



# Market Intelligence Brief

## South Korea

2019/2020



INTERNATIONAL  
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SERVICES

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## 1. SOUTH KOREA AT A GLANCE

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### Market background

- South Korea is the fourth largest economy in Asia and the 12th largest globally. It is the world's sixth largest exporter. GDP growth was 2.2 per cent in 2019 and was expected to remain between 2-3 per cent for the coming decade. However the full economic impact of the COVID-19 pandemic is still unknown, and the export-dependent economy will likely take a hard hit from the resulting global recession.
- South Korea's population is aging faster than that of any other developed economy and is expected to decline by nearly 13 per cent by 2060. As the working-age population shrinks and the economy slows, observers suggest that the government must improve labour productivity and tackle the dominance of *chaebol* (family-owned conglomerates) to revitalise the economy.
- The country is ranked as one of the most democratic countries in the world. President Moon Jae-in was elected in 2017 after the impeachment of the previous president on corruption charges. He ran on a platform of economic and educational reforms and a friendlier posture towards North Korea.
- The government's recent détente policy has had some success, including North Korea's participation in the 2018 Winter Olympics as well as inter-Korean summits in 2018 and 2019. Although progress is currently stalled, there is optimism that talks may resume.

### Local education trends

- South Korea has one of the highest levels of higher education attainment in the world with 69 per cent of those aged between 25-34 educated to the tertiary level. In the 2018 PISA, it ranked seventh in maths and sciences and ninth in reading.
- The school system is highly exam-driven and fiercely competitive, drawing criticism for being memory-based and for its failure to develop creativity, communication skills, empathy and critical thinking skills. The exam-focussed system has resulted in almost three-quarters of pre-tertiary students participating in some sort of additional, often expensive, private education.
- President Moon's government promised sweeping reforms to Korea's secondary and tertiary education systems to improve equity and trust in the system. Proposed reforms at the tertiary level will tackle issues caused by the declining school-age population and address the need for graduates to transition more easily to the workplace.

### International education

- South Korea is a major sender of international students, with 213,000 tertiary students going overseas each year, 131,518 of whom were in degree programmes. The country ranks as the world's fourth-largest sender of international tertiary students. The UK ranks fifth overall as a destination country, hosting 5.6 per cent of Korean tertiary students abroad.
- The diminishing interest in "traditional" overseas education destinations, such as the US and the UK, is a result of the declining population, a perception that employers are reluctant to hire graduates who have studied abroad, and increasing interest in short-term programmes abroad and in study within the Asia region.
- Korea is an increasingly popular destination for globally mobile students. Foreign enrolments in the country's tertiary institutions have increased from 12,000 in 2003 to 160,000 in 2019.

## 2. INTRODUCTION

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South Korea, officially the Republic of Korea, has grown from a poor agrarian society to become one of the world's most highly industrialised nations. It is the fourth-largest economy in Asia, the 12<sup>th</sup> largest economy globally, and the world's sixth-largest exporter. Its remarkable growth since the 1960s was primarily driven by the development of export-oriented industries, buttressed by the presence of highly skilled and educated labour, and fostered through strong government support. In the 1990s, it was classified as one of the four "Asian Tigers."

South Korea's annual economic growth has since slowed to the OECD average of about 2 per cent, and the country now faces a number of economic and social hurdles. The country's demographics are characterised by a declining birth rate and an ageing population. While the population currently stands at 51.6 million, it is aging faster than that of any other developed economy and all age groups are forecast to decline considerably to a projected population of 45 million by 2060. The government, led by President Moon Jae-in, must tackle slowing growth, a declining working-age population, corruption, and the yawning income gap.

The decades of booming economic growth led to major developments in the education system. South Korea has one of the highest levels of higher education attainment in the world – 69 per cent of those aged between 25-34 are educated to the tertiary level. It regularly scores higher than the OECD PISA average in maths, sciences, and reading and ranked 27<sup>th</sup> on the 2020 Global Talent Competitiveness Index (GTCI).

The school system is highly exam-driven and fiercely competitive. Despite high rankings on global scales, it has been criticised for being memory-based, for being extremely high-pressure, and for its failure to develop creativity, good communication skills, empathy and critical thinking skills. The examination-oriented system has resulted in almost three quarters of students participating in some sort of additional private education programme, on which South Koreans spent a total of US\$ 17 billion in 2018.

Globally, South Korea is the fourth-largest sender of international tertiary students: over 130,000 South Korean students were enrolled in degree programmes abroad in 2018. However, this has steadily declined from a peak in 2011, in part due to the decreasing student-age population. There is also diminishing interest in traditional education destinations abroad such as the US and this appears to result from the perception that Korean employers are reluctant to hire graduates who have studied abroad. Interest in short-term programmes abroad and study within the Asia region is also increasing.

The UK ranks fifth overall as a destination country, behind the US which accounts for 56 per cent of the market. The US is followed in popularity by Japan, Australia and Canada. Korea is also becoming an increasingly popular destination for globally mobile students, with international enrolments in tertiary institutions increasing from 12,000 in 2003 to 160,000 in 2019.

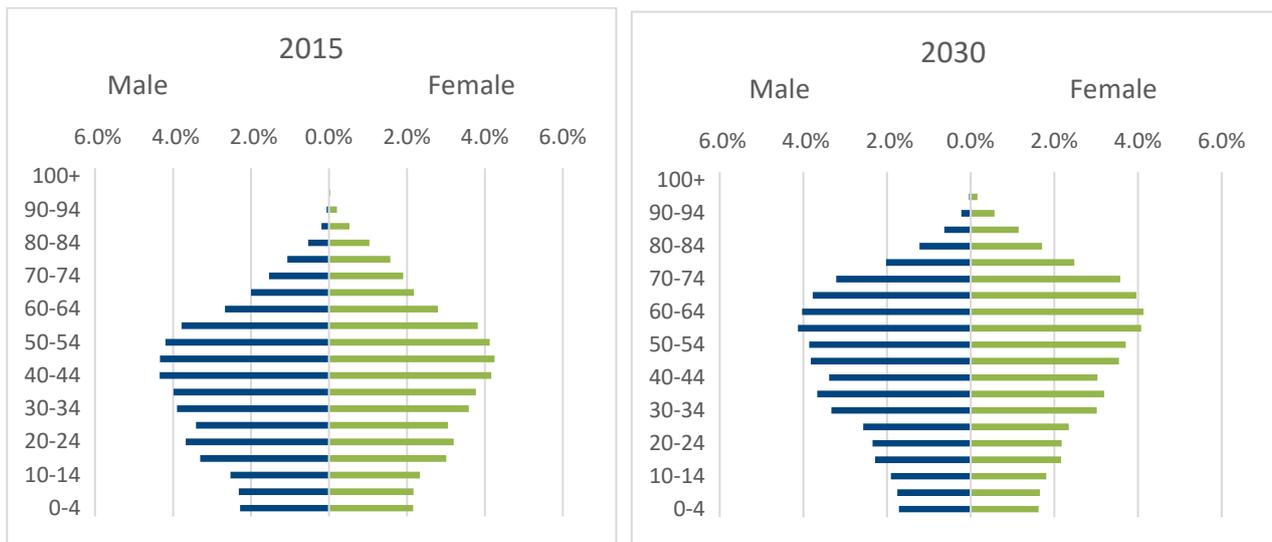
The northern half of the Korean peninsula, the Democratic People's Republic of Korea, remains an existential and unpredictable threat to South Korea. President Moon's government has seen limited success with its détente policy. North Korea's participation in the 2018 Winter Olympics and the three inter-Korean summits in 2018 are generally viewed as positive developments that were further boosted by the US-DPRK summits in 2018 and 2019. Although progress here is currently stalled, there is optimism that talks will recommence if Moon's party retains a majority in the April 2020 legislative elections.

President Moon's government has also seen limited success with respect to economic reform, an area made even more challenging by the COVID-19 pandemic. His tenure has generally been characterised by massive and regular street protests, counter protests and labour strikes which have impeded progress. The government has also promised sweeping reforms to Korea's education system with a particular focus on tackling 'unfairness' and reintroducing trust in the system. The key reforms include introducing free upper secondary education, streamlining the school curricula, reducing the entrance quota for universities, and reducing competition between HEIs.

### 3. DEMOGRAPHICS

South Korea's demographics are characterised by a declining birth rate and an ageing population. While the population currently stands at 51.6 million, it is ageing faster than that of any other developed economy.<sup>1</sup> It has the lowest fertility rate in the world, a record-breaking 0.88 births per woman.<sup>2</sup> This is far lower than the replacement fertility rate of 2.2 births per woman and has declined rapidly, dropping 3.1 per cent between 2018 and 2019, despite government incentives and policies aimed at boosting population growth.<sup>3</sup>

**Figure 1: South Korea Population Pyramid, 2015 and 2030**



Source: UN Population Division

As a result, South Korea's population is beginning to contract, with all age groups forecast to see very limited growth in the immediate future before declining by 13 per cent to a projected population of 45 million by 2060.<sup>4</sup> In 2020, an estimated 18.5 per cent of the population is over 65 and this group is expected to account for 53.3 per cent of the population by 2060.<sup>5</sup> From 2030 onwards the 80+ age group will expand as death rates continue to fall and by 2050 will account for 15.2 per cent of the population.<sup>6</sup> This will place considerable stress on welfare and healthcare systems.

<sup>1</sup> [Population Census \(reporting 2018 population and Housing Census\)](#), Statistics Korea, 29 August 2019; [South Korea's Population Paradox](#), BBC Generation Project, 14 October 2019.

<sup>2</sup> [South Korea set to Break Own Record on World's Lowest Birth Rate](#), Bloomberg, 26 November 2019.

