

International Students- the New Underclass

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Chris Sorensen's *The New Underclass* was published in the Mclean's magazine on January 16th, 2013. The article discusses the rising problem of university graduates being unable to gain a promising future equal to their studies. It follows the stories of young degree holders who end up in entry-level work unrelated to their majors and failing to provide rewards that equal the time and money they devoted to their education. There are many causes of this problem. However, the driving force is the widely shared belief that human capital theory – that is, one's human capital, especially education – is directly related to one's career prospects and success. Though the theory itself may not be widely known, its values are deeply engrained in the public mind. Children in the 21st century are raised to view academic excellence as the gateway to a successful future. However, not only does this article fail to reflect reality; the situation is actually getting worse. With the influx of international students, a “new underclass” of youth underemployment is now impacting both the local Canadian and international labor market.

Over recent decades, a growing number of Chinese international students have appeared on western campuses. This was caused by a series of changes that occurred simultaneously in China and the West. In Canada, government policies after the 2007 global financial crisis centered on boosting the economy. These included opening immigration to economic investment and reducing government funds for higher education. These changes created a new demand for international students. Their tuition would replace cut funding with higher tuition paid, and their family wealth would buy capital, such as houses. These changes favoured the Chinese, as the past decade marked a period of significant economic improvement among middle-class families. As well, their cultural emphasis on education made them a perfect fit for Canada's needs.

Since the One Child policy of 1979, Chinese parents have placed high hopes on their only child. In a collectivist culture like China's, all resources are put in building the child's human capital, not only to improve their future but also to save face and build family pride. In the early 2000s, with increased trade, real estate success and money laundering, investment immigration meant an ideal chance to spread Chinese wealth abroad. At the same time, in 2001 *Harvard Girl Liu Yiting* was the most widely-sold book in China. The story described how normal working parents raise their child from birth to be accepted by the most prestigious institution in the world. This fed the belief that a Western degree is the highest sign of excellence. Thus, the increased openness in Western universities let Chinese parents use their newfound wealth educationally and help their child amongst the national competition. This ambition has intensified since 2013. Today, international schooling is no longer a privilege for wealthy families but is seen by middle and even lower income families as a natural step in their child's education.

The flow of investment into the Western market and the profusion of Western degrees has affected the world adversely. Its impact extends from students and families to the public as a whole. Similar to those depicted in *The New Underclass*, most international students are seeking degrees that ‘promise’ high paying jobs. Therefore, their arrival in the West adds to the pre-existing mismatch in the labor market. The competition with domestic students grows fiercer. As well, the family's investment in real estate affects the local residents' ability to afford homes. According to UBC geographer Daniel Hiebert, based on 2006-2011 data, New Chinese immigrants' homeownership rate was up to 73%, creating the greatest ever rise to market prices. Worse still, most of these houses are not for living in but for investment. Thus, wealthy international students and immigrants are increasing social and economic inequality in Canada.

Though their presence adds to local dissatisfactions, the situation is worse for the Chinese students who return to China. As Western degrees become more common, they lose their original value, reducing their competitive advantage each day. According to the South China Morning Post, the average salary for overseas graduates dropped to RMB 6000 (\$1000)/month in 2017, approaching the salaries of graduates educated locally. The lowest salary was RMB 3500 (\$580)/month, seen as horrific when compared to the fortune spent abroad. Most students have to pay an average annual cost of \$50,000 (RMB300,000) on tuition alone – four times more than their expected annual salary. With a normal office job, graduates may never be able to pay off overseas costs, let alone support their attuned lifestyle. The result is that these students will feel discouraged and shamed.

To finish, the reality is that human capital theory clearly fails to meet its promises. The greater the investment in a person's human capital, the higher his or her dissatisfaction, it seems. This is because input translates into expectations. The core of the conflict is the flawed assumption of the theory that equal opportunities arise out of one's human capital. Expectations caused in this way can never be satisfied, as the world is governed by social beings, and works on deep-seated relations. Truth be told, one's cultural capital also plays a major role in the success equation. Often, credentials can only help a candidate qualify for a job. The chances of getting the job depend on the connection one has and the impression one makes. Especially with the rapidly changing nature of the work, behavioral competencies often carry more weight than human capital for meeting demands of the workforce.

This is not to say that education no longer has a value, as learning is how people and society can progress. The critical point, however, is that higher education – to avoid losing its prestige – should return to its focus on the essence of true brilliance. Institutions should not be raising graduates who are blinded by the pursuit of money or power, but graduates who wish to contribute to their local and world communities.