

## **Creating and Sponsoring a Free-Market University Course Offering**

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The Center for Free Enterprise, a free market think tank based in Seoul, South Korea, sponsors universities in Korea to establish the program, 'Understanding Free Markets.' To sponsor the course, which offers three university credits, CFE provides ten million won (approx. \$10,000 USD) to the university (alternatively 8.7 million won is paid when it the course is offered for two credits.) The subsidy money comes entirely from the Federation of Korean Industries (FKI). The following details are how the money is spent for the two and three credits courses.

### **Three unit course**

- Honorarium for lecturers: 500,000 won x 13 times
- Allowance to coordinating professor: 2.5 million won
- School Administration costs: 1 million won

### **Two unit course**

- Honorarium for lecturers: 400,000 won x 13 times
- Allowance for coordinating professor: 2.5 million won
- School administration costs: 1 million won

In order to qualify for this program, universities need to submit their proposal for the curriculum, list of lectures and the course organization within the given time frame to the CFE. CFE requires applying schools to satisfy some conditions as follows;

- Every lecturer must be a supporter of free market principles.
- In the curriculum, two topics of 'Essence of Free Market Economy' and 'Competition & Monopoly' must be included.
- No more than three lecturers can come from the same university as that of the coordinating professor. This is a measure to prevent the coordinating professor from recruiting lecturers based on his personal relationship.
- At least two company CEOs are to be invited as lecturers so that the students may have close contact with the realities of the business world.

There is more to be taken into account when selecting universities. These factors are; whether the coordinating professor is ideologically trustful, the expected number of students to be enrolled to the course, the school ranking, its location etc. In the spring semester of 2006, twenty three universities were selected. Usually around twenty universities in one semester join the program.

Universities taking the program have to do their best to abide by the proposal requirements. For example, lectures specified in the proposal may be substituted with

others but the number cannot exceed four. Also, universities that fail to enroll more than fifty students for the course are not eligible to apply for the program for the next two years.

## UNIQUENESS

The focal point of this program is to channel funds from the Federation of Korean Industries (a club of Korea's big businesses) to universities for education in free market principles. It is one of the interests of the FKI to appease the anti-business sentiments and to create a pro-business environment in Korean society. The FKI had been operating a few fragmentary educational programs in order to cope with the problem but had not attempted to incorporate them into a regular credit-giving university curriculum. What is meaningful about this program is that the CFE was able to establish a channel between the FKI, which needed education for the public, and the universities, which are the supplier of education.

This university based program has its advantages: outreach to a large number of students was made possible and teaching became more effective than with other programs because students have to receive credits by attending the course as with any other regular courses. A lecture course is far more effective when it is compulsory for students to attend the classes and to sit for the tests to receive credits rather than when it is filled with random and just sitting participants.

The course serves the interest of both the students and universities. Students are happy about the fact that they can attend classes held by renowned figures and the schools benefit as they do not have to bear extra costs in accommodating outside lecturers for extra courses. This is especially true for universities that find a hard time inviting outside lecturers due to their financial circumstances; they tend to welcome this program more.

## THE CURRICULUM

The Curriculum varies from universities to universities. Kyunghee University has one of the most exemplary programs as shown below;

### - Typical Course Outline (Introduction + Thirteen Lectures + Two Exams)

Week	Contents	Lecturer
1	Questionnaire, Intro., Free to Choose Video	Professor
2	The Essence of Free Market Economy	Professor
3	Free to Choose Video, The Concept and Importance of Freedom	Professor
4	Land Problems and the Free Market	Professor
5	Free to Choose Video, CEO Leadership in the Global Age	CEO Lecturer
6	Brief History of the Market Economy: Neo-Institutional Paradigm	Professor
7	Competition and Monopoly	Professor
8	Mid Term Exam	Professor
9	Conservative and Progressives	Professor
10	The Political Economy of Regulation	Professor
11	Entrepreneur and the Entrepreneurship	Professor
12	Political Economy of Chaebols	Professor

13	Free to Choose Video, Real World of Business	CEO Lecturer
14	Free Trade and the Global Economy	Professor
15	Free to Choose Video, Markets and the Government	Professor
16	Final Exam	Professor

## EXAMINATION

Assessment of student's performance consists of mid-term and final examinations as with other college courses. Sometimes such evaluation methods as quizzes, term papers or op-ed style essay writing are used, based on the coordinating professors' preference. Some coordinating professors request lecturers to come up with three to four exam questions so that he or she can choose from them for setting the questions of the mid-term and the final examination. Lectures given by company CEOs are not usually covered by the examinations.

