

**CCG Report**

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## Seize Timing of USA Tightening Restrictions on Immigration

**Adopt More Open  
Policies to Attract  
International Talent**



### Foreword

It is undeniable that the US immigration system has made great contribution to its rise as a superpower and global leadership. With this system, the United States was able to tackle the talent shortage by issuing temporary work visas but without allowing “Temporary Residents” to turn into “Permanent Residents” that will have a negative impact on the domestic labor market. In addition, the US government issues green cards to keep top experts and extraordinary talent of all areas in the United States. This immigration system does not only meet the US demand in the development of all sectors, but also helps America to recruit the best talent out of seven billion people in the world.

Since the Sept. 11th terrorist attack, the US government has tightened up immigration policies, and the situation was even exacerbated by the financial crisis afterwards. After President Donald Trump was sworn in, he rolled out more policies against globalization and focused on America’s interest. The US President believes immigrants are a key reason for terrorism that threatens the US homeland security and also for the unemployment problem. On January 27th, 2017, President Trump signed an Executive Order titled “Protecting the Nation from foreign terrorists entry into the United States” (the so-called “Muslim ban”). The measure prohibited for a period of three months the entry into the US of citizens from seven countries. The ban halted the Refugees Admission Program for 120 days, and suspended indefinitely the reestablishment in the USA of a Syrian refugee program launched by the Obama administration. Besides, the US media revealed that Trump government also intended to issue a decree to cancel the H1-B Visa Lottery system that prioritizes foreign students graduating from the US higher education institutions. The Draft Decree also was reported to revoke the Obama administration’s policy to extend from 12 to 36 months the STEM OPT (Optional Practical

Training for students with Science, Technology, Engineering and Mathematics degrees). These new immigration policy measures encountered strong opposition both at home and abroad, especially the science and technology community. Even though the American Federal Judiciary has blocked the “Muslim ban”, Trump’s attitude against globalization leads us to believe that the restrictions on immigrants might still be enacted one day in the future.

On the contrary, China is currently reforming the immigration policies with an aim to establish a more open and flexible system to attract international talents. In December, 2012, the Organization Department of the Central Committee of CPC, the Ministry of Human Resources and Social Security and other 25 government agencies jointly issued the “Administrative Measures on Entitlement of Foreigners with Chinese Permanent Residence”. In June, 2015, the Ministry of Public Security expanded the fields in which foreigners who apply for a Chinese Permanent Residence (Chinese Green Card) can work, based on the regulations of the “Measures for the Administration of Examination and Approval of Foreigners’ Permanent Residence in China”. Since then, Beijing, Shanghai, Fujian, and Guangdong, among other places, adopted new policy measures for the issuance of visa and residence permits to foreigners, to build a more open and flexible environment for them to live and work in China. In March, 2016, Zhongguancun became the first area to pilot the 20 new entry and exit policies for foreigners adopted by the Ministry of Public Security to support mass innovation in Beijing. These measures are expected to make it easier for foreign talent to enter and exit China to start their own business.

On Feb. 6th, 2017, the central government made a step forward in the immigration policy

reforms and required the effort to improve the permanent residence permit system, as it is required by the national talent development strategy.

The recent US policies that impose more restrictions on immigration is closing the door to many international talent. However, America’s loss could be China’s gain. China can seize the opportunity to attract more outstanding talent to tackle the problems of its aging population and to find more resources for its development initiatives, such as mass innovation and “One Belt, One Road”.

## **Proposals to improve China’s immigration policies**

The Center for China and Globalization (CCG) proposes 10 measures based on its long-term research. The goal is to build a more open, inclusive and flexible system to improve China’s global competitiveness to attract international talent.

### **(1) Loosen permanent residence permit conditions**

The 20 new entry & exit policy measures formulated by the Ministry of Public Security have been piloted in Zhongguancun, Beijing, since March 2016. The goal is to attract foreign talent and overseas Chinese returnees to work and launch business in Beijing. By the end of 2016, around 155 people have been issued the Chinese “Green Cards”. China is gaining an upper hand in selecting and recruiting the best international talent in the

world. But, there remain shortcomings in China's permanent residence permit policies that need to be addressed.

First of all, the fields where the applicants for the permanent residence permit are allowed to work are still narrow, although the "Regulations for Foreigners with Permanent Residence in the People's Republic of China" already expanded these fields, allowing foreigners who work in China-based private companies and public institutions or work in Chinese companies and institutions abroad to apply the permanent residence permit.

