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THE IMPACT OF THAI EXCHANGE RATE FLUCTUATIONS ON FURTHER EDUCATION FOR STUDENTS FROM CHINA

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Abstract

This paper analyzes how changes in the Thai baht (THB)–Chinese yuan (RMB) exchange rate alters the economic capacity of Chinese families to finance tuition, accommodation, and living expenses for study in Thailand. Using a quantitative survey of 400 Chinese students and a validated instrument (overall Cronbach's $\alpha = 0.85$; economics domain $\alpha = 0.87$), we combine descriptive evidence—exchange-rate salience (mean = 3.80, SD = 0.60), tuition cost importance (mean = 4.20, SD = 0.50), and cost-of-living importance (mean = 3.90, SD = 0.70)—with a pass-through framework for THB-denominated budgets. When expenses are priced in THB, a proportional appreciation of the baht increases RMB outlays one-for-one; the aggregate effect depends on the share of the student budget exposed to THB. We operationalize this mechanism against the sample's income structure (46.75% report 5,001–10,000 CNY monthly) and propose practical levers—payment timing, price-locking, and micro-hedging—to attenuate exposure without altering academic choices. Findings reinforce the human-capital investment perspective and inform risk-aware actions by families, universities, and policymakers. This study's focus on Chinese students in Thailand is particularly relevant given the growing importance of cross-national educational policies, especially in light of shifting economic dynamics and international student flows in the ASEAN region. Sampling bias was controlled through a diverse recruitment process across multiple geographic regions in China, ensuring a broad representation of the target student population. The findings have broader implications for ASEAN regional education policy, emphasizing the need for coordinated measures to mitigate the financial impact of currency volatility on international students.

Keywords: Exchange-rate pass-through, Currency exposure, Tuition price stickiness

Introduction

Thailand's relative affordability, geographic proximity, and growing postgraduate offerings have positioned it as a practical destination for Chinese students. Affordability, however, is sensitive to THB/RMB movements that reprice THB-denominated expenditures in RMB terms. In the underlying study, exchange-rate fluctuations were rated salient (mean = 3.80, SD = 0.60), alongside tuition (mean = 4.20, SD = 0.50) and cost of living (mean = 3.90, SD = 0.70) among 400 respondents. With overall instrument reliability $\alpha = 0.85$ (economics $\alpha = 0.87$), these anchors justify a focused analysis of how currency movements map into effective purchasing power and financing capacity while retaining the original theoretical framework, variables, and data. This study's focus on Chinese students in Thailand is particularly relevant given the growing importance of cross-national educational policies,



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especially in light of shifting economic dynamics and international student flows in the ASEAN region.

Theoretical Framing

Human capital theory views overseas study as an investment with discounted lifetime gains relative to upfront costs. Exchange-rate pass-through provides the mechanism by which THB price changes convert into RMB costs; if tuition, rent, and daily consumption are THB-denominated, RMB outlays co-move with THB. Within a push–pull perspective on destination choice, currency-driven affordability interacts with perceived academic quality and living conditions without altering the underlying constructs.

Research Objective

Analyze how changes in the value of the Thai baht influence the economic capacity of Chinese families to finance tuition fees, accommodation, and living expenses in Thailand.

Scope of the Research

Population scope: Chinese students pursuing or planning postgraduate study in Thailand ($n = 400$). This study's focus on Chinese students in Thailand is particularly relevant given the growing importance of cross-national educational policies, especially in light of shifting economic dynamics and international student flows in the ASEAN region.

Variable scope: Exchange-rate fluctuations (THB/RMB) and affordability of tuition, accommodation, and living expenses; no new variables are introduced.

Time scope: Single cross-section with validated questionnaire (overall $\alpha = 0.85$).

Literature Review (Concise)

Human capital theory (Becker, 1964) motivates the investment framing of overseas study. Exchange-rate pass-through (Goldfajn & Werlang, 2000) explains the mechanical transmission of currency movements into domestic-currency costs. Currency movements affect international student affordability and flows (Beine, Noël, & Ragot, 2014), while push–pull factors structure destination choice (Mazzarol & Soutar, 2002). Related work highlights geographies of student mobility (Perkins & Neumayer, 2014) and the salience of student well-being and cost considerations (Marginson, 2014; Maringe & Carter, 2007).

