





2010 Modularization	of Korea's Development Experience: Expansion of Educational Provision

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Preface

In the 21st century, knowledge is one of the key determinants of a country's socio-economic development. In recognition of this fact, the Ministry of Strategy and Finance (MOSF) and the Korea Development Institute (KDI) launched Knowledge Sharing Program (KSP) in 2004. The KSP aims to share Korea's development experience and knowledge to assist socio-economic development of partner countries.

The KSP is comprised of three parts: 1) the systemization and modularization of Korea's development experiences into case studies, 2) policy consultation through knowledge sharing with partner countries, and 3) joint consulting with international organizations. The systemization and modularization of Korea's development experience researches and documents Korea's successful policy experiences, such as the 'Five-Year Economic Development Plan' and 'Saemaul Undong (New Village Movement).' The policy topics are 'systemized' in terms of the background, implementation and outcome, and then, presented as case studies in order to achieve a complete understanding of the actual policies. These systemized policy case studies are further 'modularized' by sector so they can be utilized as concrete examples by partner countries to meet their interests in specific institutions, organizations or projects. For example, Korea's 'Export Promotion Policy' has been prepared as a systemized case study while 'the Establishment of the Export-Import Bank' has been modularized to provide a specific example of Korea's export promotion experience in export financing. The modularization of Korea's development experience traces back to a policy's inception and recapitulates the rationale for its introduction; its main content; and its implementation mechanism. The case studies also evaluate a policy's outcome and draw insights with a global comparative perspective. These case studies include literature reviews, surveys and in-depth interviews with the policy practitioners and experts who participated in the implementation process.

The systemization of Korea's development experience was initiated in 2007 and finished in 2009. Under the new Modularization Project, launched in 2010, the plan has been set out to modularize 100 case studies by sectors and topics in three years.

I would like to take this opportunity to express my sincere gratitude to Project Manager, Dr. Wonhyuk Lim, and all the Korean experts for their immense efforts in successfully completing the '2010 Modularization of Korea's Development Experience.' I am also grateful to Managing Director, Dr. Kwang-Eon Sul, and Program Officer, Ms. Ja-Kyung Hong, the members of the Center for International Development, KDI, for their hard work and dedication to this Program.

I earnestly hope that the final research results will be fully utilized in assisting the development partner countries in the near future.

Oh-Seok Hyun
President
Korea Development Institute

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Establishment of Korea Education Broadcasting System

- 1. Introduction of Education Broadcasting System
- 2. Businesses of Education Broadcasting System
- 3. Promotions of Education Broadcasting System
- 4. Evaluations and Implications of Education Broadcasting

Establishment of Korea Education Broadcasting System

Beom Seog Ko (EBS) Wonsug Shin (Korea University)

<Summary>

Education broadcasting is a medium that delivers information and contents through sounds and images. Education broadcasting is more extensive, unilateral and mechanical than delivering content through conversation. It is also rapid, visually stimulating, transient and emotionally appealing than printed media. Extensiveness of education broadcasting means it can deliver the same information to a more expansive region and broader target audience simultaneously overcoming the limits of time and distance, and enlarging educational activities. Television education programs that broadcast to a wide area using radio waves provide fast and accurate transmission and provide equal educational opportunities to students across the country. Provision of visual data, using sounds and images allows a detailed instant and real time delivery and is more effective in emotional and behavioral education by enhancing the viewer's sense of reality.

Education broadcasting using mass media such as radio and television started to draw attention during the Second World War, because it could effectively provide education to people scattered over a wider area, in a short time without the limits of distance. Since then, education broadcasting has seen continual growth. From the aspect of providing educational opportunities, it is economically feasible and is not limited to distance. From the aspect of its effects on learning, it proves to be effective as it provides indirect experience beyond contextual limitation through audiovisual material. Such advantages were reasons for many countries to actively develop education broadcasting.

In Korea, because the national system was in ruins at the end of the Korean War, education broadcasting was initiated to address the need to support school education without any educational infrastructure. In the beginning, the socioeconomic conditions at the time did not allow the operation of an independent education broadcasting station. Instead, the Central Broadcasting System of Korea, which was later changed to a public broadcasting system, the Korea Broadcasting System (KBS) in 1973, organized and provided education programs. Following the launch of the Korea Educational Development Institute in 1972, a division of labor based on the unique characteristics of education was defined among the relevant educational organizations, and education broadcasting supported school education and home learning.

With economic development in the 1990s, increase in the public demand for education broadcasting prompted the education broadcasting service in the form of a governmentsupported institute under the umbrella of the Ministry of Education. With the approval and support of the government, this early form of education broadcasting provided various educational programs to support school education, based on its own broadcasting production, delivery facilities, and transmission. The services later diversified from television and radio to include web services and satellite broadcasting, continuously evolving with technology. As education broadcasting developed, its role expanded to support overall lifelong education, no longer limited to school education. In order for the education broadcasting service to overcome limitations of program planning and operation support as a government-affiliated institute, and to function as a full service education provider for social education and lifelong education, it needed to extend its service area which required a larger operation budget. Therefore, on March 2000 when the Education Broadcasting System Law was passed, EBS became a public corporation and given the name, Education Broadcasting System (EBS). Thus, EBS gained the status as a truly independent broadcasting station, with a programming schedule dedicated exclusively to education broadcasting.

In Korea, the most significant factor for the initiation of education broadcasting, and the establishment of the education broadcasting station, was the rise and importance of education broadcasting to assist in school education. Rapid economic growth in Korea brought public enthusiasm for education that was not seen in any other country. Since the public education system was not sufficient to handle such enthusiasm, the private education market became big business. In the long-term, the development of the private education market were a negative influence in people's lives, and creating effects such as serious unequal educational opportunities, and a growing educational gap between urban and rural areas. EBS arose as the only solution for such problems, and the only system which could provide quality educational programs to all students regardless of region or income level. Developments in media and communication technologies also broadened opportunities and study options, allowing learners

to take advantage of not only traditional media like radio and television, but of new media like the Internet, satellite broadcasting, DMB and IPTV.

As a service that received national attention, and that may influence all citizens, education broadcasting ultimately influences national human resources. By refining public programs, the broadcasting system programming gives intelligent technical and knowledgeable education. It may influence the improvement the citizens' standard of living, or even further improve the whole nation's standard of living. Because EBS may play a significant role in development of national human resources, EBS needs to intensively consider how to prepare for the role it will play in that development. For instance, because the Korean education system chose and focused on English education, it provided quality English education programs for all citizens, and provided a great opportunity to upgrade the national English level.

Education broadcasting may also play a significant role in providing and delivering technical knowledge to individuals in certain areas which are hard to reach, often related to occupational education. Using the latest technologies and information, basic knowledge in technical areas may be taught through education broadcasting. As distance learning gains in popularity, it can be an appropriate alternative for those who are not educated, due to time and geographical problems. Production of programs about vocational ethics, or information for various occupations, may also provide appropriate information about certain jobs in order to help job seekers choose their future job according to their aptitudes.

Education broadcasting's role in providing cultural education for citizens is also very important. Programs not broadcast due to viewer ratings, by the existing commercial broadcasting companies, may be broadcasted by EBS to improve cultural interest of citizens and to provide basic information. Scheduling various programs to support a socially neglected class of people, or cultural programs like classical music programs, may bring an opportunity to upgrade the national society standard a step higher.

Lastly, the biggest demand of citizens in this information-oriented and knowledge-based society is the provision of lifelong study and lifelong education opportunities. Education broadcasting can be the best method to provide lifelong education opportunities. Education broadcasting programs may effectively deliver new knowledge, technologies, and knowledge needed by citizens. The fact that EBS is the best method of providing lifelong education is its foundation as a public broadcasting system, and provides various benefits to citizens.

1. Introduction of Education Broadcasting System

The introduction of education broadcasting was seriously considered in the 1950's with the advent of mass media such as radio, television. Since the end of the Second World War, education broadcasting has been widely used, because it delivered instruction to people over a wider area, in a shorter time and was economically feasible. From the aspect of its effects on learning, it proves to be effective as it provides indirect experience beyond contextual limitation through audiovisual material. Such advantages were reasons for many countries to actively develop education broadcasting.

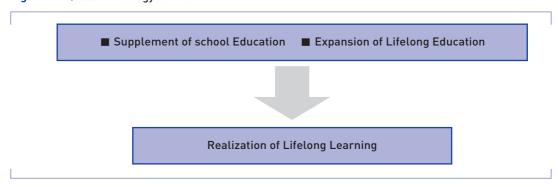
Korea also recognized the significance and effectiveness of education broadcasting as a means to develop its human resources, after the nation was totally ruined during the Colonial era, the Second World War, and the Korean War. The Korean government provided support for the use broadcast media in education.

1.1. Overview of Establishment of Education Broadcasting

1.1.1. Basic Ideology for Education Broadcasting

The basic ideology of EBS (Educational Broadcasting System) is supporting school education, and establishing a foundation for lifelong education. The following is a chart of the basic ideology.

Figure 1-1 | Basic Ideology of EBS



EBS is established to supplement school education and to contribute to lifelong education for all citizens and democratic development of education. To accomplish this, EBS broadcasts programs that highlight social issues and promote civics, culture and the arts.

Also, EBS is making a great effort in all possible dimensions to ensure internal stability of the public education, and to reduce the share of household budget committed to private education costs by supporting school education. Such efforts include: reduction of the educational opportunity gap caused by income inequality between classes; prevention of the decline of academic ability by enhancing basic academic ability; supporting improvements to teaching and learning methods for the public education by developing better study materials.

Ultimately, EBS aims to become a broadcasting station that continuously diagnoses problems in education policy, and suggests alternatives for educational reform. Related activities for educational reform include: broadcasting various debate programs, introducing excellent reform cases, suggesting policy directions, and offering solutions for educational problems by setting benchmarks based on global education.

With technological advancements, public services were reinforced by services like AOD (Audio On Demand) and VOD (Video On Demand). EBS is also working hard to expand its various broadcasting services through converged media like the internet and IPTV. Public services include the establishment of a lifelong study system for domestic and overseas citizens; provision of an interactive multimedia study environment; provision of contents demanded by consumers. Through the Internet and IPTV, converging media broadcasting services became possible, and can be watched anytime and anywhere. A variety of additional digital broadcasting services are considered to be contributing to the development of democratic broadcasting.

EBS is investing time and effort on social education programs prepared to address current issues such as multiculturalism, and future issues, such as the unification of the Koreas. These efforts include planning spots in the broadcast list of programs that help build values of an ethnic community, solve educational gaps between North and South Koreas, and to develop educational curriculum and programs that help immigrants adapt socially, and develop a mutual understanding between such immigrants and native Koreans.

Lastly, enhancement of viewers' rights and interests through an expansion of services is also one of the goals of EBS. To accomplish this, EBS is trying to expand its viewer services through modestly accepting viewers' opinions and aggressively responding to heighten viewers' satisfaction through various broadcasting services and viewer participation.

1.1.2. Change of Education Broadcasting

The beginning of education broadcasting may be disputed, but the very first program was "Radio School", broadcast for teachers 15 minutes a day, by KBS, in 1951. However, this

program ended before the year was over. Regular television school broadcasts continued after that and were geared for ordinary students. From 1969 to 1973, it was broadcasted 60 to 90 minutes every day. Later, due to an energy crisis, it was discontinued with all other morning broadcasts. The Television School broadcast did not continue until 1980. During this pause, there were several changes in broadcasting such as education broadcasting turning into a dual operated system by the Korea Educational Development Institute (KEDI) and KBS in 1978.

In 1980, there were many changes in education in Korea overall and education broadcasting in particular. At the time, the negative effects of tutoring became a social issue. KBS offered a solution by broadcasting the "Home High School" program broadcast on radio. After it gained popularity the TV version of "Home High School" started. This program was produced with selected renowned tutors. It became a sensation as soon as it started. The TV version of the "Home High School" broadcast started with the name 'Home High School Broadcasting', and was a television form of tutoring. It contributed to easing the pressure parents felt about having to turn to private tutoring, but it was criticized because it was validating tutoring and not schooling as primary means of education.

On February 2, 1981, the following year, KBS created two new channels KBS 3TV (UHF), and KBS Education Radio (FM), which were exclusive education channels through which regular education broadcasts were provided. 3TV was given the role of high school education broadcasting, and scheduled 40% of the total broadcasted time to the related programs. However, in 1981, the college admission system was reformed. College-sponsored admission tests were replaced by a graduation quota system. Thus, the popularity of high school education broadcasting decreased, and criticism of the tutoring broadcast increased. Naturally, the scheduling weight of high school education programs decreased, and general culture and education programs for adults replaced such programs. At that time the Korea Educational Development Institute was exclusively responsible for the production of programs for elementary and secondary curricula. Also, the Korea National Open University produced TV open universities, and KBS produced general education and culture programs.

Separated from KBS, it was officially established as EBS, an education broadcasting station affiliated with the Korea Educational Development Institute. On December 27, 1990, two independent education channels, EBS TV and EBS FM, were given call signs and they started regular broadcasting from 1991. In 1997, as the Education Broadcasting System Law came into effect, the education broadcasting station affiliated with the Korea Educational Development Institute became an independent broadcasting organization.

Table 1-1 | Pattern of Korea's Industrial Structure(Constant Price as of 1955)

Division	Period	Characteristics	Description
Beginning Period	1951- 1971	Beginning of education through broadcasting	• "Radio School" broadcast started in 1951 (Ministry of Education, KBS)
Experiencing Period	1972- 1979	Experiencing school education through Korea Educational Development Institute	 Establishment of Korea Educational Development Institute (KEDI) in 1972 Legislation of establishment basis of education broadcasting system in 1973 (Announcement of law for promotion of Korea Educational Development Institute)
Foundation Building Period	1980- 1989	Beginning of broadcasting through an education channel, KBS 3TV Dual system by KBS and KEDI	• Establishment of KBS 3TV (UHF) and Education Radio (FM) in 1981
Developing Period	1990- 1999	Opening of independent channels in EBS, as an affiliate to Korea Educational Development Institute	Opening of education broadcasting channels, EBS TV and EBS FM in 1990 Foundation of Education Broadcasting System in 1997
Leaping Period	2000- present	Establishment of EBS, and launch of public broadcasting	 Enforcement of Education Broadcasting System Law and establishment of Education Broadcasting System in 2000 Beginning of EBS Plus 1 and 2, satellite broadcasting, in 2002 Beginning of EBS Scholastic Ability Broadcasting in 2004 Beginning of EBS Satellite DMB in 2005 Opened English Education channels and web site in 2007

EBS was a government-supported organization. The Ministry of Education financed its operation and operational expenses related to education broadcasting from the education budget. However, with the needs for independent operation and the enactment of Education Broadcasting Law in June 2000, it became an independent public broadcasting system, with the name, EBS.

In 2002, EBS started two satellite channels, Satellite Broadcasting Plus 1 and 2. In 2004 EBS started scholastic ability broadcasting, according to national directives. The Satellite DMB (EBSu) broadcasting channel opened in 2005; a technical language website (www.ebslang.co.kr) opened in 2006; an education channel specializing in English (EBS English); and a web site (www.ebse.co.kr) opened in 2007. EBS now provides various forms of broadcasting and contents services for digital media (Table 1-2).

Table 1-2 | Present State of EBS Broadcasting Channels and Services

Name	Division	Details	Weekly Broadcasting Hours	Remarks
EBS FM	Terrestrial radio	Education, information and languages	8,820min.	
EBS TV	Terrestrial TV	Lifelong education	8,040min.	
EBS Plus 1	Satellite TV	High school subjects	10,080min.	
EBS Plus 2	Satellite TV	Elementary and middle school subjects / technical education	8,470min.	
EBS English	Cable TV	English	8,400min.	
EBS America	Satellite TV	For citizens in the Americas	10,080min.	
EBSU	Satellite DMB TV	General education	3,360min.	
ebs.co.kr	Web site	On-demand programs	-	Free
ebsi.co.kr	Web site	EBS online scholastic ability lecture	-	Free
ebse.co.kr	Web site	English education	-	Free
ebslang.co.kr	Web site	Language education	-	Paid

The history of EBS shows that media propagation and education broadcasting has changed and developed in tandem with changes to national education policies. Through changes in media from radio \rightarrow TV \rightarrow satellite \rightarrow Internet \rightarrow IPTV, and tasks changes from supplementing school education \rightarrow reduction of private education expenses of people \rightarrow support of lifelong education for people, education broadcasting was and is used as the most economic and effective method. After the Korean War, education was perceived as the ultimate method to move a step up in society, and to become economically stable. Such perception brought an enthusiasm for education that was rarely seen in the world. Such enthusiasm caused an inordinate desire for private education on top of public education. From the beginning EBS was used by politicians to settle social problems related to college admission, including private education issues. The public had great expectations for EBS as a public education broadcasting station.

1.2. Business Environment of Education Broadcasting

1.2.1. Before Establishing Education Broadcasting

1.2.1.1. Environment Just after Korean War

From 1950 to 1960, Korea was one of the poorest countries in the world. In 1953, when the war had just ended, the per capita national income was only 67 dollars (USD), and it was only 200 dollars at the end of 1960. This was the period of acute commodities shortage, financial difficulty and heavy reliance on foreign aid. It was only after 1960 that Korea set the foundation of economic growth by establishing a five-year plan for economic development.

From a social aspect, the Korean War, from 1950 to 1953, caused huge losses of life, as well as, social and economic damage. More than 40% of the general industrial facilities were destroyed. Later, in the early 1960s, the first President resigned and there was a military coup. It was a decade of upheaval. The Korean population, after the Korean War, was about 21.5 million. Korea was working toward economic reconstruction and stability, aided by the United States Government. The Korean War destroyed more than half of the education facilities, but Korean people had great enthusiasm for education. They even operated schools during the evacuation period. The basic education policies were focused on compulsory elementary education. Middle School education started to expand only in the 1960s. Middle School entrance rates were at 16% in 1954, and 38% in 1961. From a technical background aspect there were about total 300 thousand radios before 1960 (radio penetration rate, 9.1%), and about total 1,000 televisions. In 1965 there were less than 10 televisions per 1,000 persons.

The first Korean education radio broadcast was "Radio School." It was the first broadcasting program broadcasted for elementary school teachers by the Busan Broadcasting Station in June 1951, during the Korean War. It was possible with the negotiation between the Korean educational authorities and the United States Information Service (USIS) for the continuation of education activities even in the chaos of the wartime. It was promoted with the free distribution of 500 battery-operated radios offered by the United States as the audio-visual education movement that happened just in time in the States. The "Radio School." program started with much effort from various circles, and contained news of the educational world and news commentaries, and was broadcast for 15 minutes every morning from 9 o'clock over the KBS Seoul Central Broadcasting Network, which was temporarily based in Busan. It was to be listened to during the morning assemblies of elementary schools, in the Busan and Gyeongsangdo areas.

Later, in 1955, the Korea Broadcasters Association (KBA) was established, and school

broadcasting resumed in 1956 with regular education programs. When KBA was established, the association was responsible for scheduling and production of school programs for broadcasting, and EBS was responsible only for their transmission.

1.2.1.2. Attempt for Education Television

HLKZ-TV was established in May 12, 1956, as the first commercial TV broadcaster. On May 7, 1957, broadcasting hours were extended to allow a one-hour lesson in the afternoon to be put in the broadcast schedule. However, due to a fire in 1959, the broadcasting station was off the air.

The Central Audio-Visual Education Institute produced the first education television in Korea in August 1966, and provided an experimental broadcast using a channel of the Korea Broadcasting System. It was prepared by the Central Audio-Visual Education Institute of the Ministry of Education, in July 1966, in order to provide television education broadcasts during the summer vacation. This first education television broadcast was produced with the name "TV Summer School". It was provided, for 30 minutes, from 6:05 p.m., as a broadcast experiment for one month, from August 1 to August 31, 1966.

Following this effort, KBS TV, in 1969, started education broadcasts. Actually, these could be the first television education broadcasts. On Children's Day, May 5, 1969, the first school broadcast television transmission was made. Under the premise, 'seeking possibilities of television school broadcasting', the first test broadcasts were transmitted, for a period of 3 months. After the summer vacation, from September 1969, the second test broadcasts were transmitted. The goal then was, 'agreement of school broadcasting progress and curriculum'. To accomplish this, some schools adjusted their schedule and subjects to match broadcast hours.

1970 was the third test broadcast period. Through the first and second test broadcast periods, basic conditions were established including producers and studio teachers, and education data were prepared. Television ownership per school was low, but 1,500 schools participated in the broadcasts. The educational authorities appointed about 100 school inspectors to be in charge of local education authorities in the broadcast areas and promoted broad use of the education broadcasts. This period was aimed at the 'specialization of programs', and production of the finest education programs was considered very important. To accomplish this, guidelines for teachers were published to encourage teachers to use the education broadcasts effectively. In addition, teachers in the education broadcast model schools, voluntarily created an education broadcast research association, and participated actively to give advice in the production of education broadcast programs.

The 1970s began with the third economic development plan. The economy continued to grow as Korea pursued development. The per capita national income of 454 dollars in 1972 grew to over 1,000 dollars in 1978. The exports were 1.6 billion dollars in 1972, and became over 10 billion dollars in 1977. Such rapid growth continued, but there was also a crisis due to an oil price shock, related to the Middle East. In 1970s, the Saemaul Movement promoted the slogan, 'Diligence, Self-help, and Cooperation' nationwide to improve peoples' standard of living. As the international political situation changed from Cold War polarization to Détente Korea focused becoming a strong nation improving its security, economy and society through education. Almost all children were put into elementary schools, and with policies to enlarge educational opportunities, middle and high schools grew qualitatively.

One of the most important events in education broadcast history was the passing of the 'Law for promotion of Korean Educational Development Institute' in 1973 that built the legal foundation for the establishment of a broadcast station specializing in education. As the 'Law for promotion of Korean Educational Development Institute' declared, the 'Korean Educational Development Institute shall have radio and television broadcast and transmission facilities for school and social education', and as an executive order specified matters related to transmission facilities for education broadcasting, the legal bases for education broadcasting were set. Therefore, the Korean Educational Development Institute, an educational research institute, could start broadcasting education programs. Based on such institutional foundations, the Korean Educational Development Institute started to establish an education broadcasting station.

In the 1980s, the economic crisis caused by the oil shock was overcome, and Korea successfully hosted international events like the 1986 Asian Games and 1988 Olympics. During this period, great economic developments were made, and it was even called 'The miracle of Hangang'. The per capita national income was less than 2,000 dollars in the early 1980s, but by the end of the decade it had reached about 6,000 dollars. Various reform policies were also enacted. The goals of 'national security' and 'economic growth' were pursued, and 'social stability' and 'maintaining order' were emphasized.

During that time, color televisions were distributed in earnest. Homes started watching color screens, and with the distribution of VTRs, some schools started using recorded education programs, or programs made exclusively for the VTR. As VTRs were introduced to schools, the inconvenience of having to watch or listen to education broadcasts on time was reduced.

There were many changes in the educational environment. In the 1970s, there was quantitative growth from compulsory elementary education, and entrance rates for kindergartens, high schools, and colleges increased. Therefore, in the 1980s, measures for the

qualitative growth of education were promoted to supplement quantitative growth. Importance was stressed on promotion of lifelong education, and the reinforcement of special and public moral education. Expansion of preschool education was also promoted. With policies allowing middle school admission without examination in 1969, and the standardization of high schools in 1974, the entrance rate for high school increased. As education was recognized as an important means to move a step up in society, tutoring fever became a social issue. In 1980, with the change of government, the 'July 30 education reform' was announced. It aimed to relax excessive competition for entrance exams, standardize school education, create academic atmospheres in universities, and heighten qualitative level of college education. Under such action, tutoring was banned, college-sponsored admission tests were abolished, a high school record system was reformed, college admission achievement tests, and a college graduation quota system were brought forward. The entrance rates in 1987 reached; 100% for middle school, 80% for high school, and 29% for colleges. This shows there was much growth in education, as well as in the economy. Through national education policies, education content was reorganized; teacher supported administration was promoted; a public moral education system was established and intensified; the educational environment improved; college admission methods improved; teachers quality and treatment improved; and liberalization was promoted.

1.2.1.3. Suspension of Education Broadcasting Operated by KBS

The Education Broadcasting Law was revised in 1972. KBS-TV was renamed as KBS in 1973. After that, education television broadcasting that had continued for over 4 years was suspended. KBS-TV, which was under government management, became a public broadcasting station, it demanded a transmission fee for education programs, that used to be broadcast for free, to educational authorities. However, the educational authorities could not handle such fees because they were under-budgeted. Therefore, KBS stopped broadcasting the programs. The reasons for suspending the broadcasts are not limited to money matters. School broadcasts seemed to be growing qualitatively and quantitatively. However, it actually had problems: lesson hours and disagreement with progress, lack of receiving facilities and quality problems of programs. Other reasons were the abolishment of morning television broadcasts, and complex problems related with broadcasting methods (T-Com) and expenses. In April 1973, school broadcasts on television stopped.

1.2.1.4. Increase of Expected Demand due to Media Development

The basic business plan of 1975 was to provide television and radio programs primarily to model schools to support the new education system. It was revised in 1976 to operate a comprehensive education broadcast system that included education broadcasts for working

youth, preschool children, school education, as well as support media for a new education system. Such revision was largely influenced by rapid distribution of media devices including radio and television.

The first basic business plan required about one third of a day's average lessons to be provided by television or radio. In the revision, the proportion was adjusted to one sixth or one eighth, and only comprehensive and continued use in school was emphasized, without deciding the amount or hours of lessons broadcast.

Various mechanical facilities, necessary for the production of television programs, were expanded to production facilities for color television programs for ordinary schools, teachers, and preschool children. Thus, education broadcasting principles were set to promote the qualitative growth of school education, resolve the educational gap between regions, and advance national educational goals.

As soon as the government changed in 1980, the 'July 30 education reform' was announced to ban tutoring for students. As a supplement, programs broadcast in the form of supplementary lessons for high school students were provided through the KBS broadcasting network. It was to ease tensions regarding tutoring, which was a social issue of the time. College admission broadcasts were provided through KBS with the title, "TV Home High School".

In the following year, on February 2, 1981, the UHF channel, of KBS 3TV, was selected as a broadcast network specializing in education. From then on, education programs were produced by the Korean Educational Development Institute and transmitted by KBS (in a dual operation system). Adult education and general education programs were produced by KBS. Next the Korea National Open University started providing programs for 1 hour and 30 minutes through 3TV's UHF channel.

Tutoring was totally banned with the July 30 action, in 1980. However, in 1986, the Supreme Court judged to respect the right to study saying, "An act of giving lessons for knowledge shall not be limited unless it is related with illegal contents against the society or the nation." After the Supreme Court ruling, the government maintained the structure of the ban on tutoring, but it partially accepted the desire for tutoring. After the 1986 ruling it was the 'transition period supplementing private education banning policies'. In 1989, tutoring by college students was allowed, and elementary and secondary students were allowed to go to private educational institutes during vacations. In the 1990s, the civilian government allowed students to go to private educational institutes even during semesters. Tutoring was totally banned in the beginning of the 1980s, and partially allowed in the mid and late 1980s. In the 1990s, it was fully allowed.

1.2.2. Stage of Education Broadcasting as a Government-supported Organization

Based on the economic growth of the 1980s, sustainable development was pursued in the 1990s. The per capita income reached 10,000 dollars in 1995, but Korea suffered a foreign exchange crisis in 1997 and had to ask for help from the IMF. In this period, democratization policies were promoted nationwide, and in the late 1990s policies put stress on preparing for a more globalized and information oriented society. There were also many changes in the educational environment. The establishment of a new education system to lead the period of information, globalization, and diversification was aimed through changes, which opened up education systems in 1995. This ensured internal stability of public education, which was promoted through the activation of specialty and aptitude education programs; reinforcement of reading and computer education; operation of student-oriented curriculum; and reinforcement of instruction for students with lack of basic academic abilities.

There were groundbreaking changes from a technical point of view. Changes in educational environment due to distribution of computer and development of the Internet were outstanding. As educational opportunities grew due to information technology developments, and as studying using computer and the Internet became possible, existing studying methods changed dramatically. Education broadcasting attempted to actively use them. Enabling satellite broadcasting was a big help producing high-definition broadcasts and the reduction of blackout areas.

1.2.2.1. Introduction of the College Scholastic Ability Test

The college admission system changed from 'college admission achievement test' to 'college scholastic ability test', in 1994. The new admission system contained problems that required cross-academic and comprehensive thinking skills, instead of problems based on existing memorizing studies.

To resolve the confusion of examinees, and for new admission system to be well accepted, education broadcasting provided programs related to the college scholastic ability test, and published supplementary teaching materials. Such education broadcasts, related to college scholastic ability test is the most popular with the public. This took the politics out of various programs and businesses of education broadcast from the 1990s to the present.

1.2.2.2. Diversification of Education Broadcasting System due to Media Development (Internet and Satellite Education Broadcasting)

Due to developments in communication and media, education broadcasting went through enormous changes in the 1990s. The most outstanding development of all the various technologies and media was the growth of Internet access. With the spread of the Internet after the mid-1990s, education broadcasting services started to be provided online. The existing television and radio transmissions were one-sided, and the contents were not replayed. Delivery of broadcasting contents online partially solved such disadvantages.

EBS opened a way to communicate with viewers on its website (http://www.ebs.co.kr). Through on-demand services, it was able to provide services to broader audience. The Internet used various functions to interact and communicate with viewers or listeners through such means as online forums which brought broadcast programs a step closer to viewers. As the Internet speed went up, video or audio streaming started to be delivered, without buffering. Streaming services provided programs that were important, or popular programs demanded by the viewers who wanted to watch again at their convenience.

The appearance of satellite education broadcasting in 1997 brought EBS quantitative growth to their education programs, which provided the impetus to improve them qualitatively. As satellite education broadcasting appeared, characterization of channels was realized, and therefore, programs could be designed to meet the demands of learners. By separating the channels into English broadcasts and college admission channels, more specialized and novel programs could be produced and broadcast. For example, EBS Plus 1, a college scholastic ability test specialty channel, provides 'customized lecture contents by levels', and 'services to support improved study ability' for different levels of students online through a synergy effect. Through cooperation with related outside organizations, superior teaching materials were secured. Such materials became the base of the programs. Therefore, excellent content were produced to satisfy users' demands.

1.2.3. Stage of Education Broadcasting as an Independent Public Corporation

As the new millennium started, Korea secured its position as one of global leaders with continued growth. In 2007, the per capita national income exceeded USD 20,000. Korea also hosted and supported various international events, and actively supports developing countries. From a school education view, educational policies focused on the 'growth of creative talent for a knowledge-based society', and according to comprehensive education information propagation plan of the Ministry of Education, all schools were connected to broadband internet

network (average 10Mbps in 2010), all teachers were provided with PCs, and PC labs. School advancement facilities were propagated to equip PC and projection TV to each classroom. 1 PC was given for 5 students to establish an information infrastructure that enables the ICT (information, communication and technology) education. Through the realization of ICT education, and compulsory middle school education, the nation is trying to realize educational reform to create a knowledge-based society. Entrance rates for schools reached a peak level. (99.9% for middle school, 99.7% for high school and 83.8% for colleges)

1.2.3.1. Ensuring Internal Stabilities of Curriculum and Public Education (Emphasized School Records and Essay)

Overall Korean education is influenced by curricula established by educational authorities. From 2000, the 7th curriculum was established and adapted. The background factors contributing to the changes in the 7th curriculum included globalization, information propagation, diversification, rapid social changes, rapid development of scientific technologies and academics, revolution in economic and industrial structures, changes in the demands and needs of education consumers. The school curriculum was fundamentally and systematically reviewed and reformed to respond to these changes.