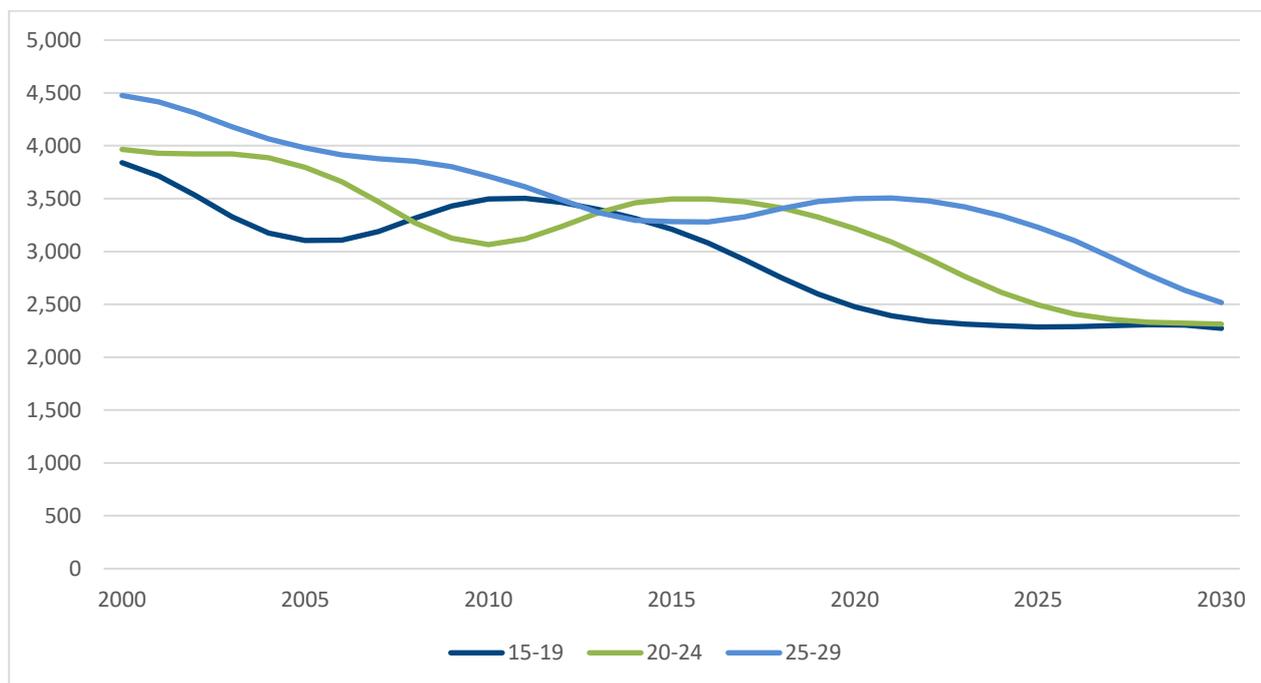
<sup>3</sup> [South Korea's birth rate falls to new developed world low](#), Financial Times, 28 August 2019; [Vital Statistics in October 2019](#), Statistics Korea, 26 December 2019; [The World Bank: Korea Report and country profile and Korea Data Profile](#) The World Bank, Accessed 8 February 2020; [Population Growth \(annual percentage\)](#), The World Bank, Accessed 8 February 2020.

<sup>4</sup> [Population aging, 2017 Statistics on the Aged](#), Statistics Korea, 26 September 2017.

<sup>5</sup> [Republic of Korea, profiles of ageing 2019](#), United Nations Department of Economic and Social Affairs, Population Division, accessed 8 February 2020.

<sup>6</sup> Ibid.

Figure 2: Student-Age Population (thousands)



Source: United Nations Population Division

The student-age segments of the population are expected to decline dramatically in the next decade with the 15-19 population segment decreasing from 250,000 in 2020 to 230,000 in 2030. The percentage of the population under the age of 19 is expected to drop from 23.2 per cent in 2010 to 13.6 per cent in 2040.<sup>7</sup> The 15-24 age group will fall from making up 11.1 per cent of the population in 2020 to just 7.4 per cent in 2040.<sup>8</sup>

South Korea faces difficulties with managing increasing demands for health care, pensions and social services from the burgeoning older population, who are considerably less well-off than other strata of society. As the working-age dependency ratio increases, labour market reform becomes more urgent.

Economic shifts have resulted in corresponding increases in wealth, living standards and urbanisation. Korea ranks 22<sup>nd</sup> out of 189 countries in the UN Human Development Index, behind Hong Kong SAR (4<sup>th</sup>), Singapore (9<sup>th</sup>), and Japan (19).<sup>9</sup> Over 82 per cent of Koreans live in an urban area and despite population decline, urbanisation continues to grow at 7.5 per cent per year.<sup>10</sup> The capital city, Seoul, is home to almost 10 million inhabitants and is the 32<sup>nd</sup> most populous city in the world.<sup>11</sup>

<sup>7</sup> [Percentage of total population by broad age group, both sexes](#), United Nations Population Division, accessed 27 February 2020.

<sup>8</sup> Ibid.

<sup>9</sup> [Human Development Index 2019](#), UN Human Development Reports, accessed 9 February 2020.

<sup>10</sup> [World Development Indicators](#), The World Bank DataBank, accessed 8 February 2020.

<sup>11</sup> [The 150 Largest Cities in the World](#), World Atlas, accessed 9 February 2020.

South Korea is largely ethnically homogenous, with foreigners accounting for just 3.2 per cent of the population.<sup>12</sup> Migration policies have generally been viewed as restrictive, but in light of the demographic crisis there is evidence that this is beginning to change. In 2019, Korea saw its highest level of immigration since 2000, a large percentage of whom were aged between 20-29. The most significant countries of origin are China, Thailand and Vietnam.<sup>13</sup> Korea protects religious diversity by law and 56 per cent of Koreans profess not to have any religion. Of those who do have a religion, 63 per cent are Christian and 35 per cent are Buddhist.<sup>14</sup>

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<sup>12</sup> [2018 Population and Housing Census](#), *Statistics Korea*, Accessed 16 March 2020.

<sup>13</sup> [International Migration Statistics in 2018](#), *Statistics Korea*, Accessed 8 February 2020.

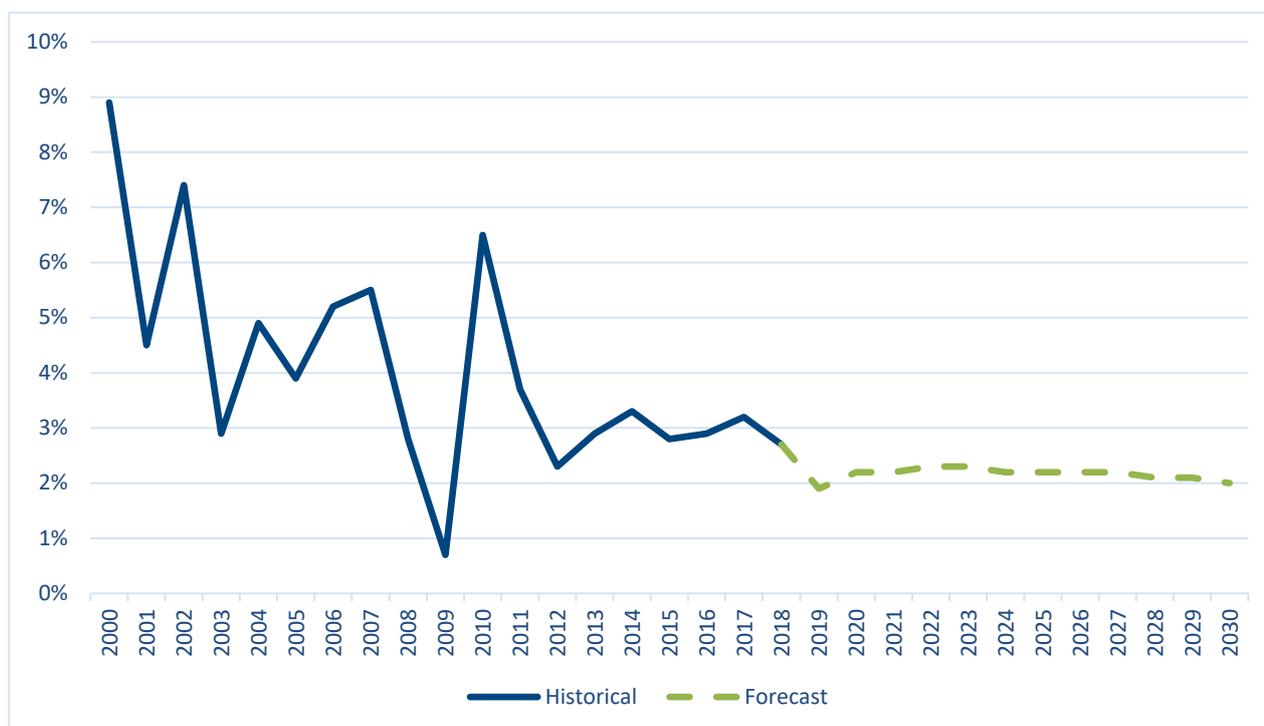
<sup>14</sup> [About Korea, Religion](#), *Korea.net*, Accessed 8 February 2020.

