

# Economic Education in Korea

K o r e a D e v e l o p m e n t I n s t i t u t e

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K o r e a D e v e l o p m e n t I n s t i t u t e

## Contents

1. Introduction of KDI & EIEC
2. Activities by EIEC
3. Brief History of Econ. Education in Korea
4. Institutions for Economic Education in Korea
- 5-1. Problems: Textbooks
- 5-2. Problems: Teachers
- 5-3. Problems: Attitude of Students
- 5-4. Problems: Economic & Finance Literacy
6. Suggestions

## 1. Introduction to KDI & EIEC (1/2)

K o r e a D e v e l o p m e n t I n s t i t u t e

### Korea Development Institute

- Established in 1971 as an economic think tank to contribute to the economic and social development of Korea.
- Provides comprehensive research analyzes and policy recommendations on the overall scope of the Korean economy,
- Provides educational opportunities for potential leaders and shares the economic development experience of Korea with government officials from developing and other countries.

3

## 1. Introduction to KDI & EIEC (2/2)

K o r e a D e v e l o p m e n t I n s t i t u t e

### Economic Information and Education Center

- Economic Information and Education Center (EIEC) is the public educational arm and information dissemination channel of KDI.
- Its mission is to disseminate accurate and unbiased economic information and improve the public understanding of the economy.
- EIEC collects, processes, and disseminates useful economic information to both the general public and experts.
- And conducts education programs and public surveys to improve the quality of school education and contribute to well-informed policy decisions.

4

## 2. Activities by EIEC (1/3)

K o r e a D e v e l o p m e n t I n s t i t u t e

### Develops Economic Education Materials

- To help the younger generation learn more about economy with interest,
- EIEC develops economic education materials such as periodicals and supplementary materials for pre-college education, including multimedia materials using flash technique.
- Through online-community activities, teachers can exchange information and build close relationship.
- Also, students and teachers can communicate with each other online.

5

## 2. Activities by EIEC (2/3)

K o r e a D e v e l o p m e n t I n s t i t u t e

### Develops and Conducts Economic Education Programs

- EIEC provides various programs to help improve the economic understanding of students, teachers, local government officials, citizens and social groups.
- To this end, EIEC offers information through various channels such as broadcasts and Internet,
- And conducts economic education activities such as education programs for teachers, contests, workshops, and discussion forums for NGOs.

6

## 2. Activities by EIEC (3/3)

K o r e a D e v e l o p m e n t I n s t i t u t e

### Disseminates Economic Information

- EIEC compiles, screens, categorizes, and disseminates valuable information released by well-known organizations.
- Various e-journals and domestic and international database can be accessed to share information with other economic institutes.

7

## 3. Brief History of Economic Education in Korea

K o r e a D e v e l o p m e n t I n s t i t u t e

	1980s	1990s	2000s
Economic education	Beginning years	Government strengthened Education	Revitalizing years
Major events	Collapse of communist regime	'97~98 Financial crisis	Globalization
Major challenges	N. & S. Korean Economic System	Overcoming the Financial crisis	Strengthening Market economy System
Domestic problems	Economic system	Conglomerates	Individual credit problems
Major suppliers	Public sector	Public sector	Public and Private sectors
Major institutes for economic education	Government (mostly Ministry of Education), KDI	KDI (budget reduced), Ministry of Finance and Economy	Federation of Korean Industries, Korea Chamber of Commerce and Industry, KDI, Bank of Korea

8

## 4. Institutions for Economic Education in Korea(1/4)

K o r e a D e v e l o p m e n t I n s t i t u t e

- Lack of Institutes specializing in economic education

### What do they teach?

	Practical economic education	Support for public education	Market economy	Current Economic issues
Curriculum	Finance, Tax, Job, Consumer, Credit Education	Supplementary Teaching Materials	Principles of Market economy, free business activities	Comments on news paper articles about economy
Major institutes	Bank of Korea, National Tax Service, Financial Supervisory Service, Korea Consumer Protection Board, YMCA	Economic Information and Education Center(KDI)	Federation of Korean Industries, Korea Chamber of Commerce and Industry, Korea Federation of Small and Medium Business, Center for Free Enterprise	Major Newspapers & Broadcasting companies

9

## 4. Institutions for Economic Education in Korea(2/4)

K o r e a D e v e l o p m e n t I n s t i t u t e

### Financial Quotient Council

- Financial Quotient Council is the organization of Korean private banks
- The program the Financial Quotient Council provides focuses mainly on young people's financial knowledge—what money is, how to earn the money, how to invest the money, etc.
- A lot of young Korean people including college students as well as high school students are not accustomed to efficient money-management.

10

#### 4. Institutions for Economic Education in Korea(3/4)

K o r e a D e v e l o p m e n t I n s t i t u t e

##### KORHAM (Korea Chamber of Commerce)

- **KORHAM** is the organization body of private companies.
- **KORHAM** tries to make the public, particularly young people, understand what enterprises do in the market.

