Research on Government Regulation of Online Education Institutions

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Abstract

China's online education sector has expanded rapidly over the past decade, yet this growth has been accompanied by systemic regulatory deficiencies: ambiguous market entry standards, uneven teacher quality, widespread false advertising, and recurrent institutional failures linked to unsecured prepayment models. These dysfunctions not only disrupt market order but also undermine the public welfare foundations of education. This study diagnoses the core deficiencies within China's government regulatory framework for online education and proposes a systematic optimisation pathway. Employing a composite analytical lens integrating government regulation theory, public interest theory, and collaborative governance theory, the research adopts an explanatory sequential mixed-methods design. Quantitative analysis of policy texts and a survey of over 100 institutions clarifies the macro-level relationships between regulatory intensity and compliance outcomes. Qualitative case studies of 6–8 institutions, including in-depth interviews and archival analysis, reveal the micro-level mechanisms of policy distortion and innovation during grassroots implementation. The findings expose a "triple failure"—institutional fragmentation, instrumental obsolescence, and capacity deficits—rooted in the misalignment between traditional command-and-control regulation and the dynamic, cross-domain nature of digital education. The study proposes a collaborative governance ecosystem encompassing institutional consolidation, technological innovation in regulatory tools, and pluralistic participation. This framework offers both theoretical advancement in understanding digital-era regulatory transformation and practical guidance for policymakers seeking to balance market vitality with public interest safeguards.

Keywords: Online education; Government regulation; Regulatory failure; Collaborative governance

Introduction

With the rapid development of information technology and the diversification of educational needs, online education has become an important part of the global education ecosystem. In China, it entered a period of rapid development around 2010, especially catalyzed by the COVID-19 pandemic in 2020, leading to a sharp expansion in the user base of online education and a significant increase in industry penetration (Liao, 2021; Ren et al., 2023; Zhang et al., 2023). However, alongside the market boom, numerous irregularities have emerged: some online education institutions have unrealistically low entry barriers, the quality of teachers varies widely, false advertising and price fraud are frequent, the security risks of funds under the prepaid model are high, and incidents of "difficulty in refunds" and "running away" are not uncommon.

The existence of these issues not only severely infringes upon the legitimate rights and interests of consumers (students and parents) and disrupts market order, but also challenges the public welfare and fairness of education itself. Although the national level has issued policies such as the "Guiding Opinions on Promoting the Healthy Development of Online Education" (2019) and launched special governance actions, regulatory practices still face severe challenges in terms of the completeness of laws and regulations, the coordination of regulatory bodies, the effectiveness of regulatory measures, and the professionalism of regulatory personnel (Andrea Márquez Vásquez & Caicedo Consuegra, 2025; Ntuli et al., 2022; Wang, 2025). Therefore, a systematic review and optimization of the government's regulatory system for online education institutions are of urgent theoretical and practical significance for ensuring the healthy and sustainable development of the industry and safeguarding the public interest in education.

Since reform and opening-up, alongside economic and social development, education has progressed rapidly, becoming a key area of public concern (Guleva, 2022; Wu, 2021; Xiong et al., 2022). To standardize educational development in China, especially with revisions to the Compulsory Education Law prohibiting paid tutoring by public school teachers, social force-run schools have mushroomed (Wang et al., 2025). How to further improve the development quality of online education and training institutions and enhance the role of various government regulatory measures in their development and application are important topics facing educational regulatory authorities. However, due to China's vast territory and significant regional variations, introducing unified supervision and management measures is difficult, posing challenges to local oversight.

This study aims to explore the following core issues: In the context of China, what are the key deficiencies and implementation challenges in the current government regulatory system for the rapidly evolving and problem-prone online education industry? How can a more systematic, coordinated, effective, and adaptive government regulatory framework be established for online education? This study pursues three interconnected objectives, each addressing a distinct gap in the existing literature and contributing to theoretical, methodological, and practical advancements in the field of online education governance.