## 4. ECONOMICS

The South Korean economy has grown rapidly since the early 1960s, transforming the country from a poor agrarian society to one of the most industrialised nations on earth. Growth in this “Asian Tiger” was driven by the development of export-oriented industries, fostered by strong government support over the decades. Today, it stands as the fourth largest economy in Asia, the 12<sup>th</sup> largest economy globally and the world’s sixth largest exporter. South Korea has a GDP of US\$ 1.62 trillion (2018) and a per capita income of over US\$30,000. Inflation levels are low at generally just over 1 per cent. In January 2020, inflation rose to 1.5 per cent, the highest rate since late 2018.<sup>15</sup>

South Korea bounced back from the global economic downturn in 2008 but growth rates have slowed significantly, dropping back to match OECD averages. GDP growth for 2019 was slightly higher than anticipated at 2.2 per cent, down from 3.1 per cent in 2017. This was in line with central bank projections, and growth was expected to stay between 2-3 per cent for the coming decade.<sup>16</sup> The full economic impact of the COVID-19 pandemic is as yet unknown, but Korea’s export-dependent economy will likely take a hard hit from the resulting global recession.

Figure 3: Annual GDP Growth



Source: Euromonitor

A significant feature of Korea’s economic development was the emergence of the *chaebol*, or family-owned conglomerates, such as Hyundai, LG, Daewoo and Samsung that generally have subsidiaries

<sup>15</sup> [Emerging Markets: Analysing South Korea’s GDP](#), Investopedia, 13 December 2019. Accessed 9 February 2020; [South Korea Inflation Rate](#), Investopedia, Accessed 15 February 2020; [The World Factbook: Korea, South](#), Central Intelligence Agency, 10 February 2020; [IMF Country Focus, Korea](#), IMF, May 2019, accessed 9 February 2020; [World Bank Data, Gross Domestic Product 2018](#), World Bank, 2019; [South Korea inflation rate](#), Trading Economics, accessed 9 February 2020; [Korea Economic Snapshot and 2018 OECD Economic Survey of Korea: Achieving a new paradigm for inclusive growth](#), OECD, 20 June 2018.

<sup>16</sup> [South Korea’s 2018 GDP growth slows to 6-yr low, trade woes dim outlook](#), Nikkei Asian Review, 22 January 2019; [South Korea GDP Annual Growth Rate](#), Trading Economics, accessed 9 February 2020.

across diverse industries. The *chaebol* structure typically sees members of the founding family of a corporate organisation remaining in ownership or management positions, allowing them to maintain control and influence. *Chaebol* have benefited from close cooperation with government which has nurtured these internationally recognised brands since the 1960s. *Chaebol* have dominated Korea's economy and politics since then, but in recent years have been criticised following a series of high-profile corruption scandals.<sup>17</sup>

Today, South Korea's economy is still reliant on exports, such as electronics (especially semiconductors), ships, automobiles, and steel. Services comprised 60 per cent of Korea's GDP in 2019, with industry following at 38 per cent and agriculture accounting for the remaining 2 per cent.<sup>18</sup> However, the reliance on exports leaves the country vulnerable to external shocks: a Bank of Korea survey in December 2018 found that many experts are increasingly worried about the effect of instability in the Chinese economy on Korea's slowing growth.<sup>19</sup> Korea's top trading partners are China, the US, Hong Kong SAR and Japan.<sup>20</sup>

Only 16 per cent of South Korea's total land is arable and the country relies heavily on imported agricultural products and raw materials for processing. As urbanisation and labour costs increase most people have moved away from the agricultural sector. South Korea now imports grains and animal hides for its livestock, flour milling, textile and leather goods industries.<sup>21</sup>

The IMF, OECD and other observers share concerns about productivity and the labour market. Productivity in South Korea sits at about half the average OECD rate while conversely, labour inputs are the largest in the OECD. This reflects the culture of long working hours which have a negative impact on wellbeing and on female, youth and older employment, all of which are low by OECD standards. The gender wage gap in Korea is the highest in the OECD and women are concentrated in low-paying, non-regular jobs (i.e. part-time or fixed time positions which offer much lower levels of payment than 'regular' positions).<sup>22</sup>

Other issues of concern include weak corporate governance and environmental issues: Korea has one of the lowest levels of corporate governance in the OECD, and is facing increasing levels of air pollution – in 2017, average air pollution was double the OECD average.<sup>23</sup>

Since 2017, a number of actions have been taken to ameliorate the corporate governance issues: regulations have been introduced to support innovation; the government has taken action to transform over 200,000 'non-regular' contracts to 'regular' contracts, with companies who take this action receiving subsidies from government; minimum wage has been increased, maximum working hours have been reduced; government has powers to investigate firms who are suspected of not allowing their employees to take maternity leave and social spending has increased by 9 per cent.<sup>24</sup>

South Korea's unemployment rate was 3.4 per cent in 2019, which is close to the overall OECD average. Although Korea did create an increasing number of new jobs in 2019, it did not have a positive impact

<sup>17</sup> [The World Factbook: Korea, South](#), Central Intelligence Agency, 10 February 2020; [Korea's Economic Outlook in Six Charts](#), IMF, 21 May 2019; [South Korea's Chaebol Challenge](#), Council on Foreign Relations, May 4 2018; [South Korea's Chaebol](#), Bloomberg, 29 August 2019; [Korea Economic Snapshot and 2018 OECD Economic Survey of Korea: Achieving a new paradigm for inclusive growth](#), OECD, 20 June 2018.

<sup>18</sup> [Emerging Markets: Analysing South Korea's GDP](#), Investopedia, 13 December 2019. Accessed 9 February 2020.

<sup>19</sup> [South Korean experts see growing risks from slowing economy, China: BOK survey](#), Reuters, 2018.

<sup>20</sup> [A geopolitical row with China damages South Korean business further](#), The Economist, 2017.

<sup>21</sup> [Emerging Markets: Analysing South Korea's GDP](#), Investopedia, 13 December 2019. Accessed 9 February 2020.

<sup>22</sup> [Economic Policy Reforms 2019: Going for Growth](#), OECD, 12 July 2019; [2018 OECD Economic Survey of Korea: Achieving a new paradigm for inclusive growth](#), OECD, 20 June 2018; [Labor Market Slack and the Output Gap: The Case of Korea](#), IMF, 2 August 2019.

<sup>23</sup> [South Korea labels air pollution a 'social disaster' in move that could unlock emergency funds](#), The Japan Times, 13 March 2019.

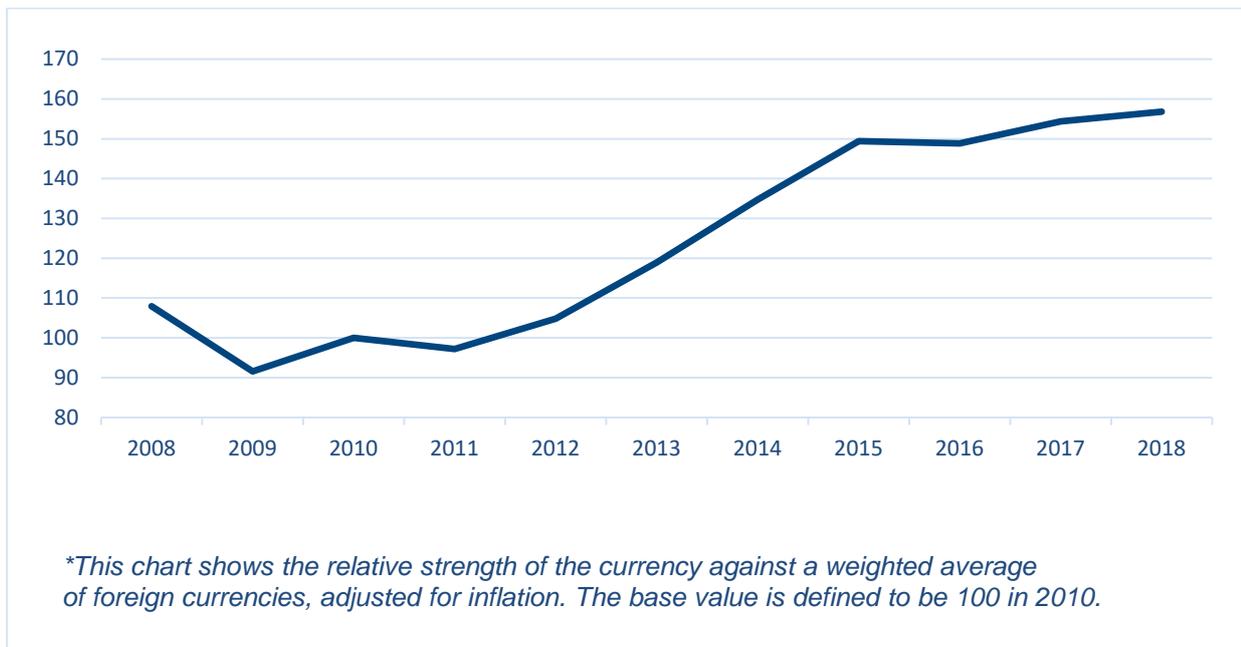
<sup>24</sup> [Economic Policy Reforms 2019: Going for Growth](#), OECD, 12 July 2019.

on the unemployment rates of young people aged 15-29, which stood at 10.4 per cent in 2019.<sup>25</sup> Unemployment among university graduates is high and increasing numbers of graduates are unable to find formal employment. This is aggravated by sustained high levels of tertiary graduates entering the market, reduced hiring of new graduates by the *chaebol* (the top 10 of which make up half of Korea’s market capitalisation), and the inability of SMEs to absorb graduates and other workers, largely due to skills mismatches. The Korean government has responded by establishing programmes to encourage its graduates to find work in other countries, particularly Japan. In 2018, almost 6,000 Korean graduates found work abroad with government assistance.<sup>26</sup>

Korea ranks 13<sup>th</sup> out of 141 countries rated in the 2019 Global Competitiveness Report, up from 15<sup>th</sup> position in 2018. The overall score was 80 and Korea scored highest in the world for macro-economic stability and ICT adoption.<sup>27</sup> It ranked fifth in the World Bank’s Ease of Doing Business 2019 rankings.<sup>28</sup>

South Korea was hard-hit by the COVID-19 pandemic in February 2020, and the full extent of the economic impact is yet to be determined. With the closure of businesses and schools, stock market crashes, halts in domestic production, and drops in international demand for exports, the Korean economy is likely to sustain significant damage. On 4 March 2020 the Ministry of Finance introduced an 11.4 million won stimulus package for approval by the National Assembly, but the effect of this amid a broader global recession is yet to be determined.

