

Korea

I. A Brief Description of the Korean Higher Education System

The Republic of Korea has a population of about 48 million (with annual growth rate of 0.6%) in 2004¹. The ratio of public educational expenditure to GDP was 3.6 percent in 2004². Primary and secondary education, and even higher education - to a certain degree - are heavily centralized. In 1999, the central government provided 57.5 percent of total funds for the public higher education sector and students provided 42.5 percent in the form of tuition and fees. Private higher education institutions rely heavily on tuition and fees, but their tuition fee and admission policies are still under the government's control.

The Korean higher education system is composed of three sectors: (a) colleges and universities, (b) teachers colleges and colleges of education, and (c) junior colleges, plus the Air and Correspondence University and open universities. The number of each sector and sector sizes indicated by the quotas of freshmen in 2003 were shown in Table 1. In addition, there are some theological colleges and seminaries.

In 2003, there were 3, 285, 780 undergraduate students: 31.5 % in engineering, 25.2% social sciences, 12.1% in humanities, 10.3% in arts and physical education, 5.1% in teaching profession, and 4.9% in medical pharmacy; and 272, 333 graduate students: 24.2% in social sciences, 22.4% in teaching profession, 11.8% in humanities, 8.7% in national sciences, 8.0% in medical and pharmacy, and 7.3% in arts and physical education.³

Table 1
Higher Education Institutions in Korea
(2003 academic year)

Sector	Total	Public	Private	Quotas of freshmen
Grand total	380	62	318	742,185
Colleges and Universities	207	35	172	301,152
Junior Colleges	162	16	146	287, 927
Teachers Colleges/ Colleges of Education *	11	11	---	5, 015

Source: www.moe.go.kr/en/etc/statistics.html, Ministry of Education

*Teachers Colleges are national institutions preparing elementary school teachers. Colleges of Education are either national or private for the preparation of secondary school teachers. In Table 3, the number of Colleges of Education is not included as they are a part of universities.

¹ Data is retrieved August 19, 2004, from <http://www.uis.unesco.org/countryprofiles/html/EN/4070.htm>.

² Data is retrieved August 19, 2004, from <http://www.uis.unesco.org/countryprofiles/html/EN/4070.htm>.

³ Data is retrieved November 3, 2004 from <http://www.moe.go.kr/en/etc/statistics.html>.

II Higher education administration and development

Before Korea opened the door to western culture in the 1890s, higher education was limited to children of the aristocracy who were being raised to become government officials. The influx of western missionaries in the middle 1890s brought with it the expansion of higher educational opportunities, including for women, and created the foundation for modern higher institutions. However, the annexation of Korea by Japan in 1910 suspended the development of higher education. Established higher institutions were downgraded to three-year non-degree granting junior colleges. Until independence from Japan in 1945, education in general was used to obliterate Korean national identity and further Japanese colonialism.

The presence of the U.S. after independence in 1945 and the disastrous Korean War from 1950 to 1953 contributed in many ways to the development of the modern Korean higher education system. Lee (1997) noted American influences in the implementation of the four-year undergraduate system, the establishment of new higher education institutions and the organization of the Korean Association of Colleges and Universities in 1947. The latter established standards and accrediting procedures to control the quality of higher educational institutions, even as enrollments and opportunities were expanded. Since the mid 1960s, higher education in Korea has grown dramatically to meet national demand for the human resources needed to rebuild the country from the disastrous war. In addition, the traditional value placed on higher education as a means for social mobility spurred increases in enrollment. Table 2 shows the expansion of Korean higher education since the end of World War II.

Table 2.
Growth of Korean Higher Education

Year	Institutions		Faculty members		Students			
	#	% Inc-rease	#	% Inc-rease	#	% Inc-rease	As % of 18-25 Yr. Olds	As % of Total Pop.
1945	19	1.0	1,490	1.0	7,819	1.0	--	0.5
1955	74	3.9	2,626	1.8	84,996	8.4	--	4.0
1965	162	8.6	6,801	4.6	141,636	18.2	7.1	4.9
1975	204	10.7	13,981	9.4	296,219	38.0	8.8	6.9
1985	255	13.4	33,483	22.5	1,209,647	154.7	37.1	31.1
1990	556	29.3	41,920	28.1	1,490,809	190.7		
1995	754	39.7	58,977	39.6	2,343,894	299.8		

Source: Ministry of Education, Statistical Yearbook of Education, 1995-1996

However, quality control has not been able to keep pace with quantitative growth. The high student teacher ratio in comparison with other OECD countries as shown in Table 3

indicates that Korean higher education institutions need to invest in increasing faculty numbers and in their development.

