talent recruitment plans can provide individual scholars and entrepreneurs with highly beneficial conditions for their activities
- At worst, China's talent recruitment may help China to modernize its military capabilities and to develop technologies with military applications
- The most well-known talent recruitment program, the *Thousand Talents Plan*, has been connected to fraud, espionage, and intellectual property theft
- References to the TTP have been erased from Chinese websites. This is an indication that officials attempt to avoid international scrutiny of the plan

## Implementation at the local level

- Local governments have played a significant part in recruitment of foreign experts, especially in the last decade as these ambitions have gained priority
- Provinces, cities, and some sub-city districts formulate a plethora of policies to attract experts from around the world
- Prominent experts are offered remuneration and other incentives to settle or work part-time in China in order to improve China's competitiveness with foreign know-how
- The vast majority of recruits are overseas Chinese, but many of other nationalities and without Chinese heritage have taken part in recruitment programs

## Introduction

China's bureaucracies tasked with handling foreign experts have been given the mission to "gather talents under the heavens for [China's] use" (聚天下英才而用之).<sup>1</sup> The most well-known component of this is the Thousand Talents Plan (TTP), a scholarship program launched by the Chinese Communist Party's Propaganda Department in 2008 to convince top-tier scholars and professionals from around the world to work in China. The TTP has come under scrutiny due to a series of cases where recruits from the United States have engaged in espionage or illicitly failed to disclose their research funding from the Chinese state. In addition to the lack of transparency there are also serious concerns that recruitment programs such as the TTP contribute to China's military-civil fusion strategy and the transfer of other critical technologies.<sup>2</sup>

The TTP is, however, merely the tip of the iceberg. Other notable national programs, dating back to the 1990s, include the Chinese Academy of Science's "100 Talents Plan" and the "Changjiang Scholars" program, initiated jointly by the Ministry of Education (MOE) and the Li Ka Shing Foundation. Chinese provinces and cities have also implemented a myriad of similar programs, which are the result of three decades of policy formulation and refinement.

## Luring back "patriotic scholars" from abroad

During the initial phase of the post-Mao era, Chinese policymakers feared that allowing people to freely study abroad would lead to a brain drain, with Chinese scholars choosing to stay overseas long-term. In 1993 the Party formulated guidelines stating that the government should "support overseas studies, encourage return to China, and uphold the freedom to come and go" (支持留学, 鼓励回国, 来去自由).<sup>3</sup> Following these visions, the Chinese central government and local governments have produced a slew of policies to skew the market for the world's talented individuals in China's favor.

The ambition to attract talents from overseas has largely centered on encouraging Chinese nationals to return to China. This prioritization stems from considerations of both morality and practicality. In line with Xi Jinping's dictum that "science is boundless, but scientists have a homeland",<sup>4</sup> Chinese Communist Party propaganda emphasizes that Chinese scholars' foremost duty is to serve their country. Getting Chinese nationals to return may also be relatively feasible. Transferring to Chinese educational institutions on a full-time or part-time basis may allow people with Chinese roots to stay close to their relatives, which some scholars interviewed for this study confirm as being a driving factor.

## Attracting foreign experts

Particularly since 2008, scholars and professionals, regardless of ethnicity and citizenship, have become target groups for China's talent recruitment drive. National guidelines indicate that the programs are seeking foreign professionals all the way up to the age of 65, with a preference for people in the age-span of 26-45.<sup>5</sup> In comparison, programs for the return of Chinese nationals are typically capped at age 50 or 55. The ideal is to recruit

<sup>1</sup> State Administration of Foreign Experts Affairs, 国家外国专家局关于推进落实外国人才引进改革创新重要举措的通知(外专家发[2017]167号)[State Administration on Foreign Experts Affairs notice on important actions to promote and implement foreign talents recruitment reform and innovation], 2017.

<sup>2</sup> E.g. "Threats to the U.S. Research Enterprise: China's Talent Recruitment Plans", U.S. Senate Committee on Homeland Security and Governmental Affairs, November 18, 2019; Ryan Fedasiuk and Jacob Feldgoise, "The Youth Thousand Talents Plan and China's Military", Center for Security and Emerging Technology, CSET Issue Brief, August 2020.