**Figure 4: Real Effective Exchange Rate**



Source: Bank for International Settlements

<sup>25</sup> [Youth Unemployment](#), OECD Data, accessed 21 February 2020.

<sup>26</sup> [South Korea Job Growth on Rise in Q1](#), Asia Times 17 May 2019; [Statistics Korea: Economically Active Population Survey](#), Statistics Korea, 15 January 2020; [South Korea’s latest big export: Jobless college graduates](#), Reuters, 13 May 2019; [K-move](#), Human Resources Development Service of Korea, 13 May 2019.

<sup>27</sup> [The Global Competitiveness Report 2019](#), World Economic Forum, 2019.

<sup>28</sup> [Ease of Doing Business 2019](#), World Bank, 2019.

The South Korean won fell to its lowest levels in over two years in June 2019 to 1,190 won to the dollar, and then dropped further to 1,217 won to the dollar in August before recovering to 1,159 won to the dollar at the end of the year. The US-China trade tensions have fuelled anxiety about the South Korean economy, which is dependent on exports to China. While a weaker won had previously been seen as a benefit that would boost the price competitiveness of exports, changes in the industrial structure and the expansion of overseas production reduce the benefits. After the COVID-19 outbreak in early 2020, the won plummeted again, dropping as low as 1,225 won to the dollar in March.

## 5. POLITICS & POLICYMAKING

Until 1910, the Korean peninsula was a unified, independent kingdom ruled by generations of dynasties. The dynasties were followed by decades of conflict, beginning with occupation by Japan, and only ending after the Korean War. In 1953 an armistice that split the peninsula along a demilitarised zone (DMZ) at the 38th parallel was signed and control over the peninsula was divided into the Republic of Korea on the southern half of the peninsula, directly supported by the US, and the Democratic People's Republic of Korea on the northern half, which was directly supported by the Soviet Union.<sup>29</sup>

After more decades of military dictatorship and instability, and also rapid export-led economic growth, South Korea transitioned further towards democracy in 1987. The country is now described as a 'presidential representative democratic republic' with a president as head of state and a multi-party political system.

Currently, South Korea is led by President Moon Jae-in, who was elected in 2017 after running on a platform that called for reform to the *chaebol* system, raising disposable incomes, and a friendlier posture towards North Korea. His first five-year term will end in 2022. President Moon succeeded Park Geun-hye, the daughter of the first South Korean president, who was impeached over her alleged involvement in a corruption scandal and removed from office. She was later sentenced to 32 years imprisonment and is currently the subject of a re-trial which may result in a lengthening of her sentence.<sup>30</sup> Korea has a high level of democracy, ranking 23<sup>rd</sup> on the Economist Intelligence Unit's Democracy Index, the highest in Asia, but corruption remains a serious issue.

President Moon's government has seen limited success with respect to reform. His tenure has been seen massive and regular street protests, counter-protests and labour strikes. While street protests are a unique characteristic of South Korean political culture, these intensified to unprecedented levels in 2019. Protesters were frustrated by the lack of substantive *chaebol* reform, perceived unfair labour policies, Japanese trade restrictions, and US demands for a greater contribution towards maintaining US troops stationed in Korea.<sup>31</sup>

The government's North Korea détente policy has had some success. In February 2018 North Korea participated in the Winter Olympic and Paralympic Games, which South Korea hosted. This, along with three inter-Korean summits in 2018 and US-DPRK summits in 2018 and 2019, were viewed as positive developments. However, progress stalled in 2019, and the DPRK has continued to test projectiles.<sup>32</sup>

President Moon's Democratic Party won a landslide victory in the April 2020 legislative elections, which also saw the highest voter turnout for parliamentary elections in 28 years. The Democratic Party won 163 of the 300 seats in the National Assembly, and a satellite party created by the Democrats won an additional 17. In total, the Democrats took a three-fifths of the seats, the largest majority in three decades.<sup>33</sup> Though President Moon's popularity fell because of dissatisfaction with economic policies and stalled efforts at peace with North Korea, he was buoyed by his handling of the COVID-19 pandemic.<sup>34</sup>

<sup>29</sup> [The World Factbook: Korea, South](#), Central Intelligence Agency, 10 February 2020; Pruitt, S, [Why are North and South Korea Divided?](#), *History.com*, 15 January 2019.

<sup>30</sup> [New trial opens for disgraced South Korea ex-leader Park Geun-hye](#), *The Straits Times*, 15 January 2020.

<sup>31</sup> [Why are street protests so common in South Korea?](#), *The Diplomat*, 5 August 2019; [Japan started a war it wasn't ready to fight](#), *Foreign Policy*, 6 August 2019; [South Korean protesters destroy portraits of US Ambassador](#), *Reuters*, 13 December 2019; [South Koreans protest at coronavirus quarantine centres](#), *The Telegraph*, 30 January 2020.

<sup>32</sup> [US, North Korea Loom large as South Korean's face mid-term vote](#), *The Washington Times*, 2 February 2020.

<sup>33</sup> [In South Korea Vote, Virus Delivers Landslide Win to Governing Party](#), *The New York Times*, 16 April 2020.

<sup>34</sup> [Ten Elections to Watch in 2020](#), *Council on Foreign Relations*, 19 December 2019; [In South Korea Vote, Virus Delivers Landslide Win to Governing Party](#), *The New York Times*, 16 April 2020.

## 6. EDUCATION

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South Korea's education system is overseen by the Korean Ministry of Education and is often held up as one of the best systems in the world. It regularly scores higher than the OECD PISA average in maths (Korea scored 526 vs. the OECD average of 489), sciences (519 vs. 489), and reading (514 vs. 487), though 2018 scores revealed a continuing downward trend in scores.<sup>35</sup> It ranked 27<sup>th</sup> on the 2020 Global Talent Competitiveness Index (GTCI), which evaluates 119 nations on their competitiveness based on the talent they can grow, attract, and retain. However, South Korea came in fifth out of six fellow high-income Asian countries, scoring particularly poorly on its ability to attract talent and social mobility.<sup>36</sup>

The curriculum, set by the Ministry of Education, is broad and revised every five to ten years. The latest revision will be fully implemented in 2020. The South Korean school system is highly exam driven and fiercely competitive. Despite its high ranking on PISA, Korean pre-tertiary education has been criticised for being memory-based and for its failure to develop creativity, good communication skills, empathy and critical thinking skills. The system engenders high levels of stress from kindergarten years upwards, as there is a common belief that the right kindergarten can lead to selection to the right elementary school and so on. The system is often cited as a key reason why Korean teenage depression and suicide rates are amongst the highest in the world.<sup>37</sup>

### Pre-tertiary education

In common with most other countries in the region, the Korean education system is divided into six years of primary school, three years of lower secondary education, and three years of upper secondary school. Nine years of education are free and compulsory from the age of six. Public and privately funded pre-schools are also available for three- to five-year-olds and enrolment rates in pre-schools exceed 90 per cent.<sup>38</sup> Following completion of lower secondary school students can progress to upper secondary school which is not compulsory, but the net enrolment rate for all levels of secondary education is 98 per cent.<sup>39</sup>

At present tuition costs are charged at the upper secondary level, but by 2021 all secondary schooling will be free, at an estimated cost to the government of US\$1.75 billion.<sup>40</sup> The examination-oriented system has resulted in 73 per cent of the student population participating in some form of additional private education programme including using tutors, attending *hagwon* (grind or 'cram' schools) and language schools. Such students take an average of 6.2 hours per week of extra classes, on which parents spend an average of US\$340 per month. Overall, total private education spending reached US\$17 billion in 2018 and expenditure has been found to increase with family income. The subjects most commonly taught in these extra classes are English and mathematics, with spending and participation for English highest at the middle school level.<sup>41</sup>

The 2018 PISA results found that socioeconomically advantaged students outperformed disadvantaged students in all subjects, particularly reading. The average score difference in reading between the two groups was 75 points in 2018, smaller than the OECD average score difference of 89 points, but higher

<sup>35</sup> [PISA 2018 Results \(Volume 1\): What Students Know and Can Do](#), OECD, 3 December 2019.

<sup>36</sup> [2020 Global Talent Competitiveness Index](#), GTCI, January 2020.

<sup>37</sup> [The Dark side of the Korean Education System and new purposes for the future](#), *The Asian Network*, 9 May 2017; [Nearly 34 per cent of S. Korean adolescents have thought about suicide over academic pressure: poll](#), *The Korea Herald*, 24 July 2019.

<sup>38</sup> [South Korea Learning Systems](#), *Centre on International Education Benchmarking*, accessed 11 February 2020.

<sup>39</sup> [Republic of Korea](#), *UNESCO UIS*, Accessed 11 February 2020.

<sup>40</sup> [All high students to get free education starting 2021](#), *The Korea Herald*, 9 April 2019.

