

Beijing's Private Education Industry Transformation Dilemma after Double Reduction

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Abstract: *The Chinese State Council announced Double Reduction Policy intending to alleviate students' pressure in July, 2021. In Beijing, After-School Tutoring in K12 Education were forbidden. People think that after-school tutoring institutions will gradually stop the courses, but some students are still taking after-school tutoring courses. The truth that after-School Tutoring is in the Gray Zone, bring the topics about "Alleviating the Burden of Homework and After-School Tutoring" and "Involution" back to the public discussion. Focusing on the implementation and effects of the released policy, this paper exposed the dilemma through the author's social surveys, and suggested by questionnaire survey from a high school student's observation.*

Keywords: *after-school tutoring, Double Reduction Policy, K12 education*

1. Introduction

"As soon as I finished the courses of Chinese and English in the past 14 days, I was noticed by Xueersi that the courses of mathematics and physics in the next 14 days were cancelled! I should have taken physics and math first!" Sun Hengxin (alias) was about to start her study of Junior 3(Grade 9) and she was a little overwhelmed at the news. In order to gain a competitive advantage in the next term, she arranged the high school courses of Xueersi in advance in the summer vacation, but now the holiday suddenly became empty.

Sun lives in Tongzhou District, Beijing. She was a student of Junior 2 in the High School Affiliated to Renmin University of China, Tongzhou Campus. She was in the top 5 in her school and was likely to get the entrance to the High School Affiliated to Renmin University of China. Xueersi is the most famous after-school tutoring Institution in China. And Hesheng Building, located in Huangzhuang Community, Zhongguanchun Street, Haidian District, Beijing, is one of the best teaching sites of Xueersi. Every weekend it took 1.5 hours for Sun to arrive at Hesheng Building from her home by subway and she had studied there once a week for 2 years. However, she would never go to study there because all courses of Xueersi were cancelled.

"We are going to take the senior high school entrance examination next year." Sun's mother looked a little anxious and kept reading her messages in her Wechat group. The voices of "whoosh, whoosh" of messages received by her mobile phone came one after another. "Wechat Alert Sound can't be shut off, and after-school tutoring can't be stopped. Now I contacting some excellent teachers of after-school tutoring outside Xueersi with other parents. If we can't do it, we will choose one-on-one tutoring. Children's summer vacation mustn't be wasted." Sun's mother's expression said firmly.

In Beijing, After-School Tutoring in Compulsory Education were forbidden suddenly in July, 2021.

After COVID-19 broke out, Kindergarten through twelfth grade(K12 for short, covering elementary and secondary education from kindergarten to high school) with online education as the core has become a hot investment topic around the world. A large influx of capital, not only makes Chinese private education industry develop very crazily, but also makes Chinese parents become more and more anxious.

In the past few years, "Tiger Mother, motivate kids, Involution..." has been the top trending topic on for several times. The hit series *A Love for Separation*(2016), *A Little Reunion*(2019) and *A Love for Dilemma marks*(2021) are three popular dramas reflecting Beijing junior high school entrance examination, high school entrance examination and college entrance examination respectively. All the three dramas express the opinion that all kinds of after-school tutoring are becoming urgent needs for Chinese families like express delivery.

Since *the Opinions on Further Alleviating the Burden of Homework and After-School Tutoring for Students in Compulsory Education* is issued by the Ministry of Education of the PRC on July 24, 2021[2], the private *after-school tutoring* companies have cancelled their courses for students who will be probably free on weekends or in holidays.

2. The Decline of Huangzhuang as the Holy Land of After-School Tutoring

There is a saying, "The slow learners in Huangzhuang Community are usually the outstanding students in the outside community." Huangzhuang is a brutal and magical place, where Gu Ailing winning two gold medals and one silver medal at the Olympic Winter Games Beijing 2022, used to study in every summer holiday. She ranked first in her math exams and broke the school's math test record because her study in Haidian. When many parents and the media were searching the institution where Gu Ailing studied, Xu Jicheng, the chairman of "Gaosi Education", said on his social media, "The teaching site where Gu Ailing studied was closed at the end of July 2021."

