

# The Impact of the Double Reduction Policy on China's Education and Training Market

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**Abstract.** In recent years, the Chinese education and training market has experienced significant growth, but the excessive academic pressure on students and the disorderly expansion of the training industry have led to the implementation of the "double reduction" policy. This article analyzes the impact of the "double reduction" policy on the Chinese education and training market, and explores the reasons for the sharp decline in market size and the transformation of business models. Research has found that after policy implementation, the market size sharply shrinks, and many training institutions face pressure to close or reduce their scale. Large training institutions are also facing challenges and need to re-examine their business layout, close some branch campuses, and lay off employees to reduce costs. In terms of business model transformation, the "double reduction" policy has prompted educational institutions to undergo profound transformation. Online education is restricted, and institutions must re-plan their online business development blueprint, adjust course schedules, optimize course content, and explore diversified business models. Blended learning mode has become an important exploration direction for educational institutions, emphasizing the provision of high-quality educational services and valuing the cultivation of students' thinking ability, innovation ability, and comprehensive quality. Looking ahead, although the "double reduction" policy has brought short-term impacts to the education and training market, in the long run, it has positive and far-reaching significance for the Chinese education and training market. The market will continue to explore and innovate, moving towards a more scientific, diversified, and sustainable development path.

## 1 Introduction

In recent years, China's education and training market has experienced significant growth. However, concerns about excessive academic pressure on students and the unregulated expansion of the tutoring industry led to the implementation of the "double reduction" policy. This policy aims to reduce the burden of excessive homework and off-campus tutoring for students. The background for this policy is multi-faceted. As competition in education intensified, students were often overburdened with excessive tutoring and homework, affecting their physical and mental health. Moreover, the unregulated growth of the education

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and training market led to issues such as unfair competition and quality concerns. The government's decision to implement the "double reduction" policy is a response to these challenges and is aimed at promoting a more healthy and sustainable educational environment.

This paper will analyze the impact of the "double reduction" policy on China's education and training market. Explore the reasons behind the sharp decline in market scale and study the transformation of business models. Provide insights for stakeholders and contribute to understanding the future of the industry.

When it comes to Wang, Wang believes that the adjustment of off-campus training institutions has three aspects: the mode of operation, the occupation of students' time, and the business operation. And he thinks there will be a change in development. When the teaching concept of off-campus training institutions has shifted to developing quality business courses, vocational education courses, travel studies and camp courses, the idea of running schools and training has changed [1]. Kong illustrated that the first goal of the double reduction policy is to reduce the homework burden of children in compulsory education, and to restrain the capitalization expansion of the education market in the second world. China has already drawn up such standards. And Kong said that as fertility rates fall, the impact of the policy will be more severe [2]. Three ideas stood out in Tang's research: Double reduction on policies can increase risk-taking. The effect is even more pronounced in state-owned enterprises. This effect is more pronounced among firms with fewer financing constraints [3]. However, after-school tutoring institutions also have certain advantages. For example, in Chen's research, after-school tutoring institutions can reduce the gap between urban and rural education levels. At the same time, the problem of assigning teachers between rural and urban areas has been solved, because many after-school tutoring institutions have set up many institutions in rural areas in order to seek profits [4]. In addition, the stocks of some education and training companies have not been affected but have shown a positive trend. In Sun's research, with the further deterioration of the Covid-19 epidemic and the release of the double reduction policy, many education and training industries began to go to the bottom. But the company has gone through digital transformation and strategic transformation, the launch of online merge off-line(OMO) model and the establishment of oriental selection, and New Oriental's stock has risen [5]. Certainly, the double reduction policy also has certain advantages. In Wang et al's research. In the study, overall levels of depression and anxiety dropped significantly after the policy, as did rates of divorce and mental health problems, and students' sleep improved significantly [6]. Besides, Li et al. said that during the COVID-19 pandemic, offline learning has been suspended nationwide since December 2019 while double reduction policy has been implemented. Under the influence of the epidemic and policies, students' eye environment and eye-related behaviors have undergone great changes, and students' burden has been significantly reduced in physical activity and sleep time has increased, which means that the physique of all students has been improved [7]. In Weng's article, the following are mentioned: While using policy formulation theory to analyze the impact of double reduction policy on teachers is helpful, it may not be desirable to focus too much on the impact of staffing and infrastructure factors indicated in the theoretical framework and ignore the impact of other aspects such as teacher experience and stress on teachers' actual actions [8]. But the essence of the policy is not what the Chinese public thinks. In Wang's research, the double reduction policy is not implemented to reduce the burden on students, nor is it a key part of the strategic layout to realize the great rejuvenation of the Chinese nation, as some people say [9]. In conclusion, in Wu's research, the issuance of the "double reduction" policy brings many new challenges to parents in the concept and mode of family education, but also brings many new opportunities for family education. In order to enhance the effectiveness of family education, this study proposed a new way to improve the level of family education under the background of "double reduction" policy from two