The educational authorities who revised 7th curriculum expected the diversification and operation of school curriculum to be tailored to the actual circumstances of regions and schools, in order to create humane schools with better educational environments. The following principles guided their reforms.

- a) Existing school education system, based on textbooks and content providers, should change into a new education system based on curriculum and education consumers.
- b) The principals and teachers should become the owners and experts of education content and methods.
- c) The education system should promote the autonomy and creativity of each school.

The revision of the curriculum is focused on developing and producing various and qualified programs, to satisfy various study desires of students who are education consumers.

Along with the revision, changes in college admission demanded qualitative changes of education broadcasting. For college admission, school records, and essays, as well as college scholastic ability tests started to be emphasized. Since school records became important, education broadcasting put efforts to prepare high quality broadcasts, to support regular curriculum studying, as well as broadcasts for college admission. Scheduling and production of broadcast programs were mostly focused on seniors in high schools, but the focus partially moved to a wider spectrum of high school students offering more programs. Education

broadcasting changed along with the government policies, emphasizing high school records. As essays became important for college admission, education broadcasting put stress on producing essay related programs using a variety of culture and information programs that became the natural base to teach writing skills to lower grade viewers.

1.2.3.2. EBS Scholastic Ability Broadcasting and Online Lectures

With fierce competition for college admissions, examinees and parents invested a lot of time and money in private education in order to go to prestigious universities. The led to social problems like increased educational cost. In order to reduce the reliance on private education, and to help standardize public education, the Ministry of Education and Human Resources Development started providing customized lecture contents at beginning, intermediate, and advanced levels, and established an e-learning system with video-on-demand online programs, through EBS, from April 1, 2004.

The Ministry of Education and Human Resources Development expected to reduce the public's reliance on private education and narrow the gap between rich and poor by providing equal educational opportunities through 'EBS scholastic ability broadcasting and online lectures'. With such services, it aimed to provide the same educational opportunities to children in farming or fishing villages, and from low-income groups to students in major cities.

With the advantages of e-learning overcoming time and distance limits, broadcasting media and providing interactive self-leading study environment for different levels of learners, students using the service increased exponentially from the beginning. Online services were established so that 118,000 students could use video data at once. It became one of the best in the world. New information devices making it more convenient to use such programs at schools and homes are being developed by private enterprises, contributing to the development of information and communication technologies and economy.

Presently, EBS scholastic ability online lecture services are actively used by 3.32 million members, at the end of August 2010, and average downloads of 0.54 million a day (VOD Streaming: 0.19 million, download: 0.35 million).

1.2.3.3. Announcement of Innovation Measures for English Education

In 2007, the Ministry of Education and Human Resources Development announced the directive 'Innovation measures for English education', to establish the system for all English teachers to teach in English; reinforce practical English education for improved communication skills, and to promote the 'reduction of private English education expenses and standardize the English curriculum between regions and classes'.

Koreans recognize the importance of being fluent in English; however, the average English competency of Korean citizens is lower than expected, and practical English abilities including speaking, listening, and writing abilities are especially weak, compared to comprehension and translation abilities. English private education rapidly increased, and the gap of English abilities between regions and classes deepened. Public education reform was needed to improve English programs and 'innovation measures for English education' were announced.

The goal of these innovation measures is to set and accomplish English education directives which emphasize practical English education.

In elementary school, speaking and listening in English are cultivated. From the middle school to the first year of high school, speaking, listening, reading, and writing in English is included in the basic national curriculum. During the last two years in high school, students choose English courses that are tailored to prepare for college admission or employment.

Also, such measures were aimed to reduce English related private education expenses and to narrow the gap between regions and classes. To accomplish this, a total of 500 elementary schools were chosen annually to establish and operate an English experience center, for children of farming or fishing villages and urban low-income groups to study English. Second, plans to operate satellite television channels with prime time scheduling to include English study programs, and to establish and operate an exclusive Internet portal services for English study were announced.

According to these innovation measures for English education, EBS added the EBS Plus 3 satellite channel to its existing channels in 2007 as an exclusive channel for foreign language study, including English. It established an online general portal service for English study, so that students could download free quality English studying contents. Related contents are also provided for easy English study, using personal multimedia player formats (PMP), DMB and MP3.

1.2.3.4. Growth into Multimedia Broadcasting due to Development of IT Technologies

Revolutionary improvement in the Internet speed due to the establishment of high-speed communications networks (the fastest in the world), and the development of various multimedia, played major roles in diversifying delivery methods of education broadcasting study contents.

Delivery of HD education broadcasting online gave opportunities to users to study quality content in various ways. EBS provided Internet education broadcasts, to allow users to see highdefinition video and audio data on demand. It is putting every effort to transmit broadcasts through satellite broadcasting, satellite DMB, smart phones, and IPTV as well as the Internet.

With the help of such media, existing study methods have evolved from using home televisions and computers, to watching quality education broadcasts using PMP (personal multimedia player) or cell phones. The chance to study has expanded exponentially.

As educational broadcasting system have tried to transfer educational contents through computer and various new media, the related industry such as installing high-speed Internet and portable multimedia player has been developed simultaneously.

2. Businesses of Education Broadcasting System

2.1. Stage before Establishment of Education Broadcasting System

2.1.1. Applications of Radio

In Korea, radio broadcasting started in 1929 during the Japanese occupation, but it was only after 1951 when it was applied to education. On June 18, 1951, during the Korean War, "Radio School" started in the interim capital, Busan. Because education broadcasting started under special circumstances of the war, it was hard to accomplish systematic development of education in broadcasting. On the other hand, the war opened the door to education broadcasting.

At that time, educational authorities broadcast "Radio School" for 15 minutes every morning, for elementary and secondary school students as an expedient to overcome the lack of teachers, curricula and other school facilities due to the war. This program is judged not to have been educationally effective, due to lack of resources. However, by inspiring patriotism through reporting war situations, and spreading the spirit of self-defense through broadcasting during the war, it is judged to have played a big role in raising the fighting spirit of all citizens, not only teachers and students.

After the first educational application of radio, "Radio School" broadcasts during the war in 1951, education broadcasting started to be recognized seriously. In 1955, the Korean Broadcasters Association was established, and on May 4, 1956, the following year, school broadcasts resumed.

In 1957, the Seoul Education Committee and Central Broadcasting Station jointly designed school broadcasting to reorganize programs. In August 1958, KBS Radio started daytime broadcasting, and the school broadcasts were moved to KBS Radio, to expand the program target to middle school. Broadcasting hours were extended to give 45 minutes of broadcasting a day. About that time, the government began a project to distribute free radios to farming and fishing villages. It imported battery operated radios from overseas and distributed 17,420 radios to various parts of the country. From April 1959, weekly broadcasting schedules were published for distribution to schools.

In 1961, the Central Broadcasting Station provided broadcasts to elementary schools for 45 minutes, from 11:15 to 12:00, every morning. It was taken off the air in August 1962, due to financial constraints, but the Central Audio-Visual Education Institute under the Ministry of Education restarted regular education broadcasts with technical cooperation of Central Broadcasting Station, in March 1963.

2.1.2. Beginning Television Education Broadcasting

The first education television in Korea started in August 1966 when the Central Audio-Visual Education Institute produced and broadcasted a program on Korea Broadcasting System (KBS). KBS requested the use of television education broadcasts, during the summer vacation, to the Central Audio-Visual Education Institute under the Ministry of Education, in July 1966, Therefore, the first education television broadcast was produced with the name "TV Summer School". It was provided as an experiment for 30 minutes from 6:05 p.m., for one month, from August 1 to August 31, 1966. This experiment was judged to be successful, and since then, various circles and classes showed an increasing interest on education television broadcasting. In 1967 education meetings were held with KAVA (Korean Association of Voluntary Agencies) to discuss the prospect of Korean education television. Because of this, education broadcasting through television gained momentum.

In May of 1969, prompted by such efforts, the preparation to open an education broadcasting station started. KBS TV finally started education broadcasts in 1969 after an initial period of testing when producers experimented with education broadcasting, eliminating commercials and improving operations. For upper elementary and middle school students, subjects including social studies, natural science, and art were broadcasted from 10 to 11 in the morning, from Monday to Friday. English was added to the schedule. Four committees were established to manage, deliberate and support education broadcasting. By 1972, the Korean Educational Development Institute was formed to perform overall educational research and education broadcasting.

During the winter vacation of 1969, a program called "Winter School" was broadcasted from 9:45 to 11:20 a.m., every morning except Sunday. It was not a textbook-based lesson program. Its contents included educational movies, singing lessons, culture, field trips into society, science in life, neighbors, and soldiers.

From 1969 to 1970, test broadcasts for television school broadcasting of KBS ended. In 1971, programs were scheduled, including programs for lower elementary school grades. Such programs gained tremendous popularity. Lesson programs, for elementary and middle schools, were broadcast in the morning, from 1970 to 1972. With the economic downturn following the oil shock in 1972, television morning broadcasts were terminated television school broadcasts were stopped in April 1973.

2.1.3. Management of Broadcasting by KEDI

The Korean Educational Development Institute (KEDI), an educational development and research institute, was established in 1972 with the purpose of contributing to the long-term development of the nation by promoting education. Recognizing that the Korean education had many problems, KEDI was mandated to do systematic research on purpose, content, and methods of education, and to develop a reasonable education system. It was to create higher enthusiasm for education and was funded by the government. KEDI was legally approved to have radio and television program production and transmission facilities. In other words, the will of the government was to directly use broadcast media as the core of educational technology in school education.

The following are details of major projects which were developed in the 5 years by KEDI, from 1972 to 1976.

- 1. Defining educational purposed and reorganization of curricula
- 2. Production of study materials
- 3. Management of schools and reorganization of school system
- 4. Model best practices
- 5. Installment of educational equipment and facilities

From the start, KEDI's purpose was to select, develop, and distribute a new education system as the main project. It was to reform old school systems by introducing study models based on research. Thus, as a direct parent of lessons, education broadcasting consolidated its position and commitment to a new education system.

2.1.4. Productions of Radio Education Broadcasting and Television Educational Programs

Many efforts were made to promote improved quality of radio education program broadcasting. For example, in order to improve the quality of the program, 33 teachers were screened by open selection and trained intensively in July, 1977. They later played pivotal roles in the production of radio education programs.

The following is the research on the state of programs, from planning, producing and transmitting educational programs to installing major technical facilities.

Table 1-3 | Pattern of Korea's Industrial Structure(Constant Price as of 1955)

Year	1975	1976	1977	1978	1979	1980	1981	1982	1983	Total
Developed quantity	23	399	1,119	831	369	1,000	2,484	2,754	2,564	11,543

The programs produced in the late 1970s reflects research, measurements, and outcomes of development, as well as the production and preparation of programs for transmission, while the broadcasting method changed from T-COM to terrestrial broadcasting. As shown in the above table, the regular production of education programs from mid-1970s increased exponentially until the early 1980s. It was somewhat stagnant after the early 1980s, but again accelerated from the mid-1980s.

In the 1970s, education broadcasting was recognized and its role in furthering education increased. Therefore, methods with wider applications in education broadcasting were searched out. One such method was providing opportunities for lifelong education for the public. This attempt to use broadcasting as the site of lifelong education opportunities, was based on various cases studies from advanced countries. It floundered due to changes in domestic politics during the planning and conceptual stage. Another reason may be because the majority of programming focus was changed from lifelong education to college preparation.

Mostly college admission related programs were scheduled, but efforts to produce and schedule various forms of lifelong education, culture and entertainment programs continued. Persons engaged in education broadcasting, and persons in academic circles who were interested in education broadcasting made attempts to characterize these programs as the future direction of education broadcasting.

2.1.5. Television High School Broadcasting

Home high school broadcasting started from June 16, 1980, in order to ease social tensions regarding the issue of private tutoring. It was the second education broadcast through television after 3 test broadcasts at the end of the 1970s. This long delay was due to upheavals of the domestic situation. The character of broadcasting changed to focus on preparing for college admission. 3 subjects of Korean, English, and Mathematics were broadcasted for 30 minutes each (total 3 hours a day including reruns). It may have had different targets and characters from the plan made in the late 1970s, but "TV High School Broadcasting" recieved a great response from the public and met expectations from students and parents. It also contributed to diffusing the controversy over private tutoring. Unlike existing school broadcasting that brought limited responses from viewers or listeners, "TV High School Broadcasting" got active responses from viewers, and was widely debated in the country. It was broadcasted for two months. From August 1 of the same year, its production changed from KBS to the Korean Educational Development Institute according to the education normalization plan.

In the late 1970s, establishment of an education broadcasting studio was prepared smoothly, but due to the change of government, such preparations continued to be interrupted. What promoted the establishment of education broadcasting decisively, was an education reform action prepared by the standing committee of National Defense Emergency Measure Committee, on July 30, 1980. This action prepared for normalization of education and offered a solution to tutoring problem. It suggested the provision of supplementary study broadcasts for high school through the KBS TV network. The aim was to relax anxieties of students and parents, due to the ban on tutoring, and to provide opportunities for supplemental study to all students. It also decided full provision for education broadcasting by establishing an exclusive education broadcast station from 1981.

Based on such decisions, the production of "TV Home High School" provided by KBS, from June 16, 1980 was taken over by the Korean Educational Development Institute from September 1. In addition to Korean, English and Mathematics, other subjects were also added, and it was changed into supplemental lesson form, to be transmitted for 2 hours and 30 minutes every day through KBS TV. Another channel, MBC TV, provided reruns.

The Korean Educational Development Institute (KEDI) improved the operation of "TV Home High School" to include all subjects, and the existing method of learning by rote changed into pure supplementary lesson form. "TV High School", produced by KEDI, was broadcast through KBS and MBC. Later, as tutoring fever gradually cooled down with the government's directive, reruns by MBC stopped and main schedule hours, by KBS, was reduced in phases. The first programs focused mainly on high school seniors. It was changed to

a whole school supplementary study program for all students. When the college admission preliminary test ended in November, KEDI added 15 subjects to gradually function as a broadcaster specializing in education.

On January 12, 1981, a broadcasting network specializing in education, through UHF-TV, was established. Its production and transmission principles were decided at the meeting of interested parties of the Ministry of Education, the Ministry of Culture, Sports and Tourism, KEDI, KBS, and MBC. It was decided KBS and KEDI would share program broadcast hours 50:50. KBS was to produce adult education and general education. KEDI was to produce preschool and school education. Such programs were transmitted through KBS 3TV, KBS 1TV, while MBC TV broadcast reruns. As such, the foundation of broadcast education specialization was set.

In 1989, the program title changed to "TV High School Home Study". As the government measures partially allowed tutoring, this education broadcasting program provided a wider range of subjects, featured renowned teachers and provided quality education opportunities to all high school students. Over 90% high school students watched education broadcasting and the program enjoyed great success and popularity.

2.2. Stage of Education Broadcasting as a Government-supported Organization

2.2.1. Official Establishment of Education Broadcasting System (EBS) (Education Broadcasting Affiliated with KEDI)

According to the "Law for promotion of Korean Educational Development Institute" in 1990, education broadcasting transformed into a government-supported organization called 'education broadcasting affiliated with KEDI'. The education broadcasters may have had a better status. However, their status was still insecure, and it was hard to breakthrough complicated and duplicated operation structures. It was inefficient and was greatly influenced by KEDI. Program production conditions and budget problems crippled operations. Even with many difficulties, education broadcasters prepared programs, which needed labor. The development of a systematized labor plan reinforced its internal stability, and set the basis for systematization establishing guidelines and publishing independent newspapers.

In 1997, educational broadcasters separated and broke away from KEDI and created an independent corporation called the Education Broadcasting System. Since the establishment of KEDI in 1972, the dual operation production system by KEDI and transmission by KBS

continued. In 1991, it started transmitting its own programs. Finally in 1997, it gained independence and went through a large-scale restructuring. Later in 2000, as it became a public corporation, much more rapid development ensued.

2.2.2. Scheduling of Culture Programs (including Documentaries) and Beginning of Live Broadcasts

As education broadcasting settled into education specialization, its broadcasting operation abilities improved exponentially, and upgraded equipment was prepared for the independent broadcast station. Therefore, it became possible to broadcast live. This exemplifies the accomplished and development of technical skills and operation abilities as an independent broadcasting station. Education broadcasting also put much effort into the production and distribution of high-quality programs including documentaries.

Unlike other broadcasting stations, it produced and broadcasted high-quality documentaries such as "Korean Reptiles", "Looking for Lost Wild Animals in Korea", and "Siberia". These documentary programs raised the level of documentary production in Korea and they gained great responses from viewers.

Live broadcasts also improved education broadcasting programs, making them more interactive. Programs such as, "Teacher, I Have a Question" and "College Scholastic Ability Test" provided opportunities for viewers to influence programming.

Lastly, it started winter vacation broadcasting, 'Research Education for elementary students', to help students study during vacations. As such, it tried to provide various educational data and education experiences to all elementary and secondary students, not only high school students.

2.2.3. Holding Educational and Cultural Events (including Creative Song Festival, Marathon, etc.)

In order to promote cultural activities, EBS promoted and sponsored many projects and programs. The biggest examples are: EBS Beautiful Song Contest, Little Baseball Competition, Youth Creative Song Festival, Baduk Competition, Creative Children's Traditional Korean Song Festival, various concerts, children's marathon, practical English competition and Janghak Quiz. ESB also sponsored several cultural projects to rural regions, in an effort to narrow the cultural gap between cities and rural areas, and to foster a sense of community.

Events such as essay competitions for sharing viewer's experience with EBS drew attention

of the audience who initially were skeptical about education broadcasting. Such contests gave various feedbacks to education broadcasters who reflected it in their planning and production processes of related programs. It developed the qualities of such programs.

2.2.4. Decline in Elementary Education Broadcasting and Activation of English Education Broadcasting on Radio

Radio education broadcasting had a big transformation in the 1990s. Due to media developments, the Internet, and satellite broadcasting, elementary education radio broadcasts showed a decline in ratings. As a result, its proportion and scheduling gradually reduced. The amount of FM Radio programs for elementary schools reduced, and English education for office workers increased. As a means for lifelong education, English radio programs gained tremendous popularity and helped people study English. An example could be "Morning Special", on FM Radio. It gained tremendous popularity, and secured a wide range of listeners from youth to seniors interested in studying English. This program provided English study broadcasts during prime commuting times to help listeners improve their English.

2.2.5. Provision of Scholastic Ability Education Broadcasting

EBS started to provide scholastic ability education broadcasts, for high school students studying for college admission and the college scholastic ability test beginning in 1994. It aimed to narrow the educational gap between regions, and to relax the overheated tutoring fever. It gained tremendous popularity, and at some point, almost all examinees watched education broadcasting. In 1992, EBS broadcasted live for the first time to explain the college scholastic ability test. Scholastic ability education broadcasting played a major role in supplementing school studies, and produced many renowned teachers. Scholastic ability education broadcasting grasped an opportunity to grow, because the Korea Institute for Curriculum and Evaluation announced that the college scholastic ability tests would reflect the scholastic ability presented in the EBS program.

2.2.6. Construction of EBS Network

EBS promoted itself as an education broadcaster by participating in various activities in domestic producers (PD) associations under the name of EBS, and promoting its brand image. In 1994, EBS was qualified as a member and officially joined the Asia-Pacific Broadcasting Union (ABU). EBS won international recognition as an independent broadcasting station, and solidified its status. EBS also invited foreign broadcasters and sent EBS personnel for overseas training. Producers visited AIBD (the Asia-Pacific Institute for Broadcasting Development), NHK, BBC, and Voice of America, to learn advanced broadcasting methods, or to participate in

production training programs in order to raise the competency of education broadcasting. Moreover, persons interested in education broadcasting were invited from China, Kazakhstan, Iran, and Saudi Arabia to learn about education broadcasting at EBS. EBS put much effort to solidify its status through international exchanges.

2.3. Stage of Education Broadcasting as an Independent Public Corporation

2.3.1. Establishment of Internet lecture (www.ebsi.co.kr) for SAT

In 2001, EBS prepared VOD (Video On Demand) services for 4 channels including terrestrial, Satellite 1TV, Satellite 2TV, and FM, for viewer, listener and learner convenience. As a result, tutoring broadcasts on Satellite 1TV, Satellite 2TV, TV, and FM programs were provided free on EBS website (www.ebs.co.kr).

The Ministry of Education Science and Technology, together with the Korea Institute for Curriculum and Evaluation established a system to link study contents to the college scholastic ability test, and an applied study system by levels and phases, with 3-levels (beginning, intermediate and advanced) appropriate for various abilities and educational targets. EBS also provided lectures for minor elective subjects in accordance with the gaols of the 7th curriculum. The differences of scholastic ability education broadcasting with general private educational institutes are that it can provide consumers with lectures by levels and choice enabling flexible applications with online lecture R/T (Running Time), and realize interactive question and answer services on subjects with cyber teachers.

EBS is trying to maximize efficiency by differentiating scholastic ability lectures and online lectures. Taking into consideration the media's dissemination characteristic, TV scholastic ability channels are composed of intermediate level contents for wider audience. On the contrary, online lectures focus on providing a wide range of learning options for learners by having elective subjects differentiated by levels. Unlike previous lectures, the new scholastic ability channels have introduced more realistic-style lectures such as simulating a classroom with a blackboard to maximize viewers' learning experience.

2.3.2. Application of New Technologies

To respond to changing policies and broadcasting technologies, the EBS Institute of Technology was established to support a full-scale DTV (Digital Television) broadcasting. It aimed to respond to changes in digital broadcasting due to the convergence of broadcasting communications like DAB (Digital Audio Broadcasting) and data broadcasting.

EBS was the first to provide interactive data broadcasting with the United States standards, which is considered to be the next-generation data broadcasting method. When the data broadcasting experimental broadcast station was approved by the Ministry of Knowledge and Economy in June, 2004, it started interactive data broadcasting experiments, based on the US ATSC-ACAP standards of digital terrestrial data broadcasting. Previously in 2001, 16-ton digital mobile broadcast vans were used to prepare for the regular HDTV production system. With HD services, EBS was able to provide programs with better quality to viewers.

To broaden learners' options, and to provide various study contents, EBS started new types of broadcasting like IPTV and EBSu (Satellite DMB). The Satellite DMB had its ribbon cutting ceremony for EBSu business on Satellite DMB channel, in September, 2005. In 2010, with the commercialization of 3D televisions, it is promoting 3D education broadcasting demonstration projects, for preschool children and lifelong education, through a demonstration project for 3D education broadcasting contents. With expanded distribution of smart phones, it is providing On-Air services through EBS terrestrial TV and radio, VOD services for lifelong education contents, and EBS scholastic ability lectures.

2.3.3. Constructions of EBS English Education Broadcasting and Study Website

On April 2007, 'EBS English', specialized English education broadcasting, started with goals to reduce English learning gaps among regions and classes, and reduce the reliance on private English education The following is the basic concept of the EBS English channel.



Figure 1-2 | Basic Concept of EBS English

The specialized English education channel, EBS English, is producing and broadcasting programs for elementary, secondary students, and the general public. The following table shows details of EBS English programs.

Table 1-4 | Programs of EBS English

Focused area	Programs
Supplementing Public Education (Elementary and Secondary Students)	 English education program based on elementary and secondary school curricula Program for different levels of individual learners Program for after-school hours of elementary and secondary schools Intensive English education program linked with mathematics, science and such Program for different language skills including listening, reading, writing and speaking Self-study program enabling individual and self-leading studies Beginners' English program for students having difficulties in studying Program for improvement of speaking and writing skills for elementary and secondary students Foreign film play program to get used to English
Supporting Lifelong Education (the General Public)	 Integrated English program for preschool children to prepare for elementary English education Phonics program for preschool children and beginners Employment English program for college students or other job seekers Program for teachers to improve English teaching methods Instruction program that helps parents to learn how to teach English to their children Program that provides English education information to parents English conversation program for the general public Program that help improve current English skills of the general public Office English program for general office workers High-class entertainment foreign film program for general adults

2.3.4. Internet Radio Player, 'Bandi'

In order to satisfy various demands of education broadcast listeners, 'EBS Bandi', a PC radio player, started its regular services in July 2006.

'EBS Bandi' requires no buffering time. EBS FM programs are simply played, using the Internet communications network, by just clicking the icon on desktop screen. Major and minor technical problems associated with existing PC radio players were solved providing clear sounds without echo or stopping while playing. It includes various functions including visible radio service broadcast provided with scenes by the 'EBS Bandi' player, program information, and the ability to send messages.

Figure 1-3 | EBS Bandi Player



2.3.5. Opening of EBS Visitor Center and Hosting EIDF

In order to actively respond to viewer's requests to watch broadcast productions, EBS opened an EBS Visitor Center on the first floor of the head office, in May, 2003. It is a part of EBS's long-cherished ambitions to provide realistic education media, by letting visitors experience a part of the broadcasting production procedures. This Visitor Center became an opportunity to step closer to viewers and listeners as a public broadcasting corporation.

The EBS International Documentary Festival (EIDF) is an international documentary film festival started in 2004. It is hosted by EBS, and sponsored by; the Ministry of Culture, Sports and Tourism, Korea Communications Commission, and International Documentary Association. It aims to tap into the spirit of the times, open a communications forum for international culture, and make documentaries. Since the boundaries between documentaries and movies have blurred, the Korean name of the festival changed to EBS International Documentary Film Festival, after the 6th festival in 2009. With terrestrial broadcasting, playing in exclusive theaters, online VOD services, and various subsidiary events, EIDF has already secured a cult following. In 2010, 535 films from 83 countries were submitted. With participation and interest of persons engaged in documentary making around the world, it has become an annual international event.

3. Promotions of Education Broadcasting System

3.1. Stage before Establishment of Education Broadcasting System

3.1.1. Effort for Initial Educational Broadcasting

3.1.1.1. Free Radio Distribution by United States Information Service

In 1951, the middle of the Korean War, many institutions including the government offices, schools, and people were evacuated. Even in midst such chaos, the Ministry of Education prepared special measure guidelines for education during the war in order to continue education. Aiming to raise the flag of national freedom, territory protection, and security of international safety, it directed schools to restart lessons. However, at that time, there was a lack of classrooms, teachers and, textbooks. Then, the United States Information Service (USIS) decided to provide 500 free radios to the Ministry of Education, and therefore, the Ministry of Education searched for ways to use them for education.

The radios were distributed to elementary schools, and on June 18, 1951, a school education program named "Radio School" was provided for 15 minutes, from 9 o'clock, every morning. When this program started, its production budget was supported by the Ministry of Education. Before long it was produced without the support of the Ministry of Education. The schedule was jointly developed by the Ministry of Education and KBS. Cast members were recommended by the Ministry of Education, and KBS was responsible for production and broadcasting. Because the program targets were teachers, it broadcasted general education problems including educational news, education operation problems, questions and answers about education, introduction of school management, voices of school parents, and new rules and policies of the Ministry of Education in the form of a lecture.

Although broadcasting in this period did not focus on delivering curriculum, it did raise awareness about the importance and necessity of audio-visual education and the desire for education as expressed by teachers and students. After the broadcasting station moved back to Seoul, broadcasting hours of the program were extended, and it gradually developed contents more related with the actual curriculum.

3.1.1.2. Efforts for Development of School Broadcasting (Radio)

After the Korean War ended, broadcasting began anew in 1956. With radio education

responding to expectations and demands, educational programs were produced cooperatively by the Korean Broadcasters Association and Seoul Education Committee, and broadcasted by KBS. Since 1961, KBS planned and produced school broadcasting. From that point, broadcasting contents intensified, and exchanges with local broadcasting stations became more active. At that time, local broadcasting stations produced and broadcast programs such as; "Teacher's Time" (mainly composed of lectures of teachers in different regions), "Microphone Tour" (local broadcasting stations introducing their towns in turn), and "It's Ours" (showing students' lives and school pride). Meanwhile, the 'School Broadcasting Teachers Association', a gathering of teachers participating in school broadcasting, was organized to cooperate in planning, scheduling, and broadcast production. In 1961, a program called "Study Guide" was produced, attempting to prepare elementary and secondary students for entrance examinations. The targets were mainly higher-grade students in elementary and secondary schools, and school subjects were taught for 15 minutes each.

In 1962, survey results showed that education broadcasts were not used much in schools. It was judged to have no practical educational effect, and therefore it was suspended for 6 years and 3 months after its restart. The biggest reason for the low ratings was the broadcast conditions. Until the 1960s, when local broadcasting stations broadcast programs from the Seoul Central Broadcasting Station, they received relayed short wave broadcasting, not microwaves or FM facilities. It caused frequent poor broadcasts, so it was not easy for local schools to listen to the programs.

The suspended education broadcasts restarted in March 1963, with policy directives from the government of that time. With the name, "Radio School Broadcasting", it was broadcasted nationwide for 60 minutes every day. A teacher's guide for school broadcasts, containing enough content for a semester's broadcast, was published and distributed to schools in all parts of the country. This started to take shape of a serious broadcasting initiative.

3.1.1.3. Efforts for Television Education Broadcasting

As the television audience has grown, and expectations on the educational use of television broadcasting increased. To respond to the demand, KBS-TV requested the Central Audio-Visual Education Institute to provide broadcasting support for "TV Summer School". It was provided as experimental broadcast for 30 minutes every day for the month of August. Later, accepting many related persons opinions that television education programs are necessary, the discussion on the execution of television education broadcasts started.

In January 1969, as the President ordered KBS-TV to apply for an educational broadcast license, in his first round of inspections of the Ministry of Education, KBS started planning to

provide education broadcasts. The Presidential order of educational television application in 1969, was the decisive reason for the start of education broadcasting. Thus, broadcasting through KBS-TV was planned, and on May 5, it started with the name "Pilot TV School Broadcasting", for an hour every week day. This "Pilot TV School Broadcasting" was broadcasted on Saturdays from April 1970. In 1970, broadcasting hours were extended 30 minutes to a total of 1 hour and 30 minutes. Four government organizations were established to manage, deliberate, and support education broadcasting, and during 3 test periods, 15 model schools were chosen to adopt school broadcasting program systematically. There were concerns about the actual use of education broadcasting through television, and its study effects. Since the government was seriously determined, preparation for the broadcasts progressed quite fast.

During the first broadcast test period (the first semester of 1969), subjects including social studies, natural science and art subjects were broadcasted from 10 to 11 in the morning from Monday to Friday for upper elementary school and middle school grades. During the second broadcast test period (the second semester of 1969), English was added to the schedule for 7th graders. During the third broadcast test period (the first semester of 1970), school broadcasts provided 12 study programs, including 6 each for elementary and middle schools per week, including Saturdays. Meanwhile, KBS published and distributed monthly teacher's guides, with the cooperation of the Central Audio-Visual Education Institute. The Ministry of Education assigned and appointed school inspectors, in charge of school broadcasts, nationwide. In May 1969, the Ministry of Education supported funds to buy 1,000 televisions to be distributed to regions excluding Seoul. Therefore, 1,500 schools had televisions in 1970. In 1971, the broadcasts expanded and reorganized to have 18 programs, including 12 for elementary school and 6 for middle school. Broadcasting hours were extended to 1 hour and 30 minutes including reruns.

At that time, schools did not have televisions in the classrooms. Most schools had 1 or 2 televisions in the principal's or teacher's room. Students moved to wherever the television was placed at the time of the school broadcasts, to watch the program and returned to their classrooms to continue studying. This was a common occurrence in foreign countries with an inadequate number of televisions.