While previous studies have identified isolated regulatory deficiencies—fragmented legislation, overlapping departmental mandates, or outdated enforcement tools—few have examined how these elements interact to produce systemic dysfunction. This study aims to conduct a comprehensive and in-depth diagnosis of the current regulatory landscape, tracing the causal circuitry that connects institutional fragmentation, instrumental obsolescence, and capacity deficits. By constructing a clear "problem map" that reveals how these three failures mutually reinforce one another, this research moves beyond symptom enumeration to uncover the underlying mechanisms perpetuating regulatory ineffectiveness—a dimension largely absent from existing scholarship.

Existing research on online education regulation has drawn on multiple theoretical traditions government regulation theory, public interest theory, and collaborative governance theory but predominantly in isolation or as parallel invocations rather than genuine integration (Dudar et al., 2024; Weber, 2021). This study addresses this theoretical gap by constructing a composite analytical framework that systematically weaves these three lenses into a coherent analytical optic. Rather than treating them as discrete perspectives, this framework illuminates their complementarities: government regulation theory supplies diagnostic tools for identifying market failures; public interest theory provides normative criteria for evaluating regulatory outcomes; and collaborative governance theory offers procedural blueprints for institutional design. This integrated approach not only deepens understanding of online education's regulatory complexities but also offers a transferable analytical model for examining governance challenges in other digitally mediated sectors.

A persistent limitation in current policy literature is the tendency to generate fragmented recommendations specialised legislation here, fund custodianship there without articulating how these discrete measures cohere into a functional governance architecture (Erinosho et al., 2022). This study transcends this gap by proposing an integrated, forward-looking optimization programme centred on the "institution–tool–network" trinity.

Rather than offering a laundry list of isolated interventions, we specify how institutional consolidation, technological innovation in regulatory tools, and pluralistic participation mechanisms can be designed as mutually reinforcing pillars. The resulting framework provides policymakers not merely with actionable recommendations but with a systemic blueprint for transitioning from fragmented oversight to collaborative governance contribution with direct applicability to Indonesia and other developing economies confronting similar digital education challenges.

Construction of the Theoretical Foundation

This study is grounded in a composite theoretical framework (Fig. 1), with government regulation theory as the logical starting point, public interest theory as the value orientation, and collaborative governance theory as the methodological blueprint.

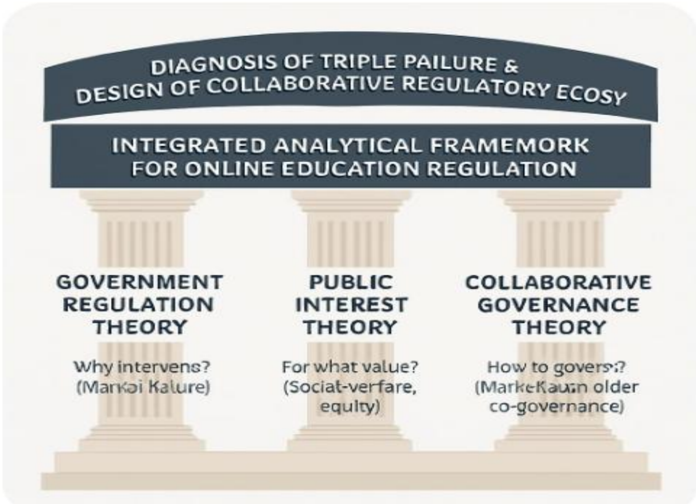

Fig. 1: The Composite Theoretical Analytical Framework of This Study

Government Regulation Theory: The Logical Cornerstone of Intervention

This theory explains the justification and methods for government intervention to correct "market failures." The online education market exhibits typical example failures: information asymmetry (consumers' difficulty in assessing course quality and teacher authenticity), negative externalities (low-quality education damages societal human capital accumulation), and potential monopolistic tendencies (leading platforms may abuse market dominance). This provides the economic rationale for government implementation of regulatory tools such as licensing, standard-setting, price monitoring, and conduct inspections.