aspects: updating the concept of family education and optimizing the way of family education. In the educational concept, we should set up the scientific and rational expectation concept, the child-oriented education concept and the democratic and equal parent-child concept. In the way of education, we should pay attention to leisure education, strengthen the construction of family style and close the relationship between family and school [10].

## **2 Sharp shrinkage in market scale**

The "Double Reduction" policy has had a profound and direct impact on the scale of the education and training market. Before the implementation of this policy, China's education and training market was booming, like a high - speed running commercial engine.

Looking back at the development process of the education and training market, its rise is closely related to the changes in the social environment. With the rapid development of the economy, the society's demand standard for talents has been continuously improved, and the competition in education has extended from inside the school to outside. Parents' mentality of "hoping their children will have a bright future" has become stronger, and they regard their children's education as a key way to change their destiny. Against this background, the off - campus training market for academic subjects emerged and expanded rapidly. From the bustling business districts in first - tier cities to the alleys in remote county towns, various training institutions have emerged like bamboo shoots after a spring rain. Relying on strong financial strength, mature operation models, and powerful marketing and promotion capabilities, large education and training institutions have rapidly expanded their businesses across the country. They have continuously opened branch schools and extended the tentacles of education to every corner. Taking New Oriental as an example, it has not only established an extensive teaching network in China but also occupied a place in the overseas market; Xueersi has attracted the attention of a large number of students and parents with its unique teaching methods and curriculum systems.

However, the introduction of the "Double Reduction" policy is like a sudden storm, bringing an unprecedented impact on this prosperous market. The policy stipulates that academic subject training cannot be carried out during weekends, holidays, and winter and summer vacations, which is equivalent to directly cutting off the main business periods of the education and training market. Market demand has receded rapidly like the tide, and the once bustling training institutions have become deserted.

For small education and training institutions, this is undoubtedly a disaster. These institutions usually have limited funds and may be just established by several teachers in partnership, with weak ability to control operating costs. The source of students is their lifeline, and the large loss of students caused by the policy has led to a sharp reduction in their income. Take a small mathematics training institution as an example. Before the implementation of the policy, it could open multiple classes during weekends and winter and summer vacations, with more than a dozen students in each class. But after the policy was introduced, the courses during these periods had to be cancelled, resulting in a sharp reduction in the institution's income, while operating costs such as rent, utilities, and teachers' salaries still remained. Under such circumstances, they are unable to sustain and have no choice but to close down.

Although large education and training institutions have a certain ability to resist risks, they are also facing huge challenges. They have to re - examine their business layouts, and closing some branch schools has become an inevitable choice. Those branch schools on the edge of the market with high operating costs and poor benefits are closed first. At the same time, layoffs have become a key measure to reduce costs, and a large number of teachers, marketing personnel, and administrative staff have been laid off. Taking a certain large education and training institution as an example, within half a year after the implementation

of the policy, the layoff rate reached as high as 30%. These laid - off personnel have to look for new employment opportunities, and the number of jobs in the education and training industry has been greatly reduced, which has also brought a certain employment pressure to the society.

From the market data, the turnover and profit of the education and training market have experienced a cliff - like decline in a short period after the implementation of the policy. Taking a certain first - tier city as an example, before the implementation of the policy, the total annual turnover of academic subject training institutions exceeded billions, and the market share occupied an important part in the entire education industry. But within a few months after the implementation of the policy, the market share has been reduced by more than half rapidly. This scale of shrinkage is extremely rare in the development history of the education and training industry. It indicates that the education and training market has entered a new and challenging era. This is not just a simple contraction of the market scale, but a major change in the entire ecology of the education and training industry, forcing education and training institutions to rethink their survival and development paths.

### **3 Transformation of business models**

Under the influence of the "Double Reduction" policy, the business models of educational training institutions have undergone a profound transformation.

