

China's Education Industry and Future Development

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Certification

I, LIAO Wei, hereby declare that this is an authentic work of mine to apply for a master's degree at Ritsumeikan Asia Pacific University.

This paper has not been submitted in any form for the award of another degree or diploma at any university or other institute of tertiary education. Information derived from the work of others has been cited or acknowledged appropriately.

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LIAO Wei

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Abstract

This paper mainly analyzes China's education industry, especially recommendation for future private investment. So the topic is "China's education industry and future development". The underlying research questions include what is the background of China's education industry? what is the current status of China's education industry? how about future anticipations of China's education and training? and what investment opportunities will be out there in the future? During my composition, research methods such as description, case studies, SWOT analysis, etc. are adopted within the report. It has been found out that there are both strengths, weaknesses and opportunities, threats within and around China's education industry, but the main stream is positive, especially for investors to acquire opportunities in this signory. Based on China's steady economic growth, astronomical population base, huge market demands, the future of China's education and training will be inviting. And the abundant resources for private investment may lie in pre-primary education, extra-curricular tutoring for teenagers and continuing education and so on.

Keywords: China, education industry, future development

1. Introduction

The world has witnessed continuous changes as time passes by. Nowadays, a term and phenomenon-globalization, has become increasingly popular, no matter it is on formal occasions such as political or business activities, or in people's daily lives. In fact, this issue can be regarded as one of the most significant themes of current society. People rationally know that globalization is just around, but they, unfortunately, have not a consensus on it. The academics, businesses, authorities as well as other individuals or organizations have their own understanding of globalization.

As written by Brahm (2005), "globalization is perhaps the central concept of our age, which is a highly complex interaction of forces producing integration and disintegration, cooperation and conflict, order and disorder". Held and McGrew (1999) pointed out that "globalization can be described as '...a widening, deepening and speeding up of worldwide interconnectedness in all aspects of contemporary social life, from the cultural to the criminal, the financial to the spiritual' ". According to the website of Center for Alternative Development Initiatives (2011), "the term globalization refers to the process of global integration of the economies of nations by allowing the unrestricted flow of goods, services, investments and currencies between countries." Rangarajan (2009) suggested that "broadly speaking, the term 'globalization' means integration of economies and societies through cross country flows of information, ideas, technologies, goods, services, capital, finance and people." These ideas clearly showed various perceptions from different authors on the same topic. Anyhow, there is an incontrovertible fact that the globe has been increasingly similar to a village since connections and interactions among different districts, countries, and parties are far more prevalent.

Along with the process of globalization, all walks of life are in revolution. Among others, one of the most distinctive sectors in development is the education industry. According to "General Situations of Global Education and Training Industry in 2008" (ISTIS 2009), "as knowledge economy upsurges, global education and training industry has unprecedentedly developed, gradually growing mature. Stunning market scale, increasingly higher enrollment rate and investment in education are, without exception, resembles the gigantic scale of global education and training industry. A famous market consulting firm-IDC carried out statistics that the world education and training market was expected to rise to \$ 5,300 billion. In 2006, speaking of household investment, global education and training industry amounted to over \$ 2,300 billion." These data and elaborations have verified the fact that education industry, as a fascinating field, renders great importance to explore.

As one of the fastest developing regions in the world, Asia Pacific has seen a great expansion in the education and training sector. To name a few, countries such as South Korea, Australia, India, Japan, etc, have exhibited outstanding performances in this aspect. Japan, as the most developed nation in Asia, has been achieving great progresses in view of its education and training. Collectivization, internationalization and other factors feature Japanese education and training, which provides other Asian countries with meaningful examples to learn from.

Speaking of China, the biggest developing country nowadays, has been making stunning progresses in various fields. The high growth rate of economy booms the education sector a lot, creating a very large market especially the private field. More than 1.3 billion population has also enabled Chinese people's massive demands in the education sector. Culturally speaking, Chinese parents or families have been continuously attaching much weight to their children's and their own education and training, consuming almost 1/3 of household disposable income on average. On the basis of a combination of these factors, China's education and training industry is undergoing a tremendous development especially the private sector. Under such a context, there are and will be lots of investment opportunities, constituting a prosperous future for the education and training industry to soar.

Naturally, these phenomena and issues deliver the value of research on topics pertaining to the industry. The ever growing education industry in China needs to be paid more attention to. More significantly, its future development is a finely curious scope for further deliberation.

Therefore, the awareness of issue of this paper is, based on world and Asia Pacific education industry and China's background, to analyze China's education and training sector and its future development, especially private investment opportunities. This leads to several research questions such as:

What is the background of China's education industry?

What is the current status of China's education industry?

How about future anticipations of China's education and training?

What investment opportunities will be out there in the future?

Thus, this paper is going to analyze from various perspectives concerning China's education and training industry, inspecting the way ahead especially within the private investment domain.

2. Literature Review

2.1 Related Concepts

Undoubtedly, it is better, in the beginning, to refer to some fundamental concepts pertaining to the education industry, laying a foundation for analysis and apprehension.

(1) Education Internationalization

According to Okubo (2000), "the term "internationalization" of education first appeared in 1947 in the course of studies for a proposed model curriculum that would promote a peaceful and democratic society". Altbach and Knight (2007) thought that "internationalization includes the policies and practices undertaken by academic systems and institutions—and even individuals—to cope with the global academic environment. The motivations for internationalization include commercial advantage, knowledge and language acquisition, enhancing the curriculum with international content, and many others. Specific initiatives such as branch campuses, cross-border collaborative arrangements, programs for international students, establishing English-medium programs and degrees, and others have been put into place as part of internationalization."

(2) ICT in Education

Referring to United Nations Educational Scientific and Cultural Organization (UNESCO) official website, "Information and Communication Technology (ICT) can contribute to universal access to education, equity in education, the delivery of quality learning and teaching, teachers' professional development and more efficient education management, governance and administration." This notion is largely identical with education informationalization, enabling technologies adequately and effectively utilized in education. The core concept is to boost education by adoption of ICT tools and approaches.

(3) Investment in Education

In view of sources, investment in education comes from governmental or public, individual or household and corporate entities. In the first place, governmental or public investment means the budget of education that stems from fiscal revenues in a certain country, contributing to infrastructure construction, software improvement, teacher training and so on. Secondly, in order to develop personal character, accumulate knowledge, nurture wisdom, etc, an individual or a family pays money for education or training. Currently, it is growingly common for people to view their education or training as an investment, constituting another form of investment in education. Last but not least, corporate sources such as enterprises, private equities and venture capitals invest in education in various forms in order to make profits. Such activities relating to education are in view of business. This paper mainly deals with investment in education in the aspect of the third type-corporate investment in education, illustrating especially investment opportunities.

(4) Education Industry

According to "Environment Scan-2011, Training and Education Industry" (Innovation and Business Skills Australia 2011), "the training and education industry includes the sectors of: early childhood–preschool–education, school education, higher education, vocational education and training, and adult and community and other education." The above definition mainly looks at such an industry in terms of various education types. In fact, education and training industry covers a much wider realm, including all sorts of processes and activities within the education and training sector, especially in business point of view. For the sake of convenience, this article adopts "education industry" as an abbreviated term of "education and training industry".

In actual fact, as known particularly in China, there is a debate over whether education should be industrialized. The major concern roots in some stakeholders' worries that industrialized education will ruin the education sector and jeopardize public property of education. Fortunately, evidences from many developed countries such as the U.S., Japan, etc have proved that this does not turn into a problem but a goodness. Education industrialization is not to taper the impact of governmental input or public function, but to make use of market mechanism to benefit education sector with a prosperous future of quality.

2.2 Former Literature Research

For the sake of a comprehension of related former research, some journal articles

are referred to as reference.

