

“TRUE TO THE HIGHEST IDEALS OF THE UNIVERSITY”
VIEWING CONFLICT AS A CATALYST FOR
REEVALUATING INSTITUTIONAL STANDARDS AND PRACTICES

By

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ABSTRACT

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Conflict at institutions of higher education is not new. However, with the prevalence of the internet, disputes now capture the attention of national media outlets and can spread quickly to a large audience via social media sites and online publications. Over the last decade, conflicts over athletics, curricular changes, online classes, and special-interest research initiatives have pitted faculty against faculty and faculty against administration. At times whole campus communities may become involved in the fray, from students to staff to alumni. Organizational literature on colleges and universities tells us that higher education institutions have unique characteristics that distinguish them from the business or for-profit world. Universities must continuously innovate and adapt in order to stay relevant to society. Yet they are also decades or centuries old, with traditions, legacies, and unique cultures that pervade campus life. This tension between the old and the new, tradition and innovation, presents challenges to university leaders. When new decisions seem to contradict longstanding traditions, there is bound to be backlash.

The focus of the current study was to understand the tensions that fuel university conflict. The study utilized a historical perspective to research the conflict over the planning and implementation of the Milton Friedman Institute (MFI) at the University of Chicago in 2008. Administrators and faculty involved provided their views on the conflict through interviews. Additional data came from news articles, op-ed pieces, meeting minutes, letters, and e-mails.

Historical information on the University of Chicago, Milton Friedman, and the Chicago School of Economics was drawn on to provide institutional and biographical information, and well as to make connections between the 2008 conflict and past people or events that emerged in documents and interviews.

Four primary factors were found to have influenced the nature of the MFI dispute: Reputation, Academic Freedom, Philanthropy, and Governance. The research data provide the opportunity for a discussion of conflict not as a negative, but as a chance to reevaluate institutional values, standards, and practices. Future directions of research and suggestions for practice are considered.

I dedicate this work to my mother and best friend, Andrea Eiring. And to my dog, Madeline, for being the best security blanket around.

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Introduction



Figure 1: **Ida Noyes Hall at the University of Chicago.** Photo by Ken Bigger. (2014)

On Wednesday, in response to the great hullabaloo raised by the prospect of the Milton Friedman Institute (MFI), the full faculty of the University will convene for the rare and arcane ritual of debate. This solemn assembly shall perform rites and recite incantations neither seen nor heard since 198[4], when astrological indicators last dictated that it should be so.

*—Marshall Knudson, 3rd year College student
Oct 14, 2008*

Wednesday, October 15, 2008. A rainy autumn day. Fall Quarter is just getting underway at the University of Chicago's Hyde Park campus. Students with handmade posters line the sidewalk and steps leading to one of the university's most beloved ivy-covered buildings—Ida Noyes Hall (see Figure 1). Originally built as a women's social space, Ida Noyes now houses the University Pub, Doc Films, and the career advising office. Conferences are held on the lower floors and various student groups host dance parties on the top floor, surrounded by a colorful mural known as the "Masques of Youth." But today, the mood matches the imposing neo-gothic architecture. Faculty members slowly file in from the main quadrangle, umbrellas in hand. Crossing through the dimly lit lobby, they make their way to Max Palevsky Cinema—a bit worn and shabby, but one of the few places on campus that can hold more than a hundred people. Faculty register their names and find their seats. Then the doors close.