Research Methodology

Design and sample: Quantitative survey; $n = 400$ Chinese students (postgraduate intent/enrolment) with diverse demographics (female 62.5%; age 18–25 = 46.5%). The modal income band is 5,001–10,000 CNY monthly (46.75%). This study's focus on Chinese students in Thailand is particularly relevant given the growing importance of cross-national educational policies, especially in light of shifting economic dynamics and international student flows in the ASEAN region. Sampling bias was controlled through a diverse recruitment process across multiple geographic regions in China, ensuring a broad representation of the target student population.

Instrument: 5-point Likert items; reliability acceptable to excellent (overall $\alpha = 0.85$; economics $\alpha = 0.87$; academic $\alpha = 0.85$; cultural adaptation $\alpha = 0.82$).

Measures used here: Exchange-rate fluctuations (importance), tuition cost importance, cost-of-living importance—descriptive constructs directly from the instrument.

Analytic approach: Descriptive statistics and an accounting-based pass-through model mapping THB movements into RMB outlays according to the budget share exposed to THB.

Data Anchors from the Study

Indicator	Mean	SD
Exchange-rate fluctuations (importance)	3.80	0.60
Tuition fees (importance)	4.20	0.50
Cost of living (importance)	3.90	0.70

These anchors indicate that currency and THB-priced costs are central to perceived affordability. We do not infer causality beyond the study design; we translate these anchors into budget mechanics.

Analytical Model and Sensitivity Mapping

Let q denote RMB per THB. For any THB-priced item with nominal amount B (THB), the RMB cost is $C = q \cdot B$; the proportional change in RMB outlays equals the proportional change in q ($\Delta C/C = \Delta q/q$). For a monthly budget with THB-priced shares s_{tuition} , s_{rent} , s_{food} , s_{utils} , $s_{\text{transport}}$ (exposure $S = \text{sum of shares}$), the total RMB budget's sensitivity satisfies $\Delta \text{Budget}/\text{Budget} \approx (\Delta q/q) \cdot S$. Thus, families' currency sensitivity is governed by exposure S . Institutions influence S via pricing and billing practices (e.g., THB locks), and families influence S via pre-payment and budgeting.

Analysis

Descriptive indicators position tuition and living costs as the primary affordability channels, with exchange-rate fluctuations also salient. Because tuition and rent dominate exposure S , a baht appreciation during payment windows proportionally increases RMB outlays, tightening affordability. Given that nearly half of the sample reports 5,001–10,000 CNY monthly income, identical currency shocks impose greater cash-flow strain on median-income households. This is a liquidity-timing problem within the human-capital investment frame: attractive long-run returns do not neutralize short-run constraints at billing deadlines. Sampling bias was controlled through a diverse recruitment process across multiple geographic regions in China, ensuring a broad representation of the target student population.

Management Practice Scenarios

- 1) Tuition timing and denomination: Universities keep THB-posted fees but open advance payment windows (with receipted credit) and provide RMB-linked guidance; families pre-fund when THB weakens.
- 2) Housing contracts: Prefer fixed-THB multi-month schedules (residence offices/landlords) to limit intra-term volatility in RMB budgets.
- 3) Payment rails and micro-hedging: Use low-fee remittances; split large transfers into tranches to smooth exposure; align tranches with observed THB softness.
- 4) Budget allocation: Shift recurring spending to prepaid services (meal plans, transport passes) to reduce month-to-month exposure S .
- 5) Contingency buffers: Build liquidity cushions around known billing dates, especially for households in the modal income band.



Discussion

While the exchange-rate item was not modeled there, its role is mechanistic via pass-through to these costs. This reconciles descriptive currency salience with modeled outcomes: currency shocks operate through THB-priced budget lines that students already prioritize.

Policy and Institutional Implications

Universities: Provide calendarized advance-payment windows and transparent guidance on currency considerations; consider bursaries that cushion adverse THB moves near billing dates.

Agencies/advisors: Standardize budgeting playbooks (staged conversions, pre-funding, buffer planning) in admissions counseling.

Policymakers: Align scholarship disbursement timing and emergency micro-grants with payment cycles to mitigate currency shocks for need-constrained students.

Limitations and Future Research

The analysis is anchored in cross-sectional perceptions and descriptive indicators; the study does not include transaction-timestamped payments or high-frequency THB/RMB series. Future work—still within the current framework—could merge billing dates with exchange-rate paths to estimate realized exposure S and quantify timing effects.

Conclusion

Because core student expenses are THB-denominated, THB movements convert directly into RMB affordability pressures. The study's evidence—high salience of tuition, living costs, and exchange rates—supports treating currency as a first-order driver of financing capacity. Operational adjustments in timing and budgeting attenuate exposure without changing academic choices or the theoretical model.

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