

How Cram Schools Perpetuate the Cycle of Poverty in South Korea

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Abstract

The purpose of this research is to examine how cram schools perpetuate and exacerbate the cycle of poverty in South Korea. By examining a variety of data, including, but not limited to, college admissions statistics at the three most prestigious universities in South Korea (SKY), number and geographical distribution of cram schools, cram school prices, and housing prices, this paper identifies a connection between the market demand for cram schools among the top echelon households of South Korean society, and the admissions rates of their students to the most prestigious universities in the country. Cram schools, being an expensive commodity, lock many low-income students out of their services, consequently excluding them from the numerous benefits that come with a prestigious university education, including employment and the possibility of climbing the social ladder. These benefits are significant in South Korea, being a nation with a deeply ingrained prestige culture, which in the field of education, is demonstrated by means of heavy emphasis placed on the name value of one's alma mater.

Keywords: Cram school, education, prestige, poverty, South Korea

Introduction

Looking down any street in Seoul, South Korea, one will find that there are cram schools everywhere. These cram schools, locally known as hakwon, offer various services, from academic tutoring to college admissions consulting, with the

intention to boost students' academic performances and move them a step closer to being admitted into a prestigious university. Cram schools are extremely high in demand, as Korean students compete for a limited number of spots at the nation's top-ranking universities. Admission primarily being based on performance on the College Scholastic Ability Test (CSAT), Korea's national college entrance examination, the competition is fierce: although approximately 500,000 students take the CSAT annually, only 3,000 acceptances are offered by Seoul National University, Korea's most prestigious university. A similar pattern can be observed with Yonsei University and Korea University, the second and third most prestigious universities in Korea, where half a million students compete for another mere 3,000 to 4,000 spots (Korea Institute for Curriculum and Evaluation, 2021). Abbreviated as SKY, these three universities are recognized in Korea for their name value and the unparalleled opportunities offered to their graduates. To receive admission, students must perform exceptionally well on the CSAT, which they attempt to achieve with the assistance of cram schools. Currently, in Korea, there are three primary forms of private tutoring. First, there is the classic hakwon, a for-profit learning institution. Students attend hakwons alongside attending formal schools. Hakwons are the most common and most demanded form of private tutoring, and naturally, heavily influence the education system in Korea. Other forms of private tutoring include individualized tutoring at a student's home, online courses, or self-study sheets that are delivered

and graded through mail (Kim & Lee, 2010). Cram schools are an expensive commodity, meaning many low-income families cannot afford them at all or can only afford those that are inexpensive and of lower quality, essentially locking low-income students out of the college admissions race simply due to their low socioeconomic status. This paper aims to explore how cram schools affect the Korean education system to exclude low-income students and perpetuate a cycle of poverty.

A Brief History of Education in Korea

The Korean emphasis on test-taking stems back to Confucianism, a system of thought and behavior popularized in ancient China that spread its influence to adjacent Korea. Although the dominance of its ideologies has faded, many Confucian ideas and practices remain prevalent in Korean culture and daily life, especially in the field of education (Lee, 2006). In ancient China, candidates to serve in the state bureaucracy were selected based on their performance on civil service examinations, not on birth and status. Greater emphasis was placed on the ability to study and memorize, not on that to demonstrate creativity and critical thinking (Arbuckle & Talyor, 1995). This examination system spread its influence to neighboring countries, including Korea, where it continues to be an important aspect of Korean culture and daily life. Today, exams are extremely important for gaining admission to better-regarded schools and later, jobs; thus, a typical student's entire academic life is oriented towards preparing for necessary college entrance examinations (Lee, 2006).

The catalyst of the intense competition for admission into prestigious universities dates back to the 1950s, right after the end of the Korean War (1950-1953). President Lee Seung Man considered universal literacy and basic education to be vital in recovering from the Korean War. However, educational resources were scarce, and consequently, education was compulsory only up to the sixth grade. This changed when General Park Chung Hee took over in 1961.