Hesheng Building, where Sun Hengxin studied, is located in Haidian Huangzhuang Community, which was once known as the "Universal Tuition Center". There are many best middle schools such as the High School Affiliated to Renmin University of China, the Affiliated High School of Peking University, Tsinghua University High School, Beijing 101 Middle School, Beijing Bayi High School near Huangzhuang. And almost every after-school tutoring institution has its teaching sites there such as Xueersi, Giant Education, New Oriental, Xueda Education, Gaosi Education, Yousheng Education, and Elite Education. The ups and downs of the teaching sites of the after-school tutoring institutions in Huangzhuang have undoubtedly become the barometer of the after-school tutoring industry.

In January 2020, with the spreading of COVID-19, the traditional after-school tutoring in teaching sites was forbidden and was turned to online. A large number of small after-school tutoring institutions could not maintain business and shut down.

In early September 2020, the offline tutoring courses of the Beijing interrupted by COVID-19 started to recover one after another. And Haidian Huangzhuang Community returned to its former prosperity and bustle.

Every weekend, the traffic is heavy around Huangzhuang. The bicycle lanes nearby become "parking lot" where parents wait for their children and parking is forbidden. The driveways also become "parking lots" which are not permitted for the parents. The students have to go home by car because it is very difficult to take a taxi. Some parents complained that they couldn't get into a taxi until 21:30 even though the courses were over at 8:30PM. The taxi couldn't arrive on time because of the heavy traffic.

After-school tutoring institutions were once main tenants of commercial property in Beijing. In December 2021, the author found that there was no one in many teaching sites of after-school tutoring institutions and the doors were closed with notices of Courses Cancelled or notices of Office Wanted. Many offices for after-school tutoring were empty and there were few cars in the underground car parks.

Recently, the author found that in www.58.com there was a commercial property of 1,300m² in Yinwang Center in Huangzhuang, which was actually quoted at 6 yuan/ m²/day. It was hard to rent a property there and the rent reached 12 yuan/ m²/day at the peak before Covid 19 was found. At present, the rent has been cut in half and many empty offices with an area of 1,000 m² located in Huangzhuang Community are for rent.

The teaching level of after-school tutoring in Huangzhuang Community once represented the highest level in Beijing. For many students, Huangzhuang was the place they spent the most hurried, heaviest, and most fulfilling youth. For parents, Huangzhuang was the place to relieve and release their anxiety. For after-school tutoring institutions, Huangzhuang was a holy land for gold. Today, the history of the "Universal Tuition Center" in Huangzhuang, is disappearing and become the memory of many families in Beijing.

3. Parents under Heavy Education Pressure

Chinese families pay great attention to their children's education. According to the data in *China Statistical Yearbook 2021* released by National Bureau of Statistics, there are 2189.3 thousands people in Beijing[6]. And there is a population of 6262302 undergraduates or above, accounting for 30.24% of the total population age above 15. According to the "2019 New Middle-Class Family Consumption and

Financial Management Report" jointly released by Tencent wealth management and 21st Century Economic Research Institute[3], among the new middle-class group in Beijing with an annual household income of more than 200,000 yuan, 55% of the total families spend 10% -30% of the total expenditure on children's education, and 9.9% of those spend more than 50% of the total expenditure on that. Through comparative analysis, it is found that the higher the annual household income is, the greater the parents' investment in their children's education is. Among the families with an annual income of more than 800,000 yuan, 15.5% of the total families spend more than 50% of the total expenditure on children's education. With the increasing pressure of social competition, it is the parents' anxiety about education that makes education cost higher and higher[1]. Education spending has become the rigid demand for the families in first-tier cities like Beijing.

An online education entrepreneur in Beijing once said publicly: "30% -40% of the annual household income of middle-class families is used for children's education. This money must be spent, but the question is who can earn so much." The after-school tutoring fee for a famous math teacher is about 8,000 yuan every 3 hours. If a teacher have classes in the morning, noon, and evening during the holidays, he can make 24,000 yuan a day. For them, it is easy for a famous teacher to earn millions of yuan a year.

Sun Hengxin comes from an ordinary family with an annual income of about 300,000 yuan. Her mother is a full-time mother and her father works as a division-level leader in the government of Tongzhou District, Beijing, and her sister is a student in Grade 5. Sun Hengxin's parents are very concerned about her study and are very proud of her because of her achievement.

