

The document below circulated by Mark Henebury (DIT's Sector Specialist – English Language Training) to ELT Working Group on 19 August 2021 constitutes DIT China's initial, informal analysis, which may be subject to change and should not be construed as any kind of formal legal advice.

CHINA/EDUCATION COMMERCIAL: Double Relief

SUMMARY

Information on the "Double Relief" policy for China's students in compulsory education stage (Chinese Years 1-9), from the burdens of homework and after-school classes. Part of fundamental reforms to the Chinese education system, aiming to relieve pressure on students and address inequality. Parts of China's £100bn after-school education industry will be hit hard. But opportunities remain – including for foreign companies – in Technical and Vocational Education (TVET), All-Round Education (sports, arts, technology etc), and English-Language training and assessment.

DETAIL

1. **On 24 July, China's State Council and the Central Committee of the Chinese Communist Party announced further implementation of the "Double Relief" policy [the 'Opinion']**, which seeks to ease the burden of homework and after-school classes on students in compulsory education. Publication of the [Opinion](#) (in Mandarin Chinese) by the "Two General Offices" (covering both State and Party systems) linked.

What the Opinion says

2. **The Opinion regulates after-class learning, both on and off school campuses, for students in compulsory education** (years 1-9 in China). It aims to reduce the role of private tutoring for **core-curriculum subjects**, with students able to "study sufficiently and study well" in school campuses. A full summary of the Opinion is enclosed as an Appendix to this report. Key measures include:
 - Student homework burdens are to be reduced;
 - The role of on-campus learning is emphasised, in both **core national curriculum subjects**, and **"All-Round Education" (sports, arts etc)** [hereafter colour-coded throughout this document to help distinguish]. Schools can extend opening hours to 6pm, providing all-round education;
 - Private off-campus education providers are hit with a tougher regulatory regime. Providers of **subject-focused** tutoring for children of compulsory education age must re-register as non-profit organisations, and cannot raise capital on stock markets (in China or overseas). Teaching and textbooks must be aligned with the standard national curriculum **for core subjects** (so overseas curriculum is no longer permitted);
 - Online education is to be limited, with classes finished no later than 9pm, in an effort to protect children's eyesight. Chinese government data shows the childhood myopia rate in China increases throughout school, reaching 81% by years 10-12; and
 - Student assessments shall be reformed, including the *zhongkao* (senior high school entrance exams), although full details are not provided in the Opinion.
3. Other recent education reforms include:
 - **Support for Technical and Vocational Education (TVET)**. At a national TVET conference on 13 April, General Secretary Xi called for enhanced vocational education. At the same event, Premier Li Keqiang urged "more young people to receive vocational education" to increase employability, upgrade economic productivity and maintain social stability. A draft [Vocational Education Law](#) was discussed by Chinese legislators in June. The longer-term goal is for 50% of students to enter the TVET education channel after nine years of compulsory education, with a State Council Executive meeting [announcing](#) new funding and efforts to align industry needs with TVET colleges.

- **Tightening oversight of private education providers**, most notably through a new [Private Education Promotion Law](#) issued on 14 May. The Law brings curriculum and textbooks in private schools further in line with national standards, and ownership and accountability of schools is regulated (for example, excluding publically-listed entities). Foreign investment in compulsory education was already prohibited under China's negative list system. International schools for foreign passport holders in China are not affected by the Law, but it does cover "British-Style bilingual schools" (i.e., for Chinese nationals), including those with licensing agreements with UK private schools.
4. **Further emphasis was placed on science, skills with practical industry application and "All-Round Education"** with the appointment of a new Party Secretary for the Ministry of Education, Huai Jinping.

Reaction

5. **Stresses on Chinese students are genuine.** A [survey](#) by the China National Children's Centre in 2019 showed 60% of children under 15 receive off-campus training, for an average of 3.4 hours Monday-Friday and 3.2 hours during the weekend. Average household expenditure on off-campus training accounts for 13% of disposable income, with much higher spending in 1st and 2nd tier cities. Student pressures feature prominently in TV soap operas and other popular culture. Initial [surveys](#) suggest reaction to the Opinion is finely balanced, with a small majority of online respondents in favour.
6. **The Opinion led to a swift reaction in financial markets**, including the collapse of the share prices of companies listed in New York, Hong Kong and mainland China that provide now-restricted services. The share prices of industry giants New Oriental Education and TAL Education saw a 60% drop on the New York Stock Exchange on 24 July.