Through strong government initiatives, Park led Korea to an unprecedented state of economic growth. The consequent increase in income along with the number of elementary school graduates led to an increase in demand for secondary education. Students desired to get into better-ranked middle and high schools, and as schools were allowed to select students through rigorous entrance examinations at the time, competition became fierce. To obtain an advantage in this competition, many students started turning to and relying on cram schools and other forms of private tutoring (Kim & Lee, 2010).

With the intention to fix this problem, the government launched the High School Equalization Policy (HSEP) in 1974. The HSEP eliminated entrance examinations and randomly assigned students to a high school nearby their residence. The HSEP was successful in eliminating competition among high schools, but failed to take into account that, regardless of their high school, students continued to want to enter more prestigious universities (Byun et al., 2012). Perhaps the government could foresee the devastating outcome that cram schools would bring upon not only the Korean education system, but the economy and society as well. In the 1980s, President Chun Doo Hwan outright banned all forms of private tutoring, reasoning that access to education should be more fair and affordable. However, the ban was lifted after just ten years, due to the exceeding number of individual tutors and cram schools that attempted to operate illegally (Choi & Choi, 2016).

Meanwhile, the government maintained a quota for the number of university admissions offers and mandated strict student selection procedures for all universities. All these government policies—HSEP, outright ban of private tutoring, and mandation of strict student selection procedures—although initially launched with the intention to reduce private tutoring, reversely ended up igniting mass “education fever” and increased private tutoring. University admissions progressed to become extremely competitive,

and the intensity of the competition has not ceased to this day (Kim & Lee, 2010).

Therefore, students and their families turn to exterior help to gain a competitive advantage in the admissions process. Currently, 69.2 percent of elementary school students, 66.7 percent of middle school students, and 60.7 percent of high school students participate in private tutoring (Statistics Korea, 2021).

A frequent criticism of the HSEP was that the policy prompted students' families to move to districts near traditional elite high schools, such as Gangnam and Seocho. These districts eventually established reputations for having high "education fever," and cram schools seeking opportunities to earn high profits started to move their locations to these districts. Families ambitious to get their children admitted into prestigious universities—which are most families in Korea—moved to these districts to better access cram schools and other educational opportunities. The demand to live in these districts soared; thus, house owners were incentivized to raise prices, as they recognized that prosperous families would be willing to pay extremely high costs to live in these districts to send their children to quality cram schools (Cho et al., 2020). Since then, house prices in Gangnam, one of the most affluent districts in Seoul at present, have continued to soar; the average housing cost in Gangnam is an exceedingly high \$1,671,585.35. As a means of comparison, the average housing cost in Seoul as a whole, is \$927,651.51 (Korea Real Estate Board, 2021).

Concurrently widening with the gap of housing costs is the gap of the number of cram schools in more and less affluent districts of Seoul. Now, Gangnam and Seocho are home to 2,455 cram schools, or 21.4 percent of all cram schools in Seoul. Accordingly, 5 out of 10 public high schools with the highest number of SKY matriculations are located in Gangnam and Seocho (Seoul Metropolitan Office of Education, 2021). The strong positive correlation between the high number of cram schools and the high number of SKY matriculations shows the extreme

concentration of prosperous families in Gangnam and Seocho—just two of 25 districts in Seoul—and the uneven socioeconomic and geographical distribution of admitted students (Seoul Solution, 2020).

Prestige Culture in Korea

While the extreme number of students attending cram schools may seem absurd, families are willing to pay for the high costs of a cram school education, as the college one attends in Korea has a significant impact on their employment opportunities and socioeconomic status.

A major emphasis on prestige is put on students from an early age. Prestige is valued over skillset, and all students are ingrained with the idea that SKY universities are the three most prestigious universities in Korea and that graduating from one is essential in guaranteeing a stable future (Lee & Shouse, 2011).

SKY universities were the first universities to emerge after the creation of the modern higher education system in Korea. The roots of Yonsei University date all the way back to 1885, when the former institute of Severance Medical College and Hospital (part of Yonsei University) was established (Yonsei University, 2021). It was the first modern hospital and academic institution built in Korea. Ten years later, the former institute of Seoul National University College of Law was established, and another decade later, Bosung College (later renamed to Korea University) was established (Seoul National University, 2021; Korea University, 2021). SKY universities have produced countless notable alumni, from Ban Ki Moon, who served as the eighth Secretary-General of the United Nations, to Bong Joon Ho, an Academy Award-winning film director.