<sup>41</sup> [Private Education Expenditure 2019](#), *Statistics Korea* 12 March 2019; [Private education costs reaches record high](#), *The Korea Times*, 12 March 2019.

than Korea's performance gap of 69 points in PISA 2009. Despite this, 13 per cent of disadvantaged students scored in the top quarter of reading performance, above the OECD average of 11 per cent.<sup>42</sup>

About 4 per cent of Korea's upper secondary schools are private 'elite' schools. These schools select their students, do not necessarily follow the Korean national curriculum and have high tuition rates. Attending an elite school is expected to favour the student and assist their entry to a prestigious university, and many of these schools are feeder schools for specific universities. In response to a number of high-profile scandals around university entry and to promote equity within the education system, the government announced plans to reform the college admission system, revoke the special status of elite private schools and foreign language schools, and reclassify them as 'regular' high schools from 2025.<sup>43</sup>

Although there is greater focus on and recognition of the need for increased technical and vocational education and training (TVET), such training does not have a high status in Korea.<sup>44</sup> The current system incorporates three categories: vocational training for the employed, vocational training for the unemployed and student and public training for strategic industries.<sup>45</sup> Programmes are generally operated through the workplace as some companies have their own colleges, or through junior (private) or polytechnic (public) colleges. Enrolment in TVET has fallen from approximately 50 per cent of upper secondary students in the 1980s to 20 per cent today.<sup>46</sup>

### Higher education

Korea has the highest level of tertiary-educated 25-34 year olds in the world at 69 per cent, compared to an OECD average of 44.5 per cent.<sup>47</sup> However, the number of students enrolling in higher education is beginning to decline as the student age demographic contracts. The gross enrolment ratio for tertiary has dropped from over 104 per cent in 2009 to 94.4 per cent in 2017, and enrolments dropped from 633,970 in 2016 to 628,741 in 2017.<sup>48</sup> Female enrolment rates (83 per cent) are significantly lower than male rates (105 per cent).

Korea's higher education is complex with nine different types of higher education institutions including: universities, junior colleges, universities of education, industrial universities (specifically focussed on knowledge and skills essential for industrial sectors), cyber (distance) universities, air and correspondence universities, technical colleges, company universities and polytechnic universities.<sup>49</sup> The university structures are similar to the American system, typically divided into a fall semester and a spring semester, four-year undergraduate courses and two-year postgraduate courses. The average Korean student enters tertiary education at a younger age than the average age for OECD countries (19) and spends 4.4 years in tertiary education.

The sector mainly consists of private institutions. Of the 430 universities in 2019, 372 were private and 77 per cent of students were located in these institutions; 50 were national universities with 22 per cent of students; and eight are public (funded by local government) with less than 1 per cent of enrolments.<sup>50</sup> Average public university tuition fees are higher than in most OECD countries (with the exception of the US, Australia and Japan). In 2018 public institutions charged US\$4,886 per year for bachelor

<sup>42</sup> [PISA 2018 Country Note: South Korea](#), OECD, 3 December 2019.

<sup>43</sup> [Moon announces admissions reform and the end of elite schools](#), *World University News*, 29 October 2019; [S Korea to convert private high schools to regular high schools by 2020](#), *Arirang News*, 7 November 2019.

<sup>44</sup> [Breaking stigma against two-year vocational college](#), *Korea Herald*, 22 March 2018.

<sup>45</sup> [The effects and challenges of vocational training in Korea](#), *The International Journal of Training Research*, 7 September 2019.

<sup>46</sup> For example, the [Seoul Hyundai Occupational Training College: Vocational Education](#), *Seoul Hyundai*, accessed 11 February 2020.

<sup>47</sup> [Population with tertiary education](#), OECD, accessed 11 February 2020.

<sup>48</sup> [Korea, Republic of](#), UNESCO UIS, accessed 31 March 2020.

<sup>49</sup> [Higher Education](#), *Korea Ministry of Education*, accessed 11 February 2020.

<sup>50</sup> [Republic of Korea and data indicator search](#), UNESCO UIS, accessed 11 February 2020.

programmes (increasing by 31 per cent for postgraduate programmes and by 47 per cent for doctoral programmes). Fees in private universities are almost double the public fees at US\$8,760 for bachelor programmes.<sup>51</sup>

Entrance to Korea's higher education is formally accessed through a standardised College of Scholastic Ability Test (CSAT). CSAT is intensely competitive as students vie for a position at the country's top institutions: Seoul National University, Korea University, and Yonsei University, known together as the SKY institutions. To attain a top place, unsuccessful students may defer university entry and re-sit the CSAT several times, spending the intervening periods attending private education. However, top universities have increasingly been accepting students from elite schools using other criteria: grade averages, extracurricular activities and special skill sets. While this may reduce the stress associated with preparing for the CSAT, it adds considerable disadvantages those not in elite schools.<sup>52</sup>

In 2017, the percentage of tertiary students in bachelor's courses stood at 67 per cent, master's at 8 per cent and doctorates at 2 per cent. The percentage of students in master's courses was less than half of the 17 per cent average for high income countries, while the percentage in bachelor's courses was higher, at 58 per cent.<sup>53</sup>

More than one-third of undergraduate students study in STEM fields, ranking eighth in the OECD for this proportion.<sup>54</sup> The most popular subject areas are engineering, manufacturing and construction. Breaking the numbers down by gender illustrates another picture: male enrolments in STEM areas are above the OECD average and female enrolment below the average (26 per cent versus 30 per cent).

Korea's universities are well recognised internationally with four ranked in the top 100 with QS and (with a fifth institution ranked 104) and two in the Times Higher Education World University Rankings top 100. In 2020, The Korea Advanced Institute of Science and Technology (KAIST) was ranked ninth in Asia.<sup>55</sup>

South Korea's research output still lags behind the United States and China but is ranked in the top 10 for article output by the Nature Index for 2018/19.<sup>56</sup> Three of the top 20 universities for industry collaboration in research are South Korean, reflecting the close links between universities and industry, particularly *chaebol*.<sup>57</sup>

## Key policies related to education

Upon election in 2017, President Moon's government promised sweeping reforms to Korea's education system with a particular focus on tackling 'unfairness' and reintroducing trust in the system.

At the secondary level the key focus was on:

- introducing free upper secondary education as discussed above;
- streamlining school curricula and introducing more flexibility through the introduction of elective subjects;
- 'Regularising' elite private and international schools by 2020 and ensuring they teach the MOE curricula thus promoting equality and fairness in education.

<sup>51</sup> [Education at a Glance: Country Note, Korea](#), OECD, 2019.

<sup>52</sup> [Moon announces admissions reform and the end of elite schools](#), *World University News*, 29 October 2019.

<sup>53</sup> [Stats](#), OECD, accessed 11 February 2020.

<sup>54</sup> [Education at a Glance: Country Note, Korea](#), OECD, 2019.

<sup>55</sup> [Top Universities QS World University Rankings 2020](#), QS, 2019; [Times Higher Education World University Rankings 2020](#), *THE*, 2019; [Top Universities QS Asia Rankings 2020: Top 10](#), *Top Universities*, 27 November 2019.

<sup>56</sup> [Nature Index 2019](#), *Nature*, 2019.

<sup>57</sup> [South Korea dominates list of universities with most research links to industry partners](#), *Study International News*, 10 March 2017.

The 'Happy Education for all, creative talent shapes the future' policy was initiated in 2013 with the aim of reducing academic pressure in Korea's highly competitive school system. Policies include 'exam-free semesters' and increased physical education in the curriculum. The free semester was rolled out to all middle schools in 2016 and aims to nurture students and give them opportunities to explore their interests and aptitudes through participatory instruction, diverse learning experiences, and flexible curricula.<sup>58</sup>

At tertiary level proposed reforms take cognisance of the declining school-age population, the need for Korean graduates to transition more easily to the workplace and improve contributions to the creative economy. The Ministry of Education is taking the lead in enacting education reform.

Consideration has been given to the following:

- addressing the admission system and reducing the entrance quota. In 2017, the government instructed universities to screen applicants based on high school anecdotal records (such as aptitude in non-academic areas, other talents and extra-curricular activities) in addition to CSAT scores. However, in a reversal of the position in late 2019 universities were instructed to expand the quota for selection via the CSAT to 30 per cent by 2022 (compared to 23 per cent in 2018) to "improve transparency". This change was instituted as it became apparent that assessment through the early admissions system in some universities was becoming "irregular" and was based largely on expensive extra-curricular activities and volunteer work, undertaken largely by students in elite schools.<sup>59</sup>
- integrating state universities into one large university system to reduce competition between institutions;
- evaluating lower ranked universities to establish whether they should be closed over time or change their function to become non-profit foundations, social welfare foundations, and vocational education institutions;
- reorganising and restructuring undergraduate programmes to align more closely with the actual numbers of prospective students entering the system as well as the needs of industry, in order to tackle the mismatch between the supply and demand of labour market. This also includes greater support of liberal arts programmes in order to enhance the social adaptive abilities of students;
- supporting start-up companies and creating a nurturing environment within the university system for these initiatives. This is to be supported by a deepening collaboration between universities and small- to mid-sized businesses and industries;
- an increased focus on knowledge-based research and open learning to support life-long learning;
- in an acknowledgement that tuition rates in Korea are amongst the highest in the OECD, a new scholarship programme aims to allow all individuals to benefit from higher education opportunities.<sup>60</sup>

While the reforms described above were mooted when the new government came into power in 2017, progress towards achieving these was slow for the first year and a half of the new administration. Corruption scandals, particularly the Cho Kuk controversy in 2019, led to reforms being pushed ahead towards the end of the year and into 2020. The immediate focus is upon regularising elite schools by

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<sup>58</sup> [Higher Education](#), Korean Ministry of Education, accessed 12 February 2020; [Moon announces admissions reform and the end of elite schools](#), *World University News*, 29 October 2019.

<sup>59</sup> [S. Korea sets 'drastic' reform of college admission system in motion](#), *Yonhap News Agency*, 25 October 2019; [Moon announces admissions reform and the end of elite schools](#), *World University News*, 29 October 2019.

<sup>60</sup> [Higher Education](#), Korean Ministry of Education, accessed 15 February 2020.

2025, decreasing competition between universities and reducing the influence of prestigious universities, notably the “SKY universities.”