Public Interest Theory: The Value Lighthouse of Regulation

This theoretical tradition insists that regulation, at its core, is not merely an exercise in economic calibration but a vehicle for the protection and advancement of collective welfare. Education, in this light, is never purely a private commodity; it is a quasi-public good—one whose distribution and quality bear directly upon social mobility, equality of opportunity, and the trajectory of national development. Even when education migrates online and becomes entangled with venture capital and shareholder expectations, it cannot be permitted to shed its public character entirely. If profit logic is left unchecked, the erosion of pedagogical integrity, consumer trust, and equitable access is not a risk but a probability. Thus, the public interest framework supplies this study with its normative anchor: the conviction that the state must, as a matter of democratic responsibility, demarcate and enforce certain non-negotiable thresholds—call them quality red lines, equity baselines, or simply the irreducible guarantees that distinguish education from mere content delivery.

Collaborative Governance Theory: The Methodological Blueprint for Governance

As the regulatory demands of online education grow in both scale and sophistication, the limitations of a model centred on unilateral state command and control become increasingly untenable. Collaborative governance theory offers a different conceptual grammar—one that envisions a governance architecture of a different order, networked rather than hierarchical, and premised less on edict than on sustained negotiation among a plurality of actors: the state, market actors, civil society organisations, and the technological systems themselves. Translated into the context of digital education, this implies a fundamental recalibration of the state's role—not one of rowing but of steering; of setting direction, convening actors, and, increasingly, constructing the digital platforms through which co-ordination can occur. It also means intentionally creating the conditions under which industry self-discipline, social accountability, and technological instrumentation can be mobilised not as supplements to state authority but as constitutive elements of the collective exercise of governance.

Review of Domestic and International Research

Internationally, private supplementary tutoring and, more recently, its digitally mediated forms, have long been examined under the rubric of "shadow education"—a framing that foregrounds its structural dependency on formal schooling and its entanglements with social reproduction. Early sociological and economic inquiries (Stevenson & Becker, 1992) have since been complemented by a growing body of scholarship concerned with regulatory dilemmas: how to assure quality, protect consumers, and safeguard data privacy in increasingly commercialised learning environments (Poole et al., 2020). Yet much of this literature remains anchored in the institutional realities of higher education or adult vocational training, where regulatory cultures tend to privilege ex post accountability and voluntary certification over the kind of pre-emptive, interventionist stance that has come to characterise China's approach to K-12 online tutoring. The conceptual and instrumental repertoires on offer are nonetheless instructive.

Domestically, the past half-decade has witnessed an explosion of scholarly interest in the governance of online education. A substantial body of work now exists on problem diagnosis cataloguing fragmented legislation, blurred departmental mandates, obsolescent enforcement tools, anemic social participation, and acute capacity deficits (Niu, 2020; Li, 2020). Case-based research has furnished granular accounts of how these generalised shortcomings manifest at the local level (Zhang, 2022), while policy-oriented studies have advanced a range of correctives, from specialised legislation and prepaid fund custodianship to the construction of credit-based classification systems.

For all its vitality, however, this literature exhibits three persistent limitations. First, the mobilisation of multiple theoretical traditions—regulation theory, public interest frameworks, collaborative governance—remains largely additive rather than integrative; they are invoked in parallel but rarely fused into a coherent analytical optic. Second, while regulatory deficits are enumerated with growing precision, the causal circuitry that connects them—how institutional fragmentation begets instrument obsolescence, which in turn compounds capacity deficits—has yet to be systematically traced. Third, and consequently, policy proposals tend to aggregate into laundry lists of discrete measures rather than coalescing into a genuinely synthetic governance blueprint, one that binds legislative renewal, technological innovation, and participatory redesign into a single, mutually reinforcing architecture. It is precisely at the intersection of these gaps that this study seeks to situate itself—not merely to diagnose or to list, but to integrate; and, in doing so, to advance a regulatory optimisation program that is not only analytically rigorous but also institutionally actionable.

Methodology

The core positioning of this research is a policy analysis and normative study led by qualitative research. The determination of this research type stems from our profound understanding of the nature of the research question. The primary objective of this study is not to conduct statistical inference about large-scale population parameters or to validate universal variable relationships—strengths typically associated with quantitative research. Instead, we are committed to achieving the following more in-depth goals: First, Systematic Diagnosis: To deeply reveal the structural deficiencies and operational logic of the online education regulatory system at institutional, instrumental, and capacity levels. Second, Process and Mechanism Analysis: To understand the behavioral logic, interaction patterns, and underlying causal mechanisms of different regulatory actors (government departments, platform institutions, social organizations) in specific contexts. Third, Normative Construction: Based on diagnosis and analysis, and integrating public administration theory and public interest value orientation, to propose a set of policy solutions and governance frameworks aimed at improving the current situation and promoting the optimization of the governance system.