Secondly, it is suggested to reduce the time length for which foreigners are required to stay in China before they can apply for China's green card. Nowadays, the requirement is that applicants need to spend at least three months in China altogether within one year, or at least spend one-year time altogether in China in the past five years. This requirement should be loosened to make more foreign talent eligible to apply.

The third issue is about the large number of documents required for the application for permanent residence permit. Nowadays, the applicants are required to provide medical certificate, criminal record in their own countries, and many others. We suggest to allow more hospitals to issue medical certificates to foreigners in China and facilitate them to obtain criminal records without leaving China.

## **(2) Reduce time required for China's Green Card issuance**

The Chinese government has been urged to simplify and shorten the procedure for permanent residence permit application, as the lengthy process is already a major barrier

that prevent many international talent from applying for China's Green Card. While it is allowed in the United States to issue Green Cards to foreigners even before they land in the country, China Green Cards can be only granted to those who have already been in China for a certain period. This rule can benefit foreign talent already settled in China, but won't help attract those who reside abroad to come to China and start business.

CCG proposes to allow foreigners who are interested in business start up in China to apply for permanent residence permits directly from their country. It is also recommended to simplify the entry and exit process for the foreigners working in China and improve their benefit, such as life insurance, medical services, and education for their children. This would help make China their top choice of working and living abroad.

## **(3) Establish a system to turn permanent residence permit into Chinese Citizenship**

Currently, foreigners can only be naturalized as Chinese nationals through family relationships. There is no policy or regulation that makes other approach an option.

To help qualified foreign talent stay in China for as long as possible, CCG suggests to make it an option to become Chinese citizens for the foreigners who already have obtained permanent residence for a certain period of time, even if they still maintain their original citizenship. For example, a policy can be adopted to allow those foreigner who have China's Green Card and have spent three-year time altogether in China in the past five years without any unlawful activities to apply for citizenship.

#### **(4) Lower the bar for foreign students to enter China's job market**

According to current regulations, foreign students who possess Master's Degrees or within one year after graduating from a Chinese university or a foreign elite university can apply to work in China. This regulation has barred many young foreign students outside China. In 2015, there were 184,799 foreign students who obtained a degree in China, among whom only 53,572 had a Master's Degree or a PhD, or 29% of the total. As a result of the policy, over 70% of the foreign students studying and graduating in China are not eligible to apply for work permit, even though they have been in China for more than four years and already acquired sufficient knowledge about China. So CCG proposes to set up a more flexible system to allow foreign students to get working visa.

The first suggestion is to loosen the requirement on the education level of the foreigners who apply for work visa in China, and to allow outstanding foreign students who have obtained at least a Bachelor's Degree to enjoy a two-year working visa. It is also important to build an effective link between working visa and student visa.

The second suggestion is to scale up the pilot programs in Zhongguancun to welcome foreign students graduating from top Chinese and international universities to come to China for their internships.

The third suggestion is to set up an "Internship Program for Global Outstanding Students", providing international students internship opportunities in China.

In 2015, President Xi Jinping said at the Asia-Africa Summit that China would send 100,000 Chinese to other Asian countries and Africa in the next five years to strengthen

bilateral relations. China would also like to invite 2,000 students from other Asian countries and Africa to visit China. We propose to allow all the outstanding foreign students graduated from Asian and African countries to apply for internship visa in China, which can be valid for half-year or one-year. After graduation.

#### **(5) Improve effectiveness of working visa for foreign students**

In the United States, the demand for work visa always exceeds the supply. Therefore, the Immigration Bureau adopted a Visa Lottery system. The 1H-1B work visa processing time is usually between six and nine months, with a high success rate.

As opposed to the American system, China does not allow foreign students whose education level is lower than PhD to apply for work visa, because they may not have relevant work experience. This rule leads to the loss of many excellent foreign students who are educated in China after graduation, and also discourages more foreign students to choose China as their top destination to receive international education abroad.

CCG proposes to simplify working visa issuance procedure to allow outstanding foreign students with professional skills to stay in China after graduation. It is also important to allow those who may have no relevant degree but advanced skills to stay in China to gain work experience. A system should be established to allow work visa to turn into Green Card before it expires. The inflow of more foreign talent can help China to upgrade industry and improve innovation, from "made in China" to the "created in China".