Of course, some people suggested the need of an independent education broadcasting station at the time, but there were many regions where the national television broadcasts were not received. There were also many difficulties in establishing an independent broadcasting station. These included problems of production facilities, technical expertise, and supply of personnel to produce programs.

3.1.2. Education Broadcasting through an Educational Research Institute

3.1.2.1. Establishment of Korean Educational Development Institute

The Korean Educational Development Institute is an educational research institute, established in 1972, with a mandate to research ideologies, purposes, contents, and methods of education appropriate for Korean traditions. They were set up to contribute to the development of public education synthetically and scientifically, and in the long term by researching and developing new methods to solve various educational problems. One of the projects to accomplish such purpose was the establishment and operation of an education broadcasting station.

Before the establishment of the education broadcasting station, an institutional and administrative base was prepared in the first half of 1974. In the latter half of 1974, the establishment of an education broadcasting station was planned in more detail, and its building was completed. Transmission equipment for the transmission station was setup in February, and installed in May 1974. The transmission station prepared the necessary equipment to transmit 2 UHF Color TV channels and 1 FM Radio channel. The plan was to transmit using T-COM (transmission facility being placed on the top of an institution), developed by Westinghouse of America. However, since it did not fit the terrain and the wind conditions in Korea the plan was stopped.

A long-term general plan was made in 1969 and 1970 that called for an exclusive organization that would develop an education system based on the study of curriculum and educational technological approaches and the special needs of Korean education. From 1970 to 1971, the research group from the University of Florida, U.S., performed research on the actual educational conditions. In 1971, after discussion between the governments of Korea and the U.S., an agreement on a 7.5 million dollar loan to establish the Korean Educational Development Institute (KEDI). Its mandate was for research and development in the improvement, demonstration, and propagation of a new educational system. This foreign loan became the decisive reason for the establishment and launch of KEDI.

3.1.2.2. Establishment of Education Broadcasting Specializing Channels (KBS 3TV and FM Radio)

After the 'July 30 education reform' action was announced in 1980, one radio and one television channel were established for the normalization of education, and to ease tensions regarding the tutoring issue. Scheduled subjects were expanded from English, mathematics, and Korean to all subjects, and broadcasting hours were scheduled avoiding late night and early

morning scheduling. Studio teachers were replaced by high school teachers or university professors. At that time, UHF type channels, KBS 3TV and FM Education Radio, were created.

The UHF band broadcasting station (KBS 3TV) specializing in education, opened in February 1981. Korean education broadcasting began a new era in the history of broadcasting and education development. As exclusive channels for education broadcasting were prepared to begin regular education broadcasts, production of programs was dually operated by KEDI and KBS. KBS became responsible for their transmission while KEDI was responsible for planning and producing programs for students and teachers. KBS was in charge of social education programs through these channels, and shared the broadcasting hours.

Thus, KEDI changed the existing broadcasting system by enlarging the target audience to include not only high school students but elementary and secondary students, teachers and parents. The present structure of broadcasting specializing in education was set at that time.

1983 to 1984 was a short but revolutionary period in which educational authorities recommended the installation of VTRs, and the distribution of education broadcast copies to each local education committee. In 1984, copy requests made by elementary and secondary schools increased astronomically which meant that education broadcasting played an increasingly influential role in delivering education to students.

In July 1990, the broadcasting law was revised to allow for the reorganization of broadcasting structure. KBS 3TV, 2Radio (AM), and Education FM were separated from KBS, so the educational authorities became the subject of their operations. Education broadcasts, affiliated with KEDI, became responsible for their production, and KBS transmitted them. In December 1990, EBS finally opened. Education broadcasting became independent. The government's policy of broadcasting structure reform started to broadcast 7 hours and 40 minutes on weekdays, and 17 hours on Sundays, through one TV channel and 20 hours a day through 1 FM Radio channel, according to the already revised broadcasting law. The Ministry of Education was in charge of the basic planning and scheduling. Education broadcasts affiliated with KEDI was responsible for detailed scheduling and production. KBS was responsible for their transmission.

3.1.2.3. Education Radio Broadcasting

The start of Education radio as Education FM, was done by changing the existing AM to FM. In February 1981, KEDI operated school broadcasts, and lifelong education broadcasts for correspondence high schools, Korea National Open University, and adults. Education radio broadcasts for schools started when radio related businesses were transferred to KEDI, as the

Central Audio-Visual Education Institute merged with the Central Educational Research Institute. Since then, a dual operation system was established to give KEDI responsibility for scheduling and production of radio education broadcasts, and KBS the responsibility for transmission.

School program broadcasts over Education FM were designed in consideration for their use as school lessons. They included weekend home study, to assist students, and programs for teachers and parents. The broadcast contents included subject study programs for: civics, Korean, social studies, and music among the elementary subjects. Subject programs were about 35-40% of the total programs, and programs designed to assist studying were about 35% of the total. Programs for cultivation of culture and aesthetic sentiments were 20%, and English programs for teachers, parents and middle school students were 5-10%.

Broadcast contents were primarily composed of subjects that could not be adequately studied in schools that lacked funding. To standardize the curriculum, programming content followed the curriculum progressed in schools. The 'Radio Education Program Guide' contained the goals of each program, and related chapters of textbooks were distributed to about 6,500 elementary schools nationwide. Local education committees and educational institutes encouraged the use of education broadcasts in school lessons each semester.

3.1.2.4. Dual Operation System for Production and Transmission

On February 2, 1981, KBS 3TV (UHF) and Education Radio (FM) were selected as specialized education broadcasting networks, to transmit broadcasts, and to take the shape of a specialized education broadcasting system. Production and transmission of education broadcasts were dually operated. The Korean Educational Development Institute (KEDI) became responsible for production of subject programs, and KBS became responsible for social and general culture education programs. KBS became solely responsible for their transmission.

KEDI produced subject programs for preschool, elementary, and secondary students, based on curricula; programs for teacher training and parent education and programs for correspondence high schools. KBS produced and broadcast linguistic lectures, programs for rural villages, and adult programs with contents about hobbies and entertainment. Most programs designed for Korea National Open University and correspondence high schools, were only broadcast by radio. Some television programs for Korea National Open University were produced by KBS.

3.2. Stage of Education Broadcasting as a Government-supported Organization

3.2.1. Separation from Korean Educational Development Institute (an Independent Broadcasting Organization: Expansion of Manpower, Organization and Budget)

EBS opened in December 1990, and since 1991, education broadcasters affiliated with KEDI operated with one television and one radio channel. KEDI tried to position itself as a leading provider of lifelong education by planning and producing programs for the general population. However, due to inadequate related laws and support, it was hard to solidify its status, and there were hardships in operation.

The 'Education Broadcasting System Law' passed the National Assembly in December, 1996. In January 1997, the 'Education Broadcasting System Law' was announced, to boost education broadcasting. The 'Education Broadcasting System' (EBS) was in charge of education broadcasting and multimedia education, under the law. It was set up to supplement school education, and to expand social education. Its contribution developed the realization that citizens can be educated anywhere and anytime. On August 25, 1997, satellite broadcasting began to solidify its status as an independent education broadcaster, owning 1 terrestrial channel, 2 satellite channels, and 1 FM radio channel. According to a revision in related laws, it became an independent organization. It had a large expanding employee base. National interest came along with the expansion to increase the budget, largely to bring revolutionary development in quality of program and delivery.

As EBS became an independent organization, it gained more autonomy in scheduling and production of programs. From a technical standpoint, a satellite-broadcasting network was secured and broadcasting through various media (including the Internet) became possible. Therefore, it was able to prepare programs for lifelong and social education, in addition to the programs for school education and entrance examinations that they had emphasized. With such efforts, EBS solidified its status as a public education broadcaster that is able to set foundations for lifelong education of the public.

3.2.2. Transmission by EBS (1991) and Establishment of General Editorial Office (1992)

Until 1990, EBS was only responsible for half of program productions, but since the late 1990s, EBS had to produce all programs launch by EBS. Thus, KBS promised a speedy installation of the EBS master control room for EBS transmissions. EBS proceeded with extensive construction, including installation of a master control room and transmission tower.

Through these efforts, EBS was able to establish nationwide networks for both television and FM radio broadcasting in the latter half of 1991. After almost a year of preparations, it started its own television and radio program transmission services in November 1991. The start of its own transmission services is judged to have set a basis for a great leap in the history of Korean education broadcasting. Following the takeover of television and FM radio channels from KBS, EBS became an independent broadcasting station, at least in the technical area.

At the end of 1992, an editorial office with advanced equipment was established to deal with the increasing quantity of editing, to enhance the visual effect of the programs. A mobile broadcast van for FM was purchased in order to provide more diverse broadcasting. The new establishment of a general editorial office, brought technical program and production skills a major step forward, and contributed to the production of quality programs with sophisticated editing skills. The mobile broadcast van was designed with EBS's own technology, and enabled the installation of microwave equipment. It led to the establishment of a specialized broadcast department and set the standard for production of high-quality programs like "Scent of Korean Traditional Music", and "Art Plaza". FM Radio opened up opportunities for listeners to enjoy more lively broadcasts by enabling stereo broadcasting.

At the end of 1998, systems in the master control room, for satellite TV as well as for the existing terrestrial broadcasting, were completely digitalized to improve definition and sound quality of broadcasted programs tremendously.

3.2.3. Provision of Satellite Education Broadcasting

The Korean satellite Mugunghwa project started as the Ministry of Information and Communications reported a domestic satellite plan to the President in February 1989. In March 1990, the name for the first Korean satellite was decided as "Mugunghwa", through a public name contest. It was named 'KOREASAT' in English. The final design, in January 1991, decided its dimension to be middle-sized with two parts, one main and one reserve, and composed of 3 repeaters for broadcasting, 12 repeaters for communications. Longitude 116° was selected as the orbit of the satellite. The repeaters on the Mugunghwa were assigned for public broadcasting, education broadcasting, and new media broadcasting.

As the satellite for education broadcasting was secured, EBS established a system for satellite broadcasting, launching the EBS Satellite Broadcasting Network. With the broadcasting satellite, fringe area problems that were not resolved with the existing TV transmission methods were solved, and provision of higher quality broadcasting services became possible.

In August 1995, the technical environment was set with the launch of Mugunghwa. On August 25 1997, satellite education broadcasting started. The provision of satellite education broadcasting broadened the application range that was previously limited to effectively enlarge EBS's terrestrial education broadcasting study programs, and narrow the education gaps between regions and classes. By providing quality programs that were both diverse and segmented, it aimed to reduce the public's reliance on private education that supplemented school education. It specifically aimed to standardize school education, reduce tutoring demand, realize equality in education, and ultimately raise national competency. To promote satellite education broadcasting, essay contests about applications of satellite broadcasting were given, and in 1999, published as a book. This book was distributed to middle and high schools and made available to the general public to raise awareness about satellite education broadcasting.

3.3. Stage of Education Broadcasting System as an Independent Public Corporation

3.3.1. Education Broadcasting System as a Public Corporation

EBS became a public corporation to fulfill its purpose of supporting social and lifelong education and was made possible with the enactment of Education Broadcasting System Law, and Broadcasting Law. EBS was officially launched as a public corporation, after its long history as a department of Korean Educational Development Institute as a government-operated research institute, in 1973; taking over channels from KBS, in 1990; becoming an independent corporation in 1997; and being approved to be a corporation in June, 2000. Education broadcasting has been approved to fill the need of public education, and its contributions are applauded by the general public as well as in political circles. Therefore, EBS separated from KBS 3TV to be independent, in December 1990, accomplished its long-desired wish of becoming a public corporation, that is no longer a government-supported organization under the Ministry of Education. After it became a public corporation, it secured more autonomy and independence in program production and broadcast scheduling, as well as the problems of manpower supply and budget. Since then, EBS is developing as a more creative and active public broadcasting organization.

3.3.2. Increased Support of the Ministry of Education, Science and Technology

As EBS faced expense problems in 2004, the government supported full-scale budget support in order to support the policy of the Ministry of Education, Science and Technology to reduce private education and normalize public education. The government realized the

importance of education broadcasting. It included support of mass storage, high-speed networks, and contents production expenses. EBS proceeded with offering a variety of high quality educational programs.

In order to promote scholastic ability lectures and English education broadcasting, EBS, in 2007, signed an MOU with the Ministry of Education, Science and Technology and received budgetary support from the Ministry. EBS actively promoted support for improved transmission to mountain areas and remote areas; study support through education broadcasting for students of low-income group and research, and development of effective education broadcast applications and program developments.

With such budget support, lecture videos that were partially provided for a fee, were changed to free for all learners to give equal benefits, in 2001. For students to study without time limits, online VOD services became free. An exclusive website for scholastic ability opened in 2004. All video lectures were moved, and those focused on the preparation for the college scholastic ability test were provided partially on the EBS website (http://www.ebs.co.kr). By providing lectures through its LMS (Learning Management System) and separately providing lectures for different levels, studying by level was reinforced for students.

Since 2005, as Korean Broadcasting Commission allowed extended daytime broadcasting hours, EBS extended afternoon broadcasting to provide a wider range of options for learners.

In order to provide EBS scholastic ability lecture services "equally" to students in rural areas, and low-income groups, and bridge the digital gap, the Ministry of Education, Science and Technology established 'support measures for students in rural areas and low-income groups', in 2004. The detailed regulations include the following:

1) Completely prepare the Internet and broadcasting receiving environment of schools in rural villages to prevent inconveniences of using school facilities for high school students in farming or fishing villages. 2) Provide satellite receiving sets to about 11,000 high school students in rural villages. 3) Open; 103 'Information Villages', under the jurisdiction of the Ministry of Government Administration and Home Affairs; 141 'Culture Houses', under the jurisdiction of the Ministry of Culture and Tourism; about 600 'Study Rooms' under the jurisdiction of the Ministry of Health and Welfare; and 'After-School Classes' to use as 'Scholastic Ability Broadcasting Study Rooms'.

For students of low-income groups to watch scholastic ability lectures, the following were enacted:

1) Include 'EBS Plus 1' in Cable TV 'basic channels' and promote the reduction of cable TV

subscription fees. 2) Expand governmental support of PC and Internet fees, for students of low-income groups to 100,000 persons until 2006, and support registration for online lectures. 3) If necessary, support the costs of equipment and subscription fees for satellite broadcast receivers for senior high school students of low-income groups that cannot use the Internet.

In order to boost the effectiveness of EBS scholastic ability lectures, EBS promotes various measures to minimize the burden on the family for lecture material expenses, including the provision of lecture materials at 60% of cost, compared to other general materials in the market, in order to minimize material expenses. There is a provision of EBS scholastic ability test preparing lecture material for free to high school students of *eup* and *myeon* regions, and of low-income groups (provided for 200,000 students in 2010).

4. Evaluations and Implications of Education Broadcasting

4.1. Accomplishments of Education Broadcasting System

Accomplishments of EBS as a public education broadcasting organization are noteworthy. As it positioned itself as a broadcaster specializing in education, it produced and propagated high quality programs to address one of the biggest issues in Korean education, the problem of college admission. It also played a great role, as a study aid for elementary and secondary schools and students. It provided opportunities for lifelong education, and useful information to the general public. The results of such efforts are as follows:

First, in regards to the scholastic ability broadcasts for college admission, a survey of EBS scholastic ability broadcasts participation by high school students nationwide, in June, 2009, showed an increase of more than 10% annually. The application rates were 57.4% in 2007, 70.4% in 208 and 84.5% in 2009. The average weekly watching time for EBS scholastic ability broadcasts was 3.66 hours.

The satisfaction level for EBS scholastic ability broadcast lectures was a high 92.5%. 'Improvement in school records' and 'effects on preparation of scholastic ability test' were both very high, 93.4% and 92.9% respectively. The satisfaction on scholastic ability broadcast lectures was higher with lower grades and in larger cities. Satisfaction for lecture contents was 95.2%, and satisfaction for teachers was 94%. Satisfaction of materials was 93.0% and higher in

higher grades. 'Improvement in school records' and 'effects on preparation of scholastic ability test' were higher in eup and myeon areas.

The reasons for using EBS scholastic ability broadcasts were; 'because it is related to setting scholastic ability test questions' (44.5%); 'because it is free' (44.5%); and 'because the materials are good' (41.8%). Larger cities showed more responses of, 'because it is related to setting scholastic ability test questions'.

The reduction in the use of private education, after taking EBS scholastic ability lectures, was 21.7%. Such answers include; reduced use of 'off-line private educational institute' (67.3%); reduced use of online lectures (21.2%); and reduced use of private tutoring (10.6%). 70.3% answered there was 'no change in use of private education', and 8% answered use of private education increased.

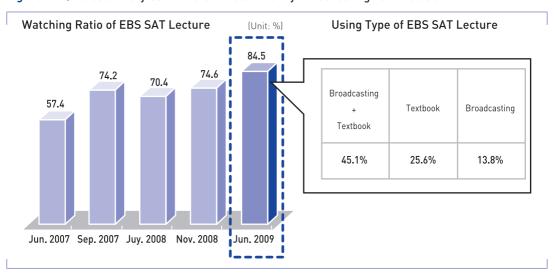


Figure 1-4 | Rates and Styles of EBS Scholastic Ability Broadcasting Lecture Use

A survey of the effectiveness of the EBS scholastic ability broadcasts, with parents as participants, on November 2009, showed that 83.9% of the parents considered EBS scholastic ability broadcasting lectures are helpful for their children in preparing for the college scholastic ability test. 88.8% also, answered it is desirable that lecture contents are connected with the college scholastic ability test. 75.2% parents answered that EBS scholastic ability broadcasting is effective in reducing private education expenses. The average private education expense reduction was 280,000 won a month. 14.9% have stopped private education, after taking EBS scholastic ability broadcasts. They dropped off-line private educational institutes mostly (65.8%).

Figure 1-5 | Change Curve of Private Education after Using EBS Scholastic Ability Broadcasting

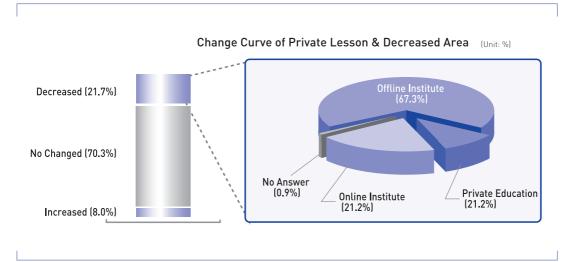
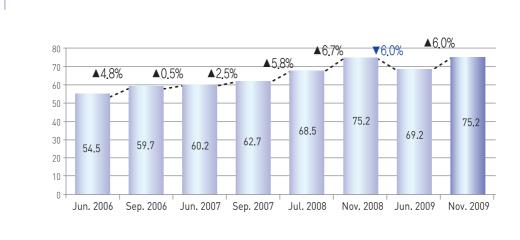


Figure 1-6 | Effect of Private Education Reduction after Using EBS Scholastic Ability Broadcasting

(Unit: %)



EBS's English related programs gained great popularity. A survey of EBS English given to users, showed 66.3% of users answered that it helps improve their English abilities. The level of satisfaction for the channels was 70.2%. Only 5.4% users answered they were not satisfied.

In order to deliver technical education (occupational education) and prepare young people for their careers, which was a part of EBS' broadcasting philosophy, EBS prepared a variety of programs on various occupations and information selecting majors in colleges. The 'EBS Plus 2' channel scheduled lecture programs for various certificates, these include office workers, and job training programs, in addition to education broadcasts for middle school students. EBS provides various education programs and information to the general public, and office workers, not only students in order to set a base for occupational and lifelong education, and development of national human resources.

The accomplishments of EBS programs for children, including preschoolers, are as follows. The user survey results of the last 3 years (2007-2009) show that EBS is the best producer of programs for children, including preschoolers. In the survey, responded to by mothers of preschoolers and elementary school children, mothers considered EBS as the best producer of programs for children including preschoolers and the most helpful broadcasting.

Figure 1-7 | Stopping Private Education and Reduced Expenses after Using EBS Scholastic Ability

Broadcasting (Unit: %)



Table 1-5 | Comparison of the Most Useful Channels for Kids

(Unit: %)

				(011111: 70)
Channel	Total	Preschoolers	Lower Grades of Elementary School	Higher Grades of Elementary School
KBS	3.06	3.08	3.07	3.00
MBC	2.87	2.94	2.76	2.82
SBS	2.79	2.78	2.68	2.92
EBS	4.08	4.12	4.01	4.07
Tooniverse	3.32	3.41	3.24	3.24
Daegyo CNS	3.53	3.59	3.48	3.47
JEITV	3.57	3.64	3.49	3.53

Source: Used scale of 5. Source: p. 65, "EBS Children Index Research Report of 2009"

In addition to the above education programs, cultural and entertainment programs and documentaries provided by EBS are worthy of close attention. For example, the 5-minute "Knowledge Channel e" produced by EBS won critical acclaim and was selected to be included in a middle school textbook. The episodes of 'Rule of Shopping' and 'Daesam's Diary' were decided to be in both Korean and practical Korean textbooks. "Knowledge Channel e" received first prize at 'the 11th Gender Equality Award', supervised by the Ministry of Gender Equality and special award for 'the 12th Korea Amnesty Press Award', in 2009. Its book versions, Knowledge e3 and Knowledge e4, were in ranked bestsellers, in 2009. It was also listed in '100 Persons that Brightened the World in 2008' supervised by the Korea Green Foundation.

With EBS education animations; *I'm Curious, Ping Pong* (science), *Ria's Math Games* (mathematics), and *Ray's Great Adventure to the Universe* (astronomy), were exported to over 20 countries in the world. One of EBS documentaries, "*Dinosaurs of Korea*", directed by Han Sang Ho, fetched the highest price ever for a documentary film.

"EBS Janghak Quiz", received Special Program Award in culture video, at the 10th Korea Visual Arts Festival'; and "Knowledge Channel e", directed by Kim Han Jung, received the Grand Prize of 'Physically Challenged Person First Award', selected by Physically Challenged Person First Movement Headquarters (chairman, Lee Su Seong). EBS received the best scores 3 years in a row, from 2007 to 2009, for 'broadcasting evaluation for re-admission and reapproval of terrestrial broadcasting station', from the Korea Communications Commission. As a result of 2009 broadcasting evaluation, EBS TV scored 795.47, ranking as the best among 4 terrestrial broadcasting television systems (5 channels). 3 EBS channels (EBS Plus1, EBS Plus2, EBS English) were also selected as public channel cable TV providers (SO). Among the satellite broadcasting providers that transmit a selection of public channels for educational support, EBS English was selected by the Korea Communications Commission as the best new public channel for 2010.

Table 1-6 | Award List of EBS Documentary

Program Name	Awards
"East and West", EBS	Awarded 'ABU Prize 2008 TV Documentaries' supervised by ABU(Asia-pacific Broadcasting Union)
"Goshawk, the Soul of Wind", EBS Docuprime, [Director: Lee Yeon Gyu]	Citation from prime minister, "2009 Broadcasted Video Grand Prix" (Excellence Award, for directing)
"Dinosaurs of Korea", EBS Docuprime, [Director: Han Sang Ho]	Award from the minister of Culture and Tourism (Encouragement Award, for sound of broadcasting technology)
Producer Park Jeong Min, EBS	Award from the minister of Culture and Tourism (Achievement Award - contribution to export and distribution)
"Goshawk, the Soul of Wind", EBS Docuprime, [Director of photography: Seo Yeong Ho]	Best Work Award, 2009 "Grimer Award" sponsored by Korean Television Directors of Photography Association
"Wheel", Docuprime [Director of photography:Ko Seung Woo]	Special Photography Award, 2009 "Grimer Award" sponsored by Korean Television Directors of Photography Association
"Science of Children Offending Mysteries", Docuprime, [Director: Nam Nae Won]	Awarded for broadcasting part of 'the 19 th Korean Catholic Mass Communications Award' selected by the Mass Communication Committee (chairman: Jo Han Gil), Catholic Bishops' Conference of Korea
"Many Things to Love in Seoul" [Director: Kim Hun Seok]	Incheon Award, 'the 9th Korea, China and Japan Producers Forum'
"Age of God and Darwin", EBS Doduprime, [Director: Seo Jun] "Beautiful Night, and Our Radio", FM [Director: Son Hee Jun]	"Beautiful Night, and Our Radio", FM [Director: Son Hee Jun]
"Human Research Project - fifth installment - Privacy of Children"	Producer Jeong Ji Eun and Kim Min Tae received TV Culture and Information Award at the 21st Korea Producers Award

4.2. Evaluations by Establishment Types of Education Broadcasting

4.2.1. Stage before Establishment of Education Broadcasting System

4.2.1.1. Improved Recognition of Education Broadcasting

Educational programs delivered on mass media gained interest after the Korean War. Since the 1960s, the need for educational broadcasting surfaced and various attempts were made through radio and television. Through test broadcasts in actual teaching sites and experience, educational broadcasting became a reliable way of delivering education and received recognition from educators Among the positive effects of education broadcasting, both students and teachers benefited from instruction and instructional methods delivered by a team of experts in various fields,. Also, data showing the effectiveness of content and instruction, which is hard to come by in schools and field research can be gathered. Since educational broadcasting can provide newer and possibly more interesting content, compared to the existing textbooks, educational broadcasting is effective in attracting learners. Education broadcasting is also effective for providing educational opportunities to adult learners that cannot go to school regularly or learners with low academic abilities. Based on these advantages, education broadcasting developed with the support of educators and the government.

4.2.1.2. Suspended Operation due to Inadequate Infrastructure

As television became more available in the 1960s, educational applications for television gained more attention. Therefore, in the first education meeting of KAVA (Korean Association of Voluntary Agencies) in 1967, the prospect of Korean education for television was discussed and the first education television broadcast occurred on May 5, 1969.

However, there were a few obstacles to educational broadcasting on TV. First, the basic data for program production were inadequate. Second, the Ministry of Government Administration and Home Affairs, KBS, the Ministry of Education, and Central Audio-Visual Education Institute did not cooperate well. The biggest obstacle was the lack of televisions. There were total 223,695 televisions in Korea in 1969, and only 379,564 in 1970. Each class should have a television, but there was only 1 television per school. There was a lack of experienced broadcasting staff to produce and operate broadcasts and facilities for production, transmission, broadcast of programs. These were some of the reasons that EBS had problems in accomplishing its broadcasting goals, which were to improve study methods, and provide equal cultural and educational opportunities for viewers in cities and farming or fishing villages.

Even schools with televisions showed low use of television education broadcast because teachers did not receive teacher's guides on time or did not respond well to the programs. Another reason can be lack of instruction and training on using education broadcasting in schools and the lack of professionals who could conduct this training. Education broadcasting was growing qualitatively and quantitatively, and values of education were highly recognized, but there were many problems due to disagreements on lesson hours, lack of receiving facilities, and the quality of programming.

In October 1972, morning television broadcasts were suspended due to the oil shock and on April 9, 1973, television broadcasting to schools was also suspended. This was largely due to the burden of spectrum fee. As KBS became a public corporation, the Ministry of Education no longer was supporting the expenses necessary for overall production.

4.2.1.3. Trial and Error of Transmission Type

For the production and transmission of education broadcasting programs, the Korea Educational Development Institute (KEDI) started installing transmitting stations, using the T-COM method, in 1973. It took over school radio broadcasts from the Central Audio-Visual Education Institute in 1974. It started producing programs in an FM studio installed in KEDI. It accumulated experience by broadcasting through the social education broadcasting network of KBS, for 3 hours every day. It built new facilities for the production and transmission of the broadcasts, and prepared broadcasts in color.

In 1974, the transmitting station was completely installed. In 1975, broadcasting equipment and materials were completely installed. The broadcasting finally went on air and introduced demonstrative lessons in model schools to build the education broadcasting system. It received permission to operate a radio station, from the Ministry of Information and Communication in 1975 and secure 3 broadcasting networks including 2 UHF channels, and 1 FM radio channel.

The ballonet transmission facility (T-Com method) was planned, with the expectation that it would be used by different government departments, in order to introduce education broadcasts to school studies through a nationwide network. However, the transmission facility in the ballonet form encountered several mishaps, due to the climate of Korea (strong wind and snowdrifts), and the execution of education broadcasting was delayed. In the end the T-COM method transmission facility was judged to be inappropriate for Korean climate conditions and was discarded. Such technical failures brought problems to the education broadcasting project. The ballonet transmission facility had the advantage of low cost, but it failed technically; therefore, the transmission network changed to the terrestrial method. KBS eventually took charge of transmission of education broadcasting. Due to such failures, the American company

(Westinghouse) paid compensation, but the opening of independent education broadcasting was delayed. Technical difficulties may have delayed the launch of a specialized education broadcasting station, which would be in charge of both production and transmission of education programs, but the application and use of concepts in education broadcasting in school improved continuously.

4.2.1.4. Responsibility Transfer of Education Broadcasting

KBS supervised education broadcasting until 1973, but had to suspend TV broadcasts to schools for various reasons. The biggest reason was the expenses related with production and transmission. When KBS became a public corporation, it had to cover all of its expenses from its own profits, and it was hard to pay for education broadcasting expenses.

Educational authorities established the Korea Educational Development Institute (KEDI), and searched for a new education broadcasting system using the 'law for promotion of Korean Educational Development Institute'. The plan was to make KEDI responsible for the production and transmission of education broadcasting, based on the ballonet transmission method. Due to the transmission method problem, it was given up. Even though the ballonet transmission method (T-COM) failed, KEDI would not give up its business plan as a comprehensive education broadcast entity that supported school education, a new education system, social education broadcasting for youth, and broadcasting for preschool children. After the failure of the ballonet transmission method, the transmission network for education broadcasting was decided to be terrestrial method only, in 1977. In 1978, KEDI became responsible for scheduling, and KBS became responsible for transmission. KEDI's radio station license was cancelled, and KBS was allowed to install an education broadcasting station. Therefore, KBS selected 1 UHF network and 1 FM radio network as their education broadcasting networks. Such changes, however, were not carried out as planned due to sudden changes in the domestic situation (October 26), in 1979.

4.2.1.5. Activation of EBS TV Education Broadcasting Watched by High School Students

Education broadcasts through television systemized a new education system and maximized efficiency of lessons in the late 1970s. However, at that time, the Korean education environment faced the social problem of over-reliance on private tutoring. For that reason, the school education system was relatively under-appreciated, and families shouldered the burden of increasing tutoring costs. The primary goal for education reform was to address private tutoring and standardize school education. KEDI put an emphasis on high school education broadcasts to make college admissions preparations accessible to all and to standardize school education.

High school education broadcasts based on test prep workbooks recorded incredible ratings for the first two or three months, and garnered more success than expected, as almost all examinees considered watching education broadcasts as essential to their success in academics. This early success attracted the attention of politicians and the general public and established educational broadcasting's importance in education. The major reason for starting regular education program broadcasts on television was to reduce the public's preference and reliance on tutoring. Television broadcasts for high school students started focusing on core subjects like Korean, English, and mathematics and branched out to include a variety of grades and subjects. All programs designed by KEDI were meant to accomplish the goal of education normalization. Therefore, it can be suggested that it accomplished the intended goals.

4.2.1.6. Scheduling Broadcasting Programs Focused on Entrance Examination

Education broadcasts were suspended for a while due to an unstable domestic situation and restarted by KBS in August 1980 as a part of a measure to normalize high school education and provide an alternative to tutoring, after private tutoring was banned by the government. The viewers responded favorably to educational broadcasting as a supplement to school education. Even though the program was scheduled on an ad-hoc basis by by the emergency measure committee, TV tutoring gained tremendous popularity, and judged to have at least limited success. However, there was criticism that it was limited to only examinees preparing for college admission, because TV tutoring was too focused on the entrance exam. Nevertheless, since the essence of tutoring fever was to improve the students' chances on college admissions, it was natural to have programs focused on tutoring for college admissions. These programs were successful from a ratings aspect, and attracted the attention of the public.