These are the most authoritative primary sources for understanding the regulatory institutional framework and government intent. Our text corpus systematically includes various normative documents issued at national and local levels, directly or indirectly related to online education regulation. Specifically, these include: (1) Laws and Administrative Regulations, such as the Education Law, the Law on the Promotion of Private Education, the Law on the Protection of Consumer Rights and Interests, the Cybersecurity Law, and related implementation regulations; (2) Departmental Rules and Key Policy Documents, especially special governance notices, guidance opinions (e.g., Guidance on Promoting the Healthy Development of Online Education), and management measures jointly or separately issued by ministries such as the Ministry of Education, the State Administration for Market Regulation, and the Cyberspace Administration of China; (3) Local Regulations and Implementation Rules, selecting regulatory innovation policies from regions with concentrated online education institutions like Beijing, Shanghai, Guangdong, and Zhejiang to observe the translation and differentiated implementation of central policies at the local level. These texts collectively form the cornerstone for analyzing "institutional failure" in regulation.

To perspective into the process of regulatory failure and its underlying causes in concrete situations, this study selects several typical cases that have attracted widespread social attention and in-depth academic discussion in recent years for deep analysis. Case selection follows the combined principles of "theoretical sampling" and "extreme or critical cases", aiming to maximally reveal the problems. These cases primarily cover several types: (1) Major Violation and Penalty Cases: Institutions receiving severe penalties from regulators for false advertising, pricing violations, or operating without proper licenses; (2) "Meltdown" and Closure Events: Platforms that suddenly ceased operations due to broken capital chains or poor management, leading to large-scale user refund difficulties; (3) Representative Consumer Disputes and Judicial Litigation: Typical cases revealing issues like contractual traps and teaching quality disputes. The analysis of each case will integrate multiple sources of information, striving to reconstruct a complete picture of the event.

To broaden the research perspective and achieve data triangulation, this study extensively incorporates various high-quality secondary materials: (1) Industry Research Reports and Market Data: Such as sections on online education users in the “Statistical Report on Internet Development in China” by the China Internet Network Information Center (CNNIC), and industry scale and user behavior analysis reports published by market research firms like iResearch and Analysys, used to understand the macro landscape of market development. (2) Academic Literature: Including domestic and international related research reviewed in Chapter 2, providing a basis for theoretical dialogue and reference for known research findings. (3) Authoritative Media Reports and In-depth Investigations: Investigative reports from mainstream media like “People's Daily”, Xinhua News Agency, CCTV, and some specialized financial media, providing rich background information, interviews with involved parties, and social repercussions. (4) Official Regulatory Dynamics and Law Enforcement Disclosure Information: Administrative penalty decisions, reports on the results of special regulatory campaigns, etc., collected from various government official websites and credit information publicity platforms, serving as objective records of policy implementation effects.

This is the foundational work of this study. We systematically collated, coded, and analyzed the collected policy texts and academic literature. The process is not mere content listing but includes: First, Diachronic Review: Using a timeline as the axis to outline the evolution trajectory and stage characteristics of China's online education regulatory policies since the 2018 special governance campaign. Second, Thematic Coding: Using qualitative analysis software (e.g., NVivo) to extract and categorize key elements in policy texts, such as regulatory objectives, regulatory subjects, regulatory objects, regulatory tools, and penalty measures, visualizing the focus and blind spots of policy attention. Finally, Critical Interpretation: Combining institutional analysis theory to examine the connectivity, contradictions, and potential "legislative gaps" or "regulatory arbitrage" spaces between different texts.