11

#### 4. Institutions for Economic Education in Korea(4/4)

K o r e a D e v e l o p m e n t I n s t i t u t e

##### BOK (Bank of Korea)

- **BOK** is the central bank of Korea
- **BOK** is also working to enhance the economic knowledge of young people through disseminating reading material and its internet site.
- As an authority of monetary policy in Korea, the **BOK's** education is concentrated on money and monetary policy.

12

## 5-1. Problems: Textbooks

K o r e a D e v e l o p m e n t I n s t i t u t e

- Insufficient Contents for Finance Education in the Textbooks at all levels (Elementary, Middle and High Schools)

### Contents re/ Finance Education in Textbooks

		Contents	Suggestions
Elementary school	Fourth Year	Concepts about banking and interest *Textbooks describe banks as government agencies	More materials for teaching about private finance and credit are needed.
Middle School	Senior Year	History and functions of money	More materials for teaching about private finance and credit are needed.
High school	First Year	Virtually no contents on finance (relations between supply of money and inflation)	More materials for teaching about credit are needed.
	Second or senior year	Stable growth and financial policies(no contents for money and financial markets and financial accounting)	More materials for teaching about interest rates and further understanding of financial system are needed.

13

## 5-2. Problems: Teachers (1/3)

K o r e a D e v e l o p m e n t I n s t i t u t e

- Many economics teachers are non-economics majors.

### Teachers' major who teach Economics

Major	Number of teachers	Major	Number of teachers
Civics	352	History	30
Economics	86	Law	29
Geography	68	Sociology	24
Education	43	Others	73
Public Administration	42	total	747

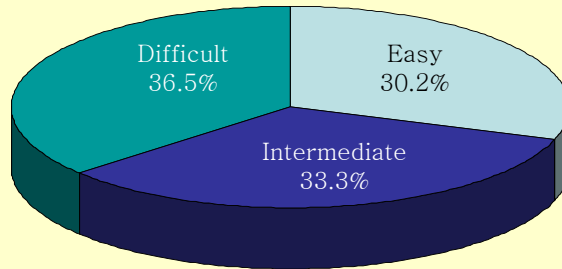
Source: report submitted by Lee, Joo-ho(Member of the National Assembly)

14

## 5-2. Problems: Teachers (2/3)

K o r e a D e v e l o p m e n t I n s t i t u t e

### How hard to teach economics at school (teachers)



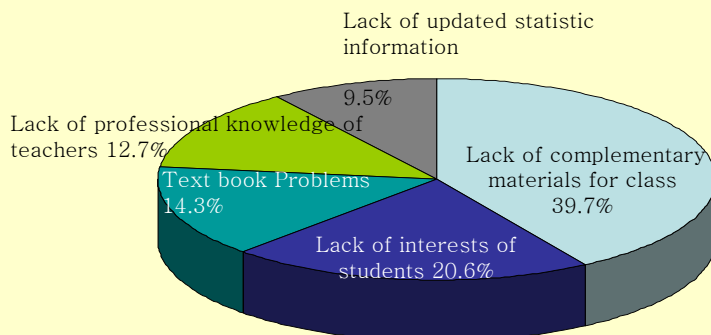
Source: KDI(Korea Development Institute), A survey on economic mind of school teachers(in Korean), 2004. 2.

15

## 5-2. Problems: Teachers (3/3)

K o r e a D e v e l o p m e n t I n s t i t u t e

### Bottleneck to economics class (teachers)



Source: KDI, ibid.

16

## 5-3. Problems: Attitude of Students (1/6)

K o r e a D e v e l o p m e n t I n s t i t u t e

- Most high school students think that economics textbooks are too theoretical and hard to understand.

### High school students'(first-graders) evaluation of textbook

Chapters title	Difficulty(%)			Interest (%)		
	difficult	proper	easy	Not interesting	proper	Very interesting
Chapter 6 : Development of civil society and democratic citizens	23.9	68.3	7.4	15.6	66.1	18.3
Chapter 7 : Political activities and nation	25.4	64.5	10.1	24.3	61.7	14.0
Chapter 8 : National economy and rational choice	57.0	37.8	5.2	10.9	62.5	10.6

Source: Korea Institute of Curriculum and Evaluation, 'Basic Principles for Changing Sociology Curriculum', 2005. 6.

17

## 5-3. Problems: Attitude of Students (2/6)

K o r e a D e v e l o p m e n t I n s t i t u t e

- Few students choose economics as their elective subject.

### Elective subjects of high school students

Elective subjects	Number of students	Proportion	Elective subjects	Number of students	Proportion
▪ Human Society and Environment	55,927	4.8	▪ Law and Society	84,949	7.2
▪ Korean Geography	215,870	18.4	▪ Politics	93,072	7.9
▪ World Geography	46,727	4.0	▪ Economics	103,305	8.8
▪ Economic Geography	15,120	1.3	▪ Society & Culture	218,738	18.6
▪ Modern Korean History	263,461	22.4			
▪ World History	77,425	6.6	total	1,174,794	100.0