Before the Opinions on Further Alleviating the Burden of Homework and after-school tutoring for Students in Compulsory Education was issued, in Xueersi, Sun Hengxin had After-School offline courses including Maths, Physics, English, Chinese and online courses including Chemistry, Politics. And she had other courses, for example, C++ program in Jisuanke Institute, one-to-one online Oral English in VIPKID Institute. It cost 10,000 – 12,000 yuan to pay for an offline course a year and 6,000 – 7,500 yuan to pay for an online course a year in Xueersi. The expenditure of C++ program for a year is about 15,000 – 16,000 yuan. The price of VIPKID Oral English Courses for a year is about 10,000 yuan. So, her one-year after-school tutoring costs about 80,000 to 90,000 yuan, almost 1/3 of their family annual income.

During the winter holiday of 2022, the top after-school tutoring institutions such as Xueersi, Giant Education, New Oriental, etc., all stopped K12 business (subject training of after-school tutoring from Grade 1 to Grade 12) in response to the policies issued by the relevant government authorities. VIPKID also closed oral English courses from Grade 1 to Grade 12. It was proved by the authorities that many after-school tutoring institutions had disappeared. 98% of the after-school tutoring institutions without any license was closed, above 60% of the after-school tutoring institutions with licenses was closed.

"Some teachers of after-school tutoring institutions begin to organize small classes privately with three or five children together in a class, or they teach one-on-one with a single student. But the cost increased greatly." The cost of a student in a large class of about 30 people in after-school tutoring institutions is about 150-300 yuan every 45 minutes, while the cost of a student in a small class of 3-5 people is 400-600 yuan. One-to-one Tutoring basically costs 1,000 yuan. Sun Hengxin's mother is very helpless and have to insist after-school tutoring. No one will give up after-school tutoring because every student wants to get the best achievement.

"My daughter is used to studying in after-school tutoring institutions. Otherwise, she will lose her confidence. Her school is not as good as the first-class schools so that she must work harder in order to keep up with the excellent students in the top schools." Sun's mother's statement represents the opinions of many parents in Grade 9 and in Grade 12. So after-school tutoring without license exists privately and illegally.

"I have no chance to apply for the classes of the after-school tutoring institution. Instead, the parents of my classmates and mine have organized some after-school tutoring classes for us." Liu Bei is a student in Grade 9, Beijing Huaxia Girls' Middle School. Her parents work in a publishing house in Beijing and the family's annual income is about 400,000-500,000 yuan. "The schedule of the organized classes is not suitable for us so that my many classmates chose one-on-one or one-on-two after-school tutoring. I hire a teacher in maths with my classmate. We have three classes every week and the cost of each two-hour class is 1,400 yuan. Although the expenditure is expensive, I make great progress." According to the author's investigation, the prices of one-to-one Tutoring have risen this year, and the cost of hiring a famous teachers 1,000-1,200 yuan per hour.

A survey of Liu Bei's class revealed that every one chose after-school tutoring courses in maths and

physics, half of the class chose courses in Chinese, English, Chemistry and Biology. And above 50% of the students chose one-to-one or one-to-two Tutoring courses.

In Beijing, the top high schools include the High School Affiliated to Renmin University of China, Tsinghua University High School, Beijing National Day School, Beijing 101 Middle School, the Affiliated High School of Peking University and Capital Normal University High School in Haidian District, Beijing No. 4 High School, Beijing, the Experimental High School Attached to Beijing Normal University, Beijing No. 8 High School and the Second High School Attached to Beijing Normal University in Xicheng District, Beijing No. 2 High School and Beijing No. 5 High School in Dongcheng District, Beijing No. 80 High School and Beijing Chenjinglun High School in Chaoyang District. In order to compete with other students in Beijing and get the Admission Notice of the top schools above, many students have to study hard in the after-school tutoring institutions and their parents are willing to do anything. There are 3 months left for Liu Bei after the winter holiday. Each one-on-two course of after-school tutoring might cost 25,000 yuan. Liu Bei's parents would pay 75,000 for her three subjects.

Whether the students choose a small class or one-on-one tutoring, the market of after-school tutoring is promoted by the parents, which is not protected by the laws and is hard to be regulated by the authorities. So when the cost-effective after-school tutoring institutions end up their business, the parents have to pay more expensive costs and take on greater risk. But it is impossible for each family to afford the more and more expensive. Whether a student wins his goal about study, is probably determined by the family's investment, which depends on the parents' ability of making money and their attitude to education.