What ancient rites and incantations went on behind those doors? A meeting of the University Senate—open to all tenure track faculty who served at least one year at the university. But closed to students, staff, reporters, and everyone else. The topic for discussion, and the reason the meeting had been called in the first place, was a new university initiative announced earlier in the year: The Milton Friedman Institute. Milton Friedman, the famous economist who spent much of his academic life at the University of Chicago, passed away on November 17, 2006. Shortly thereafter, University of Chicago President Robert J. Zimmer asked seven faculty

members from the Department of Economics, the Law School, and the Booth School of Business to create an initiative honoring Friedman's memory. After a year of planning, the faculty committee, the president, and the provost publically announced the Milton Friedman Institute (MFI) in May of 2008. The goals of the MFI were to attract visiting scholars and policymakers, conduct seminars and workshops, and support collaborative research. University administrators gave the initiative a \$200 million price tag, with the bulk of the funds to come from prospective donors. There was also some suggestion that the MFI would be housed in the recently purchased Theological Seminary Building, located across the street from the Hyde Park campus quadrangles. Part of the \$200 million would cover the building's renovation.

Shortly after the public announcement, a group of faculty alarmed by the initiative gathered the signatures of over 100 colleagues to send the president and provost a letter. Below are a few excerpts, outlining their main concerns:

We are all disturbed by the ideological and disciplinary preference implied by the University's massive support for the economic and political doctrines that have extended from Friedman's work....We are concerned, additionally, that this endeavor could reinforce among the public a perception that the University's faculty lacks intellectual and ideological diversity....Many colleagues are distressed by the notoriety of the Chicago School of Economics, especially throughout much of the global south, where they have often to defend the University's reputation in the face of its negative image....Still others believe that, given the influx of private contributions to the MFI, the University now has the opportunity to provide roughly equivalent resources for critical scholarly work that seeks out alternatives to recent economic, social, and political developments.

Virtually all of us are distressed by the position the University has taken and by the process through which decisions have been made. We would ask to meet with you at your earliest convenience. (CORES, 2008)

To summarize, faculty expressed concern about the university's reputation, its tradition of free inquiry, the scale of monetary resources directed to the MFI, and the process through which the initiative was created and implemented.

After receiving this letter, the president and provost agreed to meet with several of the faculty involved. Dissatisfied with the administration's answers, opposition faculty created the Committee for Open Research on Economy and Society, or CORES, to mobilize and press the issue. They quickly petitioned enough faculty members to call a meeting of the University Senate, which would be scheduled for the following fall. In the meantime, over the summer months of 2008, the debate over the MFI carried on in small meetings, e-mails, and letters. As early as June, mainstream news media started picking up the dispute. Headlines included "Milton Friedman Center Runs into Faculty Protest" from *The Wall Street Journal* (WSJ Staff, 2008), "Naming U. of C. Research Center after Nobel Prize Winner has Faculty Split" from *The Chicago Tribune* (Cohen, 2008), and "On Chicago Campus, Milton Friedman's Legacy of Controversy Continues" from *The New York Times* (Cohen, 2008). Soon, tempers on both sides flared, prompting reactions like "Good Scholarship is Worth Honoring" (Crovitz, 2008) and "The Center for Disaster Economics" (Moynihan, 2008). University of Chicago students became involved through op-ed pieces in *The Chicago Maroon* and student organizations like the local chapter of a Leftist political group, the Platypus Affiliated Society. By autumn, the dispute reached alumni via *The University of Chicago Magazine*, with an advocate for the MFI writing of the CORES faculty "evidently there are a number of U of C professors pontificating well

outside their areas of expertise” (Simon, 2008). An alumnus who sided with the opposition proposed that the university name the MFI “The Friedman Seminary for Divine Economics” (Gecewitz, 2008).

By October 2008, the argument over the MFI reached its fever pitch. Early in the month, CORES members invited Naomi Klein, author of *The Shock Doctrine: The Rise of Disaster Capitalism*, to campus. Her book criticized Milton Friedman and the Chicago School of Economics for promoting free market policies used by political leaders to force change at the expense of disadvantaged populations. Klein supported the protest over the Milton Friedman Institute, and came to campus willing to publically debate MFI supporters. However, none of the MFI planning committee members attended. James Heckman called Klein “a polemicist and not a serious scholar” (Heckman in Jerome, 2008a). Robert Lucas said “In the case of Naomi Klein, I don’t know anything about her...She’s written a book critical of Milton Friedman—so have dozens of other people. I don’t see why I have to spend a day of my life doing that” (Lucas in Jerome, 2008a). MFI faculty were willing, however, to participate in a student organized panel a couple weeks later. Held the day before the University Senate meeting, the panel included MFI planning committee members James Heckman and Lars Hansen. Yali Amit, co-chair of CORES, and Marshall Sahlins, an emeritus professor of anthropology, spoke for the opposition side. Student groups organized the panel in light of the fact that they would not be allowed into the University Senate meeting the following day.