Due to their prolonged history and the notability of their alumni, SKY universities are considered to be extremely prestigious and a diploma from one is associated with significant benefits that essentially guarantee a path of success and stability—better access to employment, and higher positions after employment. In fact, in 2016, 46.49 percent of high government officials

and 50 percent of CEOs of major financial industries were graduates of SKY universities (Ha, 2016). The fact that graduates from three out of 203 universities in Korea are occupying nearly half of high-status positions in the two fields demonstrates the significant role the name value of one's alma mater plays in the workforce.

Furthermore, according to a survey distributed among SKY graduates by Incruit, a job recruitment website, 63.0 percent of respondents stated that it was easy to get employed due to their alma mater, and 36.5 percent of respondents stated that the reason why it was easy to get employed was due to networking and connections, as other SKY graduates were already employees in the company (Incruit, 2010). The fact that SKY's name value provides its graduates with better employment prospects, part of the reason being networking, serves as further validation that attending a SKY university truly has the potential to impact a person's life and, in some instances, help them climb the social ladder—if they can afford it.

Cram Schools and the Perpetuation of the Cycle of Poverty

Although on average, households invest approximately \$300 in cram schools monthly, it is not uncommon to find households that invest a couple of thousand dollars in the service (Statistics Korea, 2021). The high costs of cram schools mean that only the higher echelons of Korean society are able to afford the service to its full extent, and get a head start in the college admissions race.

The CSAT, unlike many other standardized tests, heavily assesses a student's ability to memorize facts and figures, not on that to think analytically and critically. One cannot anticipate performing well on the CSAT solely through natural intelligence. The CSAT, an exam one must learn to take, exhibits a strong positive correlation between the amount of time and money invested into preparation and performance on the exam (Kim & Lee, 2010).

Thus, students turn to cram schools to learn how to take the CSAT. Cram schools have access to confidential data about which passages and types of questions are likelier to appear on the exam, and instruct students on how to study for the exam most efficiently and what to focus on from the broad curriculum. Furthermore, the fast-paced and intense nature of instruction of cram schools allows students to get a head start on learning the content that is assessed on the CSAT, so that more time can be allocated to practicing and reviewing (Lee & Shouse, 2011). Despite how essential cram schools are in preparing for the CSAT, in the end, cram schools are an expensive commodity, and many students cannot afford them or can only afford those of lower quality. As aforementioned, as those who perform well on the CSAT are those who invested the most time and money into preparing for the exam, low-income students who are unable to afford quality cram schools have practically no chance of performing well on the exam. Thus, as admission to SKY universities is primarily based on CSAT performance, by nature, the majority of admitted students are from high-income households. In fact, 80 percent of SKY universities students are from households with an annual income from the top 20 percent of Korean society, and do not apply for financial aid during their college years (Yi, 2017).

Even worse, as students continue to invest in exam preparation, the Korean Ministry of Education progressively increases the difficulty of the CSAT in order to be able to differentiate students based on their exam performance. If the CSAT was made easy, then more students would excel on the exam, and there would be more qualified students than there are spots available. Nevertheless, an increase in the difficulty of the CSAT means an increase in the reliance of students on cram schools to better prepare themselves for the exam (Moon, 2020). Cram schools are heavily ingrained in Korean society as a place to depend on when preparing for practically any selective procedure.

The cram schools' proof as an influential mechanism on CSAT performance and the subsequent demand for cram schools incentivize cram schools to raise their prices. The demand for cram schools is close to inelastic, as families are willing to pay the necessary costs, however expensive that may be, to invest in a stable and successful future. In fact, cram school prices rose by 7.4 percent in the span of two years between 2015 and 2017 (Seoul Metropolitan Office of Education, 2021).

