



问创
VENTURE

An Analysis of

***Opinions on Further
Reducing the Burden of
Homework and After-school
Training for Students in
Compulsory Education***

August 2021



Brief

The problem of overburdening students with excessive homework and after-school tutoring programmes has long been discussed in the industry and has received a great deal of media attention, both domestically and internationally, in recent years.

On 24 July 2021, the complete text of the Opinions on Further Reducing the Burden of Homework and After-school Training for Students in Compulsory Education, also known as, and hereafter referred to in this report as the *Dual Alleviation* policy, was officially issued by the General Office of State Council and the General Office of the Communist Party of China Central Committee.

The purpose of this report is to clarify the key incentives and messages of the policy document, based on research, interviews and conversations with tutoring companies, education organisations and policy analysts in the Chinese education sector, and to provide an in-depth analysis of implications for the sector.

Context

The *Dual Alleviation* policy should be understood within the wider socio-economic context in China. It is not only about regulating the after-school tutoring market but also an inevitable policy direction to promote learning-goal oriented education and ensure schools are the primary force in the Chinese education system.



From where the Western education has failed, the Chinese government has lately decided to forestall private money entering the education sector, in the belief that the children's education, like Chinese citizens' medical care, should primarily be invested and provided by the state, in order to prevent the wealthy families with a higher socioeconomic status from having priority access to education resources.

Global Times, 4 July 2021

1

Educational Equality

For over 2000 years, the Civil Service examinations have provided significant social mobility for everyone in China. This notion, that education is the pathway to success, is deeply ingrained in Chinese society.

2

Involution

In recent years, there has been a growing awareness that if everyone is studying harder but the outcomes (university places etc.) remain the same, there is a considerable amount of wasted time and energy.

3

Demographics

The Chinese population is ageing rapidly, and the recent two child and three child policies seem unable to increase the birth rate. The cost of raising a child is considered one of the biggest inhibitors.

4

Student Wellbeing

Students are often found to be studying all hours of the day and in some cases, seven days a week. This makes them tired, stressed and intrinsic motivation could potentially be destroyed in formative years.

5

Rebalancing the Workforce

In very recent history, China was a tertiary level economy. As it moved up the value chain it needed more young people equipped to work in a high-tech economy; at all levels of society.

6

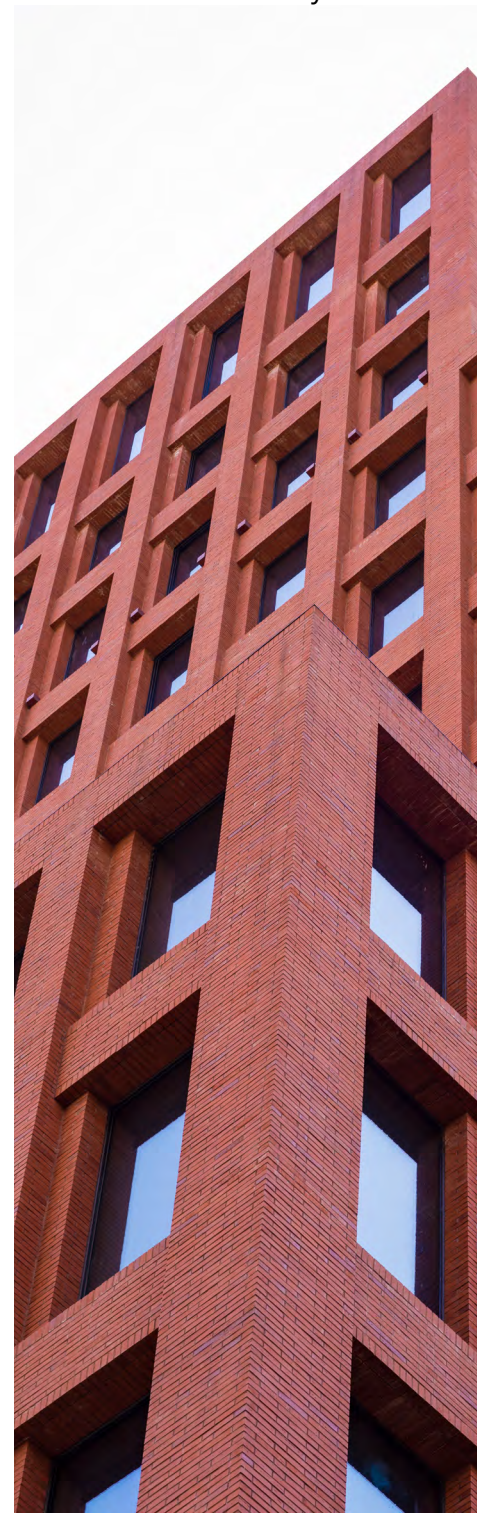
Regulatory Environment

The rapid speed of China's development continues to leave regulators chasing the private sector. The tutoring sector, in particular, produced numerous unicorns, able to freely operate in terms of business, pricing models, marketing and curriculum.