According to "China's Training and Education Market" (JLJ Group 2009), "the combination of the world economic crisis and China's unprecedented economic growth has created unique opportunities in China's education and training industry. As competition in the labor market intensifies, more Chinese are seeking ways to upgrade their knowledge and skill sets to become more valuable in the labor market. Additionally, large domestic corporations are turning to training as a key component of their retention strategy. These factors have created immense demands in the industry, particularly in the areas of language, IT and soft skills training." As written by Bersin, "this is an exciting time of change in enterprise learning and talent management. The tight labor market, coupled with the increased focus on integrated performance and learning strategies, will force further alignment between training and HR. Learning technologies will evolve, and self-published content and collaboration will become a significant element in enterprise learning solutions. Organizations will continue to evolve toward shared services and struggle to build integrated business plans that incorporate learning across the organization." In terms of "China IT Education and Training Industry Survey Report, 2010" (ResearchInChina 2010), "In August 2010, ResearchInChina cooperated with 1diaocha.com to conduct an online survey on 600 interviewees in Chinese IT education and training industry, which covered the followings: purposes of consumers for IT training, ways for them to participate IT training, the types of curriculum they select, preference for course design, training costs, how they get the information about IT training, why consumers do not participate in IT training, considerations of consumers for choice of IT training institutions, satisfaction of consumers with IT training institutions in which they participated, how IT training impacts on them (such as certification and workability). The survey shows that 44.29% of consumers participate in IT training on their own expenditure, while 35.93% of consumers are arranged by their companies to participate. As for training institutions, 57.7% of consumers prefer Beida Jade Bird, 37.3% like Xinhua Computer Education, followed by WNT and Thinkbank IT Academy. In the future, the development focus of IT education & training industry in China can be shown as follow: 1) Focus on Employment and Enhance Recommendation of Students to Companies. 2) Curriculum standardization is a key factor that guarantees the quality of training. Apart from the requirements on the standardized training materials and courseware, curriculum standardization of IT training also calls for uniform standards and norms for teaching methods, teaching staff construction, lectures and class schedule. 3) Promote and improve the 'internship system'. Students enter real enterprises to work, involve in actual projects of software companies, accept the management of standardized software development process, and take part in comprehensive training for employees. 'Internship system' is distinguished from traditional IT case training, and students can be directly employed by the software companies after graduation." "China Education & Training Industry Report, 2008-2009" (ResearchInChina 2009) explained that "nearly 100 million Chinese take part in the training of all kinds each year, wherein, the medium and low-level training enjoys an 80% share, and the high-level training is just in the initial

stage of development. In general, training market has great potential in China, yet the low-level training is in rather disorderly management, and the high-level training is not mature. Currently, the training industry concentration is low, and there is none training institution to have 1% market share."

These materials analyzed from different facets within education and training industry, such as the reasons behind huge demands in education and training in China, corporate training, IT education and training and the market shares. Such papers enlighten thoughts from distinctive perspectives to underlay essential theories for the formulation of this report. Indeed, it leaves a spacious room for further research, too. Contents such as world and Asia Pacific exemplars for China to learn from, current conditions of China's education and training, anticipation of China's future in education and training, investment opportunities in this field, etc. Based on these premises, this paper is going to delineate some related issues on the topic of China's education and training industry, plus its future development.

3. Methodology

Conforming to the paper title and awareness of issue, a train of research methods are wielded. Description method describes issues such as world and Asia Pacific background, China's history and status in education industry, etc, providing materials for further study. A number of former research materials are put to use, provoking initial thoughts and deeper understanding of related topics. Main resources include APU's online database especially EBSCOhost, the university library, Google search engine especially its Google Scholar function, etc. Also, former research of mine is utilized to assist this paper. For instance, my former reports are edited to reveal the function of ICT in education, to expound mobile Internet-related details, to supplement understanding of Japan's pattern of education industry. So as to be practical, case study method is blended into this report. My personal experience of studying at Ritsumeikan Asia Pacific University, affiliated with Ritsumeikan Trust, conduces to the formation of a case of both the whole academy and the university. On account of previous contact with several staff of EIC Group, I have gotten to know some of its operations and distinctions. I am keen on using Hujia website for memorizing English vocabulary and learning other valuable foreign language materials, bringing about a case of Shanghai Hujia Cultural Transmission Co., Ltd. Moreover, SWOT analysis bases on a strategic view to objectively analyze China's education industry from diverse angles.

The methodology is clearly shown in figure 1 in the following page.

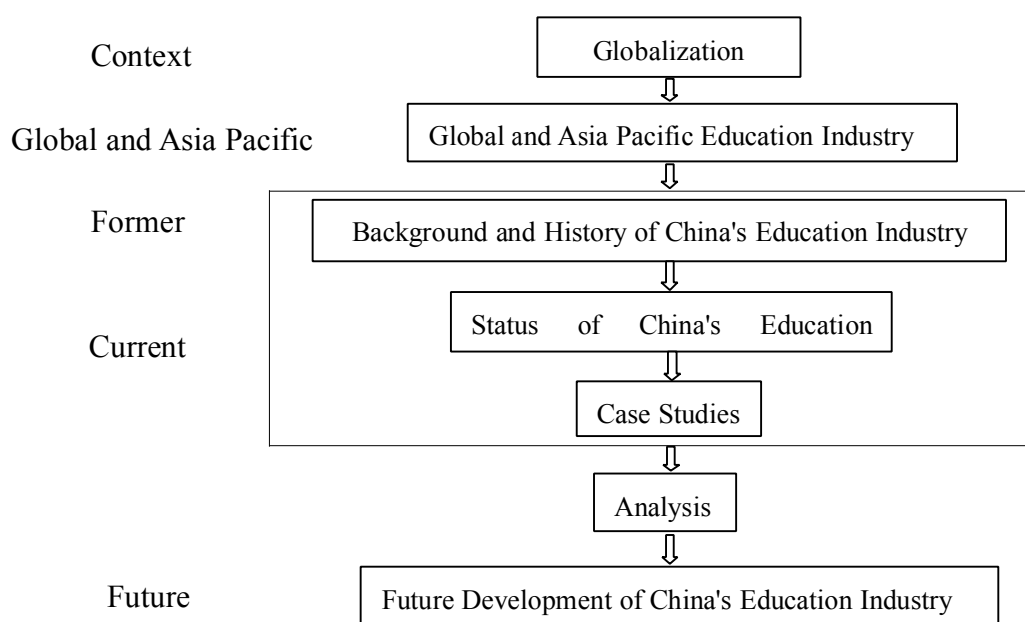


Figure 1. Methodology

4. Global and Asia Pacific Education Industry

4.1 General Situations

Global and Asia Pacific education industry is in a developing status. Its progress and performance achieved is due to various factors, such as ICT, globalization, investment and so on. Complicated but important incentives as these bring about dramatic changes in education. This could be further attested by real practices which happen in the world and Asia Pacific region. The general situations are to be divided into two parts specifically for easy understanding as follows.

(1) Global Education Industry

By referring to "Research and Markets: Global Education Sector and Changing Trends" (AM Mind Power Solutions 2011), "education industry is one of the fastest developing sectors worldwide, generating large scale revenues and employment. The Global education industry is the second-largest industry after healthcare. There have been major changes occurred in recent past in the structure and education technology driven by foreign education demand, e-learning and test preparation market. With the effect of globalization, the demand for better education has increased, largely through increased private participation. E-education market is a burgeoning segment with high growth potential in the industry. In 2007-08, US constituted 60% of the global market and Europe accounted for 15% market. In spite of the global economic downturn the number of students going to abroad for studies rising globally. The global education industry has experienced a rapid growth rate supported by rising awareness in developing countries (especially India & China)."

Concerning the US, "Digest of Education Statistics: 2010" (National Center for Statistics 2010) introduced that "in fall 2010, about 75.9 million people were enrolled in American schools and colleges. About 4.6 million people were employed as

elementary and secondary school teachers or as college faculty, in full-time equivalents (FTE). Other professional, administrative, and support staff at educational institutions totaled 5.4 million. All data for 2010 in this Introduction are projected. Some data for other years are projected or estimated as noted. In discussions of historical trends, different time periods and specific years are cited, depending on the timing of important changes as well as the availability of relevant data."