4. After-School Tutoring in the Gray Zone

"Further Alleviating the Burden of Homework and after-school tutoring for 150 Days: An Analysis Report on the Withdrawal or Cancellation of Education-Related Enterprises in China", released by the Qichachas Data Research Institute, shows that within 150 days since "the Opinions on Further Alleviating the Burden of Homework and after-school tutoring for Students in Compulsory Education" was released, there had been totally 5,560 educational enterprises which were revoked or cancelled in Beijing[4]. The number was much larger than that in any other city of China. Service apps such as 58.com even canceled after-school tutoring service.

According to the data released by the People's Government in Beijing Municipal, in 2020 there are about 1,947,300 students aged from 3 to 18 years old in Beijing, including about 467,600 in kindergartens, about 1,250,300 in primary and junior high schools in Compulsory Education, and about 225,400 in high schools[6]. All stages of Education in 2020 is shown in Figure 1 as below:

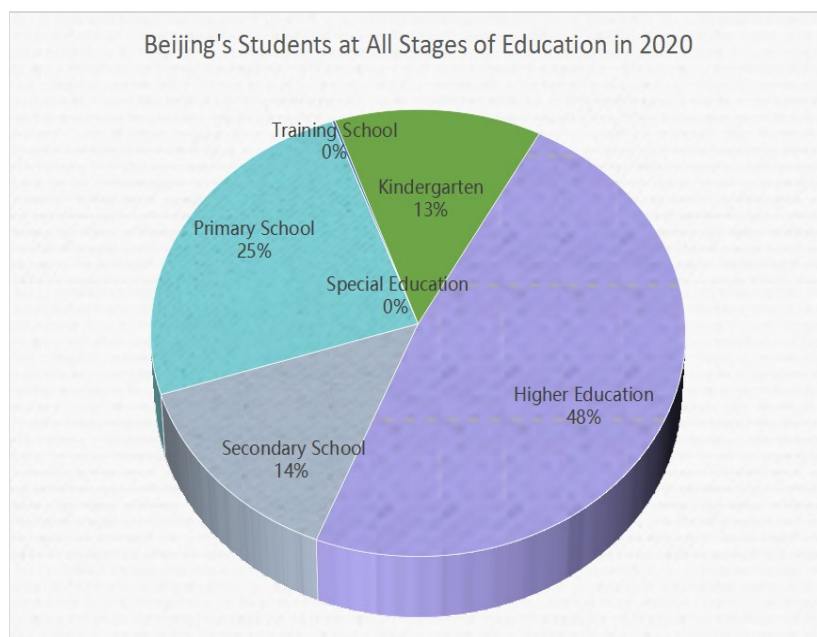


Figure 1: Beijing's students at all stages of education in 2020

Big data from the Zhaopin.com showed that in July 2021, the number of jobs offered by after-school

tutoring institutions in Beijing was 49.3% less than in March, ranking first in the country. It was the earthquake in after-school tutoring industry that made 2021 called "the First Year of Layoffs for the Post-90s". On August 18, There was a 13-day special job fair in private industry organized by Beijing Municipal Bureau of Human Resources and Social Security. The salary range of special job fairs was mostly 4,000-7,000 yuan per month. In September 2020, however, the report released by Worry-free Future showed that the average salary range in private education industry is 7,500-8,500 yuan per month. It can be seen that there is a huge gap. A teacher who resigned from an after-school tutoring institution said sadly, "My monthly salary decrease from over 10,000 yuan to 3,000 or 4,000 yuan. I think I need to get used to it."

The top after-school tutoring institutions in private education had made heavily layoffs in 2021. Minhong Yu, Chairman of New Oriental, said at the beginning of 2022 that 60,000 of total 110,000 employees were fired last year. New Oriental has gathered many excellent teachers all over the world, coming from the most famous universities such as California Institute of Technology, University of Pennsylvania, University of Chicago, Washington University in St. Louis, Columbia University, National University of Singapore, University College London, etc. New Oriental Education & Technology Group Inc. has always been a leader in private English education industry in China. So is Xueersi Institution, which is also a leader in after-school tutoring on subject training. Xueersi Institution had nearly 100,000 employees before July, 2021 but only had about 10,000 employees left at the end of 2021 because so many people were fired.

