

Trends and Tasks of Economic(s) Education under Economic Crisis(IMF Control) in Korea

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I. Introduction

Since the economic crisis, or financial crisis, of late 1997 in Korea, two years have passed. Koreans have had many unexpected experiences on their social and economic life. It has brought unprecedented economic and social distress to the Korean society. The average growth rate in Korea had been above 7% until the mid nineties but the rate dropped dramatically to -6% around within 1998. Also, even though Korea enjoyed virtually full employment before the crisis, she had to endure the 10% unemployment rate. No one had really expected such severe experiences during 1990s.

The process of overcoming the crisis, of course, caused much pain to Korean people. For example, many Koreans had to leave their jobs and many families suffered from the home economic conflicts and crisis. In addition, the salaries in private sector as well as in public sector was also cut down by around 10%.

This unfortunate experiences and the course of overcoming the crisis in Korea have a deep impact on the various areas of the society and change many aspects of social life. In order to survive in the crisis, financial market had to be restructured reformed, labor market had also to be

reformed for the flexibility of its supply-and-demand. The efforts for social security net was made by the government. The area of education also was reformed to cope with the IMF situation in the aspects of educational contents, objectives, and educational environments.

The economic(s) education was not an exception. Many educational leaders thought that it is necessary to emphasize the necessity of economic(s) education in school but also out of school in order to overcome the economic crisis. A great deal of teaching materials for school economic education was provided for school teachers. Most of Korean broadcasting stations newly draw up the programs for educating economic literacy to citizens.

Then, what trends and tasks of Korean economic(s) education are observed and can be mentioned after the economic crisis? The purpose of present paper is to grope the answer to the question. In order to find the answer to the question, first, the characteristics of economic crisis in Korea will be examined, and then the impacts on economic(s) education considered. As a result, the trends and tasks of economic(s) education under the IMF situation will be discussed. Especially the answer will be focused on the curriculum side such as objective, content, and teaching method.

In this paper, for the purpose of convenience, the concept of economic(s) education is limited to the teaching area of the students of elementary-&-secondary school, the citizens of out-of-school, and the university students who learns economics as a subject for general education, not the students whose major is in economics. This kind of conception means that the goals of economic(s) education is to help the people to be a responsible citizen and effective decision-maker. That is, economic(s) education in this paper is the pedagogy to help to develop in people an ability to understand and make reasoned judgments about

major economic questions facing society and themselves as members of the society.

II. Economic Crisis and Economic(s) Education in Korea

1. Cause and Characteristics of Korean Economic Crisis

After the economic crisis in Korea, there has been a lot of studies on the causes of the crisis, which were made by P. Krugman, J. Sacks, Unchan Cheng, etc.. Many scholars, who studied the causes of Korean economic crisis, pointed out that the situation of Korean economy was different from that of other Asian countries and that the nature of the crisis was also quite different from that of past ones.

In fact, Korean economic crisis did not stem from the fixed value of the Korean currency, 'Won,' unlike that of Mexico and Thailand. Indeed, the exchange rate had gradually adjusted in recent years to maintain competitiveness of Korean export industry. Also, the fundamentals of Korean economy had established the country as the ideal type of development successes. With the continuous growth of real GDP at the average of above 7% annually since 1980s, the inflation rate below 5% and the unemployment below 3%, Korean economy kept clearly a good state.

Unlike typical currency crisis, the bumps on the road that appeared in late 1997 were partly due to some decisions made by private sectors. The economic crisis in Korea had little to do with mismanagement of monetary and fiscal policy. Instead, it was mainly the consequent of the background structural problems in East Asia and the intrinsic instability

in international financial market. For example, the factor of near zero interest rate in Japan contributed to the feeding the Korean financial bubble. Also, weak governance of financial intermediate institutions and corporate sectors provided a factor of domestic excess and external debt financing. In a result, Korean economy became the vulnerable state to the changes of international capital market sentiment.

Another causes of the invitation of IMF in Korean economy, that is moral hazard and the paradox of exclusive egoism of Korean economic actors, have to be mentioned, which is mainly discussed by the scholars in domestic. Many social scientists in Korea maintained that a kind of moral hazard of economic actors such as Chaebol, bank and bureaucracy induced the structural weakness of Korean economy and it resulted in the economic crisis. The actors such as Chaebol, bank and bureaucracy pursued to maximize their own profit even with illegal and immoral activities, ignoring the interdependence of macroeconomy. It had caused the collapse of all parts of economy.

After all, final was the news that "Confidence" collapsed to the extent that the IMF was called in and that a standard package was put into the place. The case had been made that Korea was the victim of misdiagnosed temporary illiquidity and not the perpetrator of fundamental insolvency even though Korean economy has carried a structural weakness in financial system and industrial organization.

2. Impacts on Economic(s) Education of Economic Crisis and its trends

Considering mentioned above, the impact of Korean economic crisis in economic(s) education can be discussed as follows. This is the basement for finding the tasks and trends of Korean economic(s) education under

IMF-package.

Firstly, most of Korean people became quite concerned with economic issues related to economic growth, distribution, foreign exchange market etc.. For example, most of Korean News papers carried a big size article on the current economic issues under the period of economic crisis. As a reference, one of news paper frequently featured the theories and practices on the change of exchange rate and its impact. Maybe, every Koreans had read the articles dealing with the theories and practices on the issues of Korean economy including the problems of unemployment, growth, distribution, foreign debts etc.. Through the experiences of economic crisis, the economic literacy of Koreans was thought to be much increased.

