

How Mainland China Governs Video Game Monetisation: An Imbalanced Framework

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INTRODUCTION

China has emerged as a crucial jurisdiction to study video game monetisation for two reasons. First, it is both a major force in global game production and one of the world's most lucrative game markets. It is home to Tencent, the world's largest game publisher by revenue (Elliott, 2023), and has the world's largest mobile game market (Wang, 2023). At the same time, many of these commercial successes have been built on the widespread adoption of controversial monetisation designs, such as loot boxes (Xiao et al., 2024). Second, monetisation has become a central arena in which regulators, industry actors, and players contest the boundaries of acceptable gaming practices and negotiate competing visions of what constitutes proper gaming (Zhangshao et al., 2026). The Chinese government also sought to broaden the regulation of video game monetisation beyond loot boxes. However, the proposed measures remain under review after triggering a strong negative response from the market (Ye, 2024).

Existing research on China's regulatory approach has primarily examined individual regulations or regulatory measures, focusing on their implementation, impact, or effectiveness. Scholars have been discussing how specific regulations (e.g., the console ban 2000-2015) shaped China's gaming market and culture (Davies, 2024), and how the Chinese government managed to exert control over game content and gameplay through multilevel censorship (Song, 2023). Another strand of research has focused on the implementation of the probability disclosure policy for loot boxes, documenting widespread suboptimal compliance among game companies (Xiao et al., 2024). While these studies have generated important insights into the design and effects of particular regulatory interventions, they tend to examine regulations in isolation. Consequently, we know considerably less about the broader governance framework through which the Chinese state simultaneously regulates, supports, and shapes video game monetisation as an object of governance.

Against this background, this paper asks two questions: How is video game monetisation regulated in China? And how is it supported? By addressing these questions, we aim to map the broader governance framework through which video game monetisation is governed in China. To do so, we conducted a thematic analysis (Braun & Clarke, 2006) of 138 Chinese governmental regulatory documents across various levels of government, as well as industry self-regulatory documents. The dataset comprises five categories of documents: national laws, departmental regulations, 14th and 15th Five-Year Plan documents, local government policies and regulations, and industry self-regulatory documents. These materials were collected between November 2025 and March 2026 from China's National Database of Laws and Regulations, local government databases, and industry association databases ([OSF links](#)).

The analysis identifies that video game monetisation in China is governed through a dual framework. On the one hand, it is embedded within a broader regulatory regime for media and cultural products, emphasising content moderation and consumer protection, particularly for minors. These policies aim to curb the cultural and ideological boundaries of games, mitigate players' risks and regulate spending behaviours. On the other hand, the state actively promotes the development of "high-quality" games, esports, and game-adjacent services and technologies, primarily through performance-based funding schemes in which economic performance serves as a key eligibility criterion. These findings demonstrate how China's governance of videogame monetisation simultaneously restricts and promotes commercial development.

We argue, however, that this governance framework contains two important imbalances. First, regulatory measures are predominantly organised around the protection of minors, extending standards designed for children to the broader player population, which may fail to protect either group effectively (Carter et al., 2025). Second, as in other jurisdictions such as Australia (Darbas, 2025), state support mechanisms rely heavily on performance-based funding criteria that favour commercially successful firms and high-profile projects, making it more difficult for smaller studios to compete for public support. Rather than reducing inequalities within the industry, these funding arrangements risk reinforcing existing market advantages.

By conceptualising monetisation as an object of governance, this paper shifts attention from individual regulatory interventions to the broader governance arrangements that shape commercial opportunities in the videogame industry. It contributes to scholarship on videogame governance, cultural policy, and platform regulation by demonstrating how regulation and industrial promotion work together to create the conditions in which videogame monetisation becomes possible. This paper also provides a solid foundation for understanding how monetisation has been regulated within existing frameworks and offers a starting point for rethinking what aspects of monetisation should be regulated and how regulatory approaches might be designed more effectively.

BIO

Tianyi Zhangshao is a third-year PhD candidate at the University of Sydney. His doctoral research examines the monetisation of Chinese video games through the perspectives of players, developers, and regulation. Parts of this work have been published in *New Media & Society*.

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