7

Global Inspiration

China is more open than most to learning from other countries and absorbing best practice. These could include drawing lessons from the German and Scandinavian vocational schools, the primacy of sport in American schooling or the non-profit nature of most British private schools.



Timeline

February-August 2018

The Ministry of Education issued a series of policies to alleviate the burden of after-school tutoring for students in compulsory education and regulate the after-school tutoring market.

2 December 2018

A survey report released at China Education 30 Forum classified the 'excessive burden of students in compulsory education' as the cross-century problem.

March 2021

'Develop more equitable and high-quality education' was stressed as one of the key themes for the education sector at the Two Sessions.

24 July 2021

Leak of the complete text of the *Dual Alleviation* policy; 120 after-school tutoring institutions in the China Association for Non-Government Education announced to advocate the new policy.

30 July 2021

Update to clarify the range of subject and non-subject focused categories of after-school tutoring institutions at the compulsory education stage.

10 September 2018

President Xi emphasised at the National Education Conference that the after-school tutoring sector 'should not be profit-driven' and 'must not disrupt the normal order of compulsory education.'

17 March 2019

The Minister of Education, Chen Baosheng, stated the MOE's determination to continue its action against both in-class and after-school training programs that put too much pressure on students.

29 December 2019

Nine departments co-issued 30 measures to alleviate the burden of students in compulsory education.

28 April 2021

The Ministry of Education introduced *Notice on Strengthening the Management of School Homework in Compulsory Education*.

21 May 2021

The *Dual Alleviation* policy was first approved at the 19th meeting of the Central Committee for Deepening Overall Reform.

28 July 2021

The *Dual Alleviation* policy published to the public.



An Overview of the *Opinions*

8 Sections

30 Points

5873 Words

The *Dual Alleviation* policy mainly aims to re-emphasise the primacy of Chinese schools in compulsory education. Only 28.16% of the text is about regulating after-school tutoring institutions.

- Section 1** Establishes the guiding principle and objectives of the policy
- Section 2** Focuses on alleviating school homework burden for students
- Section 3** Clarifies school responsibilities in providing high-quality after-school tutoring programmes in compulsory education
- Section 4** Focuses on regulating after-school tutoring institutions
- Section 5** Focuses on high-quality education that ensures education equity
- Section 6** Focuses on support systems to ensure the running of in-campus, after-school tutoring programmes and tightened control of advertising off-campus tutoring centres
- Section 7** Specifies pilot cities for the policy and further measures to regulate subject-focused after-school tutoring institutions
- Section 8** States the division of labour among different departments

Key Themes

1

Subject-focused after-school tutoring institutions

Mentioned 18 times

The set-up of any new subject-focused organisations has been suspended for the compulsory education stage (existing institutions will be required to re-register as non-profit organisations. (No. 13)

The approval mechanism for online subject tutoring organisations changed from filing to applying. Existing institutions of this kind are required to re-apply to gain government approval, or otherwise risk losing their Internet Content Provider (ICP) license. (No.13)

Subject tutoring is prohibited during weekends, national holidays and school holidays and strictly prohibited for pre-school children below six years of age. (No.14)

Teachers of all kinds of subject-tutoring institutions must have relevant teaching qualifications. (No.14)



2

Quality Education

Mentioned 15 times

In line with the national plan to further reform the education system, the policy emphasises again the necessity for schools providing compulsory education to ensure high-quality education.

3

In-campus Education

Mentioned 14 times

71.84% of the policy focuses on schools in compulsory education. Schools are stressed as the main pillar of the national education system and the primary actors responsible for providing high-quality after-school tutoring programmes to students in compulsory education.

4

Compulsory Education

Mentioned 9 times

The policy focuses on regulating schools at the compulsory education stage to provide more consistently high-quality education and after-school tutoring institutions that provide subject and/or exam-oriented courses to students in compulsory education.

However, as stated at the end of the policy, pre-school and high school stages are also affected and will be regulated through this policy.

5

Non-subject Focused After-school Tutoring Institutions

Mentioned 4 times

While the policy aims to reduce the quantity of subject-focused after-school tutoring institutions, non-subject tutoring is encouraged but shall be categorised into Sports, Culture and Art, and Science and Technology tutoring. (No.13)

Non-subject focused after school tutoring institutions are prohibited to teach subject-focused courses. (No.14)

There is space for schools to partner with non-subject focused after-school tutoring institutions to provide after-school courses to students. (No.25)





“Foreign”

Mentioned 3 times

Foreign investors are prohibited from holding equities in after-school subject-focused tutoring institutions through M&A, entrusted operations, franchise, and VIE structures. (No.13)

Overseas curriculum is prohibited as content at after-school tutoring institutions. All teaching content delivered in such institutions shall align with national standards. (No.14)

Recruitment of foreign personnel who reside overseas to carry out after-school tutoring activities is prohibited. (No.15)





8

Over-capitalisation

Mentioned 2 times

After-school subject tutoring institutions are now prevented from IPOs, taking investment, or seeking acquisition (either through stock or cash) listed companies. (No.13)

7

All-round Education

Mentioned 2 times

In line with previous policies to reform the Chinese education system, this policy further promotes all-round education in schools, moving away from performance goal-oriented education to learning goal-oriented education.