Table 3
Comparative Higher Education Indices

	Korea	Japan	USA	UK	France
Student / Teacher Ratio	23.1	14.4	14.7	19.7	---
Students per 100,000 population	4,955 (1997)	3,139 (1994)	5,398 (1997)	3,126 (1994)	3,617 (1993)

Source: <http://www.moe.go.kr>, Korean Ministry of Education, based on OECD, *Education at a Glance*, 2000

The Korean government has been directly involved in the establishment and development of the higher education sector since the mid-1960s with the purpose of supplying qualified manpower to the process of industrialization. Under the Education Law, all public and private higher education institutions are supervised by the Ministry of Education on such matters as student quotas, qualifications of teaching staff, curriculum and degree requirements, financial allocation and so on. There has been consistent disagreement over governmental involvement in institutional governance in the name of protecting the quality of higher education. The institutions view this involvement as interference and demand autonomy and internal democratic governance.

III. Estimated Expenses of Higher Education

Since the 1950s, the costs of higher education have been shared by the government (taxpayers) and by parents and students except for a few cases where societal needs have required additional subsidization. The education of primary and secondary school teachers was fully subsidized until 1991, when tuition was introduced. The education of military officers is still fully subsidized including monthly stipends for living expenses. Koreans seem to willingly accept tuition and other elements of higher educational cost-sharing because they appreciate their equal access to higher education, which was once limited to a privileged class, and recognize its value as a means for social mobility.

Table 4
Higher Education Expenses Borne by Parents and Students in Korea

[National currency converted to \$US by 1999 Purchasing Power Parity \$1=Won656]

		Public Universities			Private Universities	
		Low	Moderate	High	Low	High
	Special "One-Time" or "Up Front" Fees	W15,000 [\$23]	W165,000 [\$252]	W315,000 [\$480]	W330,000 [\$503]	W1,008,000 [\$1537]
<i>Instructional Expenses</i>	Tuition	W128,000 [\$195]	W921,000 [\$1,404]	W1,920,000 [\$2,927]	W2,696,000 [\$4,110]	W6,649,000 [\$10,136]
	Other Fees	W1,276,000 [\$1,945]	W1,974,000 [\$3,009]	W2,684,000 [\$4,091]	A	A
	Books & Other Educational Expenses	W200,000 [\$305]	W500,000 [\$762]	W1,000,000 [\$1,524]	W200,000 [\$305]	W1,000,000 [\$1,524]
	Subtotal Expenses of Instruction	W1,619,000 [\$2,468]	W3,560,000 [\$5,427]	W5,919,000 [\$9,023]	W3,226,000 [\$4,918]	W8,657,000 [\$13,197]
<i>Student Living Expenses</i>	Lodging	W0	W480,000 [\$732]	W2,400,000 [\$3,659]	W800,000 [\$1,220]	W1,800,000 [\$2,744]
	Food	W0	W500,000 [\$762]	W1,500,000 [\$2,287]	W650,000 [\$991]	W900,000 [\$1,372]
	Transportation	W192,000 [\$293]	W192,000 [\$293]	W192,000 [\$293]	W192,000 [\$293]	W192,000 [\$293]
	Other Personal Expenses	W800,000 [\$1,220]	W1,200,000 [\$1,829]	W1,600,000 [\$2,439]	W1,000,000 [\$1,524]	W2,400,000 [\$3,659]
	Subtotal Expenses of Student Living	W992,000 [\$1,512]	W2,372,000 [\$3,616]	W5,692,000 [\$8,676]	W2,642,000 [\$4,027]	W5,292,000 [\$8,067]
	Total Cost to Parent & Student	W2,611,000 [\$3,980]	W5,932,000 [\$9,043]	W11,611,000 [\$17,699]	W5,868,000 [\$8,945]	W13,949,000 [\$21,264]

Low Public: Local, humanities, living at home with parents

Moderate Public: Local, science, living in dormitory or shared apartment

High Public: Seoul, Fine arts, living as "independent adult"

Low Private: Local, humanities, living in dormitory or shared apartment

High Private: Seoul, Fine arts, living in dormitory or shared apartment

A: Other fees are included in tuition.