<sup>3</sup> Han Yafei, "留学政策变迁 40 年"[Changes in 40 years of overseas studies policy], Xinhua News, December 25, 2018.

<sup>4</sup> Xi Jinping, "大力弘扬科学家精神-论学习贯彻习近平总书记在科学家座谈会重要讲话"[Vigorously promoting the spirit of scientists - On studying and implementing General Secretary Xi Jinping's important speech at scientists' seminar], Xinhua News, September 14, 2020.

<sup>5</sup> State Administration of Foreign Experts Affairs, 外国人来华工作分类标准(试行)[Standards for categories of foreigners coming to work in China (trial)], 2018, p. 8.

individuals with high educational attainment from top-tier universities, with work experience at Fortune Global 500 companies, or who meet other indicators of excellence.

### Development of local government talent-recruitment policy

Talent-recruitment work is dispersed across the government apparatus vertically, from the central government down to sub-city government levels, and horizontally, involving several actors on the same level of governance. Just as the party-state competes globally with the aspiration for China to become a “talent great power” (人才强国), Chinese local governments individually express the ambition to become talent great provinces (人才强省) and talent great cities (人才强市). Local governments compete both amongst themselves for China’s high-skilled workers and with foreign counterparts for talents from around the world.

The Shanghai government was, in 1992, the first sub-national entity in China to set up particular subsidies to lure back Chinese overseas scholars.<sup>6</sup> The initial Shanghai recruitment plans explicitly called for patents and scientific research to be transferred to organizations in the city, which was followed up in 1998 with a city-government regulation that exclusively detailed the promotion of inward high-technology transfers.<sup>7</sup>

The central government in 2003 coordinated a pilot program to subsidize accomplished Chinese scholars and professionals to return to China which was then launched in 13 provinces.<sup>8</sup>

Along with the launch of the Thousand Talents Plan in 2008, the General Office of the Central Committee of the CCP instructed China’s provincial governments to outline and implement local programs to attract talents from overseas. It further stated that

“local governments, especially eastern coastal regions and prominent cities [中心城市], shall rely on economic and technological development zones, high-tech industrial development zones, overseas scholars entrepreneur parks, and university science and technology parks to put forward a series of special programs and attract overseas high-level talents to start businesses in China.”<sup>9</sup>

Subsequently, sub-national programs have made up the bulk of China’s talent recruitments. According to data from China’s Ministry of Human Resources and Social Security (MOHRSS), out of the 60,000 overseas scientists and entrepreneurs who were recruited from 2008 to 2016, 53,900 were recruited by local government entities.<sup>10</sup> The same ministry reported that up until 2017, 54,000 overseas Chinese students and scholars had been brought back through recruitment programs, whereas the total amount of Chinese who had returned to the country after studying and researching abroad amounted to 2.65 million.<sup>11</sup>

All provincial-level administrations and most large and many medium-sized cities have established recruitment programs of their own. One non-exhaustive list by the State

<sup>6</sup> “改革开放 30 年海外人才引进综述:聚英才创伟业” [Summary of overseas talent-recruitment during 30 years of reform and opening: gathering talents, initiating a great undertaking], gov.cn, January 21, 2009.

<sup>7</sup> Shanghai People’s Government, 上海市鼓励出国留学人员来上海工作的若干规定 [Shanghai City regulations on the encouragement of overseas scholars to work in Shanghai], article 4, July 27, 1992; 上海市促进高新技术成果转化的若干规定 [Shanghai City regulations on the promotion of high-tech [research] results], May 31, 1998.

<sup>8</sup> The 13 province-level administrations are Beijing, Fujian, Guangdong, Heilongjiang, Henan, Jiangsu, Liaoning, Shaanxi, Shandong, Shanghai, Sichuan, Tianjin, and Zhejiang. 关于印发“开展高层次留学人才回国资助试点工作的意见”的通知 (国办发[2003]发 45 号) [Notice regarding the “Opinion on developing pilot work to fund high-level overseas scholars returning to China”].