For each selected typical case, we conduct an in-depth retrospective process-tracing analysis. The core of this method is to identify the "critical junctures" and "causal mechanisms" leading to regulatory failure or crisis outbreaks by constructing detailed case narrative chains. We extensively collect multi-source materials about each case, including but not limited to: long-form investigative journalism, case bulletins issued by regulatory departments, court judgments, consumer complaints and discussions on social media, and commentaries by relevant experts. By cross-referencing different sources, we strive to piece together a relatively complete and objective factual picture, focusing on analyzing: How were regulatory rules complied with, circumvented, or challenged in the event? What was the timing, manner, and coordination effectiveness of interventions by different regulatory departments before and after the event? Did existing regulatory tools (e.g., fund custody requirements) fail to prevent risks, and if so, why?

To enhance the insightfulness of the research and the breadth of policy recommendations, we embed a comparative perspective within a controllable scope. This mainly includes two levels: First, Inter-regional Comparison within China, comparing and analyzing the specific measures, enforcement intensity, and innovative attempts of different provinces or cities in implementing central regulatory policies, thereby revealing regional execution differences and their influencing factors under a unified policy framework. Second, Limited International Reference, not conducting a comprehensive cross-national comparative study, but selectively drawing on certain experiences or concepts regarding regulatory tools (e.g., learning data privacy protection standards, online course quality certification) or governance philosophies (e.g., collaborative governance, risk-based regulation) from regions with earlier digital education development like Europe, the US, Japan, and South Korea. These serve as a "mirror" for reflecting on China's regulatory model and inspiring governance innovation.

This is the core step for preliminary digestion and refinement of primary materials. For policy texts, we not only conduct word frequency and thematic analysis but also focus on interpreting the regulatory logic, intent of power allocation, and value prioritization behind the texts. For case materials, we conduct meticulous process tracing and causal mechanism mining, identifying the "missing links" or "faulty connections" that lead to the failure of regulatory objectives. For example, we inquire: In cases of misappropriation of pre-paid funds, what decision-making steps occurred between fee collection and misappropriation? Why did existing financial reporting systems or fund warning mechanisms fail? This analysis aims to go beyond the surface and touch the micro-foundations of the regulatory system's operation.

This study is permeated with theoretical perspectives throughout. We do not treat theory as a post-hoc ornament but as an active "analytical lens" and "organizing framework." Specifically: Government Regulation Theory guides us to focus on the specific manifestations of market failures (information asymmetry, negative externalities) and their relationship with the mismatch of regulatory tools. Public Interest Theory serves as a value benchmark, helping us judge which regulatory loopholes cause the most severe damage to educational equity and students' long-term development, thereby determining the priority sequence for policy optimization. Collaborative Governance Theory provides a blueprint for us to examine multi-departmental coordination dilemmas and design pathways for multi-stakeholder participation. In the analysis, we continuously engage in dialogue between empirical materials and these theories, using materials to test, enrich, or revise theoretical presuppositions, while using theory to integrate and elevate empirical observations, ensuring the theoretical depth and internal consistency of the analysis.

Results and Discussion

Status Quo of Online Education Supervision

Online education is an important way to realize educational informatization and solve difficult problems restricting educational development in China. It can promote innovation and change in education and accelerate China's transformation from a large education country to a strong education country. Internet-based sharing of educational resources can fully utilize the "sharing and cooperation" spirit advocated by the internet, obtaining teaching resources diversely and conveniently. It can integrate teaching resources scattered in different spaces and times, realizing extensive sharing of educational resources, meeting urgent needs of learners including the public and students, greatly reducing access conditions for learners to enjoy educational resources, enabling learners to easily learn online courses and share course resources. It has created new conditions for improving citizenship and accelerating learning society construction. Online education largely developed with the mobile internet wave; in the traditional PC era, although online education forms existed, the real sense of online education began breaking out around 2011, coinciding with mobile internet development and popularization.