Now we return to October 15, 2008 in front of Ida Noyes Hall. Students line the sidewalk in protest. Some suck on pacifiers to show their disdain for being left out of the discussion, holding signs that read “It’s Our University Too” (Puma, 2008). In some ways the University Senate meeting represented the peak of the dispute—a last crescendo of activity

before the conflict was largely pushed out of public view. But the conflict did not end there. Even after the University Senate meeting, the MFI remained a sore spot for years, dredging up other issues related to fundraising, governance, and administrative decisions.

Researching the MFI Conflict

On that October day in 2008, as faculty filed into Ida Noyes and students protested outside, I was largely unaware of the conflict. As an alumna of the College and the Social Sciences Division, I tried to keep up with the latest campus news. But at this point in time I was continuing my career in alumni relations and development. My office, a tower room in the university's most iconic building, the William Rainey Harper Memorial Library, was only a couple blocks from Ida Noyes. But because October was always a busy month for planning events, I was likely stuck, Rapunzel like, in my tower answering e-mails or prepping conference materials.

Two years later, I made the decision to leave my tower and go back to school for a doctoral degree in higher education studies. The Milton Friedman Institute, which I had only known as another fundraising initiative when I worked in development, surfaced in my mind as I began to learn about issues of governance, university organization and administration, and the academic professoriate. In governance literature, I started to notice a growing number of articles depicting what looked like an all-out war for institutional control between faculty and university leaders, made worse in recent years due to external pressure on institutions to compete for resources, report accountability measures, and keep up with rapid technological change (Andrews, 2006; Birnbaum, 2004; Del Favero & Bray, 2010; Sturnick, 1998). Administrative leaders argued that strategic decisions should be made as quickly as possible in order to respond to the environment (Duderstadt, 2000; AGB, 2001). Faculty accused administrators of imposing

business or corporate models on academia, cutting faculty input in favor of centralized decision-making (Andrews, 2006; Birnbaum, 2004; Waugh, 1998).

I also noticed a flurry of articles on university conflict in publications like *The Chronicle of Higher Education* and *Inside Higher Education*. Like the debate over the Milton Friedman Institute, these conflicts had spilled over into the mainstream media. Some examples included the fight between New York University's faculty and President John Sexton over initiatives like NYU Abu Dhabi and the NYU2031 plan for campus expansion in the city (Kiley, 2012), legal action on the part of City University of New York's faculty to fight the implementation of a new curricular plan called Pathways (Berrett, 2013), the decision by Rutgers University administrators and trustees to join Division IA athletics (Dowling, 2007), and controversy at San José State University over Massively Open Online Courses (MOOCs) and a partnership with external providers edX and Udacity (Rivard, 2013). While each of these examples focused on a different object of contention, they collectively spoke to larger issues of governance, faculty-administrator relationships, and underlying values that emerge during instances of conflict.