In order to allow for more equity in the labour market, the practice of “blind hiring” has also been introduced for the public service, with the government hoping that it will also be adopted by the private sector. Under the new guidelines, applicants no longer have to reveal the name of their university or GPAs on their application, nor provide a photograph or personal information about age, weight, or family background. This policy has had some success but has also been met with deep resistance from graduates of elite universities and from some companies.<sup>61</sup>

## International student recruitment

### Overall inbound trend

Korea is becoming an increasingly popular destination for globally mobile students. International enrolments in the country’s tertiary institutions increased from 12,000 in 2003 to 160,000 in 2019, recording a 75 per cent growth rate between 2015 and 2019.<sup>62</sup> Approximately 50 per cent of these students were on degree programmes and the remainder were studying the Korean language. The rise in popularity of Korean popular culture and products in recent years has contributed to this increase.<sup>63</sup>

China is the largest sender of international degree-seeking students in Korea representing 62 per cent of the cohort. The next largest is Vietnam (7 per cent), followed by Mongolia (4 per cent), Uzbekistan (2 per cent) and Japan (2 per cent).<sup>64</sup>

Recent figures indicate that the proportion of Chinese students decreased by almost 7 per cent in 2018. It is likely that this is related to tensions between China and Korea in 2017 over Korea’s deployment of the US THAAD anti-missile system which led to a Chinese boycott of Korean goods. Relations have since improved, but it may take time for the numbers to recover.<sup>65</sup>

As part of the strategy to cushion the decline in student numbers in Korean universities, the government aspires to reach a goal of 200,000 international students in Korea by 2023. Given recent growth rates attaining this does seem feasible. However, recent data suggests that the number of international students overstaying their visa has also increased dramatically, almost 14,000 in 2018, over two thirds of whom were from Vietnam. These students are reportedly staying on to pay tuition debt. With strict immigration laws, this issue has become a significant problem for the government and in response it has introduced a number of policies to counteract this development, including an amnesty allowing all those who have overstayed their visa to leave without penalties. A further policy focussed on Vietnamese students only, requires each student to prove they have at least US\$10,000 in a Korean bank, and strict withdrawal limits are in place. Additionally, specific language requirements have been put in place for students from Vietnam and 25 other Asian and African countries.<sup>66</sup>

### Overall outbound trend

According to the Korean MoE, a total of 213,000 South Korean tertiary students went abroad in 2019, 131,518 of whom were in degree programmes, making Korea the fourth largest sender of international

<sup>61</sup> [As ‘blind hiring’ catches on critics speak up](#), *Korea JoongAng Daily*, 26 September 2017; [Moon announces admissions reform and the end of elite schools](#), *World University News*, 29 October 2019; [Education in South Korea](#), *WENR*, 2018.

<sup>62</sup> [South Korea reporting big gains in foreign enrolment](#), *ICEF Monitor*, 4 September 2019; Chung, A (2019): [South Korea - Foreign student numbers grow a record 19 per cent in a year](#), *World University News*, 11 October 2018.

<sup>63</sup> [South Korea - Foreign student numbers grow a record 19 per cent in a year](#), *World University News*, 11 October 2018; [South Korea taking action on visa overstays and schools regulation](#), *ICEF Monitor*, 11 March 2019; [Global Flow of tertiary-level students](#), UNESCO UIS, accessed 15 February 2020.

<sup>64</sup> [Global Flow of tertiary-level students](#), UNESCO UIS, accessed 15 February 2020.

<sup>65</sup> [South Korea - Foreign student numbers grow a record 19 per cent in a year](#), *World University News*, 11 October 2018; [South Korea and China look to improve ties after THAAD dispute](#), *Al-Jazeera*, 23 December 2019.

<sup>66</sup> [South Korea taking action on visa overstays and schools regulation](#), *ICEF Monitor*, 11 March 2019.

students globally, behind China, India and Germany.<sup>67</sup> However, this figure reveals a decline of 18 per cent from a peak in 2011 when 262,465 Koreans studied abroad.<sup>68</sup>

This appears to be in line with diminishing interest in traditional, high-cost education destinations such as the US, as well as the decreasing student-age population and the decline in private education spending overall. Due to improving domestic institutions, employers no longer place the same premium on an overseas education, and the years spent overseas are often viewed as lost time to develop the networks needed to find employment in South Korea's hypercompetitive employment market.<sup>69</sup>

ICEF Monitor reports increasing interest in short-term programmes abroad and study within the Asia region, including South Korea, suggesting that traditional study abroad models are changing. Destinations that offer "good value for money" have become appealing and mainland China has gained the most in this respect. UNESCO figures do not include international students in China, but figures from the Chinese Ministry of Education indicate that South Korea was the largest sender of international students to China with 50,600 students studying there at tertiary level in 2018.<sup>70</sup>

South Korean students nonetheless account for 2 per cent of all globally mobile students and the country has an outbound mobility ratio of 3.4 per cent (compared to 1.4 per cent in the UK). For decades the US has been the most popular destination country with UNESCO figures showing 56 per cent of all mobile Korean students studying there and accounting for 6.5 per cent of international students in the US.<sup>71</sup>

Factors attracting outbound mobility include strong competition for places at local top-tier institutions, immersion in a foreign language environment, and competition for employment after graduation.

The long-standing relationship between South Korea and the US means that numerous scholarships exist to facilitate international study, including the WEST programme and Washington Centre internships. Significant scholarship programmes also exist for Korean students in China, the UK and Japan.

Since the 1990s, South Korean families with sufficient means have sent a significant number of primary and secondary students abroad, primarily to the United States, Canada and New Zealand. There has however been a sharp decline in this phenomenon over last decade, most likely due to cost. In 2010, for example 2,320 Korean primary school aged children were in school in New Zealand (accounting at that time for 78 per cent of all international primary school children in New Zealand), by 2018 this had dropped to 1,105. In the same timeframe, Korean secondary school students in New Zealand dropped from 2,995 to 1,360.<sup>72</sup>

## UK recruitment

The UK ranks fifth overall as a destination country behind the US, Japan, Australia and Canada. The UK is the destination for 5.6 per cent of internationally mobile Korean students.<sup>73</sup>

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<sup>67</sup> Statistics from Korean Ministry of Education, accessed by British Council South Korea in-country team.

<sup>68</sup> Statistics from Korean Ministry of Education, accessed by British Council South Korea in-country team.

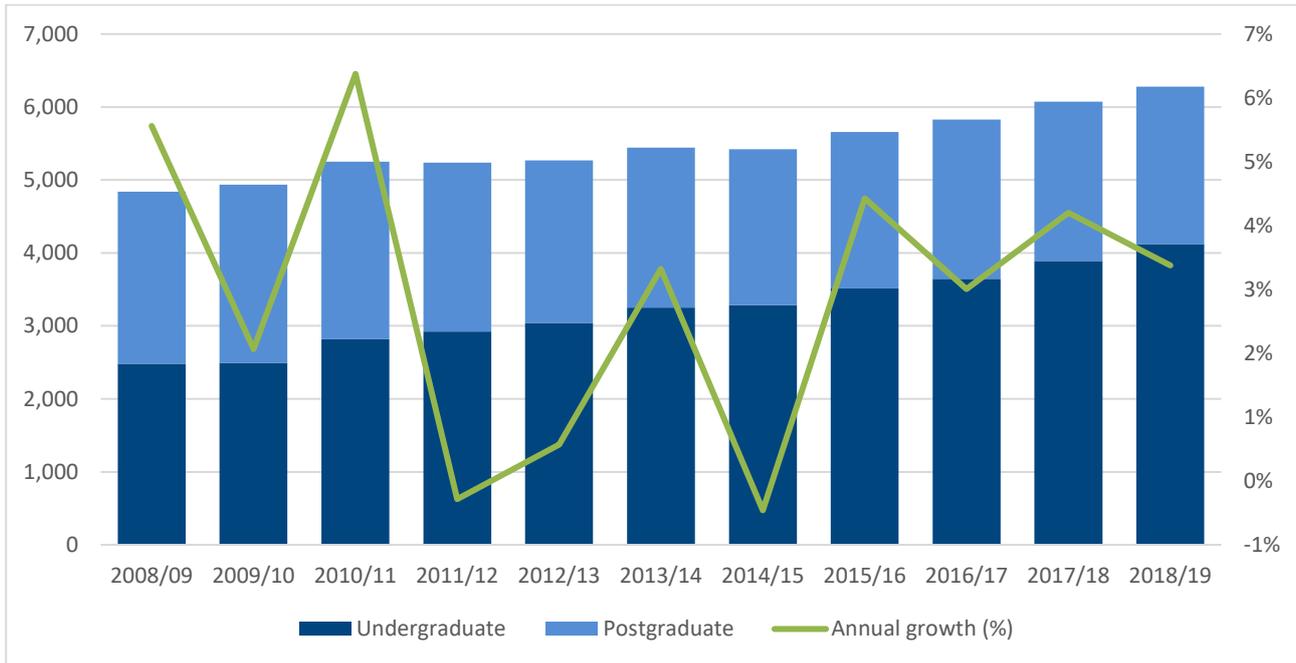
<sup>69</sup> [Overseas study loses allure for South Koreans](#), *Reuters*, 8 December 2015.

<sup>70</sup> [Closer to home: Intra-regional mobility in Asia](#), *ICEF Monitor*, 4 December 2019; [Ministry of Education PRC \(2019\): Statistical report on international students in China for 2018](#), *PRC Ministry of Education*, 17 April 2019.

<sup>71</sup> [Global Flow of tertiary-level students](#), *UNESCO UIS*, accessed 15 February 2020.

<sup>72</sup> [International Students in New Zealand](#), *Education Counts*, accessed 15 February 2020.