4.2.2. Stage of Education Broadcasting as a Government-supported Organization

4.2.2.1. Qualitative Improvement of Programs

As a broadcasting station specializing in education, EBS has been trying to narrow the educational gap between regions, and to reduce an average family's spending on private education. It was judged to have contributed to narrowing the educational gap between regions by providing a variety of high quality education programs to students in rural villages. It recruited excellent teachers for the production of educational programs. It produced and distributed high quality lectures, and it maintained high ratings by providing systematic broadcasts. Special lectures for college scholastic ability tests were particularly effective and garnered great attention and popularity. To provide realistic help to examinees, it reflected

question styles found on the college scholastic ability tests. Such efforts resulted high satisfaction among viewers.

Educational programs also provided a wide variety of educational content reaching a wide variety of audiences. The television series for children ("Evergreen") featured practical solutions to actual problems schoolchildren faced in school life. The English program ("Exciting ABC") and cartoon films for preschoolers, focused on the emotional growth of children by including stories imparting important values. Programs related with college admission included "World of Jobs", "Visiting Colleges", and "Youth Plaza", offered youths a chance to broaden their understanding of different cultures.

The start of satellite education broadcasting in 1997 provided viewers with specialized scholastic channels, and educational content online provided a wider range of options and opportunities for learners to study. Both these initiatives made EBS a critical provider of education.

4.2.2.2. Establishment of Status as a Lifelong Education Organization

In addition to educational broadcasting, EBS offered lifelong educational opportunities to the general public by producing and distributing diverse high quality programs and reaching out to satisfy the demands of learners of all ages.

EBS increased the scheduling of culture education, and expanded the content of general programs to include culture, history, health, science and hobbies. Programs featured interesting and entertaining presenters and actors in an educational drama series or "change your life" programs. In 1999, broadcasting hours were largely extended to increasing weekday broadcasts, and all day weekend broadcasting By providing programs regardless of time and distance, through the Internet and satellite broadcasting, wider educational opportunities were provided.

4.2.2.3. Production of High Quality Documentaries

EBS raised the level of Korean documentary production by producing and broadcasting excellent documentary programs that won positive reviews from viewers, and awards from many domestic and international organizations.

For example, "One and Only Earth" was awarded the Green Press Award, the International Environment Award, an appreciation plaque from UN and selected as the best program of the month, by the Korea Communications Standards Commission. "Korean Reptiles" received the PaekSang Arts Award, and was selected as the best program of the month and a citation from

the President, for contributing to environmental education. "Siberia" and "Looking for Lost Wild Animals in Korea" received Work Awards and Broadcasting Awards, was broadcasted on the European Discovery channel, and exported to overseas countries including Turkey and Japan putting Korean documentary production on the international scene. The documentary production team of EBS successfully photographed 'golden bats' for the first time in Korea. It contributed to the qualitative improvement of Korean documentary programs.

4.2.3. Stage of Educational Broadcasting System as an Independent Public Corporation

4.2.3.1. Securing Various Contents and Qualitative Improvement (Selection of Excellent Programs)

EBS, newly positioned as a specialized education network, is rapidly developing a variety of contents, including academic programming, social education, culture, entertainment and documentaries. EBS is able to deliver high quality programs that feature unique topics that garner a positive response from viewers yet do not get much attention on commercial channels.

Education programs are continuously improving, with strict management of technical skills and program production, providing HD video online, and It was proven that such developments led to a reduction of private education users. Its documentary programs are exported to foreign broadcasting stations specializing in documentaries, and it is already producing and providing videos at a world-class level. Its online services are gaining great responses and support from viewers and online users, after renewing its website in 2001. It has been ranked as the study website with the highest access rate, in remote online educational sites of various research portals.

It is continuously innovate taking advantage of new technology. For instance, in May 2006, it opened a 'satellite multi-transmission master control room', and after about 8 months of preparation, it established a satellite multi-transmission system as a part of the digital conversion of the EBS satellite broadcasting system and archive system base.

4.2.3.2. Reduction of Private Education users, Equalization of Educational Opportunities and Delivery of Various Education Contents

On June 2006, EBS's two-year scholastic ability lecture promotion was evaluated. The results of the survey by 1,034 parents of academic high school students nationwide was analyzed. It found that the parents spent less on private education by relying on scholastic ability lectures to supplement their children's schooling, a reduction of about 29 billion won.

This survey also generated discussion about the impact educational broadcasting could have on elementary and middle school students who rely on private education. EBS is constantly trying to provide an alternative to private education by providing a variety of programs and content.

Since February 2000, to equalize educational opportunities, captioned programs started to be broadcasted twice a day to provide various information and study opportunities to the hearing-impaired. Following the caption service for hearing-impaired persons, it started a voice service for visually-impaired persons, in October 2004. EBS added letter explanations to image file sources for visual-impaired persons to read with voice-recognition software (screen reader), and replaced flash files that cannot be read with the screen reader with image files. Since August 2010, all EBS scholastic ability lecture contents were provided with captions, to provide services to hearing-impaired students.

In May 2006, EBS signed an MOU with the National Institute of the Korean Language to address issues regarding multiculturalism. It aims to develop programs jointly for systematic Korean language education, and to produce a drama series with multicultural backgrounds for children to naturally accept multicultural families.

EBS also provided technical support, like inspection of EBS receiving facilities, and advising 274 schools. It accepted requests related to transmission facilities via the EBS website and worked with local education officials, to resolve reception problems.

4.2.3.3. Quality Improvement and Expected Effects of Scholastic Ability Broadcasting

EBS has continually put tremendous effort into producing college scholastic ability test related broadcasts, upgrading its programs and modes of transmission. In 1997 they provided services through satellite only, and in 2004 started to provide services through satellite. The Internet showed tremendous development and changes in quality and quantity. The background of preparing broadcasts for the college scholastic ability test through the Internet was the excessive private education expense problems, as much as 13 trillion won a year. There was an educational opportunity gap between different income groups and regions because educational opportunities are concentrated on certain regions, and related to a greater sense of deprivation by education consumers. Solutions to this problem, along with the fundamental solution for private education expenses, long-term measures (internally stabilizing public education), realistic short-term measures, education broadcasting, reducing private education expenses, started to gain attention. Considering past accomplishments and present conditions related with the reduction of education expenses, EBS has become an alternative medium for the reduction of private education expenses.

Table 1-7 | Comparison of "EBS Scholastic Ability Lectures" in 1997 and 2004

Division	EBS Scholastic Ability Lecture in 1997	EBS Scholastic Ability Lecture in 2004	
Approach Method	Based on providers	 Maximized reflection of opinions of consumers (students) contents production, provision, etc. 	
Educational Environment outside School	Unequal educational opportunities between different income levels	 Unequal educational opportunities between different income levels and regions rapid expansion of private educational institutes in Gangnam Overheated private education market and rapid expansion of online private education market 	
Lecture Contents	Standardized operation of only secondary courses (same with school)	Operation of elementary, middle and high school courses customized for individual academic abilities	
Delivery Method(Media)	Only provided through satellite broadcasting - based on one-way analogue - limited range and speed of information delivery	 Provision of integrated broadcasting and the Internet media on digital basis by developed communications to overcome limits of study effects interactive, overcome limits of time and space introduction of study tutor system based on learning management system (LMS) beginning of e-Learning 	
Application Method	Need to purchase satellite receiving set - needs about 300,000 won per home	Reduced additional burdens based on propagation of PC and the Internet with developed IT industry	
Participating Teachers	• In-service teachers	• In-service teachers, star teachers	
Participation of Education Related Organizations	Inadequate participation of education related Organizations	Core educational organizations like local education offices and Korea institute of Curriculum & Evaluation from the early stage	
Educational Facilities including Infrastructure	Lack of facilities for lectures	 Online studying using high-class material infrastructure by construction of school Internet network and propagation of educational equipments ** Korean IT industry is the 7th in the rank of OECD member nations Possible support of educational activities including establishment of teaching and learning center in schools 	
Promotion Period	At the end of a government, became a reason for failure	• At the beginning of a government, easier to settle stably during 4~5 coming years	
Others		Connected with internal stabilization measure for public education	

The expected effects of education broadcasting is that it can practice educational welfare that completely neutralizes the negative effects of private education, like the educational difference between the rich and the poor, by providing lectures given by the best teachers online without limits of time and distance. Different learner levels and the propagation of free quality online lectures address educational differences between regions through the provision of the best education services, regardless of region. The effects include the provision of optional scholastic ability lectures, by levels and phases, as demanded by students, and free lectures, given by the best teachers in the nation, and an actual reduction of private education. Bringing the private education expenses down by replacing lessons in private educational institutes is expected. Lastly, the approach of a new educational method, through the provision of interactive services, and learner conveniences, with customized information for different individual demands, offer solutions to consumers' desires for information, by offering various admission information can be considered.

4.2.3.4. Permission for News Reports and Excellent Evaluations

At the end of 2007, EBS acquired legal permission to broadcast news reports. The Korea Communications Standards Commission clarified that it approved a part of EBS's request. Therefore, EBS can give educational news reports. As it was permitted to give news reports, EBS was truly set as a public broadcasting system.

3 channels including EBS Plus 1 (for scholastic ability education), EBS Plus 2 (for elementary and middle school students and occupational education) and EBS English (for English education) were selected as public channels that have to be included in basic cable channels and satellite broadcast providers. The accessibility by the general public to EBS channels was enhanced.

4.2.3.5. Contribution to Society

As a public broadcasting corporation, EBS is trying, in various aspects, to contribute socially, and culturally. The contributions include hosting and sponsoring of various cultural events and broadcasting of such programs.

For example, a small theater, called "Space-Sympathy", opened in the head office of EBS, to provide free performances every weekday evening. Its programs promote high culture and spotlight alternative Korean performances free from popular stars and commercials. It provides opportunities for ordinary people to enjoy high culture and wholesome pop shows. The program, "Art Plaza" introduces performing arts provide opportunities for viewers to watch real plays or operas. It is judged to be providing a high-class entertainment program. Programs

like "Cinema Paradiso" and "Literature Walk" introduce movies developments, or a world of literature, unlike other broadcasting stations providing mass entertainment. They gained continued popularity as cultivated programs for discerning viewer.

"Filial Piety Help 0700" is a public benefit program supported by the public that spotlight the pain of the neglected and unfortunate elderly (started in 1998). It socially inspires filial piety, which is fading in a society that encourages individualism. Donations collected by this program are used for the elderly in need. The following shows how much was collected and the distribution of donations from 2004 to 2006.

Table 1-8 | Support of "Filial Piety Help 0700"

(Unit: 1,000 won)

Year	Donation	Support	Supported Persons and Organizations	Special Projects
2004	809,126	859,440	109	Supplying rice
2005	652,427	780,560	102	Fixing houses and food
2006	589,561	690,440	91	Fixing houses / medicine / support of educational expenses
Total	2,051,114	2,330,440	302	

"Four-Wheeled Cycle of Love" introduced the conditions of study rooms in poor regions. Viewers are provided with opportunities to donate or do volunteer work. Collected donations are used to help students afford or renovate study rooms or improve surrounding areas so that EBS transmissions can be received in remote or mountain regions. The following shows the related investments.

Table 1-9 | Social Contributions through "Four-Wheeled Cycle of Love"

(Unit: 1,000 won)

Division	Investment to Improve Receiving Environment in School	Remarks
2004	49,676	
2005	2,637	
2006	3,429	

Also, free content is provided for lifelong education of overseas citizens and programs for migrant women and foreign workers ("Easy Korean"-TV, "I Love Korea" - radio) are provided.

4.3. Implications

4.3.1. Expectation on Education Broadcasting

Education Broadcasting aims to provide experiences required for certain fields of study. With the open characteristics of broadcasting, it enables to provide learning experiences that are difficult or unable in local or individual schools, and to offer better study guide than traditional one.

With regard to educational function of Education Broadcasting, it helps to improve the creativity of students, enable students to communicate information to each other, be free from constraints such as long distance, combine students' learning experiences in school and society, and improve the current curriculum.

In addition, Education Broadcasting has a significant socio-political impact on improving education, providing equal educational opportunities, and closing the educational gap between urban and rural areas. It is also a cost-effective way to offer technical education.

Particularly, Education Broadcasting provides diverse and abundant learning experiences that a teacher or school with limited school resources may not be able to provide. It contributes to improving the quality of education in rural areas with poor broadcast and insufficient teaching materials, promotes student participation through interactive programs and introduces new educational methods to teachers.

Such expectation of Education Broadcasting was reflected not only by personnel in the field of education, but also by parents and students who were the beneficiaries. As Education Broadcasting develops, the expectation of parents and students on Education Broadcasting increased even in the early stage of development. The success of Educational broadcasting has motivated educational workers to build on their success, raising their expectations for educational broadcasting higher, even at an early stage in its history.

4.3.2. Implication as Broadcasting Media

Koreans have actively pursued a campaign of audio-visual education since the mid-1950s after the Korean War, and accordingly, there has been a growing interest in educational application of radio broadcasting. They were greatly concerned about radio broadcasting in the aspect of expansion or equalization of educational opportunity because it enables to concurrently deliver learning content to a lot of students through radio programs. It has the advantage of delivering learning content in real time although it broadcasts a recording; of receiving a radio signal even at a long distance; and of being possible to study whenever you

listen to a radio broadcast on time. It enables the so-called distance learning; through human voice, rather than by mail, it is able to deliver educational content more realistically through intonation or emotion in voice and to explain it in detail.

Another advantage of radio educational broadcasting is that it may include educational content which is not involved in existing textbook or teaching aids. So, it enables real-time education containing the latest news and information for students to provide an opportunity of accepting more educational information.

Also, it is able to cover educational content not included in existing textbooks or supplemental materials for education. By using the latest information and news in education, students have chances to learn wider educational information.

Radio educational broadcasting is also useful to teachers as well as students. Through 'Radio School' during the Korean War and school broadcasting, for example, teachers realized the importance and necessity of audio-visual education by radio, a new learning theory and education method that improved their teaching ability. Thus, radio educational broadcasting contributed to motivate teachers and students to study.

Since the mid-1950s, it has actively pursued a campaign of audio-visual education in Korea. As days went by, they demanded reorganization as 'a practicable radio school' in accordance with the audio-visual education theory 1995. Accordingly, it established 'Korea Education Broadcasting Association' in December 1955. It introduced the term of 'education broadcasting' to the history of Korea broadcasting for the first time. This association took charge of scheduling and production of education broadcasting and KBS was in charge of delivery only. From May 1956, it broadcasted 3 subjects such as Korean, Social Study and Music twice a day, 3 days a week for elementary schools. All expenses were to be covered by the dues of members, but it encountered a difficult situation due to deep financial trouble and no support from the Ministry of Education and Science. To settle the matter, the Seoul Education Committee took over the responsibilities of financing and scheduling and KBS broadcasted just 15 minutes a day. Thus, school broadcasting attracted a higher level of attention and commitment from those in broadcasting and education. As KBS Second Program started daytime broadcasting in August 1958, school broadcasting was delivered by KBS Second Program channel, it was expanded to middle school students, and it drastically increased the airtime to 45 minutes every day. From April 1959, it published the weekly broadcasting schedule and distributed it to schools. In such ways, school broadcasting has been steadily developed. As KBS took charge of all responsibilities including scheduling and production in April 1961, it was able to provide more diverse content. When KBS conducted an audience research for audio-visual education in 1961, it was so shocked that there were 36% of 'schools receiving broadcasting in all classes', 24% of 'schools only with radio', and 40% of 'schools without radio' through the country. Therefore, KBS and Department of Public Information determined that there was no base for school broadcasting so that they discontinued it due to insufficient budget and human resources from August 1962. The Education Authority transferred operation of School Broadcasting Sub-committee from Audio-visual Education Council to Central Audio-visual Education Institute, and endeavored to increase its audience base by pursuing a campaign of 'Sending Radio to Schools in Remote Areas' between 1966-1967. However, there were a lot of poor reception areas for KBS Second Program throughout the country so it was not actually effective. Accordingly, the Central Audio-visual Education Institute made a recommendation to relevant authorities to build a repeater station for poor reception areas, to conduct frequency dehopping, and to establish an independent education broadcasting station. It was not until 1970 when TV sets were supplied to schools that TV broadcasting became more established. Based on such experiences, Koreans learned to establish a broadcasting station, to create favorable conditions, and as required, to adjust the program for providing education broadcasting service.

In the early 1960s when TV sets were more widely owned, TV became a popular media in developed countries. At that time, TV in Korea had a lot of educational programs, rather than entertainment shows but the educational programs were focused on children, not on systemic social education. In 1970s, more commercial programs were broadcasted, reducing the airtime for educational programs.

More people owned color TV by the 1980s. 17.1% of households in 1982 and 40.5% of households in 1983 possessed a color TV. At the same time, an audience rating of EBS was 11.3% in 1982 and 27.1% in 1983. The relationship between rating of TV possess and EBS rating shows that the efficiency of educational broadcasting is closely related whether people possess television. In fact, the increase of possession of color television, from 74.4% in 1984 to 78.5 in 1985, led an EBS audience rating from 74.4% in 1984 to 78.5% in 1985.

Radio education broadcasting was the core measure of education delivered through electronic media before TV broadcasting. It was, compared to TV, relatively simple to settle problems of device or signal transmitting/receiving in radio broadcasting so that it rapidly and efficiently transmitted educational programs to schools and homes within a short time. Jeonnam Sinan Education Broadcasting Stations far from the head office covered a wide area but the reception was poor in areas like Nakdo. The station also delivered different programs to regions, transmitting learning or learning assistant programs produced by the Korea Educational Development Institute while providing Education Broadcasting to the isolated people in Nakdo. Radio education broadcasting programs were widely distributed to the rural areas with small schools, rather than to the urban areas. Receivers were easy to install so that it efficiently practiced radio broadcasting to take an interest in learning, to provide abundant learning

materials, and to perform combined learning in the rural areas.

Meanwhile, TV required more complex procedures and money to install devices and facilities and to produce and transmit programs. Therefore, one has to understand and design the characteristics of any program or channel at the stage of research and planning, to determine the type of broadcasting suitable for characteristics of each media and objectives of broadcasting. In the case of practical English programs, for example, radio became more effective for the audience to listen to the program during commuting time, whereas for TV, images and information had to be delivered. Therefore, one has to take into account the effectiveness and uniqueness of radio and TV to conduct broadcast planning and properly operate the program.

Moreover, industrialization and urbanization cause a great deal of problems in developing countries seeking to implement a unified curriculum. The first one is the educational gap between the urban and rural areas. As the media focuses on urban life, fostering cultural development in cities, this leads to a problem of unequal learning opportunities and performance outcomes of students from rural areas and of overcrowded classes in big cities, reducing the efficiency of education. TV education broadcasting addresses this discrepancy to resolutely eliminate several chronic obstructive factors for the equalization and expansion of educational opportunities.

4.3.3. Functional Aspect of Correspondent Education

The greatest contribution Education Broadcasting conducted by the Korea Educational Development Institute has made was to make long distance learning possible. It became a single entity that disseminated academic content and social (including technological and vocational education) programs, taking into account the characteristics of both content and medium.

Based on research by the education research institute in 1970s, the problems and difficulties of Education Broadcasting and its further development, focused on the following.

First, coordination: Broadcasting is made by multidisciplinary experts and engineers so that it requires a well-established plan. In Education Broadcasting, there are separate operational entities for social, school education from the outset; therefore, it is difficult to synthesize and connect them. For that reason, it needs an entity ultimately responsible for their performance in order to raise Education Broadcasting to a higher level.

Second, universal access: One of fundamental goals of Education Broadcasting is to settle the educational gap between urban and rural areas so that a universal propagation model which is receivable without a certain system can be implemented. In case of UHF, it is highly sensitive and theoretically has a countrywide broadcasting network; however, the receiving efficiency is significantly lower than VHF. Broadcasting business, especially TV, is a kind of large-scale investment so that it has to enable universal access of the audience, regardless of region.

Third, program organization: News or entertainment programs air in the morning, but education programs in the afternoon or at night, due to energy or radio wave. Even though education programs air at night to provide an alternative to afterschool tutoring, the research suggests morning broadcasts secure more students and group viewing in their classroom. In particular, it is essential to increase broadcasting hours during daytime for more efficient Education Broadcasting in schools.

4.3.4. Technical Aspects

As we learned from the failure of T-COM (tethered Communication), one should carefully consider appropriate broadcasting methods and facilities, taking into account unique geographical features, climate and technical situations of each country. T-COM failed because the climatic characteristics (geographical features, seasonal wind, snowing, etc) were not considered.

Westinghouse Electric and Manufacturing Company in US compensated Korea for T-COM failing and KBS used this compensation to repair TV (UHF) and radio (FM) transmitting networks and establish a dedicated central control center. After that, it broadcasted education programs through new and existing facilities of KBS. These efforts greatly affected the operating system, causing various problems related to broadcasting schedule and changed the subject of transmission. Accordingly, it is wise to consider carefully when introducing technically verified broadcasting facilities and choosing a universal approach.

In addition, Korea has converted from UHF to VHF in TV and from AM to FM in radio. Determination of broadcasting signals as well as the level of technology is important for broadcasting planning. It is required to consider the possibility of various problems, the level of technology, and overall conditions of each country to determine broadcasting signals.

4.3.5. Connection with School Education

In Korea, radio education broadcasting programs were widely distributed to the rural areas with small schools, rather than to the urban areas. Receivers were easy to install so that radio broadcasting could boost an interest in learning, provide abundant learning materials in rural areas. Nevertheless, there were problems bridging the gap between program content and actual curriculum leading to decrease in audience rating.

As a research team in the Korea Educational Development Institute investigated immediately before propagation of TV program in 1979, radio education programs were used during the relevant classes in about 23% of all elementary schools. The reasons are as follows:

First, when radio education broadcasting was taken over by Korea Educational Development Institute in 1973, the radio became neglected as TV was appeared. Second, there was a problem of supply when a school inspector responsible for audio-visual education was the only one who could introduce radio school broadcasting for a long time. Accordingly, a 'guideline' was distributed to schools through the relevant Education Committee at the beginning of the semester. Third, live broadcasts did not match to the progress of class work. Teachers were encouraged to plan according to the guidelines of the radio education programs at the beginning of each semester in accordance with the 'guideline', but most teachers failed to do so. Finally, programmers did not appropriately evaluate the programs after broadcasting.

4.3.6. Support Aspects for Educational Policy

In the 1980s, there was an expectation that the quality of education may be improved through new media so school broadcasting started early in the morning. Despite obstacles, Koreans worked to maintain and develop school broadcasting providing academic and lifelong education.

The type of Education Broadcasting varies from one country to another because individual countries may require different Education Broadcasting depending on social, economic and geographic conditions. In the 1980s, Korea established a systematic framework of Education Broadcasting, set its role and function, examined the system for more efficient operation, checked program production conditions, and conducted technical review for use of TV channels.

With growing interest in education accompanying economic development, more audience members tuned in. The government found educational broadcasting an effective tool in implementing educational policy, using it to promote public education, reduce the public's reliance on private lessons, bridge the educational gap between the urban and rural areas and promote lifelong education.

The most anticipated goal and direction of Education Broadcasting is to improve and supplement school broadcasting. Even though on-air schedule does not match to the actual class hour, there are an increasing number of teachers who record education programs for their class. More investment is needed to create research facilities for science education and to promote equal access to educational programming. More funds are needed to achieve greater results in

educational broadcasting. To publicly run an operating system of broadcasting only with subscription fees and advertising rates, it is necessary to increase investments in Education Broadcasting. Therefore, it is suggested to politically allot some portion of public advertizing rates and subscription fees to Education Broadcasting.

The fundamental purpose of Education Broadcasting is to promote the values of its society through a liberal arts education. To that end, policy makers should support Education Broadcasting as a crucial component of educational policy and train professionals for Education Broadcasting.

More efforts are needed in policy research and program production to fully supplement school education, such as pre-school, Korea National Open University and a correspondence high school, which reasonably connects social and education systems.

Korea's experience in education broadcasting shows that a single operating entity in charge of program content and broadcasting conditions, the Education Broadcasting System, helped education broadcasting develop systemically since 1981.. However, from the outset, Korea did not establish a sufficient systematic framework of Education Broadcasting, such as setting its role and function, systems for efficient operation, program production conditions, and technical review for use of TV channels. Besides, there were many problems in role allocation, unclear responsibility, and low quality programs due to diversification into broadcasting planning, production, scheduling and transmitting; thus, an authority responsible for these aspects is encouraged.

4.3.7. Administrative Aspects of Independent Broadcasting System

It can be said that education broadcasting had taken a major step forward in the 1990s. After EBS separated from KEDI, it was managed and supervised by the Ministry of Education, Science and Technology (MEST) and became a government-supported organization, To strengthen the status as an education professional broadcaster, EBS became a completely independent organization, no longer dependant on KEDI for security of content or finances.

Efforts to develop EBS have been attempted. For example, in July 1993, employees in EBS got together to form the "Promotion Committee to establish Educational Broadcasting System." It expressed the will of broadcasting employees to make education broadcasting a corporation. With its own trademark and patent registration, it strengthened its position as a professional education broadcaster through reorganizing its central information system. The central information system integrated the existing computer environment, operated by individual tasks in the broadcasting station, into an entire network, and by preserving and managing data through systematic data processing, which maximized its efficiency.

As a government-supported organization, EBS supported the policy under the supervision of MEST, and continued to support educational policies as an independent organization. When EBS separated from KEDI in 2000, it had to rely on its own broadcasting development fund and profits from TV license fees, and text book sales.

EBS continues to develop its own programs, deliver the highest quality education content via the Internet, along with securing ground-wave, radio, and satellite channels. To achieve the synergy effects, it adjusts and manages its broadcasting system efficiently. For example, in 1992, EBS signed a program supply contract with Korea Telecommunication (KT) Cable Pilot Project Team. Operating its own pilot broadcasts, EBS opened the path to view or review its programs on cable.

In 1993, by participating in the total cable broadcasting project, EBS provided high quality programs through education channels for middle/high school students and adults. Thus, while maintaining complementary cooperation with existing public education broadcasters, EBS tried to secure the universal viewer's rights by providing a variety of education programs to the public. Through various media, program review via Internet, satellite broadcasting and providing education contents, EBS provided more opportunities to viewers and listeners.

During this period, EBS established a firm position as a professional education broadcaster. By expanding the opportunities for social and lifelong education through a variety of media, Internet or satellite broadcasting, there was qualitative improvement in programming. In the 1990s, EBS moved away from one-way TV and radio programs and provided more interactive educational opportunities to students. By holding and supporting numerous events, such as competitions and youth festivals, EBS developed its base of viewers and listeners.

Over the last twenty years, EBS has developed high quality educational programming to become a professional education broadcasting network. In its early stage, programs were based on the university entrance examination. Today EBS has been established as the foundation of public broadcasting. EBS produces and broadcasts a variety of programs, from elementary/middle/high school students, adult education programs, drama, cultural and documentary programs.

EBS cooperates with several relevant organizations to find and prepare theoretical and technical growth engines, using them as stepping stones for EBS development. For example, EBS signed an MOU with KEDI to create a foundation to vitalize the education-related research and co-development programs. By signing MOUs with professional organizations, like the Korea Astronomy & Space Science Institute (KASI), EBS is able to co-produce and apply broadcasting programs, educational data, web content, technical information, publication and

media with experts in their professional arena. EBS has cooperated with the Korea Educational Research and Information Service (KERIS) closely. For example, KERIS launched an Internet web-site for preparing college entrance exam.

4.3.8. Multimedia Broadcasting Aspects

EBS continues to use new media to meet consumer demand. When EBS Internet broadcasting was established they provided web casting services. In 2001, EBS started a HDTV broadcasting service. By investing in a digital mobile broadcast van, EBS achieved quality improvement to its programs. A Satellite EMB (EBSu) service was also opened, and since 2005, EBS has expanded its daytime broadcasting so that more viewers can watch the education broadcastings at their convenience. To reduce the private educational costs, and expand the foreign language broadcastings, EBS ENGLISH and EBS AMERICA were established to expand the educational opportunities for Koreans abroad.

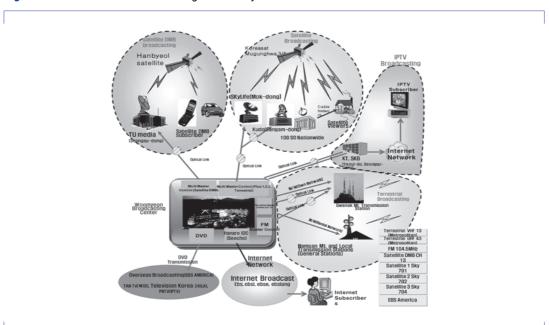


Figure 1-8 | Education Broadcasting Service System Chart

As shown in [Figure 1-8], EBS, as a formal broadcasting station, is able to provide systematic media educational services by keeping up with new technology, such as ground-wave broadcasting, satellite broadcasting, satellite DMB, IPTV broadcasting, and Internet broadcasting, etc.

4.3.9. Social Responsibility of Education Broadcasting

EBS has contributed to providing equal access to education and promoting cultural activities to all regions in Korea, living up to its name as a public broadcasting corporation. EBS supports community service programs and projects that benefit the underprivileged. For example, through the 'Studying room of love - four feet bicycle', EBS supports underprivileged children by providing them with study rooms. EBS increases services for viewers by increasing the events for young (child) viewers with a daytime broadcast schedule. For disabled people, EBS provides sign language and caption support. EBS has carried forward the educational text book support project. As a part of an initiative to reduce the private educational costs, and strengthen the internal stability of public education, youths in low-income families can take the EBS college scholastic ability test using EBS provided text books. 170,000 text books were provided to 56,000 students in 2009. In 2010, the scale of support was expanded to 874,000 text books (about 5.98 billion won), which have been provided to 201,000 students in elementary, middle, and high schools. EBS has been instrumental in providing educational benefits to underprivileged citizens. EBS also addresses social issues by producing programs and dramas related to multicultural families in society.

As a public interest organization, EBS must be socially responsible, and therefore should strengthen the public management capability of EBS. For high school seniors, EBS holds the "Beautiful night, our radio" show, "World music travel" show, and 'Surprise English Show!' which are new concepts in English study. By supporting public shows like the, "Pops English", special public broadcasting like "Day of science", public lectures like "Discussion lecture" and lectures on successful careers for office employees, EBS improves program quality and respond to customer's requests. Viewers can visit EBS during the recording of programs as well. To realize the lifelong education through educational documentaries, EBS produces large documentaries to fulfill their role as a lifelong educational organization. The table below summarizes the social and cultural performance contributions of EBS.

Through the cultural programs and continuous content through e-learning provided by EBS, viewers can learn about high class cultural art. EBS also supports programs for Koreans abroad (EBS America, etc.), provides free content and educational opportunities to underprivileged citizens (distribute the scholastic ability text book for free), produces and broadcasts various programs on a variety of topics like education, culture and art and charity programs. EBS creates a social donation culture, and takes its role as a public broadcasting station seriously. It seeks to make an impact not only in Korea but also in the international community EBS helps developing countries push ahead in educational broadcasting by supplying EBS content, co-producing or providing financial support for educational broadcasting projects.