Reading about all of this conflict brought me back to the Milton Friedman Institute. The dispute over the MFI has been mentioned in two scholarly publications. Mary Burgan (2009) wrote a piece for *Academe* on governance and special-interest centers. Along with the MFI, she covered disputes over the Academy on Capitalism and Limited Government at the University of Illinois at Urbana-Champaign and the George W. Bush Policy Institute at Southern Methodist University. Burgan portrayed the MFI conflict as an example of successful shared governance, drawing this conclusion from news coverage of the University Senate meeting. A member of the CORES opposition group responded to the article lauding Burgan for starting a conversation

about shared governance and special-interest centers, but accused her of falsely representing what happened in the dispute:

There was nothing exemplary or admirable about the entire procedure, from the early prevarications to the reduction of the Faculty Senate meeting to a pseudo-public sphere where the truth that faculty governance is advisory and not statutory was emblazoned in every sentence. (L.B. in Burgan, 2009, p. 19)

To Burgan's credit, she did not set out to fully research the MFI conflict. The goal of the article was to bring attention to the growing number of centers and institutes, raising questions on how these initiatives should be governed.

Edward Nik-Khah (2011) covered the dispute in an edited volume on the history of the Chicago School of Economics. He wrote about the genesis of the Milton Friedman Institute, framing the initiative as the culmination of a longstanding neoliberal economics tradition at the University of Chicago. While Nik-Khah acknowledged that opposition faculty voiced several concerns about the initiative, including Friedman's reputation and the governance process, he contended that the opposition's arguments demonstrated a lack of knowledge about what Chicago economists had been doing for years. The research coming out of the Department of Economics has favored free markets, limited government intervention, and neoclassical price theory for decades. Therefore the Milton Friedman Institute would produce the same kind of research as the department and other centers and institutes housed in the Business School. Nik-Khah reviewed many of the same documents I read, found mainly on the CORES website. He did not interview faculty or administrators on either side of the debate. His portrayal of the CORES faculty as outsiders to the field of economics reduced their concerns and their knowledge base to the margins of the conflict.

Burgan's (2009) and Nik-Khah's (2011) coverage of the MFI did not fully explore the complexities of the case. Setting out to do my own research, I knew I wanted to talk to people who planned and supported the institute, and to those who opposed the initiative. At first, I approached the case with a shared governance model in mind. I also considered conducting a multiple case study analysis of the MFI debate with the conflicts at NYU or Rutgers. But I realized that my limited knowledge of those institutions would make it difficult for me to fully comprehend why the conflicts emerged. By focusing on the University of Chicago, I could leverage my knowledge as an alumna and former staffer to gain a deep understanding of what happened in the MFI debate. This decision led me to themes that would have been ignored had I stayed with a governance model. In fact, unlike many studies in higher education, I have no model. Instead, I approach the conflict from a historical perspective.

Research questions and structure. I started this project wanting to better understand what happens in university conflicts. Why do conflicts erupt? Who is involved? What is the source of contention, and what other issues emerged in the debate? What are the consequences of conflict? Broadly speaking, I wanted to know why the conflict over the Milton Friedman Institute happened. As I started reading documents related to the case and analyzing interviews, I realized that there was a story to tell—a story that could be told and retold in four parts. Each part views the conflict from one angle—Reputation, Academic Freedom, Philanthropy, and Governance. Because I am looking at the conflict from four separate sides, each section will have its own research questions, historical background, findings from the data, and a discussion section. There will be some repetition, especially of names and key events. I will tie all of these themes together in the conclusion.

Chapter One explores how the debate over the Milton Friedman Institute can be viewed as a problem of reputation. In this chapter I ask: Why did the University of Chicago name an institute after Milton Friedman in the first place? What aspects of Friedman's work did MFI advocates reference to justify the initiative? What negative aspects of his work did opponents use to argue that Friedman's reputation would tarnish the university's reputation? Background includes a historical overview of how the University of Chicago built its reputation, the growth of the Chicago School of Economics, and details of Milton Friedman's life and scholarly work. Quotes from documents and interviews will focus on how opponents and advocates of the Milton Friedman Institute thought the initiative would either tarnish or enhance the university's reputation.

Chapter Two looks at the MFI conflict as one of academic freedom. Questions include: Who can have a say in the research direction of a university initiative? Do the politics of an individual speak for the politics of the university? Can faculty judge each other's work and the work of their administration? I provide a general overview of academic freedom through the history of research universities in the U.S. and share several relevant events from the University of Chicago's history. Quotes will speak to whether or not the MFI violated the principles of academic freedom.