Zhou Nan, Sun Hengxin's political teacher in her online class, also resigned from Xueersi because the changes about after-school tutoring policies. She graduated from Peking University and work as a teacher in Xueersi, in July, 2020. It is not very easy to work in Xueersi because 96% of applicants were eliminated. After an intense written test, an interview and a trial lecture, Zhou Nan became the only person of getting the offer in her college from Xueersi in 2020. "I especially love teaching politics. I could have been a judge in Zhengzhou Intermediate People's Court, Henan. But I still chose to stay in Beijing Xueersi." she said very proudly. The teachers in Xueersi were very excellent and many graduated from 985 universities. Some teachers had got medals in Chinese Mathematical Olympiad(CMO), Chinese Physics Olympiad(CPhO), Chinese Chemistry Olympiad(CChO), China High School Biology Olympiad(CHSBO) or National Olympiad in Informatics in Provinces(NOIP). And some teacher were the top scorer in the college entrance examination. For example, Li Jiajin in the Beijing Branch of Xueersi, graduated from Peking University and won the first prize in CChO. A teacher in Xueersi could get more than 300,000 yuan during his first year. Many excellent young teachers' income consisted of a fixed annual salary and a stock incentive. Their total revenue exceeded 1,000,000 yuan. In some small after-school tutoring institutions, a famous teacher could earn 2,000,000 – 3,000,000 yuan a year.

But reality gave Zhou Nan a heavy blow. "A few parents have organized several classes and I will be responsible for my students. But I am not very famous and more students will give up after-school tutoring so that I will probably not be a teacher for ever." She looked a little sad, "I will retake the civil service exam this year!" Zhou Nan is quite confident about his ability to take the exam.

After many branches of after-school tutoring institutions was shut down, the teachers who left like Zhou Nan, had some chances to teach the old students for some time because they were popular with the children. But they will eventually leave private education industry due to the lack of students. The teachers like Zhou Nan who are highly educated and good at taking exams, have other chances.

5. Conclusion

The current policy only blocks the outlet of the parents' anxiety about education, not the source.

What is the source of the anxiety about education? The most important source is talents selection system. China's imperial examination system had been regarded as the most effective talent selection mechanism for thousands of years before. But now in China, there are two kinds of talents selection systems. The first is the talent selection system for Universities and Colleges. If a student passes the Nationwide Unified Examination for Admissions to General Universities and Colleges, he will get a letter of admission from a university or college. The second is the talent selection system for the society including governments at all levels, enterprises and other organizations.

The deeper reason is employment pressure. Only students who graduate from the world-famous universities or Chinese prestigious schools such as 985 or 211 Universities can have a competitive advantage in the talent resources market. China is a country with a large population of 1,409.77 million

in 2020(China’s populatin of all ages are shown in Figure 2), and Beijing’s population is 2189.3 million(Beijing’s populatin of all ages are shown in Figure 3), so that the parents are anxious whether their children could find a good job or not.