Government Regulatory Policies for Online Education

Online education can not only solve social contradictions caused by injustice of educational resources but also reflect social progress and development, so the state has made certain norms at legislative and corresponding policy levels. Because it is the early stage of online education development, many problems need solving; although China has issued some corresponding policies, intensity is far from enough. To regulate online education institutions, on August 10, 2018, the Ministry of Justice issued the Implementation Regulations of the Law on the Promotion of Private Education of the People's Republic of China (Revised Draft) (for review), submitted by the Ministry of Education to The State Council for consideration. This regulation proposes that institutions using internet technology to implement online education activities and provide internet technology service platforms for online education should obtain an internet business license and file with the education administrative department and human resources and social security department of the provincial people's government where the institution is domiciled. Institutions without a school license shall not implement corresponding teaching activities. The most important aspect of this regulation is emphasizing that online education institutions must obtain corresponding school licenses to carry out corresponding online teaching, raising the entry threshold of the online education industry from the policy level. Simultaneously, to protect user privacy and security, the "Network Security Law of the People's Republic of China" implemented in June 2017 clearly stipulates that network operators shall not disclose, tamper with, or destroy collected personal information; personal information shall not be provided to others without consent of the person collected.

Necessity of Government Regulation of Online Education

Maintaining the Commonweal Nature of Education

Educational behaviors of educational institutions interact with and supplement education provided by schools for purposes of "compensating for deficiencies" or "improving." Therefore, although online education is a service form set by commercial subjects for profit, because it provides education, it possesses the public welfare attribute of education. Simultaneously, online education institutions have both internet attributes and profit-seeking attributes. Without external regulatory forces, profit-seeking characteristics of commercial subjects gradually become stronger than or even infringe upon public welfare attributes of education itself, resulting in adverse consequences like waste of educational resources and aggravation of educational inequity, further affecting harmonious and stable societal development. This does not meet China's requirements for achieving the goal of governing education by law. Therefore, it is necessary to ensure online education institutions can maintain relative balance and stability between public welfare and profit-seeking through reasonable and effective means. Given the background of education management separating "management, assessment, and teaching" and the government's role in the market, introducing government regulation with a neutral nature is a relatively safe approach. Thus, to protect the public property of education from destruction, implementing administrative supervision on online education institutions is necessary.

Ensure the Healthy Development of Online Education

China's online education industry is developing rapidly, with low market concentration, diversified competition mechanisms, and absence of industry self-regulatory organizations, lacking industry self-discipline and normative constraints. The above reasons focus on online education institutions with money "running away," overbearing clauses, unlicensed schools, and other industry chaos, with effective solutions lacking. Negative effects are likely to intensify. The involvement of many complex network platforms increases difficulty in implementing administrative supervision, but because of the important position of administrative supervision in China's legal regulation system of network platforms, it also increases the necessity of implementing administrative supervision. On one hand, this situation reflects the development status that the online education industry has not yet formed a monopoly pattern; on the other hand, it reflects that the industry has not yet formed a more unified industry standard.

Promoting the Realization of the Goal of IT Application in Education

Educational informatization is an important part of the social informatization process. Chapter 19 of the Outline of the National Medium- and Long-Term Education Reform and Development Plan (2010-2020) issued in 2010 proposed "Accelerating the process of education informatization." The plan for speeding up construction of education information infrastructure, strengthening development and application of high-quality education resources, and constructing the national education management information system is made clear. The proposal of these three aspects not only points out the direction for further promotion of education informatization but also provides direction and ideas for the development of the online education industry that relies on the internet to carry out educational activities. Relevant educational activities carried out by online education institutions cannot exist independently from the market nor violate requirements and regulations put forward by the education department for educational activities. Therefore, the field of online education is not "outside the law" and should also be subject to legal constraints.

Problems in Government Regulation of Online Education Institutions

Lack of Regulation of Online Educational Content

First, online live courses offer real-time interaction, enhancing engagement, but teachers cannot observe students directly and must design activities to gauge understanding. Network instability further complicates interaction management. While beneficial, large class sizes and varying student proficiency levels make personalized instruction difficult, creating supervision challenges as instruction may not suit all learners.

Second, recorded courses lack interactivity, leading to lower engagement and efficiency due to limited attention spans. However, they allow for post-production editing and segmentation into micro-lessons for flexible learning. A key regulatory issue is that a significant portion of such on-demand content is created and distributed without formal review or registration by institutions, resulting in inconsistent quality.