Before the implementation of the policy, online education was undoubtedly one of the most dynamic and promising fields in the educational training market. The rapid development of Internet technology has been like adding wings to the education industry. The convenience, accessibility, and high efficiency of online courses have attracted the attention of countless students and parents. Many educational training institutions have made online education the core direction of business expansion, sparing no effort in investing a large amount of manpower, material, and financial resources. They are committed to building powerful and user - friendly teaching platforms, carefully developing courses with rich content and diverse forms, and at the same time, making every effort in market promotion. Through online education, geographical barriers have been broken. Whether children are in prosperous cities or remote rural areas, they all have the opportunity to access top - notch educational resources. In live courses, the real - time interaction between teachers and students makes learning vivid and interesting, while recorded courses give students the freedom to learn independently at any time and anywhere. The diverse learning options meet the individualized needs of different students.

However, the implementation of the "Double Reduction" policy has imposed restrictions on online academic training. Facing the new policy environment, educational training institutions have to re - examine and plan the development blueprint of their online business. On the one hand, they have made drastic adjustments to the original online academic courses. In terms of course scheduling, they strictly follow the policy regulations, avoiding conducting teaching activities during the prohibited time periods. At the same time, they deeply optimize the course content, removing the parts that are too exam - oriented and not in line with the orientation of quality education, making them more in line with the essence of education and the requirements of the policy. On the other hand, they are actively exploring diversified business models, trying to find new growth points in the new policy environment.

The hybrid teaching model combining online and offline has become an important exploration direction for educational training institutions. This model abandons the previous situation where online and offline are separated from each other and integrates the advantages of the two organically. For example, in the offline teaching scenario, quality education courses are vigorously carried out, allowing students to experience the charm of artistic creation, the passion of sports activities, and the wonder of scientific experiments in a real

physical environment. For some theoretical knowledge explanations and extended learning links, they are efficiently supplemented through online methods. This integrated model not only ensures that students can enjoy the on - site learning experience of face - to - face communication and interaction, but also can fully utilize the richness and convenience of online resources, achieving the effect of "1 + 1 > 2".

At the same time, the business philosophy of educational training institutions has also undergone a major change. They have returned from the track of simply pursuing economic benefits to the essence of education and paid more attention to providing high - quality educational services. In terms of course design, they have abandoned the previous cramming - style knowledge - infusion model and instead focused on cultivating students' thinking ability, innovation ability, and comprehensive quality. For example, in mathematics courses, a large number of thinking expansion training projects based on actual life situations are added to guide students to use the learned knowledge to solve real - world problems. In Chinese courses, rich and diverse in - depth reading and writing experience links are designed to let students feel in reading and express in writing. Through careful optimization of course design, not only the quality of the courses is improved, but also the attractiveness of the courses to students is enhanced.

In terms of teacher training, educational training institutions have increased their investment and launched a comprehensive and multi - level teacher development plan. In the past, institutions may have focused more on teachers' teaching skills, but now they have shifted the focus to teachers' professional quality and educational sentiment. Through regularly organizing systematic training and conducting in - depth teaching and research activities and other means, the comprehensive abilities of teachers are comprehensively improved. Let teachers not only be the disseminators of knowledge, but also be the guides on the students' learning path, guiding students to establish correct learning attitudes and values.

In addition, educational training institutions are also actively expanding the field of external cooperation. They establish close cooperative relationships with schools, provide characteristic course resources for schools, help schools enrich the curriculum system, or provide professional training services for school teachers to improve the overall education and teaching level of the school. They cooperate with cultural and artistic institutions to jointly explore and develop creative and connotative quality education courses, providing students with a more colorful learning experience. They carry out in - depth cooperation with technology enterprises, using advanced technologies such as artificial intelligence and big data to continuously improve the teaching experience and realize the intelligence and personalization of education. These diversified cooperation models have injected new vitality into the development of educational training institutions and also strongly promoted the integration and innovation of the education industry.

In summary, the implementation of the "Double Reduction" policy has promoted educational training institutions to make comprehensive and in - depth adjustments and innovations in their business models. From a single development model to a diversified integration path, from one - sided emphasis on economic benefits to returning to the original intention of education, from independent development to a new stage of win - win cooperation, these changes have opened up a new path for the sustainable development of the educational training industry.