## WHY DO WE DO THIS?

Students predominantly believed that the free market was full of market failures and that they make the rich richer and the poor poorer; contrary to the truth that government failures tend to be bigger than the market failures and that the sure way to alleviate poverty is in fact to establish a free market economy. Even those economics professors, who understand the true nature of government failure and the cause of prosperity, disappointingly have indulged themselves in feeding students rather stodgy technical matters rather than tackling important but politically sensitive subjects. CFE's program pushes those hesitant free marketers to openly speak in favor of free market principle.

## WEBSITE

The CFE is operating a website for the lecture program in order to encourage students' participation to the maximum. The website also serves as the archive of the lecture materials that are used by the lecturers. Along with the core website, sub-sites for each university are provided. Each sub-site contains three boards including a course materials board, a free board and the board for the notice. Each university's sub-site is run by teaching assistants of each university, paid from the sponsoring fund. To promote competition and idea sharing among the universities, students are allowed to visit and read other school's sub-site as well as their own. But they are limited to their own websites in writing.

## QUALITY CONTROL

Assessments are made on how much is achieved by the lecture program with the questionnaire survey that takes place at the beginning and end of the course. The questionnaire contains questions about the students' perception about the market economy and the quality of each lecture. Below is the result of questionnaire survey for one typical question;

- Does the capitalist economy make the rich richer and the poor poorer?

Answer	Before(%, 472 Respondents)	After(%, 629 Respondents)
Strong No	5	14
No	41	60
Yes	51	25
Strong Yes	3	1
Total	100	100

Each school is supplied with the assessment report on their own lecturers. The coordinating professor of each university is informed of the best four lecturers in each course. It is encouraged for the coordinating professors to give priority to those best four when recruiting lecturers in the next semester.

### ESSAY COMPETITION

The CFE holds an essay competition twice a year -- spring and autumn. It is open to the general public but more than 80% of the competitors are students. CFE gives prizes to around 10% of the entries. Some universities require students to write essays for the competition instead of term papers. These schools generally reserve high marks for students who win prizes in the competition. The CFE essay competition provides the coordinating professors an alternative method in assessing the students' achievement in the course.

### FREE MARKET CHALLENGERS

Experiences show that students tend to be better tuned to domestic reality when they take trips abroad. The CFE designed a program on this basis to give students the opportunity to travel abroad and write essays on their travels. In the program 'Free Market Challengers', two students make one team, and ten teams have an opportunity to travel abroad and submit contest essays from which three are picked and awarded. There are incentives to join this program for students taking CFE sponsored "Understanding Free Market" course as extra marks are given when screening.

### FOLLOW-UP PROGRAM

Students who take the "Understanding Free Market" are encouraged to join "I ♥ Free Markets," which is basically an on-line community of supporters of the free market principle. Off-line meetings are also organized once a month. During off-line meetings, some informal social activities as well as official lectures take place. two years since the first meeting of May 2004, the number of the internet members of the "I ♥ Free Markets" has grown to 4,200 and is still growing.

### ACHIEVEMENTS

When the CFE started this program, one could not easily speak in favor of the market economy in universities. Students believed that the markets were full of failures, leading to environmental destruction and engulfing the gap between the wealthy and poor. As the word 'red' once was before, words like neo-liberalism and free market economy

became 'dirty words'. As the number of students who took the “Understanding Free Market” course increased, the atmosphere in universities changed considerably. There are increasingly more students who think of the market economy favorably now. A clear achievement has been made in this aspect.