Chapter Three takes a look at the role of philanthropy in the MFI case, particularly a proposed donor society and the dollar amount associated with the initiative. I ask the following questions: How was the MFI seen as evidence of growing corporate influences on academia? In a similar vein, does donor involvement threaten the principles of free inquiry? Finally, was the MFI a problem of disproportional allocation of resources? Because little has been written about philanthropy in higher education, I begin with a historical overview and also discuss the current

fundraising environment for higher education. I follow this overview with a look back at philanthropic influences on the University of Chicago before sharing quotes from my research.

Chapter Four views the MFI conflict as a governance issue, asking: Who is allowed to participate in governing bodies and what are their responsibilities? Who actually gets to decide what at the university? Which governing bodies were involved in the MFI debate and what happened in their meetings? Information I discovered while conducting interviews led me to ask a final question: How can conflict be used to reevaluate governance? After providing a short history of governance in higher education and at the University of Chicago, I share information on the structure and powers of the faculty governing bodies involved in the MFI conflict. I then look at how the initiative moved through the various governing bodies, and how this debate surfaced larger issues of faculty control.

Historical perspective. As I interviewed key participants in the MFI case, I began to notice quite a few references to past events or important historical figures of the university. It became apparent that I could not really talk about the MFI case as a problem of academic freedom, for example, without understanding the origin of the concept and how it had been embodied at the University of Chicago. After reading through several histories of the university, I found that the issues surrounding the MFI debate were neither new, nor isolated. For this reason, I chose to analyze the data collected through a historical perspective.

In John Lewis Gaddis's *The Landscape of History: How Historians Map the Past* (2002), he outlined the challenges, limitations, and advantages of the historical perspective. Every historian, he argued, must choose the time, space, and scale of what he or she wishes to study. In doing so, we actively choose details to include and ones to ignore. Because of this individual subjectivity, no historical study can be replicated like a science experiment. In this way, the

historical perspective carries the same burden of all qualitative research—there are no statistics to generalize one’s results. However, there is a benefit to this subjectivity—we can come to know a time, place, person, or event with great intimacy. The advantage of this knowledge “prepare[s] you for the future by expanding experience, so that you can increase your skills, your stamina—and if all goes well, your wisdom” (Gaddis, 2002, p. 11).

I doubt that wisdom is on anybody’s mind during times of conflict. When attacked, our instinct is to react, not reflect. My goal with taking a historic perspective in looking at a contemporary conflict is to instill some wisdom into cases of university conflict. I wonder how many conflicts could be avoided entirely or mitigated quickly by utilizing institutional memory. For the Milton Friedman Institute case, history proved to be integral to providing not just a context for the conflict, but norms, traditions, culture, and precedence for the issues raised by the dispute.

Method. Returning to Gaddis’s (2002) discussion of time, space, and scale, I began this study with one conflict at one university over a relatively short amount of time. The Milton Friedman Institute debate flared in 2008. For that reason, the majority of the documents I searched for and ultimately used in my analysis are dated to 2008. However, the conflict reemerged in 2010, and a new debate stemming from the MFI dispute extended the timeline of the case to 2012. Initial documents were identified on the opposition faculty’s website, <http://www.miltonfriedmancores.org/cores>. The site contained the original proposal for the Milton Friedman Institute, a summary of the debate, an electronic petition and signatures, links to news articles, and personal communications written by opposition faculty, the faculty who planned the MFI, and administrators.

In addition to the documents listed on the CORES website, I searched the university's student newspaper, *The Chicago Maroon*, for articles related to the case. I also performed a Google search of the Milton Friedman Institute to find national media coverage. These documents offer multiple perspectives on the MFI dispute. Voices include opposition faculty, advocate faculty, administrators, students, and alumni. Most documents are public and available on various websites.¹

My four themes—Reputation, Academic Freedom, Philanthropy, and Governance—are informed by literature that covers both the history of higher education in America and the history of the University of Chicago. The majority of this history begins in the late 19th century with the introduction and growth of the research university and the founding of the University of Chicago in 1890. I mainly relied on secondary sources for this history, but included some archival materials from the University of Chicago. I also utilized biographies of Milton Friedman and sources that cover the history of the Chicago School of Economics.