<sup>73</sup> Statistics from Korean Ministry of Education, accessed by British Council South Korea in-country team.

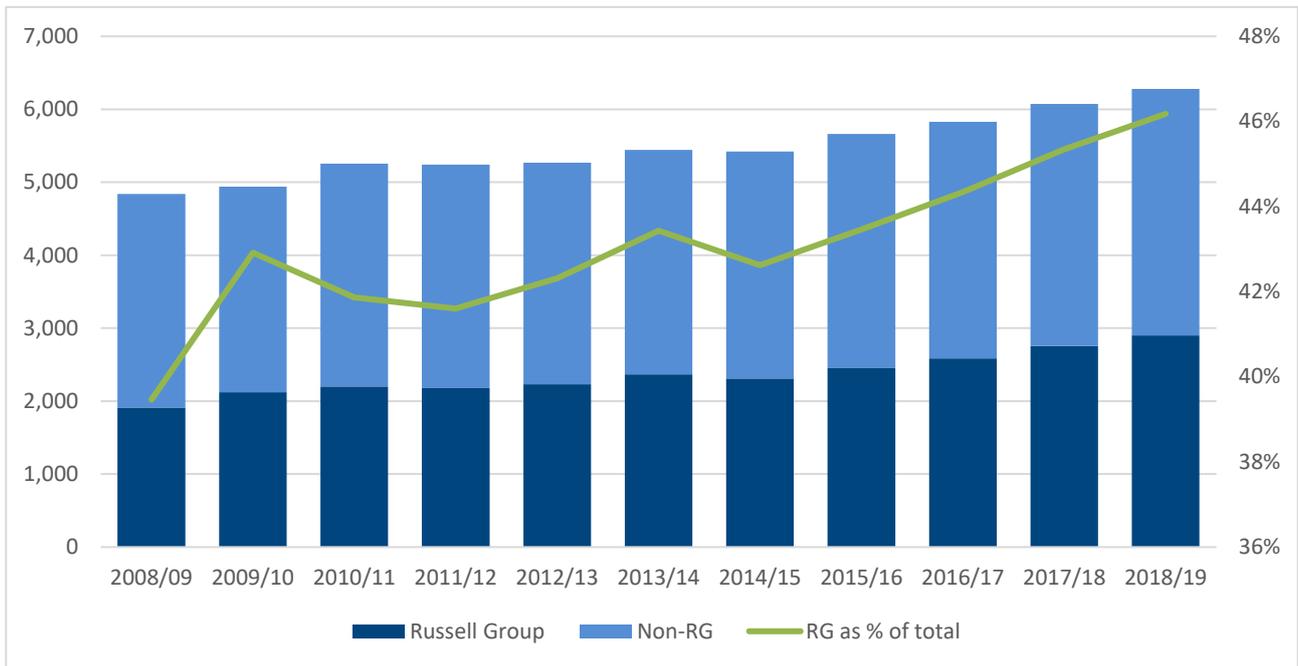
**Figure 5: UK Student Visas Issued (Tier 4 and Equivalent) by Level of Study**

Source: HESA

While the overall number of Korean students going abroad is decreasing, the numbers studying in the UK (92 per cent of whom study in England) has increased from 5,430 in 2014/15 to 6,280 for the 2018/19 academic year, up 3 per cent from the previous year. Growth over the last five years has been uneven but has averaged 2.8 percent.<sup>74</sup> The number of undergraduate enrolments has increased as the number of postgraduate enrolments has decreased over the last decade. In 2018/19, about two-thirds of Korean students were enrolled in undergraduate programs, up from about half ten years earlier.

<sup>74</sup> [Where do HE students come from?](#), HESA, 2019, accessed 16 February 2020.

Figure 6: Russell Group vs. Non-Russell Group



Source: HESA

Over the last decade, Russell Group enrolments have increased from 39 per cent to 46 per cent of total enrolments, following a relatively steady upward trend. This may indicate growing consideration for the reputation of an institution when choosing where to study.

## Subject areas

Figure 7: Subject area new enrolments by size

	Total new UK enrolments in 2018/19	Undergraduate			Postgraduate		
		New UK enrolments in 2018/19	Change from previous year	5-year trend	New UK enrolments in 2018/19	Change from previous year	5-year trend
Creative arts & design	1460	1060	0.5%		400	-2.5%	
Business & administrative studies	1080	705	2.9%		375	4.2%	
Social studies	805	430	7.5%		375	-2.6%	
Engineering & technology	460	285	11.8%		175	0.0%	
Biological sciences	335	245	19.5%		90	5.9%	
Languages	240	175	29.6%		65	-31.6%	
Combined	240	240	9.1%		0	0.0%	
Mass communications and documentation	220	165	13.8%		55	22.2%	
Historical and philosophical studies	205	105	16.7%		100	-16.7%	
Architecture, building & planning	200	95	-5.0%		105	5.0%	
Computer science	195	125	13.6%		70	27.3%	
Education	180	45	-18.2%		135	0.0%	
Physical sciences	155	95	5.6%		60	0.0%	
Subjects allied to medicine	130	95	-5.0%		35	16.7%	
Mathematical sciences	130	110	10.0%		20	-42.9%	
Law	110	60	0.0%		50	0.0%	
Medicine & dentistry	110	75	25.0%		35	40.0%	
Agriculture & related subjects	20	5	-50.0%		15	0.0%	
Veterinary science	5	5	0.0%		0	0.0%	

Source: HESA, British Council

Creative arts and design subjects were the most popular for both undergraduate and postgraduate South Korean students in the UK in 2018/19, followed by business and administrative studies and social studies. Enrolment in undergraduate creative arts and design has had sustained growth over the past five years, though growth in 2018/19 was slow at only 0.5 per cent. Postgraduate enrolment in the subject area has meanwhile been falling, but it remains just above business and administration as the most popular subject area.

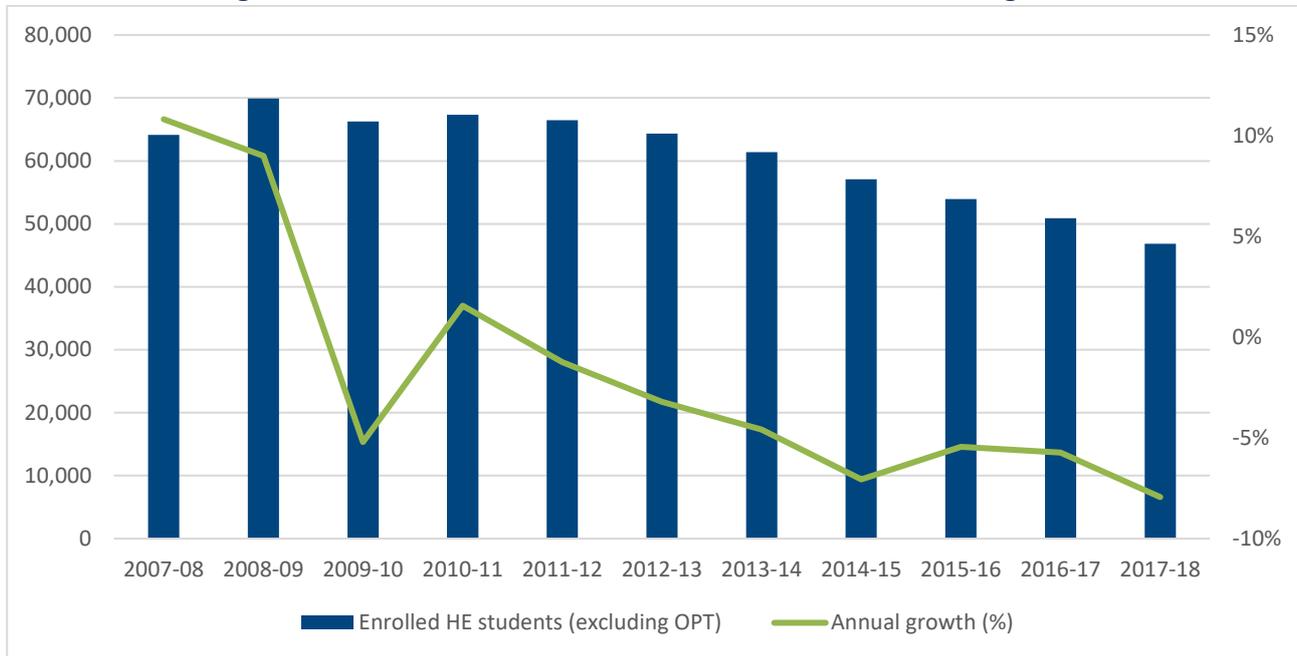
The top five undergraduate subject areas have a positive growth trend, though business and administration is recovering from two years of enrolment decline. Growth in undergraduate biological sciences is particularly fast, showing sustained growth over the past five years and 19.5 per cent growth in 2018/19. Growth in undergraduate languages appears even faster at 29.6 per cent, but this increase was after a very large fall in enrolments in the previous year and has only increased in line to an overall falling trend.

Of the five most popular postgraduate subject areas, only social studies and engineering are following an upward trend over the last five years, and enrolments in social studies fell by 2.6 per cent in 2018/19. Enrolment in postgraduate business and administration programmes may have increased by 4.2 per cent in 2018/19, but overall it has suffered an 11 per cent decline over five years.

## Competitor activity

### United States

Figure 8: South Korean Enrolments in US HEI (excluding OPT)



Source: IIE

The US is by far the preferred English-speaking destination for outbound Korean students, possibly because US institutions tend to have strong alumni networks and high brand recognition among Korean employers, which students see as an advantage for future employment.

