

Faculty Senate Position Statement on the Proposed
Center for the Study of Free Enterprise

October 28, 2015

At the time of this statement the WCU campus is in a period of “open comment” regarding a proposal from the College of Business economics faculty to establish a new Center for the Study of Free Enterprise (CSFE). Dr. Brian Kloeppe, Dean of the Graduate School, per University [Policy 105](#), will aggregate all comments and present a summary to the Provost’s Council, who will then advise the Chancellor regarding the establishment of this new center. The Senate, as a body and as individual members, has been actively involved in reviewing and discussing this proposal, and with this statement we wish to contribute our views in a succinct form. Note: This in no way diminishes the importance of individual faculty members, Senators included, to express their own unique views directly to Dr. Kloeppe. Our points will be enumerated with minimal elaboration to facilitate readability. Each point represents extensive discussion and debate.

Points of Agreement

1. The Senate strongly affirms the concept of academic freedom, including freedom of utterance and inquiry, in compliance with professional norms. We unequivocally support the rights of our colleagues in Economics to determine their own research and teaching agendas. Furthermore, we acknowledge explicitly that the theoretical perspectives embraced by the new Center are well within the mainstream of the discipline of Economics.
2. In addition, we take the position that, just as an individual faculty member is not expected to evenly represent all perspectives and all points of view in their discipline, a Center may appropriately address a specific agenda. Breadth of diverse viewpoints is a responsibility of the university as a whole, but not a specific center.

Concerns

1. Financial costs. The budget associated with the proposal includes just over \$2 million in a gift from the Koch Foundation, and just over \$1.4 million contributed by the existing WCU budget. Although a substantial proportion of WCU’s share is in current faculty lines, substantial immediate costs would be incurred. After the expiration of the 5-year gift, without new grant/gift money, even if the Center were to close, WCU may still be obligated to some level of increased funding in future years.
2. Need. The core mission of the new CSFE is stated as “conducting scholarly inquiry, applied research, educational activities, and community outreach on the role of free enterprise in a flourishing society.” It seems apparent that all of these activities are currently taking place and the new Center would not be adding value, a requirement stipulated in Policy 105 5.1.1. Redundancy seems particularly ill-advised during this lean economic period when programs (and centers) are being eliminated rather than added.
3. Potential constraints on academic freedom The Charles Koch Foundation has previously set forth explicit expectations in line with their political views in exchange for monetary gifts to universities,

thereby constraining academic freedom by influencing and interfering with the development of new knowledge. Although the proposal developer at WCU insists that the ideological views of the Foundation will not influence the proposed Center, accepting a monetary gift from a source that passionately believes in a fundamental socio-economic postulate without opening that postulate up for investigation appears counterintuitive. By their own admission, the Foundation primarily supports research programs that analyze the impact of free societies on economic policy in a select number of academic programs where it believes it is best positioned to make societal change. Because the developer anticipates renewed funding after the initial five-year period contingent upon satisfactory performance as determined by the Foundation (note that the performance criteria have not been made transparent), it has tangible motivation to produce research findings that may serve to perpetuate the large stream of funding required to maintain the Center. Furthermore, any research conclusions consistent with the Foundation's ideological perspective may be considered fruit from the poisoned tree, and therefore dismissed by reputable scientific communities.

4. Reputational costs. Other institutions in recent years who have accepted gifts from the Koch Foundation have indeed struggled with academic freedom issues, with much negative publicity in higher educational outlets as well as general media. Even with the promise of no strings attached to the current gift, the legacy of such gifts carries a burden. As we enter a new phase of WCU's history, with a necessary focus on inclusion and a more diverse faculty and student body, the negative reactions associated with the Koch Foundation may well outweigh the positive reactions also associated with it. Note that recent (2014) initiatives have resulted in the closing of the UNC Center on Poverty, Work, and Opportunity, as well as the Center for Civic Engagement and Social Change in 2015. In this climate, for WCU to establish a new center on free enterprise may suggest to the general public something about our institution's priorities and values with which many faculty are uncomfortable. We note that the establishment of a center has a greater influence on the reputation and the intellectual climate of the university than the teaching and scholarship of an individual faculty member does. Therefore it is reasonable for the general faculty to have greater engagement in the establishment of centers, including any agenda or direction of research.

5. Absence of peer review. This donation from the Koch Foundation is referred to in this document as a "gift" rather than a "grant." Thus, the proposal does not undergo external disciplinary peer review. There is also no mechanism for systematic peer review of the Center once it is operating (the role of an advisory group is surely not to provide scholarly peer review). The University has no external assurance that the work of the Center conforms to the scholarly norms of the discipline. Unlike areas where gifts to the university are common in arenas such as athletics, student financial support, buildings and grounds, etc., a Center that purports to be a center of scholarly pursuits needs to be subject to some systematic review from the disciplines involved. Normally that occurs in the grant funding process, but peer review is not involved in gifts.

In summary, while we support the legitimate right of our colleagues to propose this new center, and we view its focus as within the mainstream of the discipline of Economics, we have a number of substantial concerns. At the current time we are not convinced that the benefits outweigh the costs.

Vote Counts:

On the Position Statement:

Senators endorsing the statement:	24
Senators not endorsing the statement:	2
Abstaining:	1

On the Proposal to Establish the Center for the Study of Free Enterprise:

Senators in favor of the proposal:	3
Senators neither supporting nor opposing:	4
Senators opposing the proposal:	21