### **(6) Build systems of Chinese ethnic card and overseas Chinese identification certificates**

CCG suggested to build a system of issuing identity cards for foreign citizens with Chinese origins. According to the State Council's "Opinion on Strengthening the Administration of Permanent Residence Services for Foreigners," there needs a channel for the people who have long lived in China and even once have Chinese citizenship to apply for permanent residence permit. By doing so, overseas Chinese can be brought closer to the motherland. Those of them who come to China to start their own business in innovation or have a Bachelor's degree or above should be allowed to apply for "Chinese ethnic Card" and gain Permanent Residence.

The second suggestion is to build a system to issue Overseas Chinese Identity Certificates. Overseas Chinese have Chinese passports, but cannot apply for ID cards with a citizenship number. Therefore, they have to go through a lot of trouble going back to their hometowns in China. The issuance of Overseas Chinese Identity Certificate can be a solution.

### **(7) Build social security system in align with international standard for foreign talent**

Social security remains a headache issue for foreigners in China. CCG recommends to set clearer rules for foreigners' insurance benefits, and to accelerate the procedures to gain recognition of the insurance from other country.

China has already signed mutual agreements with some countries such as South Korea and Germany that they can recognize each other's social security insurance. But the number of

such countries needs to be increased.

CCG also suggested that foreigners who have paid social insurance for several years in China should be granted a proportionate social insurance before they go back to their homeland for retirement.

### **(8) Formulates immigration law and complete building of institutional system**

Currently, there are only three major laws in China with regulations on immigrants: the "Foreigners Exit and Entry Administration Law", the "Rules for the Administration of Employment of Foreigners in China", the "Regulations on Examination and Approval of Permanent Residence of Aliens in China". In order to attract foreign talent, China needs to further strengthen immigration law and expand its to also cover the affairs about foreigners' employment and life in China.

### **(9) Set up immigration bureau to optimize administration and services**

As international migration accelerates, China has already started setting up its own immigration office and preparing specific rules for the management and services in such an institution. However, the pace is too slow to catch up with the rising demand for immigration management.

Therefore, CCG believes it is important to accelerate the establishment of an immigration bureau and integrate various functions to create a more efficient and unified system to handle all immigration-relevant affairs.

As for the second suggestion, the Immigration Bureau, once established, should carry the

function or even play a leading role in attracting foreign talent, as the executive arm of the Organization Department of the CPC to handle all the relevant issues and establish an international talent information system for research and data management.

The third suggestion is to strengthen the Immigration Bureau's function in immigrant protection and integration. It can protect their safety and properties and establish integration centers to provide language training, cultural exchange and career services.

The fourth suggestion is to innovate the management of foreign workers services. One of the key measures is to improve foreign talent information system that contains the lists of foreign talent, their employment and residence. Using Big Data and the Internet technology, it is possible to set up a tracking system for foreign workers and enable information sharing among the Ministry of Public Security, the Ministry of Human Resources and Social Security and other relevant departments.

### **(10) Promote policies and measures to attract foreign talent**

China is the biggest developing country with the largest population. It has become a highly debatable issue whether or not China needs more foreign talent. Undeniable, the inflow of more foreign talents in China to start business and work on innovation can bring great benefit for local economy and employment.

Therefore, CCG believes it is crucial for the governments at all levels to collaborate with other stakeholders to promote talent development policies and to avoid any misperception and resistance. This is helpful to make China more integrated in globalization

and to make foreigners more integrated in China's society.

The second suggestion is to study American and European countries' promotion campaign on the global stage, and employ the best practice to elevate China's reputation in attracting international talent.

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### Global vision for China, China wisdom for the world

Center for China & Globalization ( CCG ) is a leading Chinese global think tank dedicated to the areas of China and globalization studies, the globalization of Chinese talent and the globalization of Chinese enterprises. CCG has almost 100 full-time researchers and working staff. It has published 5 prestigious Blue Books by China Social Science Academy Press annually and many other reports and books for the policy makers and public. Besides its headquarters in Beijing, CCG has established research institutes in Guangzhou, Qingdao, and Shenzhen and has overseas representatives. According to the 2016 Global Go To Think Tank Index by the University of Pennsylvania Think Tank and Civil Society Program, CCG was ranked 111th of the top think tanks worldwide, one of the world's top 40 independent think tanks and one of the 60 top think tanks to watch for in 2017. TTCSP also ranked CCG as the 7th best think tank in China and the No. 1 independent think tank among the top Chinese think tanks.