Looking at Europe, "the UK plays a significant role in contributing to the country's economy. There were over 430,000 faculties in around 25,000 schools in England and around 56,000 teachers in around 2,800 schools in Scotland in January 2009. Universities in the UK now generate a large amount for the UK economy. English is a very popular language for Belgian citizens, ESL courses has a bright future due to its rising demand in adults and children group." (AM Mind Power Solutions LLC 2011)

(2) Asia Pacific Education Industry

As explicated in "Asia-Pacific Education Industry-Prospects in India" (AM Mindpower Solutions 2011), "in Asia, education, healthcare and retail are three sectors relatively immune from the economic slowdown. In Asia, there is a growing trend of early childhood care and education market, driven by the increase in number of working parents with higher incomes and growing awareness of the importance of early development."

In order to have a more specific view towards Asia Pacific education industry, several countries such as South Korea, India, Australia and Japan are to be covered as follows. The reasons why these nations are chosen are on the basis of their significant performances in terms of education industry.

"In 2008, the size of South Korea's private education market is estimated to have grown to 30 trillion won in 2007, with the English learning industry taking up nearly half of the market share. There is increased demand in the private education market at the secondary and even primary education level in Korea. In India, Private sector has a strong hold in education industry starting from pre-schools to universities. In terms of total education market revenue, K-12 contribution is the highest as the market size for K-12 school is the biggest in India as compared to other professional courses. Educomp is the industry leader in K-12 segment, also has an 18-24 month lead in multimedia within schools, its K-12 programme in India. Australia has developed an effective and efficient higher education system. Almost one million students enrolled in higher education in 2007, with an increase of almost 4.7% from the level in 2006. In Japan continuing education programs are most on demand due to rapidly aging population and offering opportunities for U.S. extension colleges and universities." (AM Mind Power Solutions LLC 2011)

4.2 ICT in Education

In order to have a glimpse of some significant exterior forces that exert on education industry, especially ICT in the coming content, an analysis is illustrated to see how ICT facilitates teaching models and approaches. In general, this is to attest that education, globally, can not be treated in isolation but in the context of dissimilar elements. Especially in view of ICT, as an ever increasingly popular existence and

phenomenon, it is one of the global most stunning and meaningful technologies that changes every aspect of the world, so does education. Teaching is one of the indispensable constituents of education. Therefore, my former studies on the topic of "ICT-facilitated Teaching-How ICT Changes Teaching Models and Approaches" is deepened to fit into the demand of this paper.

(1) ICT-facilitated Teaching Models

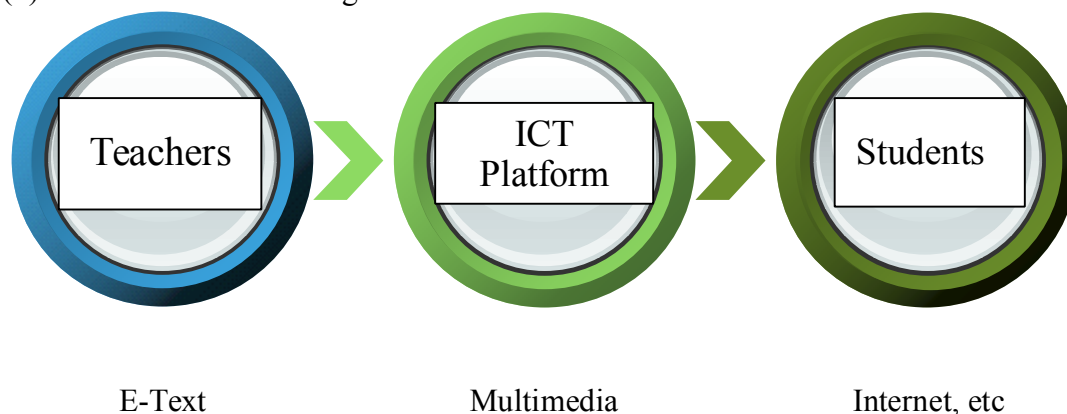


Figure 2. ICT-facilitated teaching models

ICT provides teaching with a sound technical platform. By using technologies of information, communication and so on, teaching has been enriched with more in-depth interaction, enjoyment and variety. Emerging and prosperous technologies such as Internet, smart phones, software have been forming new style teaching environment and approaches. These technologies have been adopted in traditional classrooms such as primary, middle schools and universities. Apart from these, they are made use of for extracurricular online training or open universities, too. Based on these prerequisites, teachers can not only teach distantly, but also communicate instantly with students.

Unlike traditional teachers, textbooks and students, new teaching environment and process has been more dynamic and interactive. Such kind of interaction is represented in ways like in-class interaction between teachers and students, among students and between students and teaching contents. Speaking of extracurricular activities, teachers can communicate easily with counterparts in different places and they can also interact with fast-changing information and resources.

Simultaneously, wide application of ICT with texts, sound, pictures, animation and videos has improved variety and enjoyment. All kinds of ICT applications stimulate students' multiple senses which help facilitate teaching efficiency and effectiveness. Among others, vision and hearing play a significant role in information acceptance and absorption. This can verify that usage of multimedia is favorable for learners.

(2) ICT-facilitated Teaching Approaches

As can be easily seen, ICT has been playing a very important role in facilitating and supporting teachers to teach. To be more specific, they usually utilize various tools to formulate their materials as well as conduct teaching with ICT facilities.

These tools or approaches include multimedia (e-text, hyper-text), the Internet,

online communication tools (SNS, IM, online call), other tools (E-mail, SMS, BBS, etc.).

4.3 Case Study of Asia Pacific Education Industry

As formerly mentioned Japan, within the Asia Pacific region, is a typical paradigm of education industry, possessing affluent resources, high technologies, advanced performances and so on. This lays a sound foundation for further study. Thereinto, my university-Ritsumeikan Asia Pacific University (abbreviated as APU), along with its parent organization-Ritsumeikan Trust work as an appropriate example to testify prosperity and success in terms of education industry in Japan. This is not only based on the convenience of personal experience, but also out of the prominence that the academy really bears.

By referring to Ritsumeikan Academy's official webpage,
" (1) Profile of The Ritsumeikan Academy

Ritsumeikan has become an integrated academy with a rich culture of individuality and international awareness accommodating a total of 49,000 students. The current Ritsumeikan Academy has campuses in Kyoto, Shiga, Hokkaido, and Oita and encompasses two universities, four high schools, four junior high schools, and one primary school. Ritsumeikan fosters the learning and development of individual talents in order to nurture just and ethical global citizens.

(2) Facts and Figures of Ritsumeikan Trust

Today, Ritsumeikan University offers a wide range of courses in advanced studies at its Kinugasa Campus in Kyoto and Biwako-Kusatsu Campus (BKC) in Shiga. The year 2000 marked the 130th anniversary of the founding of the Ritsumeikan private school and the 100th year of the establishment of Ritsumeikan University. In April 2000, the 100th anniversary of its establishment, Ritsumeikan opened an international educational institution, Ritsumeikan Asia Pacific University (APU) in Oita prefecture. The addition of APU has given new momentum to Ritsumeikan as it continues to adhere to its founding spirit into the 21st century. Over the century, the Ritsumeikan Trust has evolved into a comprehensive educational institution consisting of two universities, three senior high schools and three junior high schools. Besides, it is in possession of satellite offices in both Japan and abroad, such as domestically located Ritsumeikan Tokyo Campus, Tokyo Office, Osaka Campus, Ritsumeikan Plaza in Kyoto, Fukuoka, Nagoya, Kobe, Sapporo in Japan, and international offices in Korea, Canada, Indonesia, China, India and the UK. In addition, it has a Peace Museum, which is situated in Kyoto, Japan.