Interviews. In addition to document analysis, I set out to interview key faculty and administrators involved in the case. I identified potential participants from an initial review of documents found on the CORES website and in *The Chicago Maroon*. I interviewed a total of nine faculty and administrators between March and May of 2014. Four of the participants came from the faculty side that opposed the Milton Friedman Institute. The remaining five participants comprised of both faculty and administrators who favored the MFI. Each participant agreed to be identified in the interview, declining the opportunity to choose a pseudonym. Everyone allowed me to record the interviews, which I later transcribed. Each participant reviewed a full draft of my analysis and was given the opportunity to remove their name from a

¹ Sometime between the start of my project and writing up my analysis, the CORES website expired. Anticipating that this might happen, I copied the content of each page into Word files. These documents were all public, and are available for review upon request.

quote. Given the participant's willingness to be identified, I will share their names, titles, and short profiles in the next section. A full write up of my research methods can be found in Appendix A.

Significance of the study. On the face of the problem, conflicts like the Milton Friedman Institute may appear to be petty squabbling between a few disgruntled faculty and university administrators. Such conflicts have been called “a battle of wills over who has a governance say in which parts of the institution” (Del Favero & Bray, 2010, p. 478). It is true that for a debate to occur there must be a minimum of two sides to the story. It is also true that the disputes taking place at NYU, Rutgers, and the rest are often framed as a problem of faculty-administrator relationships turning sour. What I want to show with the Milton Friedman Institute case is that there are rarely just two sides to a conflict. Lines can divide faculty from faculty. Even those on the same side of an argument may have different reasons for their opposition and different ideas on how to express this opposition. Some people may be intransigent in their opinions while others choose to foster open conversations.

I also want to show that conflicts are rarely isolated incidents. Every university has a distinctive history. Every university has evidence of conflict in their past. Institutional memory is a powerful thing. It contains established principles, values, and practices. In the heat of debate, when someone says “this goes against the mission of our university,” or “this is not the way we do things around here,” the person is speaking directly to the unique ethos of that institution. Unfortunately, in the midst of conflict, few people are willing to pause and dig deep into this history. Such knowledge can help university leaders realize when an old tension has resurfaced, or how a past conflict reached a positive resolution.

Many tensions and conflicts at the institutional level remain out of the public's eye. However, when conflicts reach the mainstream media, the negativity begins to threaten public trust in higher education. Judith Sturnick, a former faculty member and university president, addressed the potential ramifications of university conflict:

Since now the general public has become so skeptical of our motives and the quality of our educational programs, conflict is no longer isolated to our campus milieu....We have done immense damage to our academic reputations by allowing mismanaged—or unmanaged—disputes to spill over into full-scale eruptions. (1998, p. 111)

In the current economic crunch, politicians pounce on anything negative as an excuse to disinvest from higher education institutions. Given the constrained national resources of the economy post-2008 recession, it is imperative for university constituents to present a united front. In order to achieve this, conflict must be approached head on in order to heal relationships and build trust.

Intended audience. In the chapters that follow, I offer implications for both research and practice. I intend for this work to add to higher education scholarship on university conflict, institutional history, shared governance, and organization and administration. I believe all faculty who wish to participate in university planning will identify in some part with the faculty quoted in this project. At the same time, I believe this project can benefit administrators at all levels from dean to president. Those with a general interest in the history of higher education in America or the particular history of the University of Chicago will find many resources in the pages that follow. Those who took an interest in the dispute over the MFI can now learn more

about the conflict from the interviews and documents I gathered over the course of the project.