## **4 Prospect**

The introduction of the "Double Reduction" policy has brought a profound impact like a storm on China's education and training market. In the short term, the education and training market seems to have experienced an earthquake. Under the strong impact of the policy,

many subject - based training institutions are facing unprecedented transformation pressure. On the one hand, a large number of institutions have to choose to close or significantly reduce their scale. The signs of subject - based training institutions that were once seen everywhere on the streets are gradually disappearing, and the market size is showing a sharp shrinking trend. On the other hand, practitioners in the education and training industry are also in a state of confusion. They have to rethink their career directions, and some of them have changed their occupations to enter other fields. Industry capital is withdrawing rapidly like a tide. This policy shock has made the education and training industry, which was once prosperous and chased by capital, enter a cold winter in an instant, and the industry pattern has been completely disrupted.

However, in the long run, the "Double Reduction" policy has a positive and far - reaching significance for China's education and training market. It is like a surgical knife that accurately removes the tumors of excessive commercialization and examination - oriented education in the education and training market. On the one hand, it has promoted education and training institutions to actively explore diversified development paths. The field of quality - oriented education is like a new blue ocean and has become a new growth point in the industry. Art training enables children to release their creativity in colors and lines; sports training helps students build strong bodies and tough wills on the sports field; and science and technology training opens the door for children to explore the mysteries of science. The vigorous development of these non - subject - based trainings is not only conducive to cultivating students' comprehensive qualities, but also can meet the individualized development needs of different students, and return education to the essence of teaching students according to their aptitudes. On the other hand, the "Double Reduction" policy has fundamentally reduced the academic burden on students, giving children more time to develop their hobbies and participate in social practice, and reducing the utilitarian color of education.

Regarding the prospect of China's education and training market, quality - oriented education will continue to develop vigorously and show a more diversified trend. With the increasing attention paid to the comprehensive development of children in society, the market potential in fields such as art training, sports training, and science and technology innovation training will be further explored. For example, in art training, in addition to traditional projects such as painting, music, and dance, niche fields such as drama performance and folk art will also have development opportunities; in sports training, in addition to common ball games and track and field events, some niche outdoor sports such as rock climbing and surfing will also be favored by some students and parents; science and technology innovation training will pay more attention to cultivating students' practical hands - on ability and innovative thinking, expanding from simple robot programming to the enlightenment education in cutting - edge fields such as artificial intelligence and biotechnology.

Online education will also encounter new opportunities under the background of the "Double Reduction" policy. It can break through the limitations of time and space and provide students with personalized and diversified learning resources. For example, by creating immersive online interactive courses, students can feel the learning atmosphere at home as if they were in the classroom; by using big data analysis, personalized learning plans can be customized for students to improve learning efficiency.

In addition, family education guidance services are expected to become a new trend in the education and training market. Parents are increasingly aware of their importance in their children's education, but they often lack scientific educational methods and concepts. Professional family education guidance institutions can provide parents with all - round guidance from children's psychology to the cultivation of learning habits, helping them better fulfill their responsibilities in family education.

## 5 Conclusion

Since the implementation of the "double reduction" policy, it has had a profound impact on the Chinese education and training market. This policy aims to reduce students' homework and extracurricular tutoring burden, promote educational equity, and promote students' comprehensive development. After the implementation of the policy, the market size of subject based training has significantly shrunk. Compared with the peak period, the market valuation has dropped from 2 trillion to 10 billion, and the glory of subject based training is no longer there. At the same time, this policy has also given rise to a new trend of home school co education, emphasizing the importance of family education. Also, Quality education has ushered in new development opportunities under the "double reduction" policy. The policy encourages students to develop personal interests and participate in social practice, reducing the utilitarian nature of education. The development of fields such as art, sports, and technology training has helped cultivate students' comprehensive qualities. Online education is also facing new opportunities for transformation, breaking through the limitations of time and space by providing personalized and diversified learning resources.

Family education guidance services are expected to become a new trend in the education and training market. With the increasing emphasis of parents on family education, professional institutions can provide comprehensive guidance to help parents better fulfill their responsibilities in family education.

Education and training institutions need to transform under the "double reduction" policy, due to policy adjustments, changes in market demand, intensified industry competition, improving service quality, and expanding business areas. For example, after the implementation of policies, New Oriental Online is facing a comprehensive transformation, with a significant reduction in personnel size and a shift towards new business models such as live streaming sales of agricultural products. The 'double reduction' policy has had a significant impact on students, parents, teachers, and the entire education ecosystem. The implementation of the policy aims to reduce students' academic burden, promote their comprehensive development, and regulate and adjust the education and training industry. This policy not only changes the operation mode of education and training institutions, but also provides new opportunities for the development of quality education and online education. With the deepening implementation of policies, it is expected that the education and training market will pay more attention to improving the quality of education and meeting the personalized needs of students.

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