9

Pilot Cities

Mentioned 2 times

Beijing, Shanghai, Shenyang, Guangzhou, Chengdu, Zhengzhou, Changzhi, Weihai, and Nantong are stated as pilot cities to test the implementation of the policy. Other provinces shall select at least one pilot city.



What Has Not Been Clarified?

1

The Definition for Foreign Curricula

One of the main reasons this policy has earned so much attention from international media is that it prohibits foreign curricula as teaching content in after-school tutoring institutions. Yet, the specific definition of foreign curricula is not specified and will likely be laid out in the later implementation plan issued by local governments.

2

Implementation of the Policy

While the policy has been issued by the central government, the detailed interpretation and approach ensuring effective implementation of the policy will need more time to be promulgated at the local and district level. The implementation will likely involve some variance from region to region.

3

The Definition of "Subject-focused" and "Non-subject-focused" After-school Tutoring Institutions

The policy outlines different approaches to managing and regulating subject-focused and non-subject focused after-school tutoring institutions. However, the definitions were only clarified on 30 July, when the Ministry of Education further clarified the classification of subjects for each category.

"Subject-focused"

Ethics and the Rule of Law, History, Geography, Chinese, Mathematics, Foreign Languages (English, Japanese and Russian), science (or Biology, Physics, Chemistry) are managed and regulated as subject-focused after-school tutoring courses.

"Non-subject-focused"

Physical Education (or Physical Education and Health), Art (or Music and Fine Arts) and integrated practical activities (including Information Technology, and Labour and Technology) are to be managed as non-subject-focused after-school tutoring provision.

Positive Developments



1

No Child Left Behind

If technological advances and investment in education can ensure that every child has access to a similar quality of education and university access, tens of millions of Chinese children will have better opportunities.

2

"I Just Want My Child to Be Happy"

As China's middle class continues to grow, the changes in the tutoring sector may shift perceptions and encourage students to spend more time with family or friends, engaging in sports or hobbies, or developing positive lifelong habits such as reading. At the very least, it should ensure better sleep for millions of teenagers and young people.

3

Vocational Education

As the government seeks to balance the workforce, vocational education is both a government priority and an area that is currently wide open for investment and operations by both local and international organisations.

4

Quality Quality Quality

With so much marketing-led commercial education, which can often be light on education but heavy on glossy photos and positive assessments, an education system more focused on its students' social and emotional development, and less on profit, can only be a good thing.

5

School Partnerships

As schools operate longer days and seek after-school providers, there may be significant opportunities for commercial partnerships. Contracts with public school will likely be monopolised by bigger and more experienced players while single or small groups of private schools will have more engagement with local partners.

6

Holistic Education

The government has made extremely clear that it wants to encourage activities for young people that develop non-academic skills. This could presage an explosion in activities that either align with national strategy (such as coding) or all-round education (Sport, Music and Arts).

Challenges



1

Downsizing of the Sector

Tutoring businesses shrinking or closing will have an impact on employment numbers, commercial rentals and a subsequent impact on local GDP and taxation.

2

Rule-Bending Culture

The regulations will likely lead to a wholesale fragmentation of the industry with a dramatic increase in the number of freelance tutors who operate below the regulatory radar. As tutors and parents make private arrangements, there could also be unintended consequences with safeguarding.

3

Assessment Fixation

In China, the success of education is often judged by measurable outcomes and it will be a tough habit to break; regardless of the specified activity. If increased oversight is determined by numbers, they will likely trickle down to numbers as the only metrics of quality regardless of whether the activity is tennis or violin. Expanding the range of assessment may well simply add to the pressure to perform students currently face.

4

Enforcing Regulations

Most stakeholders agree that legal centres must be regulated, but illegal operations need to be sought out and put out of operation with equal or greater rigour. Ensuring standardised implementation of new laws nationwide has always been a considerable challenge; especially when announcements are this sudden.

5

Maintaining Quality

There are passionate educators in China who genuinely care about the children they work with. As local government scrambles to enact the policy, there is a danger that organisations exemplifying good practice are thrown out with the bathwater of illegal operations or questionable practices.