Source: <http://www.moe.go.kr>. Ministry of Education. Downloaded on April 13, 2001.

IV Student loans schemes in Korea

There are six national loan schemes in the Republic of Korea offered by the Ministry of Education and Human Resources Development (MOE & HRD), the Korea Research Found (KRF), the Ministry of Labor (MOL), the Korea Teachers' Pension (KTP), the Government Employees Pension Corporation (GEPC), and the Korea Labor Welfare Corporation (KLWC). In general these student loans are highly subsidized, with little or

no interest charged to borrowers, however, they cover a very limited student population and only cover some portion (up to 100 percent) of tuition and fees. Loan repayments are in the form of “mortgage” installments: using interest-rates and the maximum length of repayment to calculate the fixed periodic payment.

The MOE & HRD loan scheme is, by design, the strictest in targeting students’ from low-income families, while the KRF scheme is both need-based and merit based with a special focus on students from farming and fishing villages. The other four schemes are not directly targeted at students from low-income family. The MOL scheme aims to help young industrial workers; the GEPC scheme targets government employees and their children; the KTP scheme is for teachers and their children; and the KLWC scheme is designed for industrial accident victims.

However the MOE & HRD scheme hardly reaches its target population because loan applications are approved on a first-come-first-served basis by each higher-education institution, regardless of the applicant’s family background. Only 12.8 per cent of students from the lowest family income group and 15 per cent from the second lowest family income group get the MOE & HRD loans, while 8.9 per cent of students from the highest family income group take advantage of this program (Kim et al, 2002).

The total amount of MOE & HRD loan depends on the estimated budget, and the quota of recipients from each institution is evenly allocated based on the size of the school, regardless of its location or type of foundation.

Table 5. Classification of the student loans schemes in the Republic of Korea [National currency converted to \$US by 1999 Purchasing Power Parity \$1=Won656]

	MOE&HRD	KRF	MOL	KTP	GEPC	KLWC
Implemented year	1975	1999	1995	1976	1967	1987
Main target group	Poor	Poor and competent	Industrial employee	Faculty and their children	Government employees and their children	Industrial accident victims
Funding source	Bank	KRF	Employment insurance fund	Government Annuity fund	Government (State and local)	Industrial accident compensation insurance fund
Loan distribution, payment, and collection	Commercial bank	KRF	Commercial bank	Commercial bank	Commercial bank	Commercial bank
Guarantor	Joint surety (parents), or Guarantee insurance	Individual credit	Joint surety	Joint surety	Joint surety	Joint surety
Interest rate	Student’s share: 5.75%	Free interest	1%	Free interest	Free interest	1% (grace period)

	Government's share: 4.75%					5% (after graduation)
Grace period +Terms of payments (years)	3+7 (long term) 0+2 (short term)	1+1~8	2+2 (for 2-year college, graduate school) 2+4 (for 4-year college)	2+4 (for 4-year college, graduates) 2+3 (for 3-year college, graduates) 2+2~3 (dropouts)	2+4 (for 4-year college) 2+3 (for 2-year college)	1+4
Coverage of higher education cost	Full tuition and fees (only in domestic institutions)	Tuition & other education cost (entrance fee)	Full tuition and fees	Full tuition and fees	Full tuition and fees (in domestic institutions) Tuition and fees (up to \$5,000 for study abroad)	Up to 2 million won [\$3,049]
Size of new loan in 2000 (billion won)	454.7 [\$ 690 million]	29.6 [\$45 million]	34.6 [\$53 million]	55.7 [\$85 million]	391.5 [\$597 million]	1.5 [\$2.3 million]
Number of recipients in 2000 (thousand)	215.0	25.8	18.6	27.5	201.2	0.8
Loan per recipient in 2000	2,115,000 won [\$3,224]	1,147,000 won [\$1,748]	1,863,000 won [\$2,840]	2,025,000 won [\$3,087]	1,946,000 won [\$2,966]	1,821,000 won [\$2,776]
Coverage of recipients in 2000 (percentage of total student population)	6.4	0.15	0.6	0.82	6	0.1

(Source: Manuals of each loans program. Revised from the Table2.1 of Kim & Young (2003, pp.43-44))

There are also many non-governmental student loans programs; most large firms and state-owned enterprises provide their employees with student loans. Nevertheless, “most students in the Republic of Korea who have reached adulthood rely on parental financial support” (Kim & Lee, p. 83).

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