<sup>9</sup> 中央人才工作协调小组关于实施海外高层次人才引进计划的意见 [Suggestions for central talent work small coordination group about the notice on implementing overseas high-level talent attraction plans], 2008.

<sup>10</sup> “我国留学回国人员已达 265.11 万人” [China’s overseas student returnees reach 2,651,100], gov.cn, April 21 2017.

<sup>11</sup> 我国专业技术人才约 7700 万 [China’s specialized technology talents roughly 77 million], Ministry of Human Resources and Social Security, August 8, 2017.

Administration for Foreign Experts Affairs (SAFEA) highlights over 200 programs, of which the large majority are run locally. While they fundamentally serve the same purpose, an overview made by Chinese researchers from 2013 showed that provincial governments have designed their recruitment programs with some variation, including with regard to qualification requirements and levels of remuneration.<sup>12</sup>

Talent recruitment has become a prominent policy priority, which sometimes influences the career advancement of cadres and government workers. Simultaneously, concerns have been raised about the level of expertise possessed by recruited “talents”. To better live up to the ideal of identifying and recruiting individuals with the skills China needs, the general offices of the Communist Party Central Committee and the State Council have jointly required local governments to improve their “talent evaluation systems” (人才评价机制).<sup>13</sup> The scholarship-based recruitment programs are thus coupled with a variety of other government functions meant to stimulate the flow of talents to China, including those outlined below.

### Talent-recruitment stations

The Australian Strategic Policy Institute (ASPI) has identified over 600 talent-recruitment stations overseas. Recruitment stations serve as a contact point between Chinese organizations involved in recruitment work and various organizations located overseas, that receive remuneration for fulfilling certain tasks. The work of recruitment stations includes creating databases of overseas scholars, hosting promotional events for recruitment programs, and organizing trips to China for overseas scholars.

The recruitment stations are often administered by overseas organizations affiliated with the Chinese Communist Party’s united front, such as Chinese students and scholars associations, and have in some cases been involved in economic espionage. Only a small minority of identified recruitment stations were governed by national organizations. Instead they are usually affiliated with government organizations at the provincial and municipal levels and, in some cases, at individual educational institutions.<sup>14</sup>

### Overseas Scholar Entrepreneurship Parks

In 1994 Nanjing established the first “overseas scholar entrepreneurship park” specifically made for returnees, with early adopters in Shanghai, Yantai, Tianjin, and Xiamen. As of 2019 there were more than 350 such parks across the country.<sup>15</sup> Out of the 116 parks that are members of the China Overseas Scholars Pioneer Park Alliance, a cooperation platform guided by the Ministry of Science and Technology, MOHRSS, MOE, SAFEA, and the Zhigong Party (a de facto branch of the Communist Party), a large portion are based in Beijing, Jiangsu, Shandong, Zhejiang and Guangdong (see table below). These parks serve as incubators where “talents” receive subsidized workspace, sometimes for as long as eight years, start-up funding, and in some cases permanent household registration (hukou), which may otherwise be difficult to attain. Despite the parks’ initial and continued named focus on returnees, non-Chinese nationals are often also allowed to benefit from the programs. In addition to sufficiently outstanding experience, at least one

<sup>12</sup> Shen Yueqing and Zhu Junwen, 海外高层次人才引进政策的省级比较 [A provincial comparative analysis of global experts import policies in China].

<sup>13</sup> 中共中央办公厅, 国务院办公厅印发《关于分类推进人才评价机制改革的指导意见》 [CCP Central Committee General Office, State Council General Office issue “Guiding suggestions about classification of talent ”], Xinhua News Agency, February 26, 2018.

<sup>14</sup> Alex Joske, “Hunting the Phoenix: The Chinese Communist Party’s global search for technology and talent”, Australian Strategic Policy Institute, Policy Brief, Report No. 35/2020.