According to the Korean MoE, there were 43,210 students enrolled at US institutions in 2018/19.<sup>75</sup> According to data from the Institute of International Education, Korean enrolments in US HEIs have been consistently falling since 2011/12, but Korea still ranks as the third highest sender of students to the US, after China and India.<sup>76</sup> Almost half of Korean students in the US are studying at undergraduate level, but the numbers have declined by 9 per cent since 2017/18. Optional Practical Training (OPT) has seen growth in recent years, up by 4.7 per cent in 2018/19.

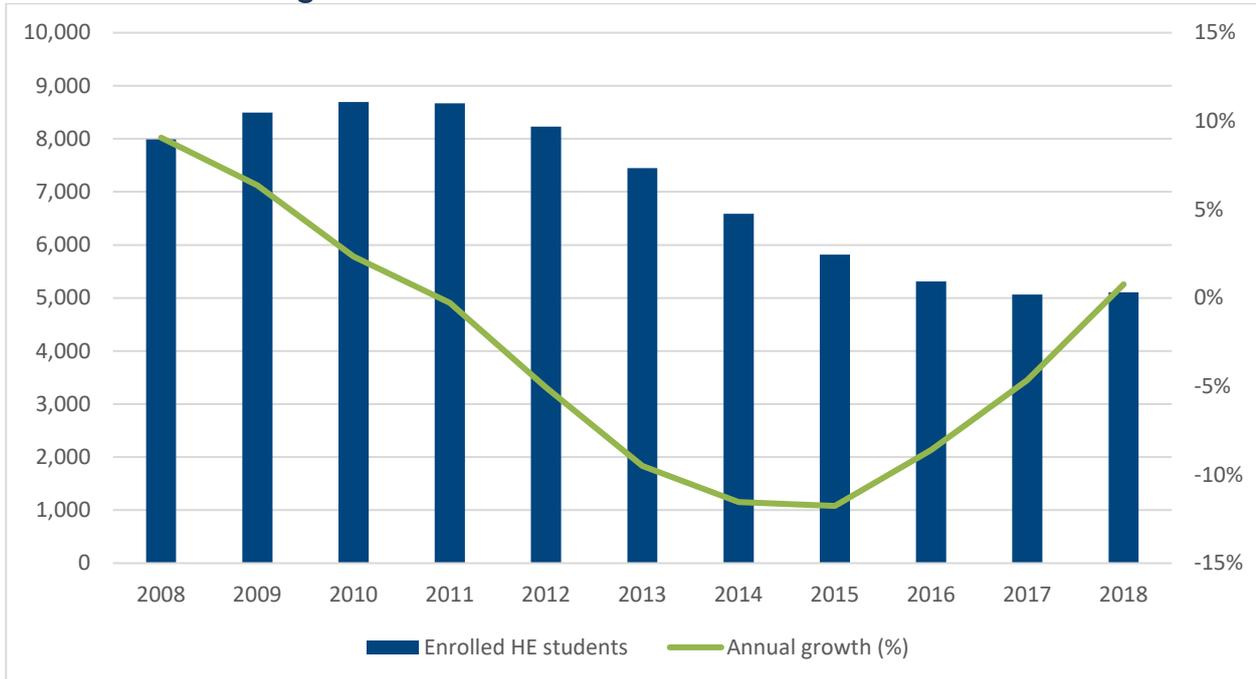
Korean students in the US are spread across a broad range of subject areas, the most popular of which are: business (and related), accounting for 14 per cent; engineering, accounting for 13.5 per cent; fine and applied arts, accounting for 12.6 per cent; physics and life sciences, accounting for 11.6 per cent, and mathematics and computing, accounting for 10.8 per cent.

<sup>75</sup> Statistics from Korean Ministry of Education, accessed by British Council South Korea in-country team.

<sup>76</sup> [IIE Open Doors \(2019\)](#), IIE, accessed 16 February 2020.

## Australia

Figure 9: South Korean Enrolments in Australian HEI

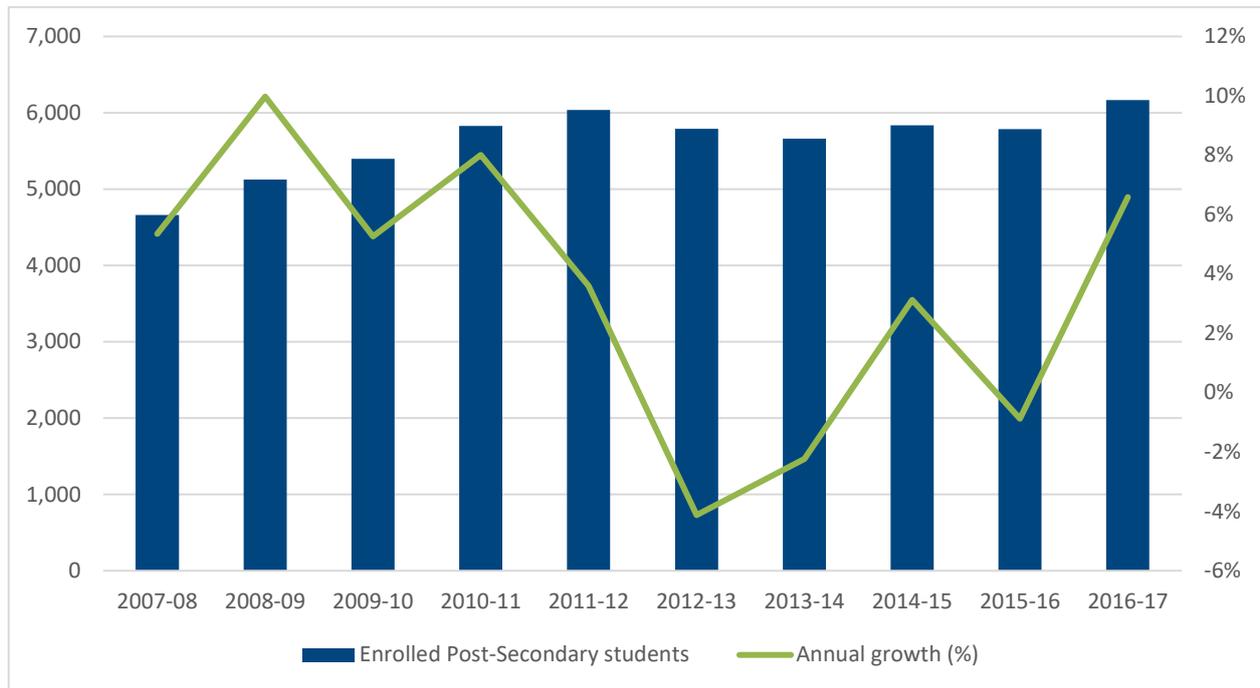


Australia has long been a popular destination for Korean students, but its popularity appears to be fading. According to AusTrade, 5,106 South Korean students enrolled in Australian HEIs in 2018, an increase of 1 per cent on the previous year. South Korean enrolments in Australia have been in decline over the course of a decade, and the minimal growth in 2018 was the first increase in growth since 2010. South Korea is now only the 12<sup>th</sup> largest sender of students to Australia, falling 3 places in 2018.<sup>77</sup> Australia is the closest major English Language country to South Korea and its proximity makes it an appealing choice to students wishing to improve their language skills.

<sup>77</sup> [Education data](#), AUSTRADE, accessed February 16 2020.

## Canada

Figure 10: South Korean HE Students in Canada



Source: StatCan No data available for 2017-18.

The number of international students from all over the world choosing Canada for study have soared recently, with high double-digit growth experienced over the last five years. Canada has become an increasingly popular destination for South Korean students who account for 5 per cent of the international cohort at all levels in Canada. In 2016/17, there were 6,168 South Korean students enrolled in higher education in Canada, a 7 per cent growth from 2015/16.<sup>78</sup> Canada is an attractive destination for Koreans because of lower tuition fees than the US, its international reputation as a safe and friendly country, and its growing reputation for education quality.

### Transnational education

Transnational education in South Korea is largely limited to branch campuses which have been established in *Free Economic Zones* (FEZs) in cities such as Incheon and Jeju. Eight FEZs have been established across Korea to provide optimal operating conditions for global companies.<sup>79</sup> According to the latest report from Universities UK International, UK higher education institutions are not active in the TNE sphere in South Korea.<sup>80</sup>

The Incheon Global Campus (IGC) was established in 2007 by the Korean government and Incheon Metropolitan City with the aim of developing a global education hub to boost the national economy and retain local talent in fields such as education, economics, culture and arts.<sup>81</sup> The national project has seen an investment of almost \$1 billion and aims to attract 10 overseas universities to establish

<sup>78</sup> [International Students in Canada](#), CBIE, August 2018; [What We Do](#), CBIE, accessed 16 February 2020; [Canada's foreign student enrolment took another big jump in 2018](#), ICEF Monitor, February 2019.

<sup>79</sup> [Korean Free Economic Zones](#), KFEZ, accessed 11 February 2020.

<sup>80</sup> [The Scale UK HE TNE 2017-18](#), Universities UK International, 6 November 2019.

<sup>81</sup> [IGC Incheon Global Campus](#), IGC, accessed 11 February 2020.

campuses there. So far four universities have developed campuses including Belgium's Ghent University and George Mason University, as well as SUNY Stonybrook and the University of Utah from the US.

One UK university, the University of Aberdeen, had plans to open a campus specialising in petrochemical engineering in another FEZ in Hadong but were later abandoned due to the global downturn in the petroleum industry.<sup>82</sup> In addition, Germany's University of Nürnberg is operating a branch campus in Busan, while the STC-Netherlands Maritime University operates a campus in Gwangyang City.<sup>83</sup>

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<sup>82</sup> [Aberdeen University's South Korea campus plan defeated by oil downturn](#), *Press and Journal*, 5 January 2019.

<sup>83</sup> [Transnational education data report](#), *JISC/Internet 2*, April 2018.