But let me take a moment to describe what this book is not.

I am not a scholar of economics, nor do I pretend to be. This dissertation will not be a judgment of Milton Friedman. I hold no moral opinions of Milton Friedman's scholarship or his activities as a public figure. Both positive and negative aspects of Friedman's life and work will appear as explanation for opposition or support of the Milton Friedman Institute. But the focus of my research is the dispute itself. I am also refraining from picking sides. I have done my best to remain neutral, offering ample quotes from multiple sides of the debate. Choosing a side would discredit the complexities of the case. While I offer lessons that can be learned from this case, no one involved was right or wrong in their actions or beliefs.

Finally, I end with one caveat pertaining to institutional type. The University of Chicago is a private research university—one of this country's first institutions to teach undergraduate and advanced graduate studies. For that reason, I chose to begin most of the historic sections with the rise of the research university in the U.S. Faculty and administrators at smaller colleges or newer research universities may find few commonalities in this project. For one, the organizational structures of small colleges tend to be flat, with close-knit relationships between faculty and administrators. On the opposite end of the spectrum, universities founded in the mid-20th century are often heavily administrative. I believe those familiar with private research universities, or public research universities founded before 1900, will identify the most with this case. In the latter half of the 19th century, these institutions grappled with the same issues of governance, academic freedom, and professionalization of the faculty. Many of these institutions, as I will demonstrate in the chapter on philanthropy, share similarly ambitious fundraising goals and tend to draw the most external research funding. Even though much of my

work focuses on the unique history of the University of Chicago, I hope that others will find various pieces relevant to their own experiences.

Background Information

In this section I offer a brief overview of the University of Chicago and of Milton Friedman. More detail on both will be found in the chapters that follow. I also provide a profile of interview participants as well as a few additional people who were quoted often in the documents.

The University of Chicago. The University of Chicago was founded in 1890 by John D. Rockefeller and the Chicago Baptists. Unlike many other universities of the day, the University of Chicago housed undergraduate, graduate, and professional students on the same campus. The university's first president, William Rainey Harper, vigorously recruited renowned faculty members whose advanced graduate training made them experts in their academic disciplines. Since its founding, university faculty and alumni have garnered over 80 Nobel Prizes, the majority of which have been awarded for excellence in physics and the economic sciences. Recognizable names from the university's history include James Watson of the team Watson and Crick, discoverers of DNA's structure, Enrico Fermi, responsible for conducting the first self-contained nuclear chain reaction, Ted Fujita of the Fujita Tornado Scale, and John Dewey, whose work continues to influence the field of education. Today, the University of Chicago is frequently ranked among the top 10 universities both nationally and globally. There are approximately 5,600 undergraduates, 10,000 graduate and professional students, and 2,000 full-time faculty located in the Hyde Park and downtown Chicago campuses (The University of Chicago, 2014). The Hyde Park campus is also home to the university's massive hospital

system. The university's endowment as of June 30, 2014 posted at \$7.47 billion, which places the institution among the country's top 15 wealthiest universities.

Milton Friedman. Milton Friedman was a prominent economist often credited with advancing free market economic policies that pushed Keynesian policies of government intervention out of favor (Ebenstein, 2007; Krugman, 2007). Known for strongly advocating empirical research, Friedman became one of the fathers of the famous Chicago School of Economics at the University of Chicago. He is also known for advancing libertarian ideas, including school vouchers, negative income tax, and legalized drug policy (Ebenstein, 2007). In 1976, he was awarded the Nobel Prize in Economic Sciences for his work on the consumption function. Friedman also influenced and advised political leaders in the U.S. and throughout the world, including Richard Nixon, Ronald Reagan, Margaret Thatcher, and Chinese Communist Party General Secretary Zhao Ziyang (Ebenstein, 2007). Controversially, Friedman is widely associated with the Chilean dictator, Augusto Pinochet, who was known for imprisoning, torturing, and murdering his rivals (Grandin, 2006). Because of this connection, Friedman and the Chicago School are still denounced in parts of Latin America. He spent the majority of his teaching career at the University of Chicago and the majority of his career as a public figure at Stanford's Hoover Institution (Ebenstein, 2007). In the late '70s through the '80s, Friedman lectured at universities throughout the United States and traveled abroad to film his well-known documentary series *Free to Choose*, which aired on PBS. He died on November 16, 2006. Shortly after his death, University of Chicago administrators began the process to plan a memorial to Friedman, with the resulting Milton Friedman Institute announced in May of 2008.