Figure 3. 2010 General Information of Ritsumeikan Academy

A. Enrollment (Degree-Seeking Students, as of May 2010)

Ritsumeikan University	
Undergraduate Students	33,120
Graduate Students	3,456
Master's Programs	2,434

Doctoral Programs	388
5-year Doctoral Programs	151
Professional Programs	483
International Students (included in total enrollment figures for RU)	1,113
Undergraduate Students	678
Graduate Students	435
Ritsumeikan Asia Pacific University	
Undergraduate Students	5,945
Graduate Students	286
International Students (included in total enrollment figures for APU)*	2,921
*includes 267 international graduate students	
Affiliate School Students	
Total	6,566

B. Total Number of Alumni (as of March 31, 2010)

Ritsumeikan University	290,170
Ritsumeikan Asia Pacific University	6,314

C. Graduate Degrees Conferred in the 2009 Academic Year

Doctoral Degrees	73
Master's Degrees	963
Juris Doctors	138
Master of Business Administration	38
Master of Public Policy	27

D. Faculty and Staff (as of May 2010)

Ritsumeikan University	
Faculty Members (does not include part-time instructors)	1,129
Professors	690
Associate Professors	237
Lecturers	1
"Ninkisei" Lecturers	21
"Shokutaku" Full-Times Instructors	107
Assistant Professors	73

Visiting Professors (Chair Professors)	58
Ritsumeikan Asia Pacific University	
Faculty Members	224
Professors	61
Associate Professors	39
Full-Time Lecturers	55
Assistant Professors	16
Visiting Professors	53
Affiliate Schools	
Faculty Members	454
Total Administrative Staff in the Ritsumeikan Trust	
Full-time	681
Contract	649
Administrative Assistant	36

Source: Ritsumeikan Trust's official website"

The data above clearly evinces one of the main characteristics of Ritsumeikan Academy-collectivization. To be specific, it owns a series of institutions and schools, ranging from kindergarten to graduate school, with various subjects and a huge number of faculty and student body. After over 130 years operation, the Ritsumeikan Academy has enabled itself to be a weighty education group. It has been gradually growing larger, stronger and more reputable, from a single institution located in Kyoto to a dozen of schools as an influential education group in Japan. As a private entity, the success is in essence relying on the power of capital. The Ritsumeikan Trust, working consistently with societal development and civilian demands, has been flexible in its planning, operations and investment within the education sector. Another distinguished feature is its professionalism only within the education circle, expanding but deepening uniquely with education activities.

Furthermore, one of its subordinate institutions-Ritsumeikan Asia Pacific University will be specially analyzed, which incarnates another distinctive characteristic.

By referring to APU's official website, "with over 100 years of tradition and history, the Ritsumeikan Academy opened APU in April 2000 as Japan's first genuine international university.

The APU campus is a truly multicultural and multilingual environment with nearly half of the student population made up of international students from approximately 90 different countries around the world and an equally diverse faculty.

Furthermore, the unique Japanese/English bilingual education system allows students to develop high levels of language proficiency while also removing the language barrier and making it possible for outstanding young people around the world to study and earn a degree in Japan.

With a mission to develop graduates who can shape the future of the Asia Pacific Region, the University has developed colleges and graduate schools focusing on Asia Pacific Studies with study options towards tackling the complex issues facing the societies and environments of the Asia Pacific region, and International Management providing study options focusing on the dynamic and multinational world of international business.

In this vibrant and multicultural campus environment, students and academic staff work together to overcome the barriers of race, religion and culture towards a greater level of mutual understanding.

Over 6,800 students have graduated from APU and have taken up active roles around the world in the fields of business, politics, academia, regional development and much more."

This absolutely makes clear that APU is an international university, with bilingual English and Japanese teaching system, a pool of international faculty and students, an international operation and service, etc. The international characteristic has given birth to the gene for APU's success or performance to a large extent, which can be supported from my former "Questionnaire about Education & Information and Communication Technology in Education" conducted at APU during 2011 Spring semester. Out of the survey samples, the main reasons why students chose APU were because the characteristics of international environment and multi-language. Plus, the combination of Japanese and English application is unique.

To briefly summarize, the Ritsumeikan Academy has made it a typical exemplar, with a mixture of traits that signifies achievements obtained as a Japanese example for reference.

5. History of China's Education Industry

Tallying with the paper title, in succession with former introduction, the content followed is about the targeted country-China. China has been renowned as a nation with very long history of a combination of various developments in culture, economy, technology, society, etc. The history of education in China can also be dated back to ancient China. Recent great progress can be seen since the founding of People's Republic of China in 1949, especially the initiation of Reform and Opening Up policy from the year of 1978 on.

According to China Connection Tours' website, "education has played an important role in China's long cultural tradition. During the imperial period (221 BC-1911 AD), only educated intellectuals could hold positions of social and political leadership. In the 2nd century BC, the first imperial college was established for educating prospective officials in Confucian teaching and Chinese classics. In ancient times, few Chinese had the time to learn the complicated Chinese writing system and its associated literature. As late as 1949 only 20 percent of China's population was

literate. By 2001 China's literacy rate had reached 70 percent, although literacy levels between the sexes were still unequal. Literacy in China is defined as the ability to read without difficulty. Because it believes, that widespread illiteracy is an obstacle to the modernization of the country, the government advocates educational development. By the late 20th century, the first national objective of popularizing nine year of compulsory education had been realized. By 2000, 85 percent of the school-age population was receiving nine years of compulsory education throughout China. The gross enrollment ratio of junior middle schools was 88.6 percent; and the attendance rate of children in primary schools was 99.1 percent, exceeding the average levels of other developing countries during the same period."

6. Background of China's Education Development

Education, as an activity, a phenomenon, or a process, can not exist independently. In this sense, China's education development is under a certain context, including various factors behind or around. This is because education development has to rely on related foundations or even be influenced. To be in detail, this part analyzes major conditions or elements which influence education industry in China.

6.1 Legislation

Legislation and policies play a fundamental and significant role in countries over the globe, so do China. The legislation or policies can be both positive or negative stipulations, providing stimulative or restraining forces for industry participants to follow.

"Development Meditation of China's Education Industry in 2011" elucidated that "The development of China's education sector is highly affected by internal policy and system environment. By analyzing national policy environment, the following can be found: pre-primary Education has been heightened to a more important status; classified management of private education has been put forward for the first time; the importance and urgency of vocational training has been affirmed on the policy level." (Deloitte 2011)

6.2 Globalization

As written by Overholt (2005), "China has transformed itself from the world's greatest opponent of globalization, and greatest disrupter of the global institutions we created, into a committed member of those institutions and advocate of globalization." Globalization is a popular wave prevailing in the world. This reveals closer relations and interaction for different countries to be faced with. Frankly, globalization makes it a necessity for global players to think and behave with a consideration of this phenomenon, no matter willingly or not, since this is not an issue to be neglected anyway.

With such a big issue, every sector of the society is influenced to a certain extent. In other words, globalization has been changing, either promoting or hindering development. Concerning China's education industry, globalization has brought about both opportunities and challenges, provoking it to be involved in international cooperation and competition.

6.3 Investment

Capital or money plays a magic role in the business sector or even everyone's daily life. Here, the investment, domestic or foreign, refers to both public budget from the government and private input from an individual person or organization.

In China, investment in education can be understood in many distinctive ways such as household investment in their own education or training, governmental investment in education industry for public use, or investors' expenditure in investment opportunities within education sector, etc.

During the past few years, China has witnessed increasingly prosperous education market and investment. In the public sector, "China's increasing investment in its educational system will accelerate the move toward rapid wage growth, higher levels of consumer demand, slowing population growth, and overall economic development, according to a new report from the Manufacturers Alliance/MAPI released June 10. Since the 1990s when China made higher education a priority, the share of graduates from senior secondary schools who continued on in higher education rose significantly, from nearly 50% in 1995 to 75% by 2006". (Selko 2008)

Speaking of the private education realm, "according to the Ministry of Education, there were 579,008 institutions in the education and training industry in 2008, of which 120,526 were private institutions. The courses provided by these private institutions included pre-school, primary, secondary and higher education plus vocational and technical training. Some 37.5 million students were enrolled with these institutions in 2008, of which 8.3 million students were pursuing vocational and technical training courses". (Yeo 2011)

6.4 ICT

Technologies, especially information and communication technologies have been very influential for people, changing lifestyles and living standard, creating new opportunities and experiences.