Table 1-10 | Regional, Social and Cultural Contribution Performances of EBS

Sort	2005	2006	May, 2007	Total
EBS Space Free Show	249 times	250 times	100 times	599 times
Hosting EIDF International Documentary	Broadcasting 100 episodes for 7 days	Broadcasting 100 episodes for 7 days	Broadcasting 100 episodes for 7 days	
Support unfortunate elders through <filial Duty Guide 0700></filial 	780,560, 000 won	690,440, 000 won		1,471,780, 000 won
EBS Space Free Exhibition		18 times		18 times
<four bicycle="" feet="" love="" of=""> donations</four>		31,240,000 won		
<robot power=""> Gyeonggi region public broadcasting show</robot>	17 times	50 times	19 times	86 times
<gather around="" dingdongdang=""> national tour</gather>	52 times	(85,000 persons)	52 times	(86,000 persons)
<bbungbbung and="" yaah=""> national tour</bbungbbung>	47 times	26 times		73 times

4.4. Possibility of Application

Social discussion on the role and function of EBS has progressed, and is focused on the complex education environment in Korea, or the re-organization of the entire broadcasting system, rather than the independence or professionalism of EBS. This means that the discussions are unrelated to the role or performance evaluation of EBS. The significance of existence and direction has been discussed using the political and economic logic of the broadcasting environment. In regards to educational problems, although the problems lie with the educational system in Korea, it has been the responsibility of education broadcasters to provide solutions like the scholastic ability study broadcast, etc. The path that EBS has followed, from KBS 3TV and the Korea Educational Broadcasting Center to the current Educational Broadcasting System, shows how EBS has adapted to the situation well. For the reformation of the broadcasting system, recent problems were discussed, because EBS tends to be move forward without enough evaluations on its role as the education broadcasting system of Korea.

4.4.1. Status of Education Broadcasting in Korean Educational System

Educational TV broadcasting is a media that delivers information and content by using sound and video. Thus, educational broadcasting on TV is characteristically wider in scope, one-way, saturated with images than print media but more mechanical than instructional delivery through conversations. Wider in scope means that the same information can be delivered over wider areas simultaneously. As a result, time and distance restrictions can be overcome, and educational objectives and activities can be expanded. Educational broadcasting on TV consists of a signal which makes fast and accurate broadcasting possible over wide areas. Thus, students in rural areas can be guaranteed the same educational opportunities as students in urban areas. By enhancing visual data using voice and video, detailed and realistic delivery of instruction is possible. It can also be used to affect students' emotions and behavior by making programs that seem real to the viewers. Educational broadcasting can also be economically efficient by being able to reach so many students with just a few programs. However, one disadvantage of TV educational broadcasting is that it is a one-way information delivery method, and conducted without knowing the response of the viewer and by indirect delivery through machine.

Depending on the objective viewer, positive and negative effects of TV educational broadcasting can be explained; it is an effective stimulation suitable for the development stage; it improves concentration and understanding due to education and entertainment; and it expands abstract thinking through visual image, which has been suggested as a benefit of TV educational broadcasting. It has been mentioned that the formation of daily and simplified programs can hinder thinking skills and creativity among viewers who watch the programs. The negative effects of educational TV broadcasting has been a decrease in verbal information and character reading abilities due to the provision of data that is focused on audio and visual. To use TV educational broadcasting as a case in point, cases of excellence can be referred to from other countries, considering these kinds of negative effects. In the case of American children educational programs, or "Street", a basic science program on NHK, in Japan, is considered as successful cases.

After the turn of the new millennium, tools to provide educational broadcasting have diversified due to rapid development of information technology. In the case of Korea, educational broadcasting services (DMB) using popularized communication systems like cell phones, increases accessibility. In Korea, as various media such as; radio, TV, satellite, DMB, Internet, IPTV, and smart phones developed, a variety of services became available. Through the use of these advanced technologies, education contents and information can be provided to more consumers expeditiously. Also through these processes, demands of educational broadcasting have increased continuously.

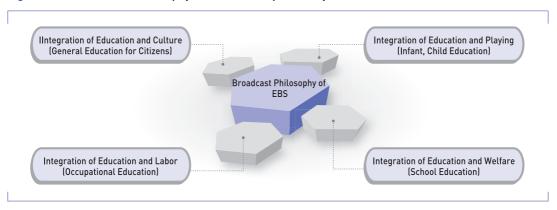
Educational broadcasting can be used as a tool to resolve the polarization of education. In other words, while public education system loses position, due to excessive private education, active use of educational broadcasts can reduce the share of household budget committed to private education costs. It can also reduce the burden on the amount of studying by students. Thus, the education authority announced that they would set the college scholastic ability test using more than 70% of "EBS College Scholastic Studying" program. This announcement by the education authority provides the equality of education opportunity that anyone can receive the high quality of education while it maintains the importance of EBS educational broadcasting.

EBS also pushes ahead the various plans for public welfare. For example, EBS helps people in need through the 'Good Neighbors' social contribution program. EBS also allots about 1.5 billion won in the budget to provide educational broadcasting textbooks to about 120,000 students whose families have no enough money to buy them textbooks. Moreover, EBS supports signing and captions for its broadcasts for viewers who are visual or hearing challenged.

After becoming a public corporation in 2000, conditions like the continual access to the Internet and the digital revolution, as well as serious challenges in market opening, have posed difficulties for EBS to overcome. Establishment of a new philosophy for EBS, as a public educational broadcaster is constantly emphasized.

The concern whether EBS cannot do away with its image as a University entrance exam / private teaching broadcaster has been repeatedly suggested. Even in program planning and organizing, it is pointed out that it should aim to become a social education broadcaster with a broader mandate, and not be limited as just broadcaster for learning. To do this, it should attempt to refocus its data based programs, and not just develop programs which fit into school curriculum. EBS should also shift its role from being Instructional Television (ITV), that supplements school education to Educational Television (ETV), which includes life-long education. After 1994, and in 2000, its aim as IETV (Instructional & Educational TV) included both concepts, after becoming a public corporation. However, in the strict sense, whether it is showing a harmonized combination between the two through its programs and services, is still under question. Maybe it is showing two co-existing roles, not mixed. The EBS PD association is developing the broadcast philosophy and social responsibility of EBS as follows.

Figure 1-9 | Broadcast Philosophy and Social Responsibility of EBS

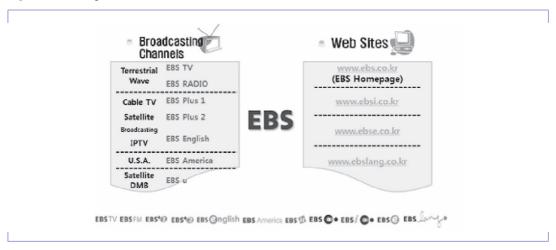


Here, the role of the educational broadcaster, which includes all areas of education is suggested. It shows the mission of public broadcast, which contains the responsibility for education, but the possibility for its realization still remains as its task. It is because it is actually difficult to realize all of the broadcast philosophies through its programs and services under poor financial situation and manpower.

Recent selection and concentration of EBS in certain business areas is a serious effort to minimize such difficulty. For example, they highly regard the university entrance education and English education areas. This is justified through a reduction of private education costs, and lessening the educational gap, which are national level tasks. In a broadcast environment, which gradually increases competition and the dynamics of the industry, EBS's survival is focused on such areas, it can in fact threaten its basis for existence.

EBS perceived such a crisis and is currently making multi-lateral efforts to contain industrial competitive power, based on its knowledge and history regarding the production of knowledge based contents. It is redefining its identity as a premium knowledge-based content provider, and a knowledge portal, which includes ground wave TV, satellite channel, and the Internet. In the future, it is predicting that the importance of knowledge based contents in the media environment will be much greater, so environmental changes to new media based on such carriers will be an opportunity and challenge for EBS. Knowledge based contents is the most necessary product, when various media such as ground wave, satellite, radio, Internet, DMB, IPTV, and etc are digitalized. The slogan of EBS broadcasting company has changed from 'Very good broadcast' to 'knowledge channel', and is the result of perceiving such necessity. However, regarding how such effort would contribute to the identity of EBS, should be discussed more in the future.

Figure 1-10 | Organization of EBS Broadcast Channel



Its possibility as a knowledge-based channel, becomes more conspicuous, in the Internet University entrance site (ebsi), English education site (ebsE), language education site (ebslang), etc., which EBS is operating better than other ground wave broadcast companies. The sites are recording a considerable number of member hits, by linking the viewers with other broadcast programs. Through this, vital consumption of contents is rising. Production of knowledge-based contents which correspond to the demand of users (including audiences) through two-way communication is consumed through the knowledge portal. It enables prediction of the possibility for a more active business profit model.

4.4.2. Educational Broadcast as Independent Broadcast System

The educational broadcast system of Korean TV went through various test broadcasts and preparation from the 1960s to the 1970s, and has developed along with the foundation of Korean Educational Development Institute (KEDI) in the 1970s. However, the broadcast operation plan in the early days went through great difficulty due to a deficient transmission system and unstable operation. As a result, it separated its production and transmission. Such incidents occurred with the broadcast being halted due to insufficient budget support. Such phenomena can explain why there are no institutes managing or operating all matters related to educational broadcasts.

Educational broadcasts in Korea obtained its position as independent channel (TV (UHF) and FM, each 1 channel) only after the 1980s. The period when educational broadcasts were actually performed professionally was after the exclusive channel for educational broadcast was confirmed, in 1981. Because research, planning, production, and transmission of school

programs are still separated, it followed considerable limitations for the broadcast to work independently. Viewing the problems of the educational broadcast at that time are the following reasons. 1) Organization of the whole channel was ambiguous, and because it was focused on school education it was not linked in harmony with social education and life-time education. 2) Because morning broadcasts was not allocated, schools had to use recorded programs 3) Its content did not maintain equality for each school level, grade, and curriculum, and showed one-sidedness 4) Its reception was poor due to UHF transmission 5) Regarding budget operating method such as production cost, labor cost, and etc, there was a large gap between KEDI and the Korea Public Broadcast Company.

During the second half of 1980, after 'TV high school home study' was broadcasted, there was a strong insistence that educational broadcast should be unified. The necessity for independence of educational broadcast suggested by KEDI at that time is as follows: First, because educational broadcasts contain professional educational R&D team, it can emphasize its educational aspect. Second, because its bond over the nation with front line schools, research schools, educational committee, and other educational institutes is strong, it can reflect the demands of such institutes enough, so it can operate school, life-time, social, broadcast and communication education, in harmony. Therefore, the necessity for an independent educational broadcast system emerged. In Dec 1990, the Korea Education Broadcast began as a national professional education network broadcast. By the law of Korea educational broadcasting, in the late 1990s, it became completely separate from KEDI, and developed as an independent broadcast institute which had autonomous rights to organization, human resource, and finance.

Settling the development of Korea educational broadcast according to age is as follows.

Table 1-11 | Main Business Performance Content of Educational Broadcast according to the Condition of Age

	Main business	Description	
Period of Early	Establishment of Korea Educational Development Institute	Installation of an education broadcasting station through establishment of KEDI	
Broadcasting (1974~1989)	Production of Education Program	Great qualitative increase of education programs in th late 70s	
	Search for Various Educational Programs	Searched for development ability of programs related to lifelong education	
Government-supported Education TV High School Broadcasting TV High School Home Study	TV High School Broadcasting	Education broadcasting focused on college entrance test preparation	
	TV High School Home Study	Explosive popularity of education broadcasting	

	Main business	Description	
Broadcasting	Launch of EBS	Became independent as Education Broadcasting System in 1997 from educational broadcasting affiliated with KEDI in 1990	
System (1990~1999)	Improved Program Production Abilities	Produced various programs such as documentaries, and etc, and began live broadcast	
	Hosted Educational and Cultural Events	Opened various educational and cultural events including Creative Song Contest, marathon and such	
	Revitalization of English Education Broadcasting	Withdrawal of elementary curriculum education through radio, and expansion of English educational broadcast for adults	
	Provision of Scholastic Ability Education Broadcasting	Provision of scholastic ability broadcasting for preparation of college scholastic ability test	
Education Broadcasting as an Independent	Establishment of EBS Network	Active exchange with domestic and overseas institutes and becoming a member of Asia and Pacific Broadcasting Union	
Public Corporation	Opened EBS Online Lectures	Expansion of study opportunity through the Internet	
(2000~Present)	Application of New Technologies	Establishment of various broadcast systems utilizing new technologies such as DTV, IPTV, satellite, DMB, and etc	
	EBS English Education Broadcasting	Establishment of EBS English as English education specializing channel	
	'Bandi' service	Visual-radio service utilizing the Internet communication	
	EBS Visitors Center and EDIF	Provision of chance of visiting broadcasting sites for viewers and listeners, and opening worldly event through hosting international documentary film festival	

4.4.3. Contribution to Society

To take its best responsibility as a public broadcaster, EBS is making an effort to actively contribute to society by opening various events and supports. It is making efforts to narrow the gap between cities and rural areas or different local educational levels. It is hosting and supporting various programs and contests for social participation by teenagers and adults, and based on its public confidence, it is providing an opportunity for participation for people of various social ranks, by preparing many contests and cultural programs.

From an educational aspect, it is making efforts to support the business of broadcasting equipment and computers in schools, and for students in rural areas. It is making an effort to lessen the digital and cultural gap by supporting various cultural events. It is estimated that

University entrance exam lectures, and related services of EBS is providing opportunity for education for good quality education to students in local areas which do not have the privilege of private education, or with poor family conditions.

EBS is making various efforts, as public broadcaster, even in cultural aspects. For example, language studying program for multi-cultural families is being perceived as leading and very important cultural business in Korea, which is facing the multi-cultural age. It is broadcasting programs for the socially weak, such as the aged, low-income class. It is looking for improvements while finding their difficulties. It is performing fund-raising activity for them, and such program raise funds being used for the improvement of welfare, is touching people's hearts greatly though it is quiet in its aspect.

Above all, educational broadcasts contribute to society and can be the expansion of an educational opportunity. It can also be said that, the program for University entrance basically prepares and provides opportunity for good quality education and lessen the gap between cities and farming areas. Educational broadcasts which began from such purposes, provide good quality life-time and social education programs by including all curriculums of elementary, middle, and high school along with University entrance exam, and it is contributing much to the expansion of opportunity and the equality of education. As an example, currently Korea is having many multi-cultural families, and they are going through difficulties such as learning Korean language at home. KBS is producing Korean language programs to help them learn Korean language and the culture, and it is providing a stage for life-time education to all people, by producing and distributing general studies and culture programs.

EBS is supporting high quality cultural activities such as classic or concerts. It prepared a program such as the classic concert for teenagers, and is helping the public to reach such high culture easily. As a result of such effort, EBS came to have its social contribution recognized such as being selected to social contribution channel.

4.4.4. Educational Policy and the Role of EBS

The University entrance exam, broadcast by EBS has gained great popularity after it began, in response to the Ministry of Education's policy for reducing private education cost in 2004. It was pointed out that it actually reduced private education costs, and gave much help to the alienated classes, but also that it is a private extra-curriculum broadcasts which distorted public education, which was highly opposed. However, the University entrance exam broadcast lasted for years, and it proved its effectiveness. Now it is judged that the broadcast has gained its position in a certain degree. The University entrance exam of EBSi, through the Internet, was estimated that it was utilized by a considerable number of students due to its convenience. The

rate of linkage with the 2008 University entrance exam and EBS University entrance exam textbook was 78.7%, and in 2007 it reached 80%. Adding to this, the Korea Communications Commission (KCC) allocated 260 million won for the distribution of the EBS University entrance exam broadcast for the visually and hearing disabled people in 2009.

Of course, arguments regarding the efficiency of the University entrance exam broadcasts still remained, but it is a general estimate that the University entrance exam lectures, which began as satellite channel should be expanded to Internet lectures. In 2007, according to the R&D report, presented by KEDI, it was shown that its performance was regarded to; increase the utilization of EBS University entrance exam lectures, positive effect in the improvement of school grade, relief of the gap among local areas, repressing effect of private educational cost, and etc.

The Korea Educational Broadcast has made efforts to progress educational broadcast in various forms and methods while appropriately handling, according to the changes of government policy. Regarding the changes in the government, it is considering providing more information and opportunity for education, such as the University entrance exam education. In the aspect of social and life-time education as educational broadcast, whenever sudden changes in the state of affairs and educational reformation plan occur, it can affect the educational broadcast's emergence. A representative example, the correspondence of educational broadcasts, according to the introduction of University entrance exam, and the announcement of innovative English education plan can be viewed. As the new University entrance exam system was established, schools and parents, as well as schools, went through much confusion. EBS proved the effectiveness of its educational broadcasts by providing the University entrance exam lecture service, as well as necessary information and the type of the exam to them. In 2007, as the plan for innovative English education was announced, EBS greatly strengthened its surplus English programs through EBS English Channels, and the Internet English studying site, which provided good quality contents while increasing the opportunity for good quality English education to the public, supporting the policy of the government.

After the 1980s, the role of EBS, according to the content of government policy, can be arranged in a chart as follows.

Table 1-12 | Government Policy and the Role of EBS

Year	Content of Educational Policy	Role of EBS
1980	Full prohibition of private teaching (Educational settlement in Jul 30)	- Started as "TV high school" broadcast
1989	Partial allowance of private teaching	 Implied reflection of EBS program in University entrance exam (Chung, Won Sik, Minister of Education) Broadcasted "TV high school home study" inviting famous instructors such as Seo, Han Sem, and etc which about 90% high school students watched and utilized
1994	Introduced new University entrance exam system	- Satisfied the desire of test takers with broadcast program reflecting the tendency of the new exam
1997	Performed all round satellite educational broadcast	 Operated 2 satellite channels as channels for study Provided technical service regarding satellite receiving channels in the nation
2000	Full permission of private teaching according to the decision of the settlement of prohibiting private teaching as unconstitutional	 Special instruction of the President to utilize EBS as supplementary school education material Provided University entrance exam program utilizing ground wave and satellite
2004	Stabilization of public education and curriculum (Strengthened the weight of academic record and essay)	 Established EBS broadcast and Internet University entrance exam lecture, and also provided study program Expanded Internet EBSi University entrance exam site for supporting e-learning and provided various services
2007	Announced innovative English plan	- Established EBS English education broadcast and Internet studying site
2008	Expansion of reflection of school life record and operated University score ranking system	- Expanded lectures for academic score and for essay in University entrance exam

4.4.5. International Sharing of Educational Broadcast Experience and Performance

EBS has performed activities, sharing its latest performance and learning many merits with other groups, through constant and active exchanges with other broadcasting institutes or nations, domestically and internationally, while firmly holding its position as a professional educational broadcasting network. It has been visited by politicians and broadcasting groups from developing countries. It made an effort to establish a public broadcast network, with a

cooperative and active attitude. It also gave advice, and consultations making efforts for mutual exchange even in international meetings or events.

EBS had visits from 360 overseas broadcast related personnel from 35 countries in 2008. In 2007, 326 foreign broadcast professionals visited EBS from 46 countries. EBS is recognized as a successful educational broadcast throughout the world. In the digital media environment, it is the leader of e-learning and as public educational broadcast, offering a publically beneficial service; it is selected as the bench mark for many countries. However, if EBS was only an e-learning business entity, it would not have gained such world attention, no matter how outstanding its performance was.

4.4.6. Implications to Other Countries

4.4.6.1. Established Form of Educational Broadcast

There would be no country which would not agree to the necessity of developing human resources for national development. To expand the educational opportunity of the people, educational broadcasts; develop and distribute necessary motion picture material for school education; supplement school education by providing broadcast lectures so that learners can study their at home by themselves; easy education support for students by providing in-depth programs regarding the content of curriculum; and help the students to discover their career aptitudes through experience programs. Provision of various documentaries and programs for the people's general education level, in the life-time education program performs an important role in supporting life-time education for the people. However, despite such various functions, educational broadcasts should clearly define who should be the audience, and how the programs should be produced and broadcast, from the stage of discussing its establishment through indepth discussions regarding why educational broadcasts are needed, considering the national level demand, budget condition, sentiment of the people, etc. to avoid trials and errors.

Above all, to establish educational broadcasts, policy support is inevitable. It is different from commercial broadcasts because; it has a different purpose, provides an opportunity for life-time education for the people, it should be approached in the national level. Because educational broadcast itself can affect the whole nation greatly, interest from the political field, as well as the people need to be gathered. Therefore, maintenance of system and law should be surely progressed from the initial stage of establishing educational broadcast, and clarifying the subject of operation is the method for reducing trials and errors. For this, it is clear that national support is required. Regarding finances, because educational broadcast itself has strong public character it is difficult to create profit or perform as a profitable business. Therefore, support by public finance or national support is necessary. For such purposes, there can be methods of collecting license fees from the people, or gaining support from the national budget.

Confirming professionalism as educational broadcast is also important. The Korea Educational Broadcasting Corporation is processing the establishment of a technical basis and the introduction of new technology, through an information and technology R&D center, to confirm broadcast - technical professionalism. Through the Korea Broadcast R&D center, it is preparing the basis for constant development by researching the role estimation and direction of educational broadcast.

Reviewing the establishment of the educational broadcasting company, various forms can be considered, based on the example of Korea. The educational broadcast company system, as a perfectly independent institute of Korea, is a case which cannot be found in the world. However, reviewing the systems it had been through until now during its development, the form of broadcasting company, which fits the condition of each country can be composed. Currently, according to the condition each country is going through, the following forms of broadcasting company systems can be reviewed. These are; the form of experimentally performing educational broadcast when educational broadcast does not exist in the early stage; the form of educational R&D institute cooperating with social broadcasting institute, separating production and transmission of educational broadcasts; the form of operating by government contracted institute, which is having a certain level of government restriction. Finally, the independent form, such as Korea educational broadcasting company, though affected by the government at a certain level. In the stage of organizing an educational broadcasting company, the experience of Korea can provide much information.

In the case of Korea, it cannot be denied that educational broadcasting actually emerged and revitalized as correspondence and enthusiasm for education grew, and reduced private teaching. But as educational broadcast came to hold its position, it is true that it came to confirm its identity as an educational broadcaster. A pioneer in welfare and life-time education for people through various businesses, more than any other group. The reason for such is, not only because of the government's support regarding policy and system, but were it not for the consideration and effort of educational broadcast related personnel to help establish the identity of educational broadcasts, it would have been impossible. For such reason, it can be said that help from the academic field and broadcast related personnel, combined with a philosophical approach would be vital in establishing and maintaining an educational broadcast company.

4.4.6.2. The Role of Educational Broadcasts

Educational broadcasts should have sincere consideration regarding what kind of role it should take for the development of a country. To ultimately achieve a futuristic or balanced development in the nation, it is a true fact that educational broadcasts have a great role. Viewing the role educational broadcast can take; it can achieve its original purpose by providing

supplementary school education; it can develop human resources through support for life-time education, general education for citizens, and occupational education programs.

In the case of Korea, the factor which was most effective in the beginning development of educational broadcasts, and the establishment of an educational broadcast company, was the emergence and gap in the importance of school education and the need for some assistance. As Korea's economical development rapidly proceeded, the people's enthusiasm for education became higher than any other country. As the public education system could not change fast enough, the private teaching market developed. The development of such private teaching markets negatively affected the lives of the people, and had side effects such as unequal opportunities for education, and a worsening gap between cities and farming areas. To relieve such problem, educational broadcasts emerged as the only choice. It contained a system which could deliver good quality education programs to students regardless of local area and level of income. In addition, gaining strength from the development of media and communication technology, it has broadened the opportunity and choice for studying by utilizing traditional figures such as radio and TV, but also the merit of new media such as Internet, satellite broadcast, DMB, IPTV.

Educational broadcasting is a business which can be in the national interest, and affects all the people, ultimately it greatly affects the human resource of the country. By containing programs for general public education, the broadcast system and program can educate professional knowledge and discernment. It can improve the people's level. Furthermore, it affected the level of the whole nation, because broadcast systems and programs can take a great role in developing national and human resources. In-depth consideration is necessary, regarding how educational broadcast should prepare, and what role it should take. For example, in the case of Korea, it prepared to enhance people's English level, by selecting and concentrating in English education, and transmitting good quality English education program, to the whole people.

In addition, educational broadcasts can take a large role in gaining and delivering professional knowledge to individuals related to certain areas, but also at a national level. It is linked to even occupational education. Along with the basic content in professional areas, contents using the latest technology and information can bring enough education effectively through educational broadcasts. It is an appropriate alternative form of remote education, for the people who cannot receive education at the proper time, due to the problem of time or distance. Besides producing programs regarding occupational ethics and information of various occupations it can help job seekers become job ready, and by providing proper information regarding jobs, it can help them select the job which fits their aptitude.

The role of educational broadcasts, from the aspect of general education for the people, is also important. Under the system of educational broadcasts, programs which were difficult to broadcast due to low ratings, or negligence of previous broadcasts can be held to provide general education, and encourage cultural in the people. It can provide an opportunity to improve the level of the nation and society a step further, by producing high level cultural and general education programs such as classical music, or a variety of programs which support the socially alienated.

Finally, as the information oriented \cdot knowledge based society emerges; one of the things the people need the most is provision of life-time study and an opportunity for life-time education. Educational broadcasts can be the most efficient alternative. Through educational broadcast programs, new knowledge, skills, and knowledge the people need can be delivered most efficiently. The point that educational broadcast is the most efficient means for providing an opportunity for life-time education becomes its basis for existence.

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Securing Stable Revenue Source for Education through Local Education Financial Grants

- 1. Introduction of Local Education Financial Grants Program:
 Background
- 2. Description of Local Education Financial Grant System
- 3. Institution Method of Local Education Financial Grants
- 4. Evaluation
- 5. Lessons

Chapter 02

Securing Stable Revenue Source for Education through Local Education Financial Grants

Sunho Lee (KEDI)

<Summary>

The Local Education Financial Grant Program is one of the major sources of local education finance, and the introduction of the Local Education Financial Grant has made a significant contribution to stabilizing education financing through legislation of the criteria used to secure and distribute revenue sources for local education in Korea.

The Local Education Financial Grant Program, since its establishment in December 1971, has undergone numerous revisions over the past 40 years. The six-year plan on compulsory education which was launched in 1954 has led to a rapid growth in the number of schools and students. This in turn, created a growing need for secondary education at the end of 1960s. In order to meet such demands, the Compulsory Education Financial Grant and the Local Education Shared Tax Programs were consolidated into the Local Education Financial Grant. The purpose of the new program was to provide municipalities with full or partial state funding for establishing and managing educational institutions or educational administration institutions, thereby promoting balanced development in education. It is a system which allows the state to support a municipality's educational funding to provide equal educational opportunities to its citizens by redressing any imbalances and qualitative disparities in education which are caused by variations in the level of financial independence among local governments and disparities between rich and poor municipalities.

This paper explains how Korea's Local Education Financial Grant System, as an institutional tool for securing stable funding for education, has evolved. It touches upon past revisions of the Local Education Financial Grant Act, and describes the process by which the

financial grants for local education was instituted from three perspectives: 1) changes in the polices and systems of education; 2) changes in the internal tax fixed rate; and 3) changes caused by various reforms of the tax system. This study also explores how the process of adopting the Local Education Financial Grant System gave rise to conflicts among different government ministries, agencies and local governments.

Lastly, based on Korea's experiences in achieving stable education finance through the Local Education Financial Grant System, this papers offers four strategies designed to help developing countries secure stable revenue source for education and further advance their education system. First, revenue sources should be secured through legal budgets in order to achieve stable financing for education. Second, the education finance administration system should be established independently. To ensure the independence, autonomy and political neutrality of the education administration, it must be separated from general administration. Third, a scientific approach to the distribution of education finance is needed to improve the transparency and efficiency of the education finance management. Lastly, the politics must be effectively utilized so as to secure the required finance for the education.

1. Introduction of Local Education Financial Grants Program: Background

The Local Education Financial Grant is one of the leading sources of revenue for local education. The system contributed greatly to stabilizing education financing through legislation of the criteria used to secure and allocate revenues for local education financial resources. This chapter discusses the background and purposes of the introduction of Local Education Financial Grant System from a financing perspective.

1.1. Changing Educational Conditions and System at the Time of Introduction of the Program

The existing Local Education Financial Grant Act was first legislated on December 28th, 1971; and for the past four decades since its enactment, it has undergone a number of revisions. One of the reasons cited for establishing the law back in 1971 stated: "The abolition of the middle school entrance exam allowed virtually all aspiring primary school students to advance to middle school, and this unavoidably brought about a dramatic growth in secondary education institutions. Furthermore, a debate over the expansion of compulsory education to include

middle school education surfaced, and so in order to ensure efficient distribution and use of resources to meet the new-found financing needs for secondary education and to normalize compulsory education, the plan was to consolidate the Compulsory Education Financial Grants and Local Education Shared Tax, which used to be separate funding sources, into the Local Education Financial Grants to allow for reasonable execution of the grants." (National Law Information Center: www.law.go.kr) Such a change is attributed to a shift in educational conditions and policies.

1.1.1. Educational Conditions and Circumstance at the Time of Introduction of the Program

The six-year plan (1954-1959) on achieving compulsory education, which started to be implemented from 1954, led to rapid growth in the number of elementary schools and students. However, the secondary education institutions at the time could not keep up with the growing number of students graduating from elementary school. This circumstance gave rise to intensified competition among primary school students for entry into middle school in the late 1960s, resulting in a growing number of students that repeated the entrance exam, and thus, a boom in private tutoring to gain admission to middle school. In order to address this, the middle school entrance exam was abolished from 1969 onwards, leading to an increased number of students advancing to middle school. This prompted policies such as building new schools, recruiting more teachers, and increasing the proportion of public middle schools. These policies eventually caused the high school entrance exam to overheat in the early 1970s. To resolve this problem, the high school equalization policy (which abolished the high school entrance examination and assigned students to nearby high schools randomly) was put in place in 1974. Establishment of the policy, in turn, led to a growing number of high schools and more teachers.

Aside from the changing climate in the education system, the initiation of the five-year economic development plan from the early 1960s increased demand for engineers and industrial workers, bringing a strong emphasis on vocational education. In the 1970s, due to the influence of Korea's economic development plans, education policies emphasized vocational high schools and junior colleges.

With these changes in educational policies and growing demand for secondary education, there was a dramatic increase in education spending in the 1970s. However, such an increase was not enough to meet the increased demand, and the budget shortfall in the finances of local education was a serious problem. In particular, the reform policies that abolished the entrance exam for middle schools and high schools in 1974 made it difficult to differentiate school tuition between public and private schools that were in a designated school equalization zone. Such a policy led the government to help supplement financing for private schools. The

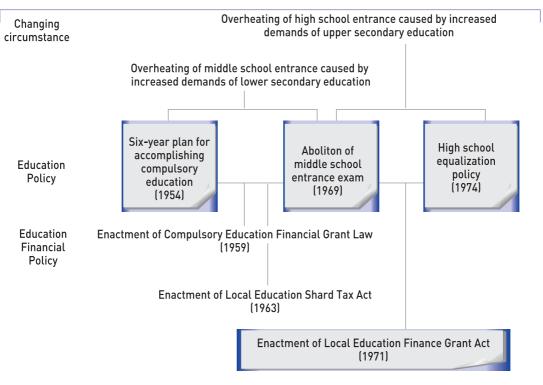
growing call for private school funding prompted the government to provide financial support to private middle and high schools.