In addition, Koreans felt that the decision-making of economic policy and the sustainable development of enterprises were not the others' business but their own one. They began to have a voice for making an effect on the process of decision-making in economic policy and in the big management decision of corporations. As a good example, a civil organization(NGO), which regimented individual people's stockholders, participated in a general meeting of stockholders of Samsung Electronic Corporation. She made an important effect on the management decision of Samsung Corporation.

Another impact was that economic ethics and value system took a place as the content of economic(s) education in Korea. As mentioned above, moral hazard was pointed out one of factors inducing Korean economic crisis. Many news papers and the materials for economic(s) education contained an account on the responsibilities and ethics of economic actors in Korea. The following is an example.

The article topics for the campaign,
"The Miracle of Han-River, Once More"

- 1) saving energy
 - 2) using mass transportation system
 - 3) buying the goods made in Korea
 - 4) increasing savings
 - 5) decreasing nonformal education costs
 - 6) banishing the luxurious
 - 7) decreasing the food trash
 - 8) restrain oneself a trip abroad
 - 9) working one more hour
 - 10) making a good labor-management relation
- <One of news paper, Dec. 12nd -- 21st, 1997>

III. Tasks of Economic(s) Education; **Toward the "Economic Education of Participation"**

What measures are we taking to enhance the decision making ability for a better economic life under the period of economic crisis? Which course of economic(s) education is more appropriately taken to eventually make Korean people be responsible citizens and effective decision-makers?

Based on the trend and ground of economic(s) education mentioned above, I would like to propose a concept of "Economic(s) Education of Participation", which can be defined as a process of active problem solving on citizens' own economic life, suggesting objectives, methods, and active practices of Korean economic(s) education on the basis of everyday economic life by all educational members including teachers as a leading part together with members of local community and intermediate structures such as NGOs, newspapers, churches, something like that. Economic(s) education of participation is not for protecting

member's own benefit but for realizing ideals of economic(s) education. It does not simply imply to an altruistic behavior but interactive performance in civil economic society.

Then, what is economic(s) education of participation for? The answer to the question can be formulated following the process of economic(s) education.

1) Aspects of Goals and Objectives

Regarding goals and objectives of economic(s) education, some notions need to be replaced and others to be emphasized. For example, the creative thinking in the course of curriculum, instead of only simple economic knowledge, needs to be emphasized for the more competitive economic life. Also, in the globalized world economy, the concept of the economical means the rational, not just saving or frugality. In addition, the participation in economic policy and market mechanism should be emphasized in economic(s) education for citizens. Citizens began to think the active participation to be very necessary for eliminating the moral hazard of entrepreneurs and economic policy makers. Lastly, economic(s) education began to be considered as the instrument to solve the socio-economic conflicts, not just as an education of economics literacy.

If we summarize the mentioned above, it can be expressed that economic(s) education in Korea shifted its course from literacy concerned to both economic literacy and values concerned. In fact, while the science of economics is in itself value-free, economic analysis, economic policy, and the economy itself are intertwined with choices and decisions which reflect values. There is an integral relationship between a person's values and his/her choices and also between social justice and economics.

In this sense, if you want our citizens to invent a better economic life in the future than the present trends, you have to introduce economic issues not only as a scientific matter, but also as a matter of moral philosophy. To tell the truth, Adam Smith was a scientist, but also moral philosopher.

2) Using everyday economic experiences as a learning tool

By focusing on everyday experiences as the starting point for understanding economic contents, we implicitly recognize two important characteristics of economic(s) education. First, this understanding is a lifelong process. Alfred Marshall already defined economics as the study of mankind in the ordinary business life. To the extent that people can improve their perception of the nature and impact of their everyday economic experiences through their whole life, their economic understanding will be enhanced. Second, it can be said that the decision making ability for economic issues can be effectively derived through observation and participation in everyday experiences. These experiences are most likely to come from direct contacts within the learner's everyday life in his/her community.

Considering the mentioned above, using community life and newspapers-&-broadcastings as a pedagogic material in economic(s) education class are the potentials for a new outreach in today's economic(s) education. In the context of dealing with their own economic problems, learners as producers, consumers, and citizens, can examine the various economic principles and decisions. Sometimes, learners(or even economic(s) education teachers) can be selected and inducted into the actual everyday life experiences of business or consuming. Through this process, they gain the opportunity-and-challenge to interact with the segment or people with which they normally have little contact, and

they understand effectively what the economic world is. As a result, they can improve their decision-making skills as consumers, producers, and voters.

Conclusively speaking, real-life experiences are a powerful learning tool and increase in richness as the learners' world are extended into the class. Then, when a community and its school(or college) are fused into one continuous learning place, the ordinary business of life becomes the basis for extraordinary economic(s) education.

IV. Conclusion

We have been discussing what the trends and tasks of Korean economic(s) education were like under the period of economic crisis and how to overcome. As was discussed, the economic crisis in Korea had impacts on Korean economic(s) education in various ways; objectives, methods, contents, and etc.

Now, we would like to suggest one more thing that we need dialogue among members of economic(s) education community. Teachers(or professors), learners and citizens, and educational policy makers should intervene into dialogue, which has been recognized for its efficiency in communication-&-pedagogy since Socrates. Dialogue, pursuing the reforms of economic(s) education, will provide with a basis of educational discourse which is required for the Korean economic(s) education of 21 century.

We need the provisions of places and occasions to exchange and enhance dialogues dealing with reforms and improvement of economic(s) education in the coming new-century.