"China has made great progress over the past 20 years in adopting distance learning and new Information and communication technologies (NICT) to advance education throughout the country. This was disclosed at the on-going Expert Meeting of the Fourth Ministerial Review Meeting on Education for All of the Nine High-Population Countries, which opened here Tuesday morning". (People's Daily 2001) In the education and training sector, various information and communication technologies have been utilized to facilitate teaching, learning, educational management and other related activities. The development and application of educational technologies make a change to different participants in the industry. Indisputably, ICT is now an efficient and effective tool to prosper educational development. Among others, the booming online education, with eye-catching enhancement and prevalence, works as a sound evidence. Especially being in line with the development of mobile Internet. The main reasons of the rise of mobile Internet may include former development of Internet, integrated infrastructure, improvement of various terminals, etc. More importantly, the accretion is definitely consumer-driven, making the wants from the market boom. Visibly, the unification of mobile Internet and education industry has a lot to be envisioned.

6.5 Economy

"In 2010, China's GDP growth was 10.456 percent, totaling US\$ 5,745.13 billion, and is expected to increase 11.79 percent in 2011 to US\$ 6,422.28 Billion. Forecasts for 2015 predict China's GDP to reach US\$ 9,982.08 billion, growing 10-12 percent per year between 2010 and 2015. China's economy is huge and expanding rapidly. In the last 30 years, the rate of Chinese economic growth has been almost miraculous, averaging 8 percent growth in Gross Domestic Product (GDP) per annum. The economy has grown more than 10 times during that period, with Chinese GDP reaching 3.42 trillion US dollars in 2007. China already has the biggest economy after the United States and most analysts predict China will become the largest economy in the world this century". (Economy Watch 2010) These figures have provided a glimpse of China's dramatic economic growth in the past few years.

In view of the education sector, it has been highly influenced by economic development in China. The impact can be analyzed in different aspects. In the first place, rising economy has produced higher fiscal revenue for China to allocate reasonable budget for education input. Secondly, growing economy means better revenues for households, creating more disposable income to be expended in their education and training. Last but not least, increased economy has brought about higher education demands, leading to more investment opportunities in this sector.

6.6 Culture

Culture, although abstract, is an important pertaining factor to be pondered over. Culture is developed under certain circumstances and varies from time to time, from place to place. One thing is for sure that culture does influence people's attitude, judgment and options.

As a nation with a long history, China has its own unique traditions of culture and newly formed characteristics. When it comes to education, Chinese parents often put this issue of their children as a priority. This is evidently true since they tend to pay for not only their children's formal education but also extracurricular courses. Besides, an increasing number of Chinese families send their kids to study abroad even as early as middle school stage. Holding a view of respecting knowledge and education for personal growth and social competition, education issue enjoys its high status in Chinese society.

6.7 Population

Population is another significant issue to be considered. Population, as a complicated and comprehensive entity, has a constitution of elements such as age, gender, social and economic relations.

Education sector, with no exception, is affected by population. Population works on education in different aspects. The number and growth of population, as one of the major factors, decides the scale and speed of education. Besides, the structure, quality and migration also have an impact on education. China is known as the country with the biggest number of population in the world. Its population urges tremendous demands in education service, enabling education prosperity an immense incentive.

7. Current Status of China's Education Industry

7.1 General Situations

Since commencement of Reform and Opening Up policy in China, especially after China's entry into WTO, education industry, as a vivid segment in Chinese industries, has been developing in a fast speed. During recent years, especially due to economic downturn, the education sector has been so eye-gripping for its stability or even active performance in the face of recession, enabling it one of the hottest keywords for venture capital. Along with China's fast economic development, massive urbanization, increasing competition and other meaningful factors, there is a tremendous education market out there.

7.2 Data of China's Education Industry

According to "Statistical Communique on National Educational Development in 2008" (Ministry of Education of the People's Republic of China 2009), "with the unavoidable year-on decrease in school-age population, the number of primary schools and primary-school pupils continued to decrease, while the net enrolment rate for school-age children experienced steady growths. In 2008, on a national scale, the number of primary schools decreased by 19,200 to 300,900; the total enrolments were 16,957,200, falling by 403,500 from the previous year; the number of students at school was 103,315,100, a decrease of 2,324,900 on the previous year. The number of primary-school graduates was 18,649,500, a decrease of 52,200 from the previous year. However, the net enrolment rate for primary-school-age children reached 99.54%; the net enrolment rates for boys and girls were 99.50% and 99.58% respectively, with the enrolment rates for girls 0.08% higher than that for boys.

Pre-primary education continued to develop. The number of kindergartens, the children attending them and the directors and teachers of kindergartens saw an increase from last year. The number of kindergartens nationwide in 2008 was 133,700, an increase of 4,600 from last year; the number of children at kindergartens (including those in pre-school classes) was 24,749,600, an increase of 1,261,300. The number of directors and teachers of kindergartens was 1,032,000, which was an increase of 80,100 from last year.

In 2008, senior secondary schools, including regular senior secondary schools, adult secondary schools, and regular polytechnic schools, numbered 30,806, a decrease of 449 from the previous year; the enrolments stood at 16,491,200, decreasing by 10,600 from the previous year; but students attending school numbered 45,760,700, an increase of 48,580 from that of last year. The gross entrance rate at senior secondary schools was 74%, a significant increase of 8% over the previous year.

Higher education maintained a steady growth. In 2008, institutions of higher education nationwide numbered 2,663, including 2,263 regular higher education institutions, 355 more than the previous year, and 400 institutions of higher adult education, 13 fewer than the previous year. Among regular institutions of higher education, 1,079 were four-year undergraduate institutions, and 1,184 were polytechnic colleges. There were altogether 796 master's-degree-granting institutions in China, including 479 colleges and universities and 317 research institutes.

In 2008 the students who received non-degree higher education of various kinds numbered 2,718,500 person-times, and 4,379,400 students graduated. The students

who received intermediate non-degree education of various kinds numbered 54,480,000 person-times and 65,015,700 graduated.

Non-publically-funded education continued to develop steadily. In 2008, there were 100,900 non-public schools or institutions of education of all types and levels, an increase of 5,700 over the previous year. These institutions had 28,244,000 students on degree programs, an increase of 2,409,000 on last year. Among these were 83,119 non-public kindergartens with 9,820,300 children; 5,760 non-public regular elementary schools with 4,804,000 registered students; 4,408 non-public regular junior secondary schools with 4,284,000 registered students; 7 non-public vocational junior secondary schools with 2,000 registered students; 2,913 non-public regular senior secondary schools with 2,403,000 registered students; 3,234 non-public secondary vocational schools with 2,918,100 registered students and 332,100 non-degree students; 640 non-public institutions of higher education (including 322 independent colleges) with 4,013,000 registered students, including 2,233,000 students on undergraduate courses, 1,780,000 students on polytechnic courses and 267,000 students enrolled in other types of programs. There were also 866 other types of non-public institutions of higher education with 920,200 registered students in all types of courses."

As written by Wan (2011), "according to statistics of financial digital product CVSource, being affiliated with China Venture Touzhong Group, after an investment peak in education industry in 2008 (with 31 financing cases and RMB 0.63 billion Yuan), investment in education industry inmeshed into a trough. Then, in 2010 and 2011, financing cases and scale in China's private education sector presented a rising trend again. Since 2011, financing cases have been 17 in number and financing scale has been RMB 0.25 billion Yuan, amounting to a recent three-year high, respectively 55% and 130% rise in comparison with the whole 2010 year.

In terms of single investment, the average amount of investment into private education sector in 2011 is \$ 14.93 million, slightly higher than that of \$ 10.09 million in 2010. On September 18, 2010, the Ministry of Education released a document "Umpty Utterances on Further Facilitating Development of Private Education", which explicitly stipulated support for private capital to initiate all sorts of education and training institutions in miscellaneous ways and encouraged guiding social forces to in involved in developing education cause in miscellaneous ways. The release of this measurement has enabled investors' gradual heightening of attention to private education sector.

Previously, with the IPO of New Oriental, foreign languages education has been paid attention to by investors; IPOs of ChinaEdu Corporation and Xueda Education Group has led vibrancy of test-preparation education enterprises' financing.

To make a comprehensive survey, during six years from 2006 till now, there have been eleven IPOs in private education sector. Among others, there were four IPOs in 2010, with a financing scale of RMB 0.42 billion Yuan, ranking the maximum value of every year.