1.1.2. Introduction of Local Education Financial Grant Program

Changing circumstances in the educational system call for change in educational policies, and implementation of such policies calls for more money. Whereas the six-year plan for accomplishing compulsory education expanded the demand for education finance, the lack of clear-cut criteria to allocate funding in a reasonable way intensified regional divide. Against this background, the Compulsory Education Financial Grant Law, a predecessor of the Local Education Financial Grant Program, was enacted in 1959. The Law was aimed at securing stable funding for compulsory education by delivering required funding in local areas in need of funding to promote balanced development of compulsory education across different regions (Yun-tae Kim, 2001:407). With the success of the six-year plan, the number of elementary school students who got into middle school increased, and to meet the rising demand, the Local Education Shared Tax Act was established in 1963. It was an institutional mechanism that required the state and not the local government to fund the salary of middle school teachers and staff.

The middle school entrance exam was abolished nation-wide between 1968 and 1971, which drove up the demand for secondary education. However, the Local Education Shared Tax alone could not pay for it (Yun-tae Kim, 2001:401). In December 28, 1971, the Local Education Financial Grant Act, which combined the Local Education Shared Tax and the Compulsory Education Financial Grant, was enacted. As such, the Compulsory Education Financial Grant Act and the Local Education Shared Tax were integrated, and half of the salaries for middle school teachers were paid for by the financial grants, not by a national treasury subsidy. Before the Law, all salaries (including sundry allowance) of primary school teachers were paid for by the Compulsory Education Financial Grant and half of the salaries of public middle school teachers were financed through national treasury subsidies. However, the introduction of the Act meant that the two sources were merged and included in the grants system.

Figure 2-1 | Local Education Financial Grants Program: Background



Financial grants are classified as general grants and special grants. General grants cover compulsory education expenditure and miscellaneous expenditure whereas special grants are provided in case of special financial needs. General grants included funding of teachers' full salaries (including sundry allowance) at compulsory education institutions for the current year, half of the salaries paid to public school teachers (teachers of schools established and operated by the Seoul Capital Metropolitan City are not included) for the current year, and an amount equivalent to 118/1000 of total internal tax. Special grants were equivalent to 10/100 of 118/100 of total internal taxes.

Less than one year after the enactment of the Local Education Financial Grant Act, the fixed rate of 12.98% (11.8% for general grants; 1.18% for special grants) was suspended due to the enforcement of the August 3 Measure (Emergency Decree on Economic Stability and Growth, Emergency Presidential Decree No. 15 of August 3rd, 1972). For the following decade after the measure went into force in 1973, the funding for the Local Education Financial Grants was impacted by the state's budget until the August 3 Measure was lifted in April 1982.

The Local Education Financial Grant Act was introduced based on the rapid expansion of compulsory education in the 1970s, but it was suspended in the initial stage due to the nation's economic woes. However, the system has evolved over the past 40 years with changes in the education system and has served as a foundation for securing and allocating funds for Korea's education system.

1.2. Policy Objectives

According to Article 1 of the Local Education Financial Grant Act, the Local Education Financial Grant Program is aimed at "providing municipalities with full or partial state funding for establishing and managing educational institutions or educational administration institutions, thereby promoting balanced development of education." This implies that the main contributor of the grants is 'the state,' the recipient, 'the educational institutions and education administration institutions established and operated by local educational authorities,' and with the goal of, 'balanced development of education.'

In other words, the Local Education Financial Grant System is a program which allows the state to support their municipality's educational financing by redressing imbalances in educational opportunities and qualitative divides in education which are caused by variations in the level of financial independence among local governments and disparities between rich and poor municipalities. From this perspective, we can say that the Local Education Financial Grants are equalization grants aimed at ensuring equal educational opportunities by addressing the issue of differential financing capabilities among municipalities.

2. Description of Local Education Financial Grant System

This Chapter discusses the local educational financial grant system from the perspective of educational finance policies, the history of transformation of local education grant program and current local education financing structure and local education financial grant system.

2.1. Local Education Finance Policies and Local Education Financial Grant System

Local education finance policies consist of local education financing policy, policy for local

education finance allocation methods, and local education finance management policy, and all three of them are correlated. One reason for such correlation is because they are not independent elements: rather they exist within the framework of local education finance policies.

When accountability for education was assumed by local authorities, its funding was raised through local tax, the state played a passive role by providing funding support through national treasury subsidies. As such, education finance belonged to the domain of local administration. As the source of the funding started to come from national taxes, education finance was supported through a grant system, whereby a stronger emphasis was placed on the state's role, and education finance was managed by the central administration. In addition, as awareness on the importance of autonomy in education grew, the administration of job took on an increasingly independent approach which weakened the state's grip while strengthening the power of local education authorities. This allowed the revenues from local taxes in addition to national taxes to be allocated to education finance.¹

At first, local education was financed through local tax, and then the funding source changed to education tax and specific national taxes and again to total internal tax. Besides, education tax and local tax were levied on top of the internal tax to finance local education, and such a change in the funding source was related to the method through how education finance was administered.

With respect to the correlation between financing and finance management methods, the funding came from internal tax during the period when education finance was under the control of local administration. However, the separation of education finance from local administration raised the need for an independent revenue source for local education. Also, during the period when education administration was under the control of either local or central administration, the funding was allocated, split per budget line item, indicating that there was no autonomy in resource allocation. But when education administration became independent, the lump sum funding allocation approach was taken, signifying increased autonomy in finance management.

^{1.} With the legislation of the Local Education Autonomy Act in 1991, educational autonomy at the local level was promoted along the line of implementing new modes of operation. Accordingly, educational administration became decentralized and the MOE (MEST) delegated much of its budget planning and major administrative decisions to local authorities. Local administrative offices make decisions regarding education, art, and science pertaining to the respective local area.

While local educational self-governance is implemented within the larger framework of general local administration, the former was separated from the latter to protect and utilize its independence and expertise of education and the particularity of local education. There are metropolitan and provincial offices of education, as well as subordinate offices of education in counties and equivalent administrative areas.

Table 2-1 | Local Education Financing and Allocation Methods

Period	Relevant Law		Financing Method	Education Finance Management Method	Allocation Method	
1950				Local Tax Collection Period (45-58)	Period of Subjugation to Local Administration (45-52)	
1960	Compulsory			Earmarked Tax Collection Period (58-61)	Period of Independence of Education Finance (52-61)	
	Education Financial Grants Act (1958-71)	Local Education Shared Tax Act		Period of Ties to Specific National Tax (62-67)	Period of Subjugation to Local Administration (61-63)	
1970	Local Education Financial Grants Act (1971)			Period of Ties to Internal Tax (68-81)	Period of Subjugation to Central Administration [64-91]	Period of Allocation by Individual Budget Item (1959-1990)
1990				Period of Parallel Collection of Internal Tax- Education Tax (82-95)		
	Orditis Act (1771)	Local Education			Period of Lum Sum Allocation Based on Differential	
2000			Transfer Fund (1991-2005) Period of Parallel Collection of Internal Tax- Local Tax- Education Tax	Period of Independence of Education Administration (91-)	Educational Expenditure (1991-2000) Period of Lum Sum Allocatio Based on	
2010				(96-)		Required Expenditure Estimation (2001-)

2.2. History of Transformation of Local Education Financial Grants Program

The history of the Local Education Financial Grant System's transformation can be understood from the changes in polices by the way education was financed, the way education funding was allocated, and who managed the finances.. The policy changes in education finance can be classified as: 1) laying the foundation (1945-1961), 2) instability (1962-1981), 3) takeoff (1982-1995), 4) development (1996-2003) and 5) stabilization (2004- present). The policy changes in the allocation of education finance can be classified as: 1) item-by-item distribution of funding to cover required expenses (1959-1990), 2) gross distribution based on differences in education expenses (1991-2000), 3) gross distribution based on differences in required expenses (2001-2004) and 4) compromised gross distribution based on differences in required expenses (2005- present). The policy changes in who manages educational finance can be classified as: 1) subject to general administration (1945-1952), 2) independent education administration (1952-1961), 3) subject to general administration (1961-1963), 4) subject to central administration (1964-1991), and 5) partially independent education administration (1991- present).

Given the purpose of this study, the paper will focus on the financing perspective and will explain how the system as a funding institution has evolved².

2.2.1. Beginning of Debate over Local Education Finance (1949-1958)

The years following 1945 saw Korea's liberation and establishment of its government. Korea's primary schools were funded by the United States Army Military Government in Korea, and the secondary and higher education was paid for by either the founder or beneficiaries of the institutions. Between 1945 and 1948, Korean education system relied heavily on American aid, and about 80% of operating cost for secondary schools except for teacher salaries was financed by parents. The establishment of the Government of the Republic of Korea in 1948 and the enactment of the Education Act at the end of 1949 laid the groundwork for Korea's education system. The Education Act (Act 86) which was legislated and promulgated on December 31, 1949 stipulated that local education funding would be raised through local tax. It also made clear that the state was responsible for teacher salary. In addition, the Act sought the separation and independence of education finance from public finance by ensuring autonomy of local education finance management. However, this was delayed due to the Korean War and ensuing social disruption. With the 'Education Act Enforcement Ordinance' in 1952, an autonomous local education system was launched at city or county level.

^{2.} The process of transformation of the Local Education Financial Grants Program is based on the summary of materials about the Local Education Financial Grants Act (History, description and rationales of introduction/amendment), authored by Ki-chang Song (1994), the Education Ministry (1998), and the Korea Law Service Center (www.law.go.kr)

This was the foundation that served as the basis for the country's education finance system by clearly defining the local education finance system.

2.2.2. Period of Compulsory Education Financial Grants (1959-1963)

Article 71, Paragraph 2 of the Education Act amended on December 1, 1951 stipulated "With respect to educational districts, city, or special city lacking in funding for compulsory education, the entire amount of shortfall shall be supplemented by national treasury," making it clear that the national treasury would support the funding of compulsory education. But what constituted a gap in funding still remained unclear. Against this background, the Education Tax Act was enacted in 1958 to help raise funding for compulsory education which was going to be implemented as part of the 6-year plan (1954-1959) for accomplishing compulsory education. Out of total revenue, which came from national and education tax, 30% was returned to the areas where they were collected. For the remaining 70%, it raised the question of what criteria should be applied in allocating the funds to local education authorities. In order to help answer the question, the Compulsory Education Financial Grants Act, predecessor of the Local Education Financial Grants System, was established.

The Compulsory Education Finance Equalization Financial Grants Bill was first proposed to the National Assembly in February 1958, but the bill was not approved when the National Assembly session ended. The bill was brought to the National Assembly again in November of the same year. The reason for proposing the bill was cited as: "To accomplish the principle of free compulsory education stipulated in the Constitution, the Education Act requires national treasury to make up for the entire shortage amount for educational districts in need of funding, but instability remained due to the lack of legal grounds for calculating fiscal revenue and fiscal needs which serve as the baseline for estimating the shortage amount, which meant that funding could be swayed by the government's fiscal condition and suffered unreasonable cuts at times. The bill is intended to rectify this problem by stipulating by law the criteria of calculating fiscal revenue and fiscal needs amount at educational districts to identify fiscal shortage amount and to ensure balanced supply of national treasury, thereby achieving sound development of compulsory education." The title of the bill was later changed to Compulsory Education Financial Grants Act during a deliberation of the bill by the National Assembly. Also, the original provision, which stipulated that Special Grants would be provided 'under special circumstances,' was modified so that Special Grants would be 'provided compulsorily if the recipient either has special fiscal demands or experiences decreasing fiscal revenue.' In a nutshell, the purpose of the Compulsory Education Financial Grants Act was to supplement the Education Act, which mandated the national treasury support of compulsory education financing, and return regulations of some portion of the education tax.

2.2.3. Period of Compulsory Education Financial Grants-Local Education Shared Tax (1964-1971)

The implementation of the six-year plan for accomplishing compulsory education led to a continued growth in the number of students, schools, and teachers, which gradually drove up the demand for secondary education. In order to deal with this situation, the Local Education Shared Tax Act was established in 1964 "with an aim to draw the portion of funding that supported the salaries of teachers and staff at middle and high schools, which was contributed by local governments so far, from the newly-established Board of Education, so that the amount equivalent to the local government's contribution would be cut from local government's budget and be paid for directly by the state."

The Local Education Shared Tax consisted of ordinary education shared tax and special education shared tax, and the former was equivalent to 40/100 of admission tax of the current year and 42/100 of *takju* (milky rice wine) and *yakju* (refined rice wine) taxes while the latter was an amount equivalent to 10/100 of total ordinary education shared tax. With amendment of the Local Education Shared Tax Act (Act 2036, July 19th, 1968), the revenue source of the Local Education Shared Tax changed from admission tax and liquor (*yakju* and *takju*) tax to internal tax. Under the amendment, ordinary education shared tax was changed to 13/1000 of internal tax revenue of the current year while special education shared tax rate remained the same. But the Local Education Shared Tax Act was abolished when the Local Education Financial Grants Act was enacted in December 1971.

2.2.4. Period of Local Education Financial Grants (1972-2010)

Intensified competition for entry into middle schools at the end of the 1960s prompted the Korean Government to abolish the middle school entrance examination in 1969. To address the issue of over-heated competition for high school entrance in the early 1970s, the high school equalization policy was introduced in 1974. The rising demand for local education finance caused by a steep increase in the number of secondary school students made it difficult to meet financial demands through the Local Education Shared Tax and student tuition alone. The Ministry of Culture and Education (currently renamed to the Ministry of Education, Science, and Technology) enacted the Local Education Financial Grants Act which integrated the Compulsory Education Financial Grants and Local Education Shared Tax to support financing middle school education to an extent that there was no impact on free compulsory education (Act 2330, December 28, 1971).

Under the Local Education Financial Grant Act (Act No. 4303) which was revised on December 31, 1990, the source of the grants was equal to the amount of salaries of teachers at

compulsory education institutions and 118/1000 of internal tax, and the grants were comprised of general grants and special grants. The Act allowed the state to provide extra funding in addition to the grants in accordance with the national budget if necessitated by demand for local educational financing. The provisions to include half of the salary of public school teachers in the existing grant program that was covered by the education tax were deleted. Also the education tax was allocated to the local education transfer fund.

2.2.4.1. Financing through Internal Tax (1971-1981)

The Compulsory Education Financial Grant Act and the Local Education Shared Tax Act were established in 1968 in order to supplement insufficient resources by changing the revenue source of local education from a specific national tax to internal tax. Both programs were combined into the Local Education Financial Grants Act (Act No. 2330) in 1971 without any modification to the fixed rate. Less than one year after its enactment, however, it lost effect due to the so-called August 3rd Measure in 1972, which suspended funds based on 12.98% of total internal tax revenue (general grants (11.8%); special grants (1.18%) mandated by law. This move made the legal fixed rate irrelevant, relegating local education finance to national budget from Jan. 1, 1973, resulting in instability of the nation's education finance for the following decade until April 1982 when the August 3 Measure was lifted. With the July 30th Education Reform in 1980, a series of measures were pursued to ensure a secure source of funding for the nation's education and as a result, the Local Education Financial Grant Program was reinstated and education tax was introduced as part of efforts to improve the condition of education.

2.2.4.2. Financing through Internal Tax and Education Tax (1982-1995)

The amendment of the Local Education Financial Grant Act (Act No. 3561) in April 1982 signaled a big change in the way education would be funded through the termination of August 3 Measure and the enactment of the Education Tax Act. A designated amount of education tax was added on top of the general grants, and the funds covered the full salary (including allowance which is calculated based on salary amount) of teachers at compulsory education institutions, half of the salary (including allowance which is calculated based on salary amount) of public secondary school teachers, and 118/1000 of total internal tax revenue.

In 1988, tobacco taxes were consolidated into one tobacco consumption tax whose revenue got transferred to local governments, creating a shortfall in local education financial grants, equivalent to the amount of revenues collected from tobacco tax for education. The 1988 amendment was intended to make up for the loss of revenue through the local tobacco consumption tax and under the amendment, Seoul Capital Metropolitan City and directly-governed cities (jikhalsi) were required to transfer 30% of the revenues from their tobacco

consumption tax to a special account for educational expenditure. The gap amount between budgeted and closing amount was to be settled no later than the following year. Also, the revenues of the tobacco tax transferred to the educational expenditure special account supplemented any shortage in expenses related to other than compulsory education at educational districts on a priority basis.

The Local Education Transfer Fund Program is a system whereby the state collects a specific national tax (which is local tax by nature in terms of revenue source) for the sake of improving tax collection and of preventing uneven distribution of the tax base. All or part of the revenue is earmarked for general purposes according to a certain criteria, which then, handed over to local governments. To promote balanced development in local education through the transfer of part of the national tax revenue from the state to local governments, the program uses the entire education tax revenue as a funding source in accordance with Article 5, Paragraph 2 of the National and Local Tax Adjustment Act. The fund is allocated based on the population ratio of each province and city as of November 1 of the year before the previous year. The fund drew on education tax, which was created to improve education and working conditions of teachers, as it was changed from a temporary tax to a permanent tax in the late 1990s.

2.2.4.3. Financing through Internal Tax, Education Tax, and Local Tax (1996-2010)

In 1996, funds transferred from local taxes became part of spending on education. One of the biggest reasons was because the government set a goal of raising education spending to be 5% of the nation's GNP to implement reforms. This kind of political commitment proved to be helpful in finding funds not only from the state but also from education taxes. It also motivated local governments to have more accountability in terms of education finance.

Article 11, Paragraph 2 stipulated that "Seoul Capital Metropolitan City and directly-governed cities shall transfer 45% of tobacco consumption tax" and that "Seoul Special City, metropolitan cities, and provinces shall transfer amount equivalent to 26/1000 of total provincial and city tax" to special account for educational expenditure. This rate could be readjusted after 1999. Under this clause, the initial rate was kept until fiscal year 2000. It was increased to 36/1000 from 2001, increasing further to 10% for Seoul, 5% for metropolitan cities and the Gyonggi Province, and 3.6% for the rest of the provinces.

2.3. Current Local Education Financing Structure and Local Education Financial Grants System

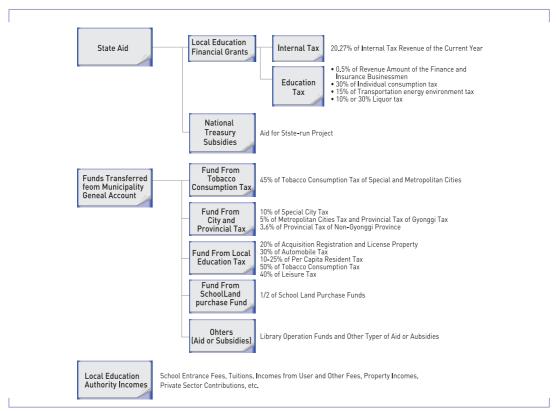
The Ministry of Education, Science, and Technology (MEST) and local education offices (LEOs) are responsible for the administration of education in Korea. The Ministry is responsible for planning, formulating, implementing and coordinating national educational policies at all levels, from pre-school to higher education and life-long education, as well as science and technology, and provides administrative and financial support to 16 LEOs. Since the enactment of the Local Autonomy Act in 1991, LEOs have had autonomy over budget planning, personnel management, and major administrative decisions in pre-school, primary, and secondary education. The MEST ensures equity in educational opportunities across the LEOs through distribution of funding to LEOs, and local governments may also support the LEOs and schools.

2.3.1. Current Local Education Finance Structure

As of 2010, the local education financing structure is composed of state aid, funds transferred from local government's ordinary account, and local education authority incomes. The state, local governments, parents, and the private sector sources, are all contributors.

The state money consists of 20.27% of total internal tax revenue, the Local Education Financial Grants (which comes from full revenue of education tax), and subsidies from the national treasury (which finances state-led policy projects). The local government's contribution comes from funds transferred to educational expenditure special account from its ordinary account. The municipal general account transfer consists of legally-authorized and non legallyauthorized portions. The legal portion of the fund is composed of a designated percentage of total tax revenue from city and provincial taxes (10% for the special city, 5% for metropolitan cities and Gyonggi Province, and 3.6% for non-Gyonggi Provinces), revenues from local education taxes and the tobacco consumption tax (45% of tobacco consumption tax for the special city and metropolitan cities), and half of the school land purchase money. It also includes funding for public libraries (which is not authorized by law), and educational expenditure subsidies, which are provided directly to schools by local governments. The expenses paid by parents include middle and high school operational fees, high school tuition entrance fee, and various other user fees (for field trip, school meals, retreats, after-school activities, yearbook, youth group activities, etc.), whereas funding from the private sector comes from scholarships and donations from corporations and social groups.

Figure 2-2 | Financing Structure for Municipality Special Account for Educational Expenditure



2.3.2. Current Local Education Financial Grants Program

The Local Education Financial Grant Program is funding provided by the state to promote balanced development of education. Some of the clauses in the Local Education Financial Grants Act pertaining to financing and allocation of financial resources are described below.

The funds for the Local Education Financial Grants consist of 20.27% of total revenues from the internal tax and education tax for a current year (stipulated by the Education Tax Act). 96/100 of the grants are general grants and 4/100 are special grants.

The general grants are provided in a lump sum to local governments whose baseline fiscal revenue fall short of baseline fiscal needs to make up for the shortage. In other words, the grants are funds provided by the state in order to achieve balanced development of education, playing a role to address regional imbalance. For calculation of general grants, the baseline fiscal revenue amount takes into account funds transferred from local government's ordinary account as authorized by law (local education tax, 45% of non-provincial local consumption tax, 10% of

the Seoul Capital Metropolitan City tax revenue, 5% of metropolitan city tax and Gyonggi Province's provincial tax, and 3.6% of non-Gyonggi provincial tax), together with school entrance and tuition fees. Information required for estimation of baseline fiscal needs including estimation items, units, and calculation logic is contained in the Local Education Financial Grants Enforcement Decree.

The Minister of Education, Science and Technology may release special grants, if necessitated by special financial needs due to a separate financial aid plan for funding state-led education projects, local education issues which cannot be captured through estimation methods for baseline fiscal needs, and disasters occurring after the arrangement of general grants, and a decrease in fiscal revenue.

Apart from this, local governments (at city/province, and city/county/districts level) could supplement funds required for paying for educational expenditure incurred at individual schools (at the high school level and below) within their own school districts in accordance with the presidential decree, and each city and province could also transfer additional funds to educational expenditure special accounts in addition to designated transfer amount to promote education, art and science within their own school districts.

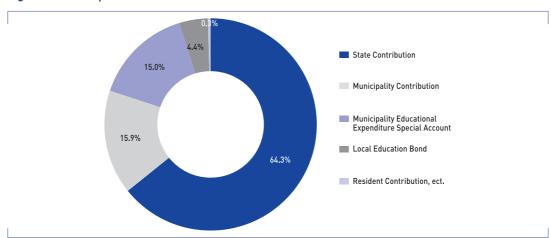


Figure 2-3 | Composition of Local Education Finance Revenues (2009)

Table 2-2 | Breakdown of Local Education Finance Revenues 2007-2009

(KRW 100 million, %))

					1	million, %
Source	20	09	20	08	20	07
Source	Amount	%	Amount	%	Amount	%
Total	481,294	100.0	454,937	100.0	387,270	100.0
State Contribution	309,661	64.3	332,292	73.0	272,638	70.4
Local Education Financial Grants	305,739	63.5	332,234	73.0	269,142	69.5
National Treasury Subsidy	3,922	0.8	58	0.0	3,226	0.8
Municipality Contribution	76,549	15.9	79,795	17.5	72,057	18.6
Local Education Tax	47,441	9.9	49,458	10.9	45,314	11.7
Tobacco Consumption Tax	5,804	1.2	5,696	1.3	5,443	1.4
City and Provincial Tax	15,523	3.2	16,951	3.7	15,472	4.0
Contributions from School Land General Account	3,259	0.7	3,609	0.8	2,999	0.8
Non-legal sources	4,522	0.9	4,081	0.9	2,829	0.7
Municipality Educational Expenditure Special Account	72,036	15.0	39,735	8.7	36,524	9.4
Teaching and Learning Activity Income	11,137	2.3	10,864	2.4	10,141	2.6
Administrative Activity Income	204	0.0	184	0.0	192	0.0
Property Income	3,082	0.6	1,813	0.4	3,068	0.8
Discrete Income	2,185	0.5	2,795	0.6	1,564	0.4
Sundry Income, etc.	401	0.1	448	0.1	4,115	1.1
Carry-over amount	55,027	11.4	23,631	5.2	17,444	4.5
Local Education Bond	21,384	4.4	2,657	0.6	5,329	1.4
Resident Contribution, etc.	1,664	0.3	458	0.1	722	0.2

Sources: Ministry of Education, Science, and Technology (2009), Fiscal Year 2008 Educational Expenditure Special Account Revenue and Expenditure Settlement Result Analysis.

Ministry of Education (2010), Science, and Technology, Fiscal Year 2009 Educational Expenditure Special Account Revenue and Expenditure Settlement Result Analysis.

Table 2-3 | Local Education Finance Revenues by Source (2000-2009)

(Unit: KRW 100 million)

Year	Total	Funds transferred from central government	Funds transferred from local government	LEO's own revenue	Local education bond	Resident contribution, etc.	Carry-over
2000	224,402	157,774	11,945	16,302	18,442	557	19,382
2001	278,778	184,609	47,395	17,529	1,652	199	27,394
2002	304,890	189,853	55,722	15,352	633	219	43,111
2003	323,668	210,570	61,830	13,257	728	391	36,892
2004	331,435	216,874	63,476	11,370	5,853	468	33,394
2005	344,794	238,555	59,821	12,067	18,154	334	15,862
2006	347,413	248,169	64,583	13,017	3,488	463	17,693
2007	387,000	272,368	72,044	19,079	5,329	735	17,445
2008	454,937	332,292	79,795	16,104	2,657	458	23,632
2009	481,294	309,661	76,549	17,009	21,384	1,664	55,027

Figure 2-4 | Trend of Local Education Finance Revenues by Source (2000-2009)

(Unit: KRW 100 million)

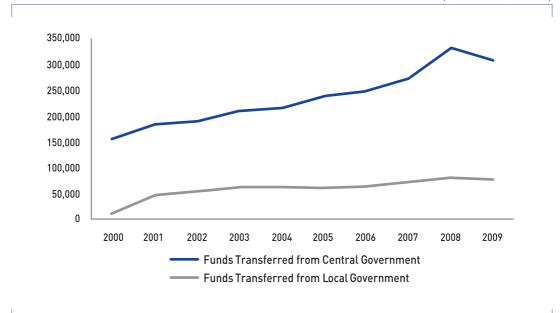


Table 2-4 | Funds Transferred from Central Government by Sub-items (2000-2009)

(Unit: KRW 100 million)

Year	Total	Local education grant	Local education transfer fund	State subsidies	Grant of improvement of educational environment
2000	157,774	97,699	50,983	2,092	7,000
2001	184,609	146,331	36,244	2,034	-
2002	189,853	152,744	35,316	1,793	-
2003	210,570	170,649	38,094	1,827	-
2004	216,874	182,691	32,403	1,780	-
2005	238,555	237,403	-	1,152	-
2006	248,169	245,966	-	2,203	-
2007	272,368	269,141	-	3,226	-
2008	332,292	332,234	-	58	-
2009	309,661	305,739	-	3,922	-

Table 2-5 | Local Education Grant by Sub-items (2000-2009)

(Unit: KRW 100 million)

				, ,		
Year	То	tal	General grant	Special grant	Extra grant	
1001	Total of Grants	Rate of increase	ocherat grant	opecial grant	Extra grant	
2000	97,699		88,260	5,879	3,560	
2001	146,331	49.8	133,989	9,896	2,446	
2002	152,744	4.4	138,431	9,433	4,879	
2003	170,649	11.7	153,268	10,597	6,783	
2004	182,691	7.1	162,289	11,240	9,163	
2005	237,403	29.9	229,504	7,899	-	
2006	245,966	3.6	237,729	8,237	-	
2007	269,141	9.4	259,665	9,476	-	
2008	332,234	23.4	320,389	11,845	-	
2009	305,739	-8.0	294,954	10,785	-	

Table 2-6 | Legal and Non-Legal Funds Transferred from Local Government (2000-2009)

(Unit: KRW 100 million)

Year	Total of Funds transferred from local government	transferred from local	
2000	11,945	11,575	370
2001	47,395	46,995	400
2002	55,722	54,526	1,196
2003	61,830	59,197	2,633
2004	63,476	62,131	1,345
2005	59,821	58,230	1,592
2006	64,583	62,756	1,827
2007	72,044	69,227	2,817
2008	79,795	75,713	4,081
2009	76,549	72,027	4,522

Table 2-7 | Legal Funds Transferred from Local Government by Sub-item (2000-2009)

(Unit: KRW 100 million)

	То	tal	City and	Local	Tobacco	School	Fund transferred
Year		Rate of increase	provincial tax	education tax	consumption	land purchase fund	for teachers' salary
2000	11,575		3,600	-	4,815	-	3,160
2001	46,995	306.0	5,396	32,190	4,779	-	4,630
2002	54,526	16.0	6,136	37,990	5,298	-	5,103
2003	59,197	8.6	7,417	41,324	4,431	-	6,025
2004	62,131	5.0	7,343	41,283	4,888	1,825	6,792
2005	58,230	-6.3	11,181	39,274	5,984	18	1,773
2006	62,756	7.8	14,213	41,528	5,414	1,588	13
2007	69,227	10.3	15,472	45,314	5,443	2,999	-
2008	75,713	9.4	16,951	49,458	5,696	3,609	-
2009	72,027	-4.9	15,523	47,441	5,804	3,259	-

2.3.3. Education Resource Allocation

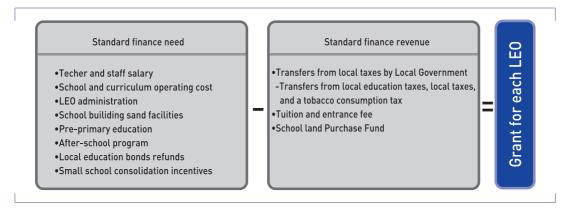
Resource allocation from the MEST differs according to sub-sectors. The MEST allocates resources to LEOs for primary and secondary education, and the 16 LEOs distribute a portion of

the funds to schools. The MEST also allocates resources for higher education including universities and to other educational institutes for life-long education and vocational education.

There are three revenue sources in primary and secondary education: the MEST, local governments, and sources attached to the LEOs. In 2009, the total budget for the LEOs was 48.2 trillion (KRW), of which 30. 6 trillion (63.5%) came from the Local Education Grant distributed by the MEST. Transfers from local governments amounted to 7.7 trillion (15.9%). The Local Education Finance Grant is a very stable source of funding. The MEST distributes the grant among LEOs according to a formula that calculates the difference between the standard funding need and standard funds available at each LEO (see Figure 4). In addition, the MEST allocates small subsidies to LEOs for national projects such as educational welfare and special education.

Standard funding need is based on itemized costs that are calculated by a formula. These items include personnel expenses for teachers and staff, operating expenses for schools and curricula, educational administrative expenses, expenses related to school facilities, educational expenses for preschool, expenses for after-school class programs, and compensation for financial deficiency (see Appendix 2). The standard funding available includes contributions from the local government's local education taxes and transfers from local taxes, as well as the tobacco consumption tax, and revenue from tuition and other sources.

Figure 2-5 | Local Education Finance Grant Formula



3. Institution Method of Local Education Financial Grants

3.1. Introduction and Revision of Law

The Local Education Financial Grant Act, since its enactment in 1971, has served as the legal framework for education financing for the past four decades, and it has contributed to the administration of local education. The Act has undergone numerous revisions which brought about changes to the fixed rate, allocation criteria, and funding mechanisms such as introduction of the education tax as a new funding source.