<sup>15</sup> Sun Yahui, “想创业, 来留创园试试!” [If you want to be an entrepreneur, give it a try at an Overseas Scholars Entrepreneurship Park!], People’s Daily, November 20, 2019; 联盟成员单位 [China Overseas Scholars Pioneer Parks Alliance member organizations], China Overseas Scholars Pioneer Parks Alliance, no date.

park evaluates foreign benefactors on whether they have autonomous [自主] intellectual property and mastership of "key technologies."<sup>16</sup>

### Friendship awards

Documents and statements issued by SAFEA indicate that, in addition to the scholarship-based recruitment programs, so-called friendship awards are considered as tools to support recruitment work.<sup>17</sup> Both nationally and locally the awards are run by science and technology authorities and are awarded to foreign nationals who have made contributions to China. A large portion of the recipients are scholars who have worked at Chinese institutions, although others, including both high-level politicians (such as George H.W. Bush) and local officials (among others a Swedish municipal council chairman), have received awards.

Applicants for the central government's friendship awards are required to detail if they have Chinese ancestry, if and under which circumstances they have met with "national leaders" and if their field of research is "sensitive".<sup>18</sup> National and sub-national friendship award regulations make no mention of any prize sum for the awardees and interviewed awardees stated that the awards, on the provincial and national level, were exclusively honorary.

The practice of handing out friendship awards to foreign experts proliferated throughout China in the early 1990s. Professor Anne-Marie Brady has described how these awards serve the purpose of attracting foreign support for China and have "the benefit of being low cost, highly flattering to the individual foreigners and useful for meeting the goals of both local and foreign propaganda work."<sup>19</sup>

### Designations of prioritized expertise

The selection of talent recruits seeks to meet the needs of key academic disciplines (重点学科), key laboratories (重点实验室), and key innovation projects (重点创新项目). Provinces serve a dual role of, on the one hand, taking into consideration national guidelines, hosting key national laboratories and innovation projects and, on the other hand, formulating province-specific variations thereof. Albeit with exceptions, these are overwhelmingly in the natural sciences and engineering, often overlapping with academic fields that are prioritized in other government policies such as the manufacturing development strategy Made in China 2025 and China's military-civil fusion strategy.

### Concluding remarks

The Chinese party-state, from the Central Government to local administrations across the country, is engaged in an ambitious multi-pronged effort to attract the best and the brightest globally in order to boost China's role in science and technology. With a multitude of talent-recruitment plans and other supporting programs, including "entrepreneurship parks" for returnees and overseas-based recruitment stations, the Chinese government provides incentives, monetary and otherwise, for scientists to turn to China.

<sup>16</sup> Ren Xuena, "留学人员创业园再添引才砝码" [Overseas scholar entrepreneurship parks increase weight to talent attraction], Western Returned Scholars Association, November 13, 2019.

<sup>17</sup> 外国人来华工作分类标准(试行) [Classification criteria for foreigners working in China (Trial)], State Administration of Foreign Experts Affairs, July 14, 2017; 全国引进外国人才和智力工作会议在京举行 [National meeting on foreign talent and intellect attraction work held in Beijing], Ministry of Human Resources and Social Security, January 19, 2018.

<sup>18</sup> 2020 年度中国政府友谊奖申报要素表 [2020 annual table of key elements for the Chinese government friendship award].

<sup>19</sup> Anne-Marie Brady, *Making the Foreign Serve China: Managing Foreigners in the People's Republic*, Rowman and Littlefield, 2003, p. 224.

While other countries similarly aspire to attract top-tier researchers, China's recruitment work constitutes particular challenges for the international community. At the very least, China's talent-recruitment further strengthens the country's competitiveness at a time of growing rivalry with the West. Another significant risk is that talent-recruitment aids the country's military modernization and its development of critical technologies. These concerns are further complicated by the fact that the recruitment programs have been associated with multiple cases of espionage, intellectual property theft, and fraud.

Despite attempts to avoid international scrutiny of the TTP, including by erasing mentions of the plan on China's internet, China's talent-recruitment work is set to continue. 