From 2006, six years till now, among the eleven listed private education enterprises, there has been nine of them possessing a VC/PE background. On

December 11, 2007, with ChinaEdu Corporation's IPO at NASDAQ Stock Market, UOB Venture Management Pte Ltd. gained 7.39 times withdrawing return; on September 6, 2006, with New Oriental Education and Technology Group's IPO at New York Stock Exchange, Tiger Management LLP gained 6.57 times withdrawing return, both withdrawals making the highest two cases of book value return in private education sector."

8. Case Studies of China's Education Industry

Aiming at further introducing the conditions of China's education industry, some related cases are analyzed from diverse perspectives as follows.

8.1 EIC Group-A Coalescence of Internationalization and Collectivization

Translated from EIC Group's official website in Chinese language, "The EIC Group is a renowned brand in international education domain, dedicating to international educational exchange for 26 years, which is an officially authenticated flagship institution by Ministry of Education of People's Republic of China, with abundant international education resources. It has affiliated three brands of EIC Studying Abroad, EIC Xuefu and EIC Study Tour.

EIC Studying Abroad is an officially authorized student recruiting representative for over a thousand educational institutions in more than 20 countries and districts. It has a possession of authenticated membership qualification from American International Recruitment Council (AIRC), which is globally exceptional. It is an institution authorized in the first batch by Department of Immigration and Citizenship of Australian Government to use "electronic visa" system and also the first agency in the nation representing the Sydney 'Big Eight' elite universities. As the nation's biggest student recruiting agency that is authorized officially by the UK universities and colleges, its students has been pervading first-rate universities in the UK such as University of Oxford.

In November 2011, the EIC Group was awarded a title of 'Enterprises with Best Welfare in China' by Guangzhou Daily. In October 2011, it was named as 'China's Top 50 High Tech & High Growth' by Deloitte.

In addition, projects of 'Studying in France For Free', 'Thorough Train to Study in Germany', etc. have erected a leading footing with the industry. Simultaneously, EIC Group also has the most extensive European and Asian international university and college resources, and is a honored partner in China with Singapore Education of Singapore Government.

EIC Studying Abroad has a possession of senior expert teams for studying abroad, advanced video conference facilities for students' 'zero distance application', years of 'zero complaint' service record and high recognition from the media and public institutions.

EIC Group has held annually three terms of large scale international education group exhibition setting the direction for students to study abroad; and it has held many international education exhibitions of special subjects successfully with embassies of the UK, Australia, Canada and America to China, international language testing institutions of IELTS and TOEFL, having established face-to-face

communication platform for both tens of thousands of students and overseas institutions.

In order to serve numerous overseas students better, EIC Group also extended overseas service, establishing branches in the UK, Australia, Canada and enabling students to feel familial warmth even abroad.

EIC Xuefu, founded in 1997, is an affiliated international languages training institution with EIC Group. Since its establishment, EIC Xuefu has been dedicated to tests training for going abroad such as IELTS, TOEFL, SAT, SSAT, GRE, GMAT, PTE, etc. Nowadays, EIC Xuefu has established training centers in cities such as Beijing, Guangzhou, Jinan, Shenzhen, Zhuhai, Changsha and it will expand to serve more students with quality training service.

The EIC Group has committed itself to building a truly international education service network, providing professional services according to students' demands. Now, EIC Group has established branches abroad, forming a all-wave stereoscopic system for customers with educational services of international education information, overseas study application, pre-abroad language training, internationally cooperative curriculum, overseas follow-up service, education exhibition and so on."

It is obvious that internationalization and collectivization are probably the major characteristics of EIC Group. This is sufficiently testified by its distinctive particularities of leading orientation, extensive coverage, various services, large talent pool, international cooperation and so on. The peculiarities of internationalization and collectivization have made it more competitive in China's education market. On the one hand, internationalization creates growing branding and reputation; on the other hand, collectivization leads to reduced cost and enhanced strength. The EIC Group works as a typical paradigm in China's education sector, producing a huge potential for further exploration and deepening.

8.2 Shanghai Hujia Cultural Transmission Co., Ltd-An Integration of Informationalization, Entertainment

According to Hujiang's official website, "operated by Shanghai Hujia Cultural Transmission Co., Ltd, Hujiang Network (www.hujiang.com) is the largest portal for foreign languages study in China, providing a full set of digital education services such as nationally leading portal medium of foreign languages, B2C e-commerce, Internet SNS study community and foreign languages study tool.

Hujiang Network was established in 2001 and began corporate operation since second half of 2006. During a short ten years, Hujiang has grown from its starting with RMB 80,000 Yuan and 8 staff to a reputable large network enterprise with hundreds of employees and over RMB 1 billion Yuan market value. Now, Hujiang Network has become a web-based digital education platform for online language learning, communication, information and services, which is in possession of sub-websites such as English (en.hujiang.com), Japanese (jp.hujiang.com), French (fr.hujiang.com), Korean (kr.hujiang.com), Spanish (es.hujiang.com), and famous digital education platforms such as a multi-language online dictionary Hujiang Little D (dict.hujiang.com), a SNS community Hujiang Buluo (buluo.hujiang.com), an online study center Hujiang Network School (class.hujiang.com). Hujiang Network has had

0.2 billion users and 10 million members, covering all ages. Huijiang website's a thousand volume of registered users in the respect of English is triple the scale of the No. 2. It has transcended all other rivals' summation of registered users in the respect of Japanese Language. Huijiang Network has a fairly large scale of overseas users, having certain international influence. Simultaneously, it has obtained multiple investment from several venture capitals home and abroad, possessing abundant fund."

In addition, Huijiang has also developed mobile terminal to serve its users, which is in accordance with the rising demand from the public.

Strikingly, Huijiang Network is highly attractive since its grasp of Internet users' habits. It has a great many of functions for entertainment such as giving away a virtual currency called "Huyuan" as gifts, providing community design, utilizing network cartoons, supplying peer communication tool, etc. With the increase of Internet users and mobile Internet users, Huijiang could obtain continuous attention from tens of millions new learners and also sustain former users in terms of its interest and value.

In all, Huijiang Network has been a mixture of different features such as informationalization and entertainment. The adoption of purely Internet and mobile Internet enables Huijiang to convey their foreign languages learning materials, sell education-related commodities, promote online advertisements and so on.

9. Analysis of China's Education Industry

9.1 Characteristics of China's Education Industry

Based on former explanation of the status of China's education industry, this part is going to generalize some of the major characteristics for thorough understanding.

(1) Start-up Period

On the basis of the facts above, it is apparent that there is not a high educational marketization in China. At present, although the number of non-public schools and institutions has mounted to over 100,000, those who lead in a certain sub-category of education industry or have a scale of more than RMB 1 billion Yuan are rarely seen in China. By comparing with developing stages and renowned groups in other developed countries, China's education and training industry is undergoing a start-up period.

(2) Fast Development

Out of tremendous wants from the market, even during world economic downturn period, China's education industry is developing in a very fast speed, going against the challenges and plights of the overall economic environment. According to "Development Meditation of China's Education Industry in 2011" (Deloitte, 2011), with further economic development in China, China's education market is continuously heating up. Deloitte expects that the scale of China's private education market will have arrived RMB 550 billion Yuan by 2014, with a composite growth rate of 15%.

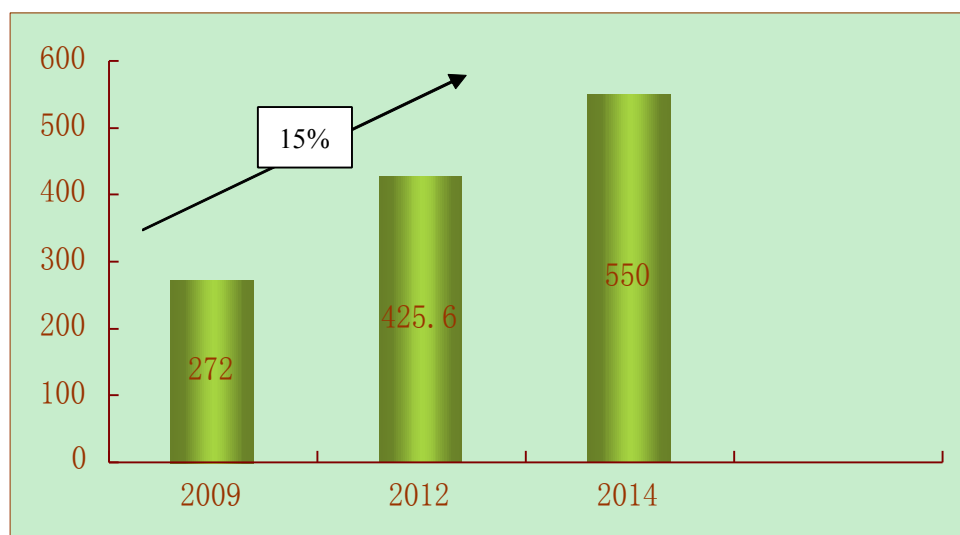


Figure 4. The Scale of China's Private Education Market (in RMB billion Yuan)
Source: Deloitte 2011

(3) Enormous Potential

There will be enormous potential for development of education industry in China. This judgment is based on a series of factors. To name a few, population-based wants, economic support, cultural emphasis, intensive rivalry are among the major reasons to back up future development in this field.