Majority of the local education finance policies are backed by law, and financing for education budget was legislated. Revisions to the Local Education Financial Grant Act, which was designed to ensure continuity and development of educational activities, are attributable to three factors: evolving education system and policies; modification of the fixed rates; and changes in the nation's tax system.

3.1.1. Revision Due to Changing Education System and Policies

In order to bring about fundamental changes to a nation's education system and policies, changes to the education finance policy is required. The enactment of the Local Education Financial Grant Act is a classic example of how education finance policy had to be changed due to a shift in education policies. The Act was established in 1971 to meet the funding needs of the six-year plan for accomplishing compulsory education, which drove up the number of prospective secondary school students. Although the Act simply combined the Compulsory Education Financial Grant Act and the Local Education Shared Tax Act with no other sources of funding added, the salaries of secondary school teachers had to be funded by grants instead of national treasury subsidies to help meet financing needs for secondary schools.

Furthermore, the Korean government went on to amend the Education Tax Act, the Local Education Financial Grants Act and its Enforcement Decree as a way to support a plan aimed at boosting education funding to the level of 5% of the nation's GNP to aid education reform. This was announced in 1996 by the Education Reform Committee. The Committee set the target at 5% of GDP for education financing to be met by 1988, and expanded the nation's education budget at both central (which contributes to 30% of the funding increase) and local (20%) government level. It also established a plan to make up for the shortage amount through education tax (50%).

To help finance the 1996 education reform, local governments were required to transfer 2.6% of total revenues from city and provincial taxes over to the city and provincial educational expenditure special account in addition to 45% of revenues from the tobacco consumption tax contributed by special and metropolitan cities. Furthermore, a new provision was put in place that allowed city, county, and districts to supplement funding to help cover part of educational expenditure incurred at individual schools (at the high school level and below) according to the presidential decree. In the meantime, the education tax was to be newly levied on revenues from the tobacco consumption tax (40%), special consumption tax for kerosene (15%), and transportation tax (15%), and a education tax rate of 20% levied on liquor and horse race taxes was to be increased to 50%.

3.1.2. Change in Internal Tax Grant Rate

The Compulsory Education Financial Grant Act and the Local Education Shared Tax were superseded by the Local Education Financial Grant Act, which integrated the funding sources stipulated by the two previous acts with an aim to secure 11.8% of internal tax revenue as of the end of 1971. But the fixed rate was suspended between 1973 and 1982 only to be reinstated in 1982 and it was further increased to 13% in 2001.

2005 saw another increase in the fixed rate to 19.4% applied on the internal tax. This measure was aimed at unifying discrete sources of grants, including the Local Education Transfer Fund in the grant program in order to simplify local education financing structure to make it more transparent. Such a change was part of efforts to restructure local education financing to better reflect financial conditions of the state and local governments, the providers of the funds, and to expand the grant program to improve primary and secondary school education.

To secure stable sources of funding for local education, the fixed rate applied on the internal tax portion was increased to 20% in 2008. With the introduction of the local consumption tax, the rate was raised to 20.27% in 2010 to ensure more funding, and actions were taken to address problems in administering the program for further improvement.

Table 2-8 | Fixed Rate for Internal Tax Amended in Local Education Financial Grant Act

Year	Fixed Rate for General Grants	Basis of Amendment
1971	118/1000 of total internal tax	Integration of Compulsory Education Financial Grants Act and Local Education Shared Tax Act under a single, unified grant program.
1972	Suspension of the fixed rate	Implementation of August 3 Measure, which impacted local education financing.
1982	118/1000 of total internal tax	Expansion of the Local Education Financial Grant Program by including education tax revenues to promote stable funding, to help implement education reform measures in the initial stage, and to promote balanced development of local education.
2001	130/1000 of total internal tax	Expansion of state aid for primary and middle schools to ensure stability of local education financing.
2005	Entire amount of revenue of education tax as stipulated by the Education Tax Act for the current year (previously, a source of the Local Education Transfer Fund) and 194/1000 of total internal tax of the current year	Consolidation of discrete sources of the Local Education Financial Grants Program to make its financing structure more simple and transparent.
2008	20/100 of total internal tax	20% increase in fixed rate for the internal tax portion in 2008 to ensure stability in local education financing.
2010	2027/10,000 of total internal tax	Adjustment of fixed rate for internal tax with the introduction of local consumption tax

3.1.3. Revision Due to Changes to Tax System

The Local Education Financial Grant Act was amended on several occasions due to changes in the nation's tax system which is a main source of education financing. The changes not only resulted in revisions of the Act, but also reflected a growing trend of accountability being delegated from the state to municipalities for education. During a period when the nation's compulsory education system was expanded, the state assumed primary responsibility for securing funding and determining financing mechanisms and most of the funding was derived from the national tax because education was believed to be a public good. But as the importance of local autonomy became more apparent, local governments came to play bigger roles in terms of accountability and financing of education. This led to an expansion in local tax and local governments' contributions to education financing.

The Local Education Financial Grant Act was revised after the tax reforms in 1989, because the tobacco tax became a local tax instead of a national tax. Various tobacco taxes were consolidated into one tobacco consumption tax, which is a local tax, and were transferred to local governments. As such, the Local Education Financial Grant suffered a loss of revenues, an amount equivalent to the previous tobacco taxes. In order to make up for this loss, a designated percentage (30% of tobacco consumption tax levied by Seoul Capital Metropolitan City and directly-governed cities) was allocated to the educational expenditure special account. In 1994, the special consumption tax on gasoline and diesel was changed to an earmarked tax to finance social overhead capital construction projects, the funds of 30% of tobacco consumption tax from Seoul Capital Metropolitan City and directly-governed cities were increased to 45% to make up for the loss caused by the drop in total internal tax revenues resulting from the change, the baseline for calculating the Local Education Financial Grants.

The revision of the Education Tax Act in the late 1990s introduced a system whereby all of the revenue from the education tax would be transferred to cities and provinces as the Local Education Transfer Fund. The new system was aimed at promoting autonomy in education and improving the nation's education system. The move was intended to transfer education tax revenues which had discrete tax bases to local governments in order to expand local resources for education and to ensure equity in their allocation.

In 1996, as part of efforts to find funds for education reform, Seoul Capital Metropolitan City, metropolitan cities and provinces were required to transfer 2.6% of total revenues from city and provincial taxes to the special account for educational expenditure. In doing so, the chief of each local government was consulted in the process of drawing up a budget expenditure plan, which was appropriated by transferring funds from that year. This was an attempt to supplement insufficient funding required for education reform. The local government's share in education financing steadily grew to reach 3.6% of total revenue of city and provincial tax as of 2001.

With a goal to bring the nation's education welfare in line with the OECD level, the Kim Dae-jung Administration announced a plan to phase in compulsory middle school education for middle school 1st graders in 2002 and further expand it to cover all middle school students by 2004. As of 2001, the government increased state aid (from 11.8% to 13% of internal tax) to primary and middle schools. To help local governments take on more accountability and roles, full or part of the salaries (100% of the salaries for Seoul Capital Metropolitan City; 50% for Busan; and 10% for other metropolitan cities and the Gyonggi Province) of teachers at non-compulsory education institution public schools were paid with funds transferred from local governments' ordinary account.

Table 2-9 Revision of Local Education Financial Grant Act due to Tax Change

Year	Description	Justification
1989	Seoul Capital Metropolitan City and directly-governed cities shall transfer 30% of tobacco consumption tax to educational expenditure special accounts in every fiscal year budget.	With consolidation of Tobacco taxes into tobacco consumption tax, which is local tax, and its transfer to local governments, the Local Education Financial Grants suffered a loss, equivalent to the amount of education tax levied on the tobacco taxes. The amendment was aimed at make up for this loss through tobacco tax collected by local governments.
1991	"The Local Education Financial Grants" shall include "the Local Education Financial Grants and Local Education Transfer Funds." 100% of the salaries of noncompulsory education institution public school teachers in Seoul and 50% in Busan shall be paid for through funds transferred from local government's general accounts.	Previously, education tax was the source of the Local Education Financial Grants which was provided to local governments by the state. After the amendment, however, it would be allocated to the Local Education Transfer funds, resulting in the adjustment of the size of the grants.
1994	30% of tobacco consumption tax in Article 11, Paragraph 2,was changed to 45 percent of tobacco consumption tax.	The increase was to supplement shortage in local education funding caused by a decrease in total internal tax revenue.
1996	Article 11, Paragraph 2: Seoul Capital Metropolitan City, metropolitan cities, and provinces shall transfer 26/1000 of total city and provincial tax to special account for educational expenditure, and this rate may be re-adjusted after 1999.	The revision was intended to transfer designated percentage of total Seoul Capital Metropolitan City, metropolitan city, and provincial taxes to special account for educational expenditure to secure enough funding for education reform.
1999	The same rate shall be applied until the 2000 fiscal year.	This provision is to allow for change and adjustment of the rate after the 2001 fiscal year depending on the change of the taxation system.
2001	Increase in funds transferred from city and provincial taxes to finance teacher salaries (100% for Seoul, 50% for Busan, and 10% for metropolitan cities and the Gyonggi Province) and increase in the earmarked rate of total city and provincial taxes from 2% to 3.6%. This became permanent after 2001.	This change was to expand state aid for primary and middle schools and to help local governments to take on more accountability and roles in investing in their education system.

As of 2005, diverse sources of the Local Education Financial Grant were consolidated in order to make the financing structure simpler and more transparent and to revamp the structure of local education financing to better reflect financial conditions of the state and local governments. To this end, various sources of funding such as salaries of teachers at compulsory education institutions, 13% of total internal tax, and extra grants were combined and the Local Education Transfer Fund was included in local education resources. The revenue sources of the Local Education Financial Grant Program were made up of total education tax revenue (previously a revenue source for the Local Education Transfer Funds), and 19.4% of total internal tax. The simplification of funding sources made it easier to identify the exact size of the grants. In this adjustment process, funds transferred from cities and provinces to pay for teacher salaries were abolished. Instead, the amount which got transferred from local government's ordinary account to the educational expenditure special account (representing 3.6% of total city and provincial tax) was reflected into city and provincial taxes. Also, the tax rates were increased by 10% for Seoul Capital Metropolitan City, 5% for metropolitan city and the Gyonggi Province and 3.6% other non-Gyonggi provinces.

3.2. Occurrence and Resolution of Conflicts during Legislation Process

Education finance policies cannot be determined by educational needs alone as the state must support other government expenditures besides education. Expansion of education finance would inevitably force a cut in other areas. In reality, it would be difficult to meet educational needs only, since such a move would be met with resistance from other government ministries or agencies, and would eventually prompt them to push for more funding. Therefore, any decision-making on education finance policies would likely cause tensions between the Ministry of Education, Science, and Technology and another ministry or agency (Ki-chang Song, 1994:52). Due to the differences in the positions between the Education Ministry and other ministries about local education finance policy, policy-making process usually entails conflicts, negotiations, or compromise among different government ministries or agencies.

The Education Ministry has consistently called for expansion of education spending, citing the growing demand for education and the need to improve the nation's education. In particular, the Ministry has demanded a stable source of funding under the statutes, citing long-term continuity and dispensability of education. It has also urged that education finance be made independent from public finance, citing independence, political neutrality, and specificity of education. (Ki-chang Song, 1994:52) So, conflicts between the education ministry and economic ministry that called for flexibility, unity, and fiscal austerity in budgeting were inevitable.

3.2.1. Conflicts during Legislation Process³

The expansion of education spending may seem as if it would guarantee stability in financing, but it does not necessarily bring about the stabilization of education finance. This is because expansion of funding which is not stipulated by law may be cut at any time. Budgets by legislation are based on certain allocations from the state budget, and the size of the budget depends on the size of the economy and allocation ratio. Modifying the allocation ratio is an extremely complicated equation, because government ministries have to compete with one another and certain budget items have priority over others.

The process of revising the Local Education Financial Grants Act can be characterized by confrontation between the Economic Planning Board (the Ministry of Strategy and Finance) and the Ministry of Culture and Education. As the introduction of education tax was almost finalized in 1981, the Ministry of Culture and Education set out to amend the Local Education Financial Grant Act concerning that despite the new education tax, a reduction elsewhere in the budget may undercut the newly established funding source, off-setting any gains.

The proposal 'Securing Stability of Local Education Finance' released in October 1981 was a product of the Ministry of Culture and Education's efforts. According to the proposal, the ministry had two agendas: first, to reinstate the pre-August 3 Measure fixed rate; second, to tie education tax to grants to prevent it from being diverted elsewhere. By doing so, the ministry sought to expand education expenditure, but more importantly, it intended to pursue financial stability authorized by law. By earmarking the education tax for primary and secondary school education only, the ministry sought to prevent budget cuts elsewhere as well as to achieve a secure source of funding.

Nevertheless, the Economic Planning Board was against the idea of integrating the education tax with the grant program, and it was intent on cutting the fixed rate as much as possible after it was brought back. It also opposed establishing a legal fixed rate for special grants. Its rationale was to avoid fiscal rigidity to achieve flexibility in budget management.

The amendment of the Local Education Financial Grant Act was characterized by conflicts between the two rationales: stability in educating funding as viewed by the Ministry of Education and Culture; and fiscal flexibility as viewed by the Economic Planning Board. The Education Ministry succeeded in achieving some degree of stability through the inclusion of the education tax in the grant program and through the establishment of a statute for fixed rate on general grants at 11.8%, while the Economic Planning Board achieved some degree of

^{3.} This part of the paper is based on a paper authored by Ki-chang Song (1994), and an expert interview.

flexibility as well by provisioning that the rate of special grants would be determined by the national budget.

3.2.2. Conflicts during the Process of Expansion of Funding

Education finance is a set of economic activities which allow the state and public institutions to finance, manage, and use resources they need in order to support educational activities for the public good of the state and society. Ideally, objectives of educational activities need to be set first, and then decisions should be made on the appropriate size of funding to finance those activities. However, due to constraints of human and material resources, the goal is often swayed by a means. To put it differently, education financing defines education administration, which defines educational activities (Chung-il Yun, 1992;86). The expansion of compulsory education and the ensuing rise in the need for secondary school education without sufficient financial backing has gradually aggravated the environment and conditions in the Korean education system. In recognition of this situation, improving the overall climate and condition was regarded as a top priority in order to improve the quality of education. There was a consensus reached in the Korean education community about the need to reduce the number of students per classroom, split off oversized schools, and cut the number of students per teacher in order to bring the country's education on a par with the OECD level. To achieve this, expansion of education finance was a must. This agenda was reflected in the five-year plan for economic and social development, but the actual investment in education was minimal due to the reluctance of the budget authority which maintained that the current limitation of resources made it difficult to put all the funding in education only. With the ability and the power of the Ministry of Education alone, it was difficult to change the budget authority's view on economic policy.

The consensus on the need to improve the nation's educational environment and condition to the levels of advanced countries, and to secure a stable source of funding to implement successful education reform was not just confined to the education community: it began to spill over into the larger political community. As a consequence, the Education Reform Review Council, a presidential advisory body, unveiled a plan in 1987 to secure the country's education funding at the GDP 5% level, and each political party adopted it as a campaign platform during the 14th presidential election. President Kim Young-sam established the Education Reform Execution Committee chaired by Prime Minister to secure funding which would help him act on his campaign pledge and carry out the May 31 Education Reform Measure. The Minister of the Office for Government Policy Coordination who chaired the Education Reform Task Committee, in consultation with the vice ministers (The Ministry of Finance and Economy, the Ministry of Home Affairs, the Ministry of Education, the Ministry of Construction and Transportation), released a plan to expand the nation's education spending which stood at

3.68% of GNP as of August 30, 1995 to 5% by 1998. To follow up on the plan, relevant laws and regulations were revised, and a budget was allocated to meet the 5% target. But by 1998 the size of education spending stood only at the GNP 4.35% level due to the Asian financial crisis. It was only in 2004 that it reached 5.02% (Dong-sun Park, 2005). The issues of education spending was put under the spotlight during the presidential election because of the voices raised in the education community over the insufficiency of funding were heard.

Strategies adopted by the education community to promote the expansion of education spending are two-fold: one is to use the presidential campaign as a platform; and the other is to present the total size of required funding in a lump sum. The Korean Federation of Teacher's Association (KFTA) drew up and presented recommendations to political parties in preparation for the presidential election, sending each party scrambling to adopt the GNP 5% target as one of its campaign pledges. By using the presidential election as a means to achieve more funding, KFTA succeeded in turning education financing into a political issue, not just a policy issue. In politicizing this issue, the Education Reform Committee used a tactic to put pressure on Cheongwadae (Office of the President) and the budget agency. The Committee was successful in winning over the budgetary agency through this strategy of tying education financing to GNP 5% target, but was still unable to get cooperation from local governments. In the end, the Committee accepted the proposal of the Ministry of Home Affairs to tie educational autonomy to local autonomy and succeeded in securing legally authorized source of funds transferred from local governments (Ki-chang Song, 2000:8).

3.2.3. Conflicts arising from Expanding Financial Burden on Municipalities

With the establishment of compulsory primary education in the 1950s and expansion of the opportunities for secondary school education in the 1960s and 1970s, finding funds for local education was an urgent issue. Under this circumstance, the Compulsory Education Financial Grant Act was aimed at securing financial backing for the expansion of compulsory education, while the Local Education Shared Tax Act was intended to secure funding sources for secondary school education. In 1972, the two programs were combined into the Local Education Financial Grant Act. With a low level of financial independence and varied fiscal conditions among local governments, the central government played a leading role in financing and allocating the local education funds (Seog-hun Jo, 2006). Even today, the central government's contribution in the entire local education funding remains quite high.

Nevertheless, with the tobacco consumption tax becoming a local education tax in 1989, the transfer of revenue from the tobacco consumption tax was introduced. In 1991, local education was given autonomy and the system to support this was implemented, which highlighted the

growing responsibility of local governments to pay for local education. The goal of having education spending at 5% of GNP, established in 1995, led to the introduction of city and provincial tax transfer funds in 1996. Between 2001 and 2005, the rate of funds transferred increased twice to help local governments to take on more responsibility and roles in education investment.

With the introduction of local government transfer funds and the growing financial burden of local governments to secure funding for education, conflicts and disputes ensued. The hike in the legal rate of funds transferred to the educational expenditure special account by the local government caused a backlash among local governments. As compulsory education was expanded to middle schools full scale in 2004, the government sought to change the cost-bearer and to re-adjust the financing structure through amendment of the Local Education Autonomy Act and the Local Education Financial Grant Act. Specifically, Article 39, Paragraph 1 of the Local Education Autonomy Act was revised so that the state would still fund compulsory education, but the local governments would fund part of the cost for compulsory middle school education. The revision was intended to have both the state and local government fund compulsory education. On top of that, Article 11, Paragraph 1 of the Local Education Financial Grant Act stipulated that compulsory education would be financed through grants and local education shared tax, and that part of the salaries (all of the salaries for Seoul Capital Metropolitan City) of public school teachers at non-compulsory education institutions would be funded through funds transferred from the local government's ordinary account. But, it was amended so that compulsory education expenditure would be funded through grants and funds transferred from local government's ordinary account, while several changes were added including the elimination of transferred funds for teacher salaries and an increase of the rate of funds transferred from city and provincial tax to 10% for Seoul, 5% for metropolitan cities and the Gyonggi Province, and 3.6% for non-Gyonggi Province. The growing fiscal burden imposed on municipalities prompted Seoul Capital Metropolitan City to file a suit in the Constitutional Court against the state in November 2004, arguing that the state failed to fulfill its obligation to provide its citizens education and passed the responsibility onto local governments. The City argued that the government's failure to assume full responsibility for funding compulsory education, and passing some of the cost burden onto local governments was in violation of Article 31, Paragraph 3 of the Constitution on free compulsory education, and was in the breach of Article 117, Paragraph 1 of the Constitution on the guarantee of local autonomy, which raised concerns about fiscal autonomy being infringed. In December 2005, the Constitutional Court ruled (Constitutional Court of Korea, 2006) that the right to compulsory education for everyone did not necessarily mean that the state or central government had to bear the cost of compulsory education; rather, the Court ruled that the rationalization and the choice of the local education finance legislator may be broadly interpreted under the consideration of the central and the local governments. Such a ruling established a clear case for local government's

responsibility to pay for the cost of education. Despite this, the dispute over the cost burden borne by local governments, and the issue of strengthening autonomy in education and at the local level still remain a long-standing issue.

4. Evaluation

4.1. Achievement of Local Education Financial Grant Program in Education Financing

The Local Education Financial Grant System has two characteristics: the program is as much an education financing scheme as it is an allocation scheme (Ki-chang Song, 2010). From the financing perspective, it serves as an important tool to secure stable funding sources through legally authorizing the scale of grants. From the allocation perspective, the system has contributed to meeting a certain quality of education service and to leveling the playing field for local governments with varying fiscal conditions. In addition, the grant program, unlike state subsidies, is subject to the state's control on the usage of the funds. So it has the characteristic of being independent. To summarize, from both financing and allocation perspectives, the benefits of the Grant Program are as follows: stable education financing; expansion of education financing; fulfillment of education financing needs; fairness in resource allocation; and increased independence in the management of local education finance.

4.1.1. Stability of Education Financing

Stability in education financing is understood as being characterized by stable sources of funding for education, but it can have different connotations. It can be interpreted either as securing an optimal size of funding or as a legal basis for an education financing scheme (Kichang Song, 2006).

The size of the central government's 2010 MEST budget was KRW 41.63 trillion, 19.6% of the central government's total budget of KRW 211.99 trillion. The Korean government has continued to increase the education budget to improve quality of education. To this end, the government has revised the Act related to education finance, in which the ratio of internal tax allocated to the education budget rose from 11.8% to 20.27%.

Table 2-10 | Government Budget vs. MEST Budget by Year (1965-2010)

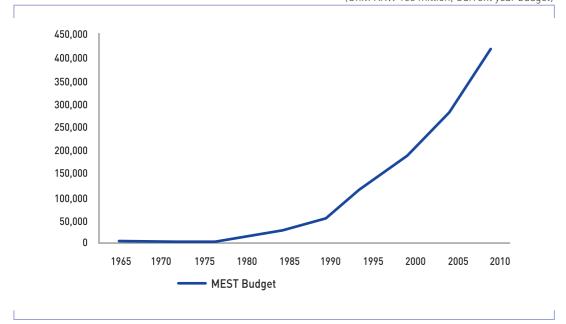
(Unit: KRW thousand, Current year budget)

Year	Government Budget (A)	MEST Budget (B)	B/A (%)
1965	94,652,348	15,331,155	16.2
1970	446,273,301	78,478,212	17.6
1975	1,586,931,050	227,925,711	14.4
1980	5,804,061,441	1,099,159,170	18.9
1985	12,532,361,835	2,492,308,215	19.9
1990	22,689,432,968	5,062,431,258	22.3
1995	54,845,022,310	12,495,810,267	22.8
2000	93,937,057,000	19,172,027,920	20.4
2005	134,370,378,000	27,982,002,000	20.8
2006	144,807,610,439	29,127,258,513	20.1
2007	156,517,719,000	31,044,747,984	19.8
2008	183,515,764,000	35,897,425,012	19.6
2009	214,563,409,000	38,696,405,000	18.0
2010	211,992,599,000	41,627,519,000	19.6

Sources: Ministry of Education, Science, and Technology (MEST), Korean Educational Development Institute Statistical Yearbook of Education (for respective years)

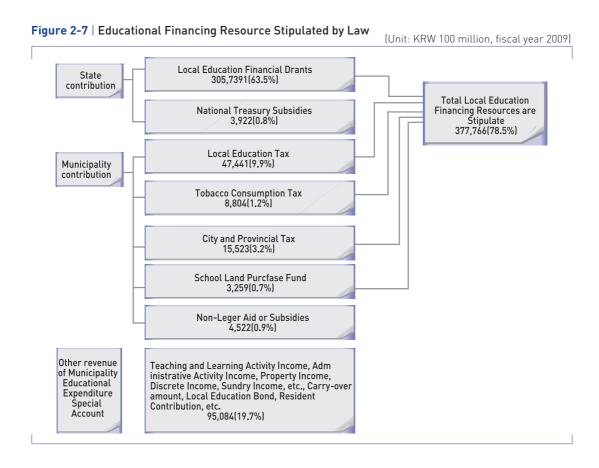
Figure 2-6 | Trend of MEST Budget Increase

(Unit: KRW 100 million, Current year budget)



Primary and middle school education in Korea (except for public schools) is financed through a municipal's special account for educational expenditure (Local Education Finance). Resources for local education financing are composed of state aid, transfers from local governments, and local authority's own revenue. The biggest source is the Local Education Financial Grant, which is state aid, and this represents 63.5% (KRW 30.5739 trillion) of the total funds allocated to local education as of the 2009 account settlement (KRW 48.1294 trillion). This, together with contributions of local governments stipulated by law (including revenues from local education tax, tobacco consumption tax, city and provincial tax, general account for school land purchase) which account for 15% (KRW 7.2027 trillion), indicates that approximately 78.5% (KRW 37.7766 trillion) of the total funding for local education are stipulated by law.

A significant portion of the responsibility for financing Korean education falls on the shoulders of the state. The legal fixed rate plays a crucial role in ensuring stability of education financing. This indicates great stability from a financing perspective because public sources are derived from tax revenue and the size of the funding is mandated by law.



4.1.2. Expansion of Scale of Local Education Finance

The Local Education Financial Grant Program serves as a basis for financing and resource allocation for Korea's local education system. Continuous efforts were made to secure more funding by increasing the fixed rate applied on grants through revision of the Local Education Financial Grant Act and by changing the sources of funding through tax changes. The goal of these efforts was to improve the overall quality of primary and middle schools through the expansion of free compulsory education and enhancement of the overall environment and conditions of education. Thanks to these efforts, the size of the special account for educational expenditure has steadily increased.

Table 2-11 | Breakdown of Revenue Sources for Annual Educational Expenditure Special Account

(Unit: KRW 100 million, Current year budget)

			St	ate Sourc	es		Local Go	vernment	Sources
Year	Grand Total	Sub Total	Grants	Local Education Transfer Fund	Education Environment Improvement Aid	Subsidy	Sub Total	Local Education Authority Own Income	Funds Transferred to Educational Expenditure Special Account
1977	4,763	3,667	3,620	-	-	47	1,096	780	116
1978	6,262	4,773	4,681	-	-	93	1,489	1,341	148
1979	8,230	6,535	6,437	-	-	98	1,695	1,490	205
1980	10,742	8,453	8,337	-	-	116	2,289	2,032	256
1985	26,449	19,494	19,486	-	-	8	6,955	6,405	550
1990	50,235	37,971	37,927	-	-	44	12,264	8,911	3,353
1995	122,514	102,694	72,090	29,870	-	734	19,821	12,984	6,837
2000	193,181	145,138	85,714	51,618	7,000	806	48,043	36,911	11,132
2001	222,026	157,288	119,779	36,244	0	1,265	64,738	19,020	45,718
2002	234,162	166,209	127,622	37,184	0	1,403	67,952	19,413	48,540
2003	258,541	186,703	144,532	41,082	-	1,089	71,838	19,083	52,755
2004	290,578	212,522	168,683	42,386	-	1,453	78,057	17,028	61,029
2005	306,370	215,684	174,954	39,772	-	958	90,686	30,093	60,593

Sources: Ministry of Education, Science, and Technology (MEST), Korean Educational Development Institute Statistical Yearbook of Education (for respective years).

4.1.3. Fulfillment of Education Financing Needs

The Local Education Financial Grant Program made significant contributions to education financing based on the social consensus of improving the educational environment and conditions. Thanks to the program, the total amount of educational resources has increased steadily. In the initial stage of the program, resources were expanded to help fund compulsory primary and middle school education in an attempt to achieve greater access to education, but nowadays efforts are being made to ensure qualitative as well as quantitative improvements.

Table 2-12 | Expenditure on Educational Institutions as a Percentage of GDP by Funding Source and Level of Education (1998-2006)

Category		Ove	rall Educa	ition	Primary and Secondary Education			Tertiary Education		
Ca	tegory	Sub Total	Govern- ment	Private Sector	Sub Total				Govern- ment	Private Sector
	Korea	7.0	4.1	3.0	4.0	3.2	0.8	2.5	0.4	2.1
1998	OECD Average	5.7	5.0	0.7	3.7	3.5	0.4	1.3	1.1	0.3
	Korea	6.8	4.1	2.7	4.0	3.2	0.8	2.4	0.5	1.9
1999	OECD Average	5.5	4.9	0.6	3.6	3.4	0.3	1.3	1.0	0.3
	Korea	7.1	4.3	2.8	4.0	3.3	0.7	2.6	0.6	1.9
2000	OECD Average	5.5	4.8	0.6	3.6	3.4	0.3	1.3	1.0	0.3
	Korea	8.2	4.8	3.4	4.6	3.5	1.0	2.7	0.4	2.3
2001	OECD Average	5.6	5.0	0.7	3.8	3.5	0.3	1.4	1.0	0.3
	Korea	7.1	4.2	2.9	4.1	3.3	0.9	2.2	0.3	1.9
2002	OECD Average	5.8	5.1	0.7	3.8	3.6	0.3	1.4	1.1	0.3
	Korea	7.5	4.6	2.9	4.4	3.5	0.9	2.6	0.6	2.0
2003	OECD Average	5.9	5.2	0.7	3.9	3.6	0.3	1.4	1.1	0.4
	Korea	7.2	4.4	2.8	4.4	3.5	0.9	2.3	0.5	1.8
2004	OECD Average	5.7	5.0	0.7	3.8	3.6	0.3	1.4	1.0	0.4
	Korea	7.2	4.3	2.9	4.3	3.4	0.9	2.4	0.6	1.8
2005	OECD Average	5.8	5.0	0.8	3.8	3.5	0.3	1.5	1.1	0.4
	Korea	7.3	4.5	2.9	4.3	3.4	0.9	2.5	0.6	1.9
2006	OECD Average	5.8	4.9	0.8	3.8	3.4	0.3	1.5	1.0	0.5

Sources: MEST_KEDI, OECD Education at a Glance (for respective years)

Table 2-13 | Annual Expenditure on Educational Institutions per Student (1998-2006)

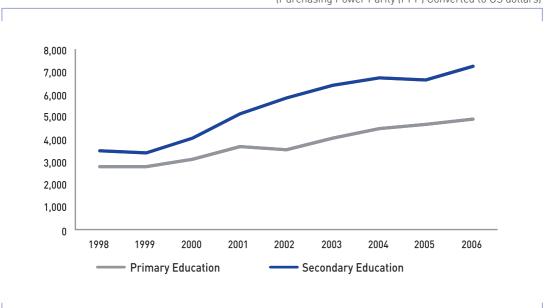
(Purchasing Power Parity (PPP) Converted to US dollars)

	Primary I	Education	Secondary	Education	Tertiary Education	
Category	Korea	OECD Average	Korea	OECD Average	Korea	OECD Average
1998	2,838	3,940	3,544	5,294	6,356	9,063
1999	2,838	4,148	3,419	5,465	5,356	9,210
2000	3,155	4,381	4,069	5,957	6,118	9,571
2001	3,714	4,850	5,159	6,510	6,618	10,052
2002	3,553	5,313	5,882	7,002	60,047	10,655
2003	4,098	5,450	6,410	6,962	7,089	11,254
2004	4,490	5,832	6,761	7,276	7,068	11,100
2005	4,691	6,252	6,645	7,804	7,606	11,512
2006	4,935	6,437	7,261	8,006	8,564	12,336

Sources: MEST_KEDI, OECD Education at a Glance (for respective years)

Figure 2-8 | Trend of Expenditure on Educational Institutions per Student (1998-2006)

(Purchasing Power Parity (PPP) Converted to US dollars)



The average ratio of state's contribution to GDP in public education expenditure at each education level among OECD countries was 5.0% in 1998, 4.8% in 2000, 5.1% in 2002, 5.0% in 2004, and 4.9% in 2006, while in Korea it was 4.1% in 1998, 4.3% in 2000, 4.2% in 2002, 4.4% in 2004, and 4.5% in 2006. As indicated, Korea's ratio is relatively low compared to the

OECD level. Furthermore, education spending per primary school student in Korea stood at \$2,838 as of 1998, which accounts for 72.0% of the average OECD level (\$3,940), while education spending per secondary school student was \$3,544, 66.9% of the average OECD level (\$5,294). As of 2006, the cost of education per a primary school student was \$4,935, which represents 76.7% of the average OECD level, while the education cost per a secondary school student rose to \$7,261, 90.7% of the average OECD level. This statistic suggests that this index has increased thanks to increased education resources, but still remains at a relatively low level compared to that of the OECD members, an indication of insufficient amount of financial resource being allocated to education in Korea.