Lack of Supervision on the Funding of Online Education Institutions

Due to uneven quality of online education institutions, coupled with the aggregation effect of high-quality platforms, high return rates are relatively common. After course purchases cannot be withdrawn, consumer rights and interests are not protected from time to time, the problem of difficult lesson withdrawal and refund has become a major issue in the online education industry. Currently, most online education institutions provide a certain period (20 days, 30 days, 60 days) for unconditional refund; after a certain period (one month, two months, six months), deduction of paid class fees is required, but this time class fee is deducted at original or higher prices, not according to original preferential prices; some online education institutions clearly state no fee refund after deadlines. Two main reasons exist for this phenomenon: first, parents do not carefully pay attention to the service agreement signed by both sides and do not care about relevant withdrawal terms; second, institutions create traps in contracts, either obscuring course duration for refund application or designing refund conditions and procedures too complicated, with different application times often corresponding to different refund amounts.

Lack of Interdisciplinary Supervisory Talents

Online education uses the internet as a carrier, then utilizes big data, artificial intelligence, and other high-tech to analyze user learning data, finally obtaining an overall user portrait. Online education institutions push corresponding knowledge through user portraits, allowing users to obtain desired knowledge timely. Simultaneously, when users use online education platforms, platforms interact with users from different dimensions to grasp latest user trends and better serve users. Because high and new technology can produce great benefit value, major online education institutions compete to recruit talents with these cutting-edge technologies, but due to limited technical personnel, some often find themselves unable to recruit people. It can be seen that relevant technical personnel are lacking. Technical personnel are often prioritized for enterprise supply, with few professionally knowledgeable talents entering China's functional departments. Simultaneously, because most personnel in China's functional departments only know some simple office applications and have little understanding of internet technology, professional knowledge involved in online education is completely mysterious to them, making it unrealistic for them to supervise online education. Although current regulatory departments are vigorously recruiting professional and technical personnel, online education involves too many technical aspects, and supervision must possess much professional knowledge, currently quite lacking. Supervision of online education must introduce many technical professionals to solve talent shortage-caused lack of supervision from the root. Relevant government functional departments should not only vigorously encourage technological innovation but also train personnel with various professional skills. Only then can there be enough personnel strength to solve relevant problems when they arise, and simultaneously, supervision of online education can be more reasonable and educational development better.

Strengthening Government Regulation Measures for Online Education Institutions

Improve the Supervision System of Online Education

Relevant departments should introduce a regulatory system for online education based on current status, combined with laws and regulations on education, internet, and cultural communication, so that online education development and governance have laws and rules to follow. Simultaneously, improve qualification conditions required for online education, refine corresponding access systems, and clarify the definition of scope and access thresholds for online education institutions. China must strengthen functional departments to predict risks of online education enterprises, suspending those with educational chaos. On the other hand, regulatory authorities should implement filing of qualifications of online education institutions, teachers, and teaching content, increase investigation and punishment of online education, and clarify regulatory responsibilities and boundaries of relevant functional departments timely, standardizing relevant business processes to increase work efficiency. For relevant regulatory systems already introduced, regulatory departments should also combine high and new technologies to ensure every regulatory link is implemented.

Currently, funds of online education platforms are basically in corporate accounts of institutions, with fund use not requiring any third-party supervision. Platforms often suffer fund breakdown and platform failure due to fund misappropriation. The Chinese government can require educational institutions to set up special accounts for online education funds. After students consume online education services, they need to confirm with regulators before money in special funds can be withdrawn by enterprises. If users do not confirm, money remains sealed in bank accounts. Simultaneously, if educational institutions fail due to poor management, users can also withdraw unspent money through special accounts. This can avoid risks from platform arbitrary fund misappropriation and ensure user funds are protected after enterprise operational loss. Simultaneously, regulatory authorities should actively explore establishing special account management and use systems to increase enterprise violation costs.

Establish a Multi-dimensional Regulatory System

Good supervision is inseparable from a good team, and online education supervision also inseparable from professional skill support. Government functional departments must increase recruitment of high-tech personnel, increase corresponding welfare benefits, attract various outstanding talents to enter functional departments, building a strong supervisory team. Government departments should strengthen training of existing personnel, increase their internet knowledge reserves, and provide policy support and help for those interested in turning to online education supervision. Authoritative certification bodies within the education industry must be certified and recorded by China's education system, and these institutions must also be regulated by industry associations. This helps build certification body authority and avoid lack of supervision caused by certification body slack. Simultaneously, third-party online education authority certification bodies must comply with online education regulatory requirements, not only conducting comprehensive supervision of online education institutions but also tracking and judging teachers and teaching results of online education institutions, finally obtaining third-party regulatory evaluation results. Because third parties have no interest in online education institutions or students, their judgment credibility is higher than that of online education institutions.