(4) Subdivided Market

Within China's education and training industry, it can be categorized into different parties or sorts. In other words, the internal developments are disproportionately distributed. In view of subjects, there are subcategorized sectors such as foreign languages, IT, officials, jurisdiction, management, arts, sports, etc. Referring to differentiated stages, the industry is divided into realms such as pre-primary education, extracurricular coaching for primary and secondary students, higher education, adult education, senior education and so on. Even the well-recognized education group-New Oriental, although possessing a wide range of coverage, is not strong enough in several different subcategories. Looking from the market perspective, the competition among massive players is indeed fierce, producing challenges especially for small and medium enterprises.

(5) Branding and Enlargement

As a typical service sector, educational institutions have to build up their reputation and image for sustainable development. Hence, it is no wonder that branding is highly emphasized. Out of economics point of view, in order to gain a scale effect, an increasing number of institutions or schools continue to expand their spectrum or deepen exploration in a specific scope. So, the education market is more apparently expected to be with broad mergers & acquisitions, collectivization, and frequent IPOs.

9.2 SWOT Analysis of China's Education Industry

In this part, SWOT analysis-a famous strategic analysis method is adopted to observe China's education industry both comprehensively and thoroughly. That is to

say, China's education industry is divided into four discrepant fractions: strengths, weaknesses, opportunities, threats. The former two deal with factors within China's education and training industry itself, and the latter two elaborate those elements that are outside the industry but exert an impact on it. The outcome is to be utilized as a comparison among these four integrants to understand the general situation of driving forces or impeditive ones.

(1) Strengths

Basic education, paid enough attention to by the government, has been growing increasingly to cover more children and teenagers in China. Concerning another aspect, the quality of basic education can be represented by students' mastery of Chinese language, computing ability, etc. This is in line with the literacy ratio, which is rising continuously.

The number of teachers in China, in both education and training sectors are large, most of whom work diligently for excellent performance in cultivating students. Simultaneously, there are a lot of researchers dedicated to researching education-related themes, enabling theoretical support for enhanced education quality.

Comparatively speaking, the price for education or training service in China is relatively low, enabling tens of millions of households to be able to afford the expenditure.

The number of schoolage students is huge, with urgent education demands. Generally, Chinese students' learning ability and their test proficiency are well recognized.

The examination system in China is relatively equitable, especially in view of so vast number of students and so extensive area distribution.

(2) Weaknesses

Speaking of the governmental role, fund input into the education and training industry has not been sufficiently satisfactory. This is particularly true due to the ratio of education financing over economic surge in China in the past decade.

Teaching style in China is not in consistence with the market demands. The stereotype of teaching ideas and approaches make class teaching and learning rigid, which is prevalent particularly at public schools.

There is an irrefragable truth that career planning is still not a leading incentive for Chinese households and students themselves. So, it has become a regrettable issue not only for students' personal development, attainment, but also a dissipation of public resources as a whole.

(3) Opportunities

With respect to exterior factors, there are arresting incentives for future development of China's education and training.

As the most populous country in the world, the population base is beyond comparison. In addition, regional disparity in China is an apparent fact. So, these two fundamental impetuses have created chances for education to boom.

The ongoing and steady economic growth lays a solid foundation for China's education market to be more formidable. In other words, economy provides education and training with necessary corporeal backup. In the mean time, stronger economy

renders Chinese citizens to own greater disposable income, which is essential for their educational expenses.

As depicted former in the paper, some key traits that China's education industry possesses have been attracting private equities and venture capitals from both domestic and abroad. Such an enormous tide inevitably stimulates educational market to be more mature, educational institutions to become increasingly powerful and reputable, etc. The power of capital has accelerated the growth rate of overall evolution of the sector.

Since quick changes of new technologies, an increasing number of staff and students feel under pressure. Students tend to learn outside their classroom to pursue a professional certificate and staff prevalently would like to elevate their management skills or specific expertise. These furnish potential market for professional education.

(4) Threats

Embracing opportunities is not saying a need to neglect threats ahead.

Internationally speaking, China has been challenged in the respect of education and training. For example, more parents tend to send their kids to study abroad for better environment, quality, opportunities and so on. Reversely, ever fierce competition has been produced by international magnates. It can be foreseen that more Chinese educational enterprises are to be acquired by foreign conglomerates because it is in process even now.

From a microscopic view, it is far more challenging for start-ups, small and medium enterprises to differentiate from ever powerful rivals. At the same time, the cost consumed will definitely be increased, making them more in a worsened plight.

<p>Strengths Satisfying basic education Massive and diligent practitioners Relatively low price Huge student number and market needs Relatively equitable examination system</p>	<p>Weaknesses Unsatisfying public input Inequity of education resources Rigid teaching style Lack of career facilitation</p>
<p>Opportunities Colossal population base Steady economic growth of China Increasing power of private investment</p>	<p>Threats International rivalry Fierce competition especially for SMEs</p>

Figure 5. SWOT analysis of China's education industry

After the display of both sides of China's education industry, the key point lies in the possibility and feasibility of resolve problems about weaknesses and threats. Firstly, fund input from Chinese government is becoming more sufficient with societal appeal, governmental decision-making, etc. Secondly, in persistent process of urbanization in China, plus pervasion of ICT, the gap between coastal and inner, developed and developing, urban and rural areas will be abridged. Moreover, rigid teaching style is being challenged from the public, securing stronger motivity to make innovations. Generally speaking, rigid teaching style can be noticed more in public

schools, which is posed threat from private schools for their agile teaching approach. Lastly, career facilitation is a more popular topic than ever before since an increasing number of households, both parents and students, begin to regard design of the students' life and future.

Consequently, along with numerous merits, it is evident that adverse powers are overwhelmed by beneficial forces as for China's education and training industry. This is to convey that there will be incentives and potential for future development on the basis of the former edges illustrated. In this sense, enormous investment opportunities are out there for exploration by potential or current investors.

10. Future Development of China's Education Industry

On account of the contents analyzed above, a bright future of China's education industry can be expected. To be specific, this part will be separated into two segments to describe future trend and investment opportunities of China's education industry.

10.1 Future Trends

(1) Lifelong Education

As can be inferred from the term, lifelong education looks at education from a person's lifetime perspective. That is to say, lifetime education should be a combination of school education, social education, formal education and informal education.

In view of personal development, lifelong education is a necessity for an individual to grow and mature. It is widely accepted that school education is needed. However, as long as society, technology change, there is a need for any individual to further studies even after school education period. Continuing learning will benefit people's development in the long run. Individual development through education makes it really humanitarian since they could better enjoy a decent life.

From society point of view, every citizen's growth based on education can be generalized and summarized to fulfill social needs. That is to say, people's development accumulated will produce social benefits, making environment and situations more favorable. Such an outcome can not do without people's development in general. In other words, lifelong education originates partly from social demands.

To connect both people and society, lifelong education needs to harmonize relations between the two. On one side, people's development gives rise to a more civilized society; on the other side, an enhanced society could raise people's attention, involvement and efforts in terms of their lifelong education.