4.1.4. Equity of Education Finance

One of the main reasons the state intervenes in local education finance management is to ensure fairness in resource allocation among cities and provinces. As stipulated in Article 1 of the Local Education Financial Grant Act, the grant program allows the state or central government to support education financing in order to address imbalances in educational opportunities and qualitative divide caused by the variation in level of financial independence among local governments and disparity between rich and poor school districts with an aim to promote equity in education services (Ki-chang Song, 2006). We could evaluate that the program achieved balanced allocation of resources required for education by fully taking into account the financial condition of local governments in the sense that the amount of general grants allocated according to the program is equivalent to the amount of shortage in fiscal revenue based on fiscal needs at each local government.

4.1.5. Autonomy in Municipal Education Finance Management

Because the Local Education Financial Grants allocated to local governments are state funding, there is a high possibility that the program may undermine the autonomy of local education if the funding source was allocated by individual line item as it used to be in the early stage of the system. Since we live in a time when growing emphasis is placed on efficiency and autonomy in local education, the allocation method adopted in 2005 excluded all fiscal needs for funding policy projects except for new schools and repayment of principal and interests for local bonds in order to guarantee a maximum level of local autonomy (Ki-chang Song, 2006).

There are two ways by which the state can exercise control over municipalities in the process of allocating grant: first, through the process of identifying demands for general grants; second through the process of issuing special grants. The addition of provisions in Article 13 of the Grant Act which allowed local governments to raise a complaint against the size of the grants also contributed to greater local autonomy.

Reduction of special grants which tend to be more policy project-oriented can be understood as another contributor to increased local autonomy. According to the 2001 revision, general grants represented 10/11 (90.9%) of the program, and special grants 1/11 (9.1%). But in 2004, the ratio of general grants expanded to 96/100 (96%) while the ratio of special grants was cut to 4/100 (4%). In doing so, this measure increased the quantity of resources that were provided to local educational authorities in a lump sum, which further enhanced local autonomy.

4.2. Development of Korea's Education Brought by Stable Education Financing

The Local Education Financial Grant Act, which is a system mandated by law, was a major contributor to securing financial stability and fulfilling required revenue sources. The grants meant not only the expansion of funding, but also the improvement of Korea's education system. Stable supply of resources through the Local Education Financial Grants allowed for more and better teachers and for meeting society's rapidly growing demand for educational opportunities in 1960s and 1970s.

First, a stable source of funding allowed for more and better teachers, which helped improve the quality of education. Teachers are one of the most important factors in determining the quality of education. Teacher pay represents the largest portion of education finance. In the 1960s and 1970s, there was a growing call for more opportunities for education, and finding qualified teachers proved to be just as critical as building education infrastructure. The grant program helped improve education conditions by increasing the number of teachers, and improving work conditions for teachers in terms of status and pay, to attract qualified teachers.

Second, stability in education finance helped meet social needs for more educational opportunities. The repeal of the middle school entrance exam in 1968 and the implementation of high school equalization policies in 1974 led to a dramatic growth in demand for secondary school education, and such a call for more opportunities became social demand. In order to expand educational opportunities, more resources were required in delivering education services. In this process, the financing structure of the grant program was changed in an attempt to secure more resources, thereby meeting society's demands for increased educational opportunities.

5. Lessons

Education has been regarded as a driving force behind Korea's remarkable economic growth over a relatively short period of time and as one of the country's future growth engines. This achievement was attributable to continuous investment in education based on the belief that education was an engine for national development. The paper offers some lessons for development partner countries seeking to build a stable education financing system based on our examination as to how the Local Education Financial Grant Program, which allowed for stability in education financing in Korea, has evolved and how conflicts which inevitably occurred in the process were overcome.

First, instituting an education financing system under a legal framework is essential in establishing stability in education finance. Korea's Local Education Financial Grant Act has been critical in determining the scale of local education financing. In other words, it is necessary to establish a legal mandate in the determining the size of funding to be provided by the state or central government to municipalities. In addition, it is important to introduce a law that fixes the rate of local contribution to education financing to secure a stable revenue source. In Korea, those legal revenue sources were steadily expanded as the rate of internal tax revenue earmarked to education financing was increased over the years, increasing from 11.8% to 13%, 19.4\%, 20\%, and to 20.27\% in 2010 through a series of revisions to the Act. The legallyauthorized rate of city and provincial tax revenue transferred to meet local educational needs was increased from 2.6% to 3.6%. Also, higher rates of 10% and 5% were imposed on metropolitan cities, which are financially in a better shape, to address financial imbalance among municipalities. Enacting legislation to expand education finance has been anything but easy, considering the issues of limitation in state and municipal finance and budget spending priorities. Since education financing is closely tied to internal tax and lies within a complex tax system, the size of funding is directly affected by changes to the tax system, and so the whole process of adjustment can be extremely challenging. Nevertheless, funding stipulated under law means that it is not something that can be added or cut depending on changes in the economy or policies: it is a fund specifically devoted to financing education, which guarantees stability in education financing.

Second, the way to achieve secure funding is to ensure the independence of the education finance administration system. To ensure the independence, autonomy and political neutrality of education administration, it must be separated from general administration. Korea separated education finance from general finance, and prevented education finance from being infringed on by government or politics, to ensure the stability of education finance and enable consistent execution of educational policies.

Third, a scientific approach to the distribution of education finance is essential to improve the transparency and efficiency of education finance management. The central government needs to provide funding for educational offices (elementary and secondary school) considered of base finance revenue and base finance needs. When local governments of developing countries distribute budgets to individual schools, they need to conduct a scientific assessment of the minimum expenses for operating a school considering standard education expense, number of students by school level, and number of teachers, which should be used as distribution standards.

Finally, the other way to achieve secure funding is through the politicization of education and aggressive use of politics. This strategy promotes education spending in political campaigns as a way to meet the public's demand for better education. In light of Koreans' emphasis on education and public expectations on education, the issue of increasing education spending has always been on the list of campaign pledges during past presidential elections in Korea. In this context, the commitment to increasing the country's education finance to 5% and 6% of GDP were proposed during the 14th and 15th Presidential Elections, respectively. The so-called GNP 5% target made a significant contribution to the advancement of the nation's education. Since its proposal by the Education Reform Review Board in 1987, this debate has continued to remain part of the political and national agenda for the past two decades.

In order to achieve secure educational funding through political commitment, it would be essential to identify educational projects which are crucial for development of a nation and future of society. If they are reasonable and justifiable enough, they would win public support and acceptance, and earn political backing, which would have a positive influence on financing.

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Article 1 (Purpose)

The purpose of this Act is to contribute to the balanced development of education as the State grants the whole or part of the fund necessary for the establishment and administration of educational institutions and educational institutions and educational administrative institutions (including their affiliated organizations; hereinafter the same shall apply) by the local government.

Article 2 (Definitions)

The definitions of terms used in this Act shall be as follows: <Amended by Act, Dec. 29, 1995>

- 1. The term "amount of the standard financial need" means the amount of the financial need for local education and its administrative operation, which is estimated by the provisions of Article 6;
- 2. The term "amount of the standard financial revenue" means the amount of all of the financial revenue with respect to education, science, technology, physical education, and other academic sciences (hereinafter referred to as the "education and academic sciences") which is estimated according to the provisions of Article 7;
- 3. The term "unit of measurement" means the unit by which the amount of each department is measured after the local educational administration is divided into departments; and
- 4. The term "expense per unit" means the amount per unit for each unit of measurement in order to estimate the amount of the standard financial need.

Article 3 (Types and Financial Resources of Grants)

- (1) The grants which the State grants to local governments for the purposes as prescribed in Article 1 (hereinafter referred to as the "grants") shall be divided into general grants and special grants.
- (2) The financial resources of grants shall be the sum of the amount under each of the following subsections: <Amended by Act, Dec. 31, 1990; Dec. 13, 1997; May 24, 1999;

- Jan. 28, 2000; Jan. 29, 2001; Dec. 30, 2004; Jan. 5, 2005; Dec. 30, 2006; Jan. 1, 2010>
- 1. < Deleted by Act No. 7251, Dec. 30, 2004>
- 2. The amount equivalent to 2027/10000 of the total of the internal taxes in the relevant year (excluding the object tax, gross real estate tax and the relevant amount of tax items to be used for financial resources of the special account pursuant to other Acts; hereinafter the same shall apply); and
- 3. The amount equivalent to the total revenue of the education tax in the relevant year as prescribed in the Education Tax Act.
- (3) The financial resources of the general grants shall be the sum of the amount as prescribed in section (2) 3 and the amount equivalent to 96/100 of the amount as prescribed in section (2) 2, and the financial resources of special grants shall be the amount equivalent to 4/100 of the amount as prescribed in section (2) 2 <Amended by Act, Dec. 31, 1990; Dec. 30, 2004>.
- (4) < Deleted by Act No. 7251, Dec. 30, 2004>

Article 4 (Revision of Grant Rates)

- (1) When there are any considerable fluctuations in the demand for personnel expenses in the local educational finance due to inevitable causes, such as increase or decrease of teachers, in compulsory educational institutions, the State shall revise the subsidy rates prescribed by Article 3 (2) 2 upon taking into account the increases, etc. in grants ensuing from increases in internal taxes.
- (2) In the event that the grant rates are to be revised in accordance with the provisions of section (1), matters necessary for the methods of subsidy, etc. shall be prescribed by Presidential Decree.

[This Article Newly Inserted by Act, Dec. 30, 2004]

Article 5 (Granting General Grants)

- (1) The Minister of Education, Science and Technology (hereinafter referred to as the "Minister") shall grant the general grants in its total amount to the local government whose amount of the standard financial revenue is short of the amount of the standard financial need, on the basis of the amount of such shortage. <Amended by Act, Feb. 29, 2008>
- (2) In the event that the Minister intends to grant the general grants in accordance with the provisions of section (1), he/she shall notify such decision of the said grants to the heads of educational administrative institutions of the competent Special Metropolitan City, Metropolitan Cities, Dos (Provinces) and Special Self-Governing Province (hereinafter

referred to as the "City/Do"). In this case, the Minister shall prepare the basis of computation of general grants, particulars for each local government and related data, and forward them to the heads of educational administrative institutions of each City/Do. <Amended by Act, Dec. 30, 2006; Feb. 29, 2008>

[This Article Wholly Amended by Act, Dec. 30, 2004]

Article 5-2 (Granting Special Grants)

- (1) The Minister shall grant the special grants in accordance with the classification stated in the following subsections: Provided, that in the case where any remainder is expected after using the amount as referred to in subsection 3, the Minister may use it for the financial resources of financial support to the local government which has an excellent record of operating the local educational administration and local educational finance: <Amended by Act, Dec. 30, 2006; Feb. 29, 2008>
 - 1. Where there is a special financial demand to support by formulating a separate financial support plan as the national policy project related to the education to be performed throughout the nation as prescribed in Article 58 of the Local Finance Act: amount equivalent to 60/100 of the financial resource of special grants;
 - 2. Where there is a special pending demand for local education which is impossible to meet by the method of computing the amount of standard financial need: Amount equivalent to 30/100 of the financial resource of special grants; and
 - 3. Where there is a special financial demand or a decrease of financial revenue due to a disaster occurring after the deadline of computing the general grants: Amount equivalent to 10/100 of the financial resource of special grants.
- (2) In the event that the heads of the educational administrative institutions of the City/Do file applications for special grants due to the occurrence of causes applicable to any of section (1) 2 and 3, the Minister shall examine them and grant the grants. Where the causes applicable to section (1) 1 occur or where the Minister deems it necessary, the special grants may be granted by setting a specific standard, even if there is no application therefor. <Amended by Act, Feb. 29, 2008>
- (3) Conditions may be attached or usages may be restricted for using the special grants as prescribed in section (1).
- (4) When the heads of the educational administrative institutions of the City/Do intend to use the special grants by changing the conditions or usages as prescribed in section (3), they shall obtain in advance approval from the Minister <Amended by Act, Feb. 29, 2008>.
- (5) In the event that the heads of the educational administrative institutions of the City/Do use the special grants in violation of the conditions or usages as prescribed in section (3)

- or fail to use them for not less than two years, the Minister may order them to return the grants or subtract them from the special grants to be granted subsequently <Amended by Act, Feb. 29, 2008>.
- (6) Matters necessary for the procedures, such as the criteria for choosing excellent local governments as referred to in the proviso of section (1), selection method, and the time of granting the special grants, shall be prescribed by Presidential Decree.

 [This Article Newly Inserted by Act, Dec. 30, 2004]

Article 6 (Amount of Standard Financial need)

- (1) The amount of the standard financial need shall be the sum of the products of multiplying the expense per unit by the number of measurement unit by each measurement item <Amended by Act, Dec. 30, 2004>.
- (2) The measurement items and the measurement unit shall be prescribed by Presidential Decree, and the expense per unit shall be determined by the Ordinance of the Ministry of Education, Science and Technology within the limit of standards prescribed by Presidential Decree, taking into account the fluctuations in the price index, etc <Amended by Act, Dec. 30, 2004; Feb. 29, 2008>.

Article 7 (Amount of Standard Financial Revenue)

- (1) The amount of standard financial revenue shall be the expected amount of revenue of the special account of education expenses of local governments related to the education and academic sciences such as the transferred money from the general account as prescribed in Article 11.
- (2) Expected amount of income and the financial resource which are local taxes from the expected amount of income as prescribed in section (1), shall be the amount computed by the standard tax rates as prescribed in Article 2 (1) 6 of the Local Tax Act, and the difference between the computed amount and the settlement amount shall be settled when the standard finance revenue of the year after the next year is computed, and the method of computation of other expected amounts shall be as prescribed by Presidential Decree <Amended by Act, Dec. 30, 2006>; March. 31, 2010>.

[This Article Wholly Amended by Act, Dec. 30, 2004]

Article 8 (Adjustment of Grants, etc.)

- (1) In the event that the grants have been unjustly granted due to mistakes or falsity of data required for computation thereof, the Minister shall subtract the amount equivalent to the portion that exceeds the amount of grants legally receivable by the relevant City/Do from the grants to be granted subsequently <Amended by Act, Feb. 29, 2008>.
- (2) When the local governments have disbursed considerably excessive expenses in violation of the provisions of the laws and regulations, or neglected to collect the revenues to be secured, the Minister may reduce the grants to be granted to the respective local government or order it to return a part of already paid grants. In this case, the amount of grants to be reduced or ordered to be returned shall not exceed the amount that has been disbursed in violation of the provisions of the laws and regulations, or neglected to be collected <Amended by Act, Feb. 29, 2008>.

[This Article Wholly Amended by Act, Dec. 30, 2004]

Article 9 (Appropriation in Budget)

- (1) The State shall appropriate the grants as prescribed in this Act in the national budget every fiscal year.
- (2) In the event that there is any increase or decrease in the internal taxes and education taxes owing to the revised supplementary budget, the grants shall also be increased or decreased accordingly <Amended by Act, Jan. 1, 2010>.
- (3) The difference of grants due to the difference between the amount of the internal tax and education tax budget and the amount of the settled accounts shall be adjusted by appropriating it in the national budget of the year after the next year at the latest <Amended by Act, Jan. 1, 2010>.

Article 10 (Measures Following Change, etc. of Administrative Districts)

In the event that Cities/Dos are abolished, divided, or merged, or the jurisdictional areas of the Cities/Dos are changed, the Minister shall adjust the grants for the respective Cities/Dos in accordance with the Presidential Decree, and grant the adjusted grants to them <Amended by Act, Jan. 29, 2001; Dec. 30, 2004; Feb. 29, 2008>.

[This Article Wholly Amended by Act, Dec. 31, 1990]

Article 11 (Bearing of Local Government)

- (1) The expenses needed by the City/Do for education and academic sciences shall be borne by the special account for educational expenses of the local government concerned, on the condition that those needed for compulsory education shall be appropriated by the grants from the financial resources of the special account for educational expenses and the transferred money from the general account as referred to in section (2), and the expenses related to education other than the compulsory education shall be appropriated by the grants from the financial resources of the special account for educational expenses, the transferred money from the general account as prescribed in section (2), tuition fees and entrance fees, etc <Amended by Act, Dec. 30, 2004>.
- (2) The Cities/Dos shall appropriate the following amounts to the budget of the general account of every fiscal year for the establishment and operation of public schools and improvement of educational environments, and transfer them to the special account for educational expenses. The same shall apply where there is any increase or decrease due to the revised supplementary budget: <Amended by Act, Dec. 30, 2004; Dec. 30, 2006; Jul. 20, 2007; March, 31, 2010>.
 - 1. The amount equivalent to the local educational taxes as prescribed in Article 151 of the Local Tax Act;
 - 2. The amount equivalent to 45/100 of the tobacco consumption taxes (excluding Dos); and
 - 3. The Seoul Special Metropolitan City shall appropriate 10/100 of the total amount of the special metropolitan city taxes (excluding the amount equivalent to the object tax as referred to in Article 6 (1) 2 of the Local Tax Act and the property tax for the Special Metropolitan City as referred to in Article 6-2 of the same Act); the Metropolitan Cities and Gyeonggi-Do shall appropriate the amount equivalent to 5/100 of the total amount of the metropolitan city taxes or Do taxes (excluding the amount equivalent to the object tax as referred to in Article 6 (2) 2 of the Local Tax Act); and other Dos and Special Self-Governing Province shall appropriate the amount equivalent to 36/1,000 of the total amount of the Do taxes or Special Self-Governing Province taxes.
- (3) The difference of money transferred out due to the difference between the budget amount and the settled account shall be settled by appropriating it no later than in the budget of the year after the next year <Amended by Act, Dec. 30, 2004>.
- (4) When the head of the educational administrative institution of the City/Do draws up the expenditure budget which is to be appropriated as the transferred money from the general account as prescribed in sections (2) and (3), he/she shall consult in advance with the head of the local government concerned <Newly Inserted by Act, Dec. 29, 1995; Dec. 30, 2000>.

- (5) Where the education committee of the City/Do intends to reduce the expenditure budget drawn up pursuant to the provisions of section (4), it shall consult in advance with the relevant heads of the educational administrative institution and the local government <Newly Inserted by Act, Dec. 29, 1995; Dec. 30, 2000>.
- (6) The local governments (Cities/Dos and cities/Guns/autonomous Gus) may provide financial support for the educational expenses needed for various levels of schools equivalent to or lower than high schools under their jurisdictions according to the conditions as prescribed by Presidential Decree <Newly Inserted by Act, Dec. 29, 1995; Jan. 28, 2000; Dec. 30, 2006>.
- (7) The City/Do may transfer the separate expenses other than each subsection of section (2) to the special account of educational expenses, for the promotion of education and academic sciences within its jurisdictional areas <Newly Inserted by Act, Dec. 30, 2006>.

[This Article Wholly Amended by Act, Apr. 3, 1982]

Article 12 (Report on General Grants)

The Minister shall make a report on the criteria for allotment, particulars of allotment, amount of allotment of the general grants and other important matters necessary for the operation of general grants to the competent Standing Committee of the National Assembly by not later than March 31 every year <Amended by Act, Feb. 29, 2008>.

[This Article Wholly Amended by Act, Dec. 30, 2004]

Article 13 (Raising Objection to Grants, etc.)

- (1) Where the heads of the educational administrative institutions of Cities/Dos have received a notice of decisions on the general grants pursuant to the provisions of Article 5 (2), if they have any objection to the basis of computation of the amount of grants, etc. of the local government concerned, they may raise an objection to the Minister within 30 days from the date of receiving such notice <Amended by Act, Feb. 29, 2008>.
- (2) In the event that the Minister has received an objection pursuant to the provisions of section (1), he/she shall examine it and notify the result thereof to the heads of educational administrative institutions of the local government concerned within 30 days from the date of receiving the said objection <Amended by Act, Feb. 29, 2008>.

 [This Article Newly Inserted by Act, Dec. 30, 2004]

	Items of measure	Units of measure		
Expense of personnel for teacher and staff		Increased number of teacher and staff		
	a. School expenses	Number of schools		
Operating	b. Class expenses	Number of classes		
expenses for schools and	c. Students' expenses	Number of students		
curricula	d. Curricula administration expenses	Number of students		
	e. Operating expenses for the subject class systems	Number of schools		
Educational administrative expenses	a. Operating expenses of educational institutions	Number of schools and students, and number of standard faculty		
	b. Expenses for balanced education	Number of schools and area of administrative districts, number of recipients, etc.		
	c. Other expenses	Number of pupils		
	d. Expenses for an local election campaign	Expenses for local election campaign		
	a. Cost to improve educational environment	Total building area		
	b. Cost for the public new school, transfer and	Land area		
	extension	Total building area		
	c. Cost for the public new school, transfer and	Land area		
Cost of	extension on the merge of school	Total building area		
school facilities	d. Cost for the new school, transfer and extension on	Land area		
	the relocation of school in counties	Total building area		
	e. Subsidies for the relocating costs of the private school	Total building area		
	f. Cost of equipment of the dormitory	Total building area		

	Units of measure		
Educational expense for Preschool	a. Support to the tuition of preschool	Number of pre school Pupils	
	b. Assistance for preschool teachers' personnel expenses	Number of preschool teachers	
	c. Support for education capacity of preschools	Number of pre school	
	d. Cost of new construction for public preschool	Number of preschool	
Project cost for school after class program	a. Assistance for rural communities	Number of classes	
	b. Assistance of voucher to attend program	Number of recipients	
	c. Nurturing assistance in primary and secondary school	Number of classes	
Compensation for financial deficiency	a. Repayment of local education bonds	The repayment of the principal and interest	
	b. Payment for BTL	Rental fee on the BTL	

Remarks

- 1. Among the private elementary, middle and high schools, the schools whose tuition and entrance fees are self-regulated shall be excluded from the object of estimation criteria for local education financial subsidies.
- 2. The number of schools, classes and students shall be computed as of April 1 of the previous year of the subsidy granting year. Provided, however, that in the case that the number of schools, classes and students are planned or expected to increase/decrease in the subsidy granting year, the estimated number of such increase/decrease may be added/deducted. The number for 2008 shall be computed as of Sept. 1, 2007.
- 3. In Item 3 Educational administrative expenses of the measurement items, the "number of standard faculty" included in the criteria to compute operating expenses means the total number of teachers and staff which is calculated by dividing the number of students per school, class and area of Cities/Dos by the average number of students per faculty per school class and area nationwide. Areas are classified as follows.
 - a. Metropolitan area: Autonomous precinct as prescribed in Article 3 (2) of the Local Autonomy Act, and Dong of cities with over 500 thousand population according to Article 3 of the same Act:
 - b. City area: Dong of cities as prescribed in Article 3 (3) of the Local Autonomy Act (referring to city with population less than 500 thousand);
 - c. Eup and Myeon area: Eup and Myeon as prescribed in Article 3 (3) of the Local Autonomy Act; and
 - d. Islands and remote places: Islands and remote places as prescribed in Article 2 of the Education Promotion Act for Islands and Remote Places where school with less than 300 students is located.

Unlike other taxes, the education tax is an earmarked tax with a specific purpose. Few countries collect education tax. In Korea it was effective as a means of supplementing insufficient sources of educational revenue source.

Education taxes are classified as national education tax and local education tax. National education tax is collected by the Education Tax Act and local education tax is collected by the Local Taxes Act. The tax base and tax rate of national education taxes and local education taxes are as follows:

Tax Base and Tax Rate of the Education Tax Act

Item Classification	Tax Base	Tax Rate		
1	Revenue amount of the finance and insurance businessmen	5/1000		
2	Individual consumption tax amount payable in accordance with the provisions of the Individual Consumption Tax Act	30/100(15/100 for goods under Article 1(2)4 (c), (d), (f) and (h) of the Individual Consumption Tax Act)		
3	Transportation energy environment tax amount payable in accordance with the Transportation Energy Environment Tax Act	15/100		
4	Liquor tax amount payable in accordance with the Liquor Tax Act	10/100(30/100 for the liquor for which the liquor tax rate is 70/100 or over)		

[Act No. 10407, March. 31, 2010, Amended by Act]

Tax Base and Tax Rate of the Local Education Tax in Local Taxes Act

Item Classification	Tax Base	Tax Rate		
1	Acquisition tax	20/100		
2	Registration_License tax	20/100		
3	Leisure tax	40/100		
4	Tobacco consumption tax	50/100		
5	Per capita resident tax	10/100(25/100 for City which the number of population is more than 500,000)		
6	Property tax	20/100		
7	Automobile tax	30/100		

[Act No. 10416, Dec. 27, 2010, Amended by Act]

Government budget vs. MEST budget by year

(KRW thousand, %, budget of current year)

Year	Government Budget (A)	MEST Budget (B)	B/A (%)		
1963	76,322,551	10,916,095	14.3		
1964	75,396,156	12,226,584	16.2		
1965	94,652,348	15,331,155	16.2		
1966	141,628,956	25,203,257	17.8		
1967	182,076,499	32,085,901	17.6		
1968	265,719,461	45,310,840	17.1		
1969	370,882,342	59,579,495	16.1		
1970	446,273,301	78,478,212	17.6		
1971	555,345,441	99,528,464	17.9		
1972	709,335,233	119,654,853	16.9		
1973	659,374,649	118,431,660	18.0		
1974	1,038,256,939	153,858,420	14.8		
1975	1,586,931,050	227,925,711	14.4		
1976	2,258,512,329	357,567,714	15.8		
1977	2,869,956,058	488,285,365	17.0		
1978	3,517,037,513	616,417,534	17.5		
1979	5,213,435,554	884,924,425	17.0		
1980	5,804,061,441	1,099,159,170	18.9		
1981	7,851,125,306	1,464,630,778	18.7		
1982	9,313,725,115	1,916,360,915	20.6		
1983	10,416,710,480	2,174,777,996	20.9		
1984	11,172,929,044	2,275,267,218	20.4		
1985	12,532,361,835	2,492,308,215	19.9		
1986	13,800,531,548	2,768,970,029	20.1		
1987	15,559,628,947	3,123,881,348	20.1		
1988	17,464,428,587	3,610,752,301	20.7		
1989	19,228,375,880	4,059,397,276	21.1		
1990	22,689,432,968	5,062,431,258	22.3		
1991	28,972,825,000	6,597,985,776	22.8		
1992	36,223,971,000	8,206,330,228	22.7		
1993	41,936,226,000	9,831,373,000	23.4		

Year	Government Budget (A)	MEST Budget (B)	B/A (%)
1994	47,593,865,794	10,879,429,577	22.9
1995	54,845,022,310	12,495,810,267	22.8
1996	64,926,817,730	15,565,216,500	24.0
1997	76,639,467,222	18,287,608,665	23.9
1998	77,737,582,000	18,127,837,527	23.3
1999	88,302,427,989	17,456,265,315	19.8
2000	93,937,057,000	19,172,027,920	20.4
2001	102,528,518,000	20,034,364,710	19.5
2002	113,898,884,000	22,278,357,817	19.6
2003	120,477,623,000	24,404,401,310	20.3
2004	126,991,802,000	26,399,680,082	20.8
2005	134,370,378,000	27,982,002,000	20.8
2006	144,807,610,439	29,127,258,513	20.1
2007	156,517,719,000	31,044,747,984	19.8
2008	183,515,764,000	35,897,425,012	19.6
2009	214,563,409,000	38,696,405,000	18.0
2010	211,992,599,000	41,627,519,000	19.6

Sources: Ministry of Education, Science, and Technology (MEST), Korean Educational Development Institute Statistical Yearbook of Education (2010)

Sources of Educational Funds by Year (Special account)

(KRW 100 million, budget of current year)

		Central Government				Local Government			
Year	Total	Sub total	Education Grants	Transfer to Local Ed.	Grants for Improvement of Educational Environment	Subsid ies	Sub total	Local Income	Transfer red Income
1977	4,763	3,667	3,620			47	1,096	780	116
1978	6,262	4,773	4,681			93	1,489	1,341	148
1979	8,230	6,535	6,437			98	1,695	1,490	205
1980	10,742	8,453	8,337			116	2,289	2,032	256
1981	14,322	11,143	11,027			116	3,179	2,897	282
1982	19,815	14,744	14,655			90	5,071	4,747	324
1983	22,421	16,293	16,291			3	6,127	5,643	484
1984	23,665	17,133	17,096			37	6,533	6,079	454
1985	26,449	19,494	19,486			8	6,955	6,405	550
1986	29,561	22,151	22,125			26	7,410	6,770	640
1987	32,267	24,452	24,424			28	7,815	7,099	716
1988	37,060	28,400	28,360			40	8,660	7,797	863
1989	43,203	31,466	31,369			97	11,737	8,619	3,118
1990	50,235	37,971	37,927			44	12,264	8,911	3,353
1991	66,605	54,877	40,466	14,382		28	11,728	7,867	3,861
1992	79,779	67,879	50,016	17,704		159	11,901	7,696	4,205
1993	93,455	78,115	54,341	23,773			15,341	11,140	4,200
1994	106,752	88,610	62,853	25,661		96	18,142	11,887	6,255
1995	122,514	102,694	72,090	29,870		734	19,821	12,984	6,837
1996	153,020	126,985	84,801	41,136		1,048	26,035	15,417	10,618
1997	180,484	153,437	99,609	52,718		1,111	27,047	16,051	10,996
1998	181,221	154,163	90,240	55,186	7,000	1,736	27,057	15,123	11,934
1999	156,582	130,360	76,617	46,179	6,935	628	26,223	15,660	10,562
2000	193,181	145,138	85,714	51,618	7,000	806	48,043	36,911	11,132
2001	222,026	157,288	119,779	36,244	0	1,265	64,738	19,020	45,718
2002	234,162	166,209	127,622	37,184	0	1,403	67,952	19,413	48,540
2003	258,541	186,703	144,532	41,082		1,089	71,838	19,083	52,755
2004	290,578	212,522	168,683	42,386		1,453	78,057	17,028	61,029
2005	306,370	215,684	174,954	39,772		958	90,686	30,093	60,593
2006	311,484	234,455	232,859			1,596	77,029	18,190	58,840
2007	336,241	254,969	251,231			3,738	81,272	18,014	63,258
2008	378,524	289,645	289,571			73	88,880	18,004	70,875
2009	400,031	306,019	305,994			25	94,012	19,729	74,283
2010	410,954	291,402	291,315			87	119,552	43,678	75,874

Sources: Ministry of Education, Science, and Technology (MEST), Korean Educational Development Institute Statistical Yearbook of Education (2010)

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