The heavy reliance on cram schools also means that students show low engagement at formal school, as they have already learned the content at cram school. And schools know this; formal schools expect most of their students to be attending cram schools, and do not cover a considerable portion of the curriculum. Alternatively, class time is dedicated to practicing and reviewing for the CSAT. Kim Suk Kyu, an uncommon Korean middle school student who does not attend cram schools, publicly spoke about how he was unable to answer questions on a school test as it was assessing content that had only been taught in cram schools (Kim, 2016). Evidently, cram schools are now the primary source of education. This leaves behind low-income students who cannot afford cram schools or can only afford those of lower quality, as they cannot prepare themselves for the CSAT solely based on formal school education. Not only does this plummet their chances of performing well enough on the CSAT to be admitted into a prestigious university, but they are also being deprived of their inalienable right to education. With cram schools dominating the education system, those who cannot afford the service to its full extent are unable to arrive at just the first step of advancing themselves up the social ladder, cram school, and are locked into a lower socioeconomic class before the race even begins. There is a rigid sequence of steps: employment opportunities and a high socioeconomic status only come with a prestigious university degree, which only comes with an exceptional CSAT

performance, which only comes with major investment in cram schools.

However, as desperate as they are to escape the cycle of poverty, low-income families spend up as much as 30 percent on their income on cram schools (Lee & Shouse, 2011). Note that the minimum wage in Korea is \$7.50, which amounts to an annual salary of \$18,815.45 (Minimum Wage Commission, 2021). To be willing to spend 30 percent of \$18,815.45 on cram schools for some, illustrates how a prestigious university degree is a primary way for one to raise their socioeconomic status in Korea. However, a survey by the Ministry of Education and the National Statistics Office showed that middle- and higher-income families spent five times more on cram school education than lower-income families (Kim & Lee, 2010). Even going as far as to spend 30 percent of their income is nowhere near what the rich are able to afford—quality cram schools with access to the best teachers from top universities and difficulty attained resources (Kim & Lee, 2010). An extensive economic and educational gap is prevalent, so prevalent to the extent where it is nearly impossible for a low-income student to even near a high socioeconomic status.

Perhaps if the CSAT assessed one's level of intelligence and ability to think analytically and critically, an economic and educational gap to such an extent would not have occurred, but instead, the CSAT being a test that assesses one's ability to simply memorize facts and figures, makes attending a cram school to prepare for the exam an undeniably major benefit.

For many families, the reality is that they cannot afford any supplemental schooling. Therefore, technical high schools in Korea tend to cater to low-income students, creating a widespread stigma that attending any type of technical high school is an indication that one is from a low-income household. Graduates from these schools, unable to pay for cram schools, were never competitive applicants for SKY universities, and are often relegated to blue-collar jobs for life (Choi, 2021). Given the current structure of the

education system, the social ladder is nearly impossible to climb.

Conclusion

This paper has explored the connections between cram schools and poverty in Korean society. Different types of data ranging from college admissions statistics to survey results of SKY graduates regarding their employment prospects and the benefits of the name value of their alma mater were observed. This paper has also analyzed cram school-specific information, such as the concentration of expensive cram schools in affluent districts, as well as the alarming number of students enrolled in them. It is apparent from the data that the high demand of cram schools, resulting from ambition for prestigious tertiary education, causes students to rely on cram schools to gain an advantage in the college admissions process. As cram schools are extremely expensive, low-income students are largely unable to pay for the service and are locked out of a system that values a SKY education above all else. While this system is still heavily used in Korea, many students are noticing the injustices of this cram school culture, and are speaking up against it. In the college admissions process at large, there are plans to rely less on CSAT performance and more on extracurricular activities and involvement in the school community (Kong, 2018). These changes, if implemented, would be a step in the right direction; the admissions process, as it stands, is elitist. However, given Koreans' over-reliance on cram schools, it is possible that cram schools will evolve to cater towards extracurricular activities instead of exams. To create a more equitable higher education system, formal high schools should teach all students the entire curriculum, and college admissions should work towards being more holistic, taking into account a students' socioeconomic status and the unique circumstances surrounding their application.

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