Simultaneously, educational functional departments must also formulate corresponding supervision measures for third-party education certification institutions, banning irresponsible institutions and investigating criminal responsibility for illegal crimes. Third certification bodies should also establish fair and objective industry standards, clarify reward and punishment rules, actively encourage excellent online education institutions, and actively report to relevant departments for shoddy, plagiarism, piracy, and even using others' reputation to promote online institutions, ensuring healthy and stable development of online education institutions.

Strengthen the Construction of Supervision Team

Online education supervision is a technical task requiring many skilled full-time staff. Therefore, relevant functional departments should sort out relevant employment needs based on existing situations, conduct substantial recruitment in society, and introduce competent supervisory personnel. Simultaneously, the government should increase investment in education, improve talents needed for online education supervision, and frequently strictly screen introduced relevant personnel to avoid recruiting personnel without real talent.

Currently, shortage of online education supervision personnel is due to manpower lack on one hand and lack of staff skills training on the other. To strengthen team skills training, combine existing reality, consult relevant institutional platforms to understand skills needed for current supervision, then set up corresponding training plans to conduct corresponding training work for staff in batches. Simultaneously, avoid training formalism and strengthen corresponding training assessment, ensuring training content truly implemented. Training forms should also be diversified, not rigid; specific operation modes can be adjusted based on student feedback, using various ways to improve student learning effects. Training functional departments should update relevant training content from time to time, avoiding outdated training content and practical purposes. Training should be linked to assessment; those failing training courses should not be promoted, advanced, or transferred (Liang, 2025; Wu et al., 2025).

Government regulation should first clarify regulatory responsibilities and scopes of various functional departments to reduce unsupervised cross-regulation. Second, reduce communication links of functional departments and increase work efficiency. Various functional departments should also establish corresponding communication mechanisms to make communication more efficient. Simultaneously, regulatory departments should always analyze cooperation between various departments, optimize links not conducive to communication, making inter-department cooperation efficient. Finally, functional departments should introduce corresponding performance management mechanisms for specific problems of online education supervision to avoid inaction phenomena.

Conclusion

The supervision of online education is a complex task involving multiple disciplines and government departments. Currently, due to the lack of comprehensive laws, regulations, and industry standards, many institutions operate on the edge of compliance, hindering the healthy development of the sector. Effective regulation must adhere to the essence of education as its core evaluation standard.

Government departments urgently need to accelerate the establishment of a systematic regulatory framework, break down inter-departmental barriers, and strengthen cross-functional collaboration to jointly address market irregularities. While online supervision can learn from offline experiences, it must be adapted to its unique characteristics such as virtual presence, broad reach, and technology-driven nature to avoid being ill-suited or counterproductive. Regulatory intensity should strike a balance between encouraging innovation and maintaining order. Therefore, it is essential to solicit broad input and formulate appropriate rules based on big data analysis. Simultaneously, regulatory processes should be streamlined to enhance efficiency.

Fundamentally, it is necessary to improve the legal and regulatory framework to provide a clear basis for supervision, strengthen professional personnel and technical capabilities to achieve dynamic, forward-looking oversight, and promote industry self-discipline and ethical development. Ultimately, only through the collaborative efforts of the government, the industry, and society can a healthy and orderly online education ecosystem be fostered.

The fundamental purpose of this paper is to hope all functional departments can strengthen supervision of online education, promoting healthy development of online education, thereby fostering balanced educational development. Online education supervision is cross-departmental work requiring regulatory data from many relevant departments to analyze regulatory issues to propose regulatory policies more targeted. Online education supervision is long-term work; new technology development may bring new regulatory loopholes; related policy research cannot be shelved. Online education supervision policies not only need to consider operability of regulatory authorities' law enforcement but also whether relevant policies can truly promote balanced educational development.

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