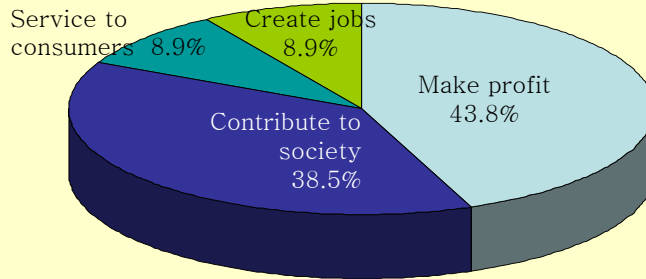
Source.: Ministry of Education, 2004 Statistical Yearbook of the Education

18

### 5-3. Problems: Attitude of Students (3/6)

K o r e a D e v e l o p m e n t I n s t i t u t e

#### Goal of company (high school students)



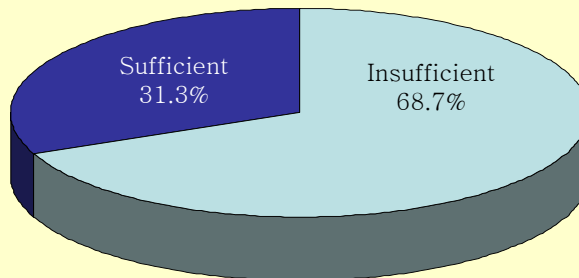
Source: KFI(Korean Federation of Industries), The analysis of economic mind of elementary, middle, and high school students and responding tasks(in Korean), 2003. 11.

19

### 5-3. Problems: Attitude of Students (4/6)

K o r e a D e v e l o p m e n t I n s t i t u t e

#### Financial knowledge needed (high school students)

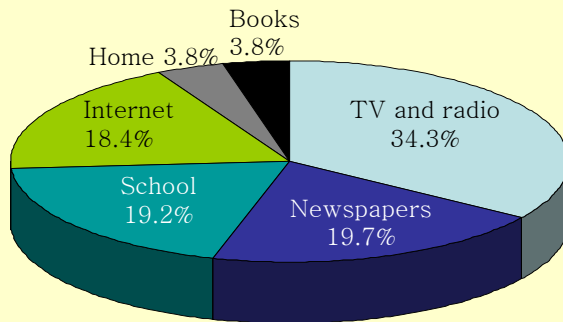


Source: KORCHAM, A survey on economic mind of Korean high school students(in Korean), 2004. 5.

20

### 5-3. Problems: Attitude of Students (5/6)

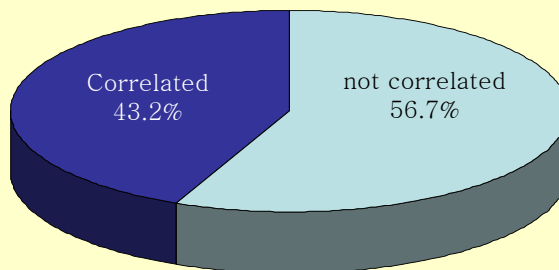
Source of obtaining economic knowledge  
(middle, high school students)



Source: SERI(Samsung Economic Research Institute), A survey on economic mind of middle, high school students(in Korean), 2003. 2.

### 5-3. Problems: Attitude of Students (6/6)

Correlation between economic knowledge obtained from school  
and the real world (high school students)



Source: SERI, ibid.

## 5-4. Problems: Economic & Finance Literacy (1/2)

K o r e a D e v e l o p m e n t I n s t i t u t e

- In general Korean students have poorer understanding of economy than American students.

### Economic Literacy of High School Students(Korea and U.S.)

	high school students in Korea (year 2002)			high school students in the U.S. (year 2000)		
	Average	Those who took economic classes	Those who did not	Average	Those who took economic classes	Those who did not
■ Basic concept	60.0	62.9	58.6	67.3	71.3	50.0
■ Microeconomics	55.7	57.3	55.0	62.1	64.6	51.0
■ Macroeconomics	54.2	55.5	53.6	56.1	59.1	43.1
■ International economics	46.8	50.0	45.4	53.8	56.0	44.1
Total	55.7	57.7	54.7	61.2	64.3	47.6

Source: Yoo Jeong-ho, 'Economic Education in High School and Economic Literacy of Students', 『Economic Education』, 2003.

Source: Japan had an average score of 57.3 in 2002(those who took economic classes: 57.2, those who did not: 57.7). Korea, U.S. and Japan sampled 2,658, 3,955 and 657 students respectively.

23

## 5-4. Problems: Economic & Finance Literacy (1/2)

K o r e a D e v e l o p m e n t I n s t i t u t e

### Financial Quotient (FQ) of Korean Students

Testing areas	Elementary school students (2005)	Middle school students (2004)	High school students	
			Korea(2003)	U.S.(2000)
■ Understanding of income	54.6	44.7	48.7	57.6
■ Understanding of money management	67.4	35.7	39.2	46.8
■ Understanding of saving and investment	51.4	44.2	46.6	45.3
■ Understanding of spending and credit	53.1	36.5	44.0	52.1
Average	56.6	40.1	45.2	51.9

Source: Financial Supervisory Service, 'Test Results of Financial Quotient', 2005.

24

## 6. Suggestions

K o r e a D e v e l o p m e n t I n s t i t u t e