Commercial impact

7. **Implementation of the Opinion will be challenging, and success in the short-term is far from certain.** There is intense demand for private tutoring amongst China's emerging middle class, fuelled by a strong desire to get ahead through education. It is not clear how schools can meet this demand. Pressure in the Chinese education system is largely created by the *zhongkao* and *gaokao* examination systems (which determine entry to senior high school and university, respectively), which so far remain unchanged. At a practical level, there is ambiguity over definitions (eg for "foreign curricula").
8. Along with industry, we are assessing how the Opinion – and broader education reforms – will impact UK education operations in China:
- Opportunities in **TVET and All-Round Education** are on the rise, both in- and outside the formal education system and especially outside compulsory education year groups. There is explicit senior policy support for foreign providers and investment.
 - The Opinion will directly affect **English Language Training (ELT)** aimed at students in years 1-9, including through UK assessment providers and online teaching services. IELTS testing should not be directly affected, with underlying demand for overseas study remaining high. The Opinion may help the UK ELT market (once students can travel safely) as parents who want children to have extra-curricular support and exposure to overseas curricula may look abroad. In China, ELT opportunities will remain for those that can access on-campus All-Round Education, exam preparation for high school students and overseas studies, and in professional/adult English.
 - The Chinese government is committed to **EdTech** (including IT, online services and digital content) including to ensure education equality. UK providers with research-backed, credible and globally-proven EdTech services will continue to have opportunities, through both public and private

procurement channels. But risks remain that companies providing recorded courses may need to apply for publishing licenses.

- Enrollment of Chinese students in **bilingual schools** in China (even with curriculum controls) and independent schools in the UK may well benefit given the desire of some parents to find other avenues to secure academic performance and foreign language ability for their children, who do not want to pursue the TVET education route.
 - As the regulatory environment tightens within China, large private education companies are looking for alternative **investment** destinations overseas, with the UK being a key market.
9. We'll keep monitoring and navigating the policy implementation plans and engaging with education authorities to respond to potential opportunities as well as mitigate any challenges.

Appendix: SUMMARY OF MEASURES IN THE JULY 24 OPINION

- **The Opinion regulates after-class learning, both on and off school campuses, for students in compulsory education** (years 1-9 in China). It seeks to reduce the role of private tutoring, with students able to “study sufficiently and study well” in school campuses. Student assessment, including senior high school entrance exam shall be reformed.
- **The Opinion controls and reduces homework burdens**, specifying no homework for years 1-2, a maximum of 60 minutes for years 3-6 and 90 minutes for years 7-9. Schools are urged to improve homework design, support struggling students and enhance on-campus tutoring so most homework can be completed before returning home.
- **The Opinion boosts the role of on-campus after-school classes**, in both subject-learning and “All-Round Education”. **Subject-learning is core content under the national curriculum**, with **All-Round Education (or non-subject focused learning)** including subjects such as sports, music, arts, IT and technology. Schools may extend finishing hours to 6pm to cover All-Round Education. Local governments should offer online educational resources free of charge, to improve equality of access to high-quality education.
- **The Opinion sets a tough regulatory regime for the private, off-campus education sector**. Registration of new, off-campus, **subject-focused** tutoring providers is suspended, and existing providers of this kind for compulsory stage must re-register as non-profit organisations. The approval mechanism for online providers will change from a notification system to a formal application. Existing providers are required to re-apply to gain government approval, otherwise they will lose their Internet Content Provider (ICP) license.
- **Foreign investment and raising capital on stock markets (in China or overseas) is prohibited for off-campus core subject-tutoring providers at the compulsory education stage**. This includes through M&A and VIE structures (where offshore parent companies are established to evade foreign ownership restrictions on Chinese entities).
- **The Opinion restricts after-school learning time in off-campus classes, and regulates teaching content and teachers**. Off-campus **subject tutoring** content should be aligned with the national curriculum and education standards. Overseas curricula shall not be provided. No off-campus **subject-learning** tutoring is permitted during weekends, national holidays and school holidays, nor for pre-school children (0-6) at any time.
- For online providers, to protect children’s sleep and eyesight each online lesson shall not exceed 30 minutes. Online tutoring should finish before 9pm. Online provision for pre-school children (0-6) is prohibited. All teachers must have relevant qualifications and be hired according to Chinese regulations.
- **The Opinion requires all regions to categorise All-Round Education provision** into sports, culture and art, science and technology, among others; to clarify their corresponding regulatory bodies and to formulate standards and to put a robust mechanism in place to approve each providers’ license.
- **The Opinion sets governance structures and clear implementation timelines**. It sets a governance structure for Party and State agencies at both central and local government level, with a focus on controlling pressure on students and families. The policy must be carried out nationwide within one year, with significant improvement made within three years.