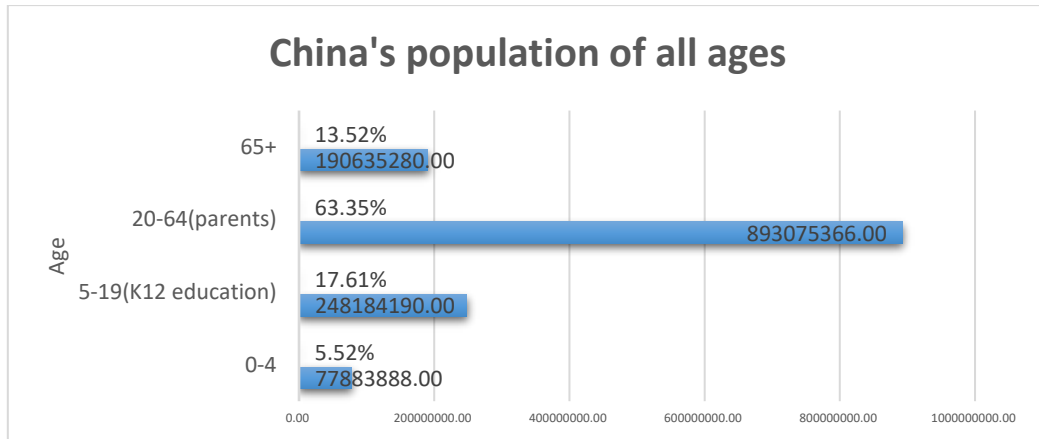


Figure 2: China’s population of all ages

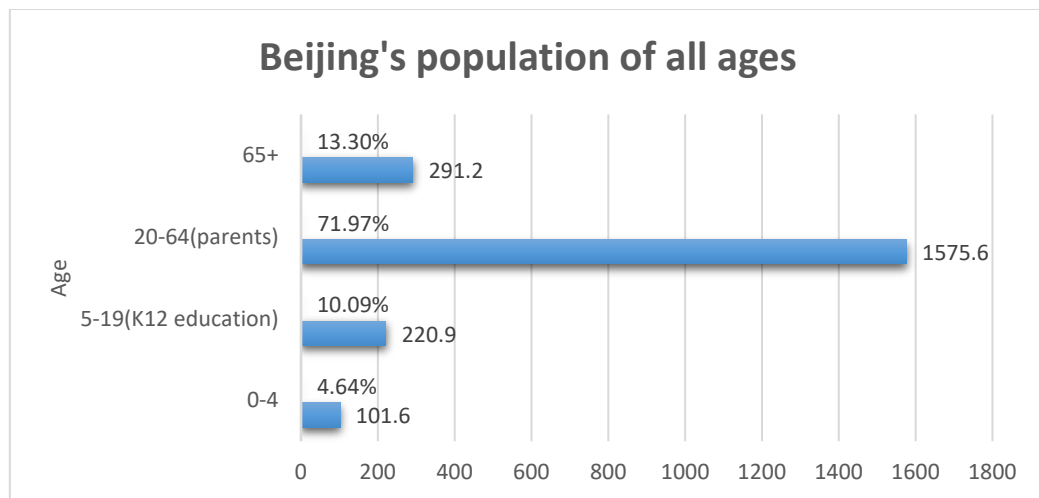


Figure 3: Beijing’s population of all ages

The Opinions on Further Alleviating the Burden of Homework and After-School Tutoring for Students in Compulsory Education is not only a major adjustment to China's Education pattern, but also a reconstruction of the industry order, a change in educational concepts, and a reconstruction of the educational system. Its fundamental purpose is to force schools to realize the overall reform of elementary education teaching, and to turn to the fields of quality-oriented education, vocational education and intelligent education under the guidance of the policies, and to return to the essence of education.

In July 2022, just one year after the introduction of *the Opinions on Further Alleviating the Burden of Homework and After-School Tutoring for Students in Compulsory Education*, a survey was launched in order to understand the thoughts and opinions of middle school students about the education reform. A total of 453 questionnaires were distributed.

Through this survey, it was found that 76.16% of the students were satisfied with the services of online after-school tutoring institutions, and even 73.51% believed that online education would replace traditional education in the future. Online education is currently not mature and needs further development, mainly because the binding force on students is not strong.

The greatest expectation of 44.81% of the students for the education reform is to strengthen the main front of school education, to make full use of the excellent teachers in key high schools in Beijing, and to improve the teaching level of ordinary high schools by training teachers through demonstration classes. Another 40.4% of the students expect the school to improve teaching efficiency in class, to improve the quality of homework, to provide stratified teaching of students in order to strengthen pertinence.

After summarizing the opinions of the students, there are three main suggestions:

5.1 Using Technological Innovation to Reduce Costs

The first is to use the power of technology, such as Onion Math, to recommend recording and broadcasting classes of well-known teachers and matching exercises according to the characteristics of the children, and to provide a package of online education services. The second is to match homework tools, such as homework boxes, to recommend the exercises with appropriate difficulty according to the students' abilities. The third is to use various APP, such as English Fluency, Bai Ci Zhan and Scallop Word, for oral practice and word recitation.

5.2 Using Government Force to Promote Quality-Oriented Education

The first is to make full use of the Children's Palace, the Science and Technology Innovation Center, and the Youth Activity Center, to make them stronger in order to become the support for quality education. The second is make full use of social organizations in arts, sports, and science and technology at all levels, to encourage private after-school tutoring institutions regulated by the authorities to develop. The third is to add the content of quality-oriented education assessment in the Academic Test for the Junior High School Students and the Nationwide Unified Examination for Admissions to General Universities and Colleges.

5.3 Taking Advantage of the Universities in Beijing

The third is to make full use of college students in Beijing. The student centers should organized the excellent students and introduce them to the parents as after-school tutors in order to satisfy the demand of one-on-one tutoring.

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