6

Improving School Activities

While the idea of keeping students in school longer to avoid them attending commercial alternatives has distinct benefits, ensuring those extra hours are impactful is no small challenge.

7

Parental Mental Load

Many families have two working parents and, if they work in a city that is not their hometown, may not have a support structure to look after their children. After-school and weekend tutoring and activities can take some of this pressure while reducing anxiety about giving their children the best possible chance for future success.

The International Perspective

How will these new changes affect international education organisations, investors and partnerships?





1

Overseas Studies

Predicting overseas student trends is increasingly difficult as push and pull factors continue to gain traction. That said, with recent changes meaning that 50% of middle school students will go to a vocational high school, and the continued rise of the Chinese middle class, there may well be an increase in students going overseas to study in both schools and HE to avoid the perceived stigma of vocational education.

If there are restrictions around academic courses during school holidays, depending on COVID-19 restrictions in play, this could lead to a dramatic increase in Chinese students going abroad to undertake educational programmes.

2

Employability

Chinese students want to have successful careers but they struggle to get on the ladder. Foreign institutions or companies that can assist in meaningful training, qualifications or job placements (both in and out of China) will continue to have a powerful role to play.

3

All-Round Education

An area of strength for countries such as the UK, the drive towards well-rounded education should provide opportunities for international partnerships. This again will depend largely upon market access for international providers in this area.

4

Research-Backed EdTech

The recent announcements strongly prohibit the marketing of private education services; including clamping down on exaggerations and advertisements. Products and services that are research-backed, credible and proven globally will continue to have opportunities. With new data laws and regulations, the challenge will be offering EdTech legally in the market.



1

Public Sector Hurdles

The 200,000+ K12 schools in the Chinese public education system have almost no foreign products or services. This will likely continue to be the case. That said, there may well be joint ventures or partnerships that can provide a pathway to access.

2

International Qualifications

International education qualifications, globally respected and accepted, have seen a lot of growth with the government allowing awarding bodies to promote within the market as they encourage market recognition.

3

English Language Training

Without clarity at the time of writing, there is considerable speculation about the future of commercial English language training in China. If it really is outlawed, there may be considerable interest in overseas courses, camps and programmes for Chinese students, as opportunities for export continue to expand in China. Certainly, in-market providers could see their opportunities severely curtailed.

4

Teacher Training

While the initial enthusiasm for overseas teacher training delivery has not gained the predicted traction, there may be increased partnerships as Chinese organisations seek to localise and align overseas programmes with national needs and policies.

5

Capital Swings

As companies swing wildly from academic instruction there will be a short-term rush to any “safer” subsectors such as TVET, adult education and all-round education. Without time to develop their own, many of the larger players will likely invest in and purchase overseas providers with good IP.

6

Foreign-Passport Holder Schools

The small number of foreign-passport holder schools in China have seen both a fall in non-Chinese residents in the latest census and tough times operating and staffing during the global pandemic. These latest regulations will not have any immediate effect on operations.

7

Early Years Education

Like many opportunities in China, finding partnership models that work for both sides is difficult. There is a clear need and demand for overseas expertise in early years education but the almost collective urge for “made in China” self-reliance makes sustainable collaborations that make sense for overseas providers challenging. China requires 80% affordability while 20% of the market is comparatively open for higher end services.

8

Self Reliance

More generally, the content and tenor of this policy is closely aligned with growing references to self-reliance emerging from the highest echelons of government, through announcements like the dual circulation strategy. International businesses in all sectors who hope for effective business partnerships in China would do well to note the significance of what Ray Dalio recently termed ‘state capitalism’, in order to fully understand the parameters within which they are working.



1

Overseas Online Tutors

There are many tens of thousands of online teachers, primarily in English-speaking countries, who will soon be unable to teach students in China. This will obviously affect the many organisations that recruit, manage and provide these teachers.

2

International Business Sentiment

The explosion of news articles about this policy move, and its dramatic impact on global stock markets, have meant both global education companies and investors are reconsidering their exposure to China.

3

Private Schools

Combined with the recent Private Education Law, it seems clear that schools in China for Chinese nationals, regardless of their public or private nature, will be regulated and expected to operate in very similar manners. This will mean far fewer opportunities for overseas curriculum, products, investment and engagement.



This document is not legally binding and is merely Venture Education's own interpretation of the 'Dual Alleviation' policy released on 28th July 2021.

Venture Education will not be held responsible for any damages caused by decisions taken in light of the information presented. Any decisions based on this information are taken strictly at your own risk.

If you would like to set up a consultancy call about the education sector in China, please email contact@ventureeducation.org

Venture Education is a UK-China educational consultancy that supports the continued growth and empowerment of quality education in both countries. This includes research, market entry advisory, business development, partnerships, and mergers & acquisitions.

 [ventureeducation](https://www.linkedin.com/company/ventureeducation)

www.ventureeducation.org