(2) Capitalization

As explained in former content, there are a series of attractivenesses of education and training industry in China such as good cash flow, sound profit, vast market, anti-recession and so on. This is no wonder why an increasing scale of private equities, venture capitals and other investors coming into China's education industry. Although weak points should not be neglected, the strengths are more prominent. To name a few, investment and capital have facilitated private schools or institutions to expand their financing channel and have elevated efficiency and management level of the industry. Also, the power of capital has enabled a dozen of educational corporations to go

public. Along with huge demand from Chinese market, it is quite reasonable to anticipate that there will be an amazing potential for capitalization of China's education sector.

(3) Internationalization

Educational internationalization goes abreast with globalization, which is an apparent trend in the world.

The internationalization of education refer to diversified angles, perspectives and ideas such as internationalization of education practices, international cooperation, internationalization of teachers and so on.

From education enterprises' point of view, internationalization offers them a global market, business and development opportunities. They are urged to think and behave consistently with the trend of educational internationalization. Of course, this also means that these Chinese companies have to rival against international competitors.

Considering households and students, the internationalization process has provided them with enormous high-quality educational resources and choices. The horizons are not only confined within China, but also around the world. Naturally, the ongoing process will definitely motivate more and more Chinese students to study abroad. After graduation, they can become increasingly international with broader visions.

(4) Informationalization

The 21st century is said to be a time of knowledge economy, which relies on the development of education. With the facilitation of ICT, education is expected to be far more important and prominent over the globe. Talking about China, there are several aspects to analyze.

On the national level, the country of China is making progress in terms of information infrastructure, formulation of informationalization policies, budget for research and development. In essence, the strategic choice comes out of societal needs and replies to future challenges.

For education providers, the surging effect of ICT poses incentives to those who deal with education services only in the traditional way. In other words, they are obliged to be involved in the building up of their utilization of ICT to be better adapted to competition. Also, active corporations with sound ICT functions need to further innovate in order to sustain a leading edge in the market. More importantly, the adoption of any technology is subordinate to serving people's demands in education and learning with pleasing customer experience. Of course, when they do business with a thinking from the education perspective, it is more urgent to simultaneously consider educatees' feelings on their websites or applications. Plus, there will be new business models produced with the backup of developed technologies. Especially with the rise of mobile Internet, education can also become more social, local and mobile, creating amazing entertainment and outcome for technology users.

When it comes to individuals, using ICT for studies is far more important than ever before. It is no exaggeration that ICT utilization should be one of the most

significant tools and approaches for current and future human to keep pace with the society. Indisputably, they stand a great chance to anticipate increasingly better experience in the future when they enjoy their education and training supported by enhanced technologies.

(5) Professionalization

Professionalization of education is consistent with division of work of the society. Or to be more specific, demands from society categorization urges the education sector to reform for synchronization.

In the education market, education enterprises are confronted with fierce rivalry from competitors and ultimately limited market share, so they feel urgently necessary to focus within a subcategorized sector such as pre-primary education, English, IT or professional certificates. With such a process, an individual company tends to be thoroughly engaged in its education business. As for consumers, it is a good news out of sufficient competition among market players, producing less payment and higher quality. So, no matter objectively or subjectively, there is a rising trend of professionalization both in China and the rest of the world.

(6) Collectivization

Looking from a distinct perspective, along with a trend of professionalization, there will be another trend of collectivization. This means, especially for those who lead in a certain or some subcategories, larger scale and stronger strength.

In this sense, effect of scale and reduced risk can be obtained by the orientation to be larger, involving in more segments of education business. Although there is no conglomerate in China can nip and tuck with other education groups in the world, bigger giants could be expected in the future.

Furthermore, collectivization of education enterprises will lead to more mergers and acquisitions both domestically and internationally. In the mean time, market competition will be constantly cruel. This is not too pessimistic for big companies currently, but really a threat to small and medium firms. Therefore, start-ups and weak firms have to pursue a differentiated business model or to initiate a blue ocean strategy.

(7) Entertainment

Pondering over education to be entertaining seems to be weird, but truly it originates from market needs. Having a glimpse of entertaining education, it is a process of using all sorts of tools to make fun when education is conducted. In essence, this is not about entertainment itself, but a combination of both education and entertainment, leading to joyful experience for educators and educatees.

With facilitation of technologies, psychology, education can be transformed to a more vivid and pleasing stage. This transformation will enrich teaching and learning contents, ameliorating education forms, harmonizing relations between teachers and students, boosting education outcomes and performances.

Hujiang, as analyzed formerly, not only makes studying more favorable, but also cultivates immense viscosity to its website and applications. Such a trend is going to be further quested since education should not only be formal and solemn.

To generalize future trends of education industry, these directions may not be

sufficient. These trends will probably intercrossed, overlapped, etc. And related research is in need of expansion, intensifying and deepening. Consequently, the future needs practitioners of education and training industry to explore.

10.2 Recommendation for Investment

(1) Pre-primary Education

As depicted before, China's pre-primary education has a huge potential to grow. This roots from insufficient fund, disproportionate allocation, unbalanced teachers, laggard pedagogics and so on. So, there will be plenty of investment opportunities in this sector. In fact, the main models or forms include kindergartens and pre-primary training. The former is the traditional institutions for kids to have a comprehensive and fundamental enlightenment. The latter, operated mainly in extracurricular time, focuses more on a specific specialty or progressive pedagogy. In order to maximize revenue and output, a sound choice is to commingle both models, utilizing respective strengths.

(2) Extracurricular Training for Primary and Middle School Students

It is a high consensus that Chinese parents often hope their children will have a bright future. And this results in their fervid expectations from their children's exam scores. Though the exam-oriented education style has been criticized and reformed for years, there is still a prevalent phenomenon that primary and middle school students are sent to training schools. More often than not, parents have not enough confidence in their children's high marks in exams if without any training outside schools' formal study.

It is no wonder why this market segment is so popular among investors. Even in this case, there is much space for development to meet customer needs. Firstly, with spreading technologies, it is worthy of keeping a watchful eye on ICT-facilitated training within this sector. Moreover, individualized teaching model will become more popular with students, resulting in more targeted performances.

(3) Continuing Education

The term of continuing education treats education from the perspective of lifelong education, which refers to the period after traditional school education. Continuing education works as a facilitator for people to land a job, realize promotion or gear up career expansion. But the fact is that China's society takes diplomas more seriously, leading to less developed market.

Learning from experience of countries such as America, Germany and so on, continuing education has a lot to exploit. This is an inevitable tendency for staff to embrace future challenges and competition. Education providers in the potential market should design and operate specifically for career facilitation. Besides, curriculum schedule should be of flexibility to fit into practitioners' free time.

In addition, the popularization of both Internet and mobile Internet will definitely give rise to tremendous opportunities for investment. Innovation will be lastingly significant in business models, operations, marketing and other functions. So research and development of ICT-facilitated applications, services and businesses will be of boundless potential.

11. Conclusions

The soul of the paper is awareness of issue. In consistence, research questions have been put forward such as: what is the background of China's education industry? what is the current status of China's education industry? how about future anticipations of China's education and training? and what investment opportunities will be out there in the future?

In order to conform to awareness of issue and answer these research questions, this paper discusses China's education and training industry and its future development. In the beginning, some directly related former research of different authors is referred to for bringing about basic ideas. Global and Asia Pacific education and training industry is also introduced to exhibit current conditions as reference. Also, history and background of China's education industry is introduced to get to know the general context, laying foundation for thorough understanding. In the middle, it mainly deals with current status, case studies and SWOT analysis. This part analyzes today's situations and characteristics of China's education sector. On the basis of these analyses above, the finding is that there are both positive and negative issues of China's education and training industry, with the upside prevailing. For this reason, there will be a tremendously potential future for China's education scope to grow for. In other words, substantial investment opportunities will be available for domestic and international investors to make use of. So, three advices for private investment has been provided, including pre-primary education, extracurricular tutoring for primary and middle school students and continuing education sector.

Actually, the future development of China's education and training industry has to be testified in the future. Suggestions made in this paper for private investment are probably only a segment of the education and training market, which needs to be further observed and researched. ICT-facilitated education and training has been referred to but truly needs more research and practice to optimize education and training industry and maximize investment returns.

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