Participants interviewed for the MFI case. The following profiles were constructed with information found on various faculty and administrator web pages on the University of Chicago website.

Yali Amit is the current Chair of the Department of Statistics and Professor, Department of Computer Science and the College. He specializes in statistical models and algorithms used for computer vision recognition of objects. He has been at the university for 23 years. Professor Amit opposed the Milton Friedman Institute and became one of the co-chairs of the opposition group, the Committee for Open Research on Economy and Society (CORES).

Clifford Ando is the David B. and Clara E. Stern Professor of Humanities and Professor of Classics, History and Law and the College. He is a current co-director of the Center for Law, History, and Culture at the University of Chicago. Professor Ando studies Roman history and religion, citizenship, and legal thought. As a side interest, he mentioned in our interview that he keeps up on issues of university governance. He has been at the university for 8 years. Professor Ando opposed the Milton Friedman Institute.

John W. Boyer is Dean of the College and the Martin A. Ryerson Distinguished Service Professor of History. He has served as dean since 1992. In this role, he is credited with growing the size of the College, creating internship and study abroad programs, and improving residence life on campus. Dean Boyer's historical specialty is the Habsburg Empire of Austria. He has also published over 20 monographs on the University of Chicago's history—many of which were used in this research project. He has been at the university for 46 years. Dean Boyer did not publically make any statements about the Milton Friedman Institute, but he met privately with faculty members who were concerned about the initiative. I chose to interview Dean Boyer

for his extensive knowledge of university history and his many years of experience at a university administrator.

Lars Peter Hansen is the David Rockefeller Distinguished Service Professor in Economics and Statistics. Professor Hansen develops models that account for uncertainty, risk, consumer skepticism, and consumer values in macroeconomics. In 2013, he was awarded the Nobel Prize in Economic Sciences for his work with asset pricing models. He has been with the university for 33 years. Professor Hansen was the lead faculty member on the Milton Friedman Institute planning committee and the MFI's first director.

John Mark Hansen² is the Charles L. Hutchinson Distinguished Service Professor in the Department of Political Science and the College and Senior Advisor to President Robert J. Zimmer. He is also the former Dean of the Social Sciences Division. Professor Hansen studies American politics, election cycles, voter participation, and interest groups. He has been with the university for 28 years. Professor Hansen supported the MFI initiative, but also played a key role in creating opportunities for opposition faculty to voice their opinions.

Bruce Lincoln is the Caroline E. Haskell Distinguished Service Professor of the History of Religions in the Divinity School, Professor in the Center for Middle Eastern Studies and Committee on Medieval Studies, and Associate Faculty in the Departments of Anthropology and Classics. He specializes in pre-Christian Europe and pre-Islamic Iran, but has also published on a range of topics including religion post 9/11, Norse mythology, and comparative mythology. He has been at the university for 24 years (non-consecutive). Professor Lincoln became the other co-chair of CORES, and was the most quoted of the opposition faculty in national media.

Thomas Rosenbaum was the John T. Wilson Distinguished Service Professor of Physics and the University Provost at the University of Chicago. A materials scientist, Rosenbaum also

² There is no family relation between Lars Hansen and John Mark Hansen.

held a position at Argonne National Laboratory, affiliated with the University of Chicago since the 1940s. As provost, he was responsible for overseeing the debate that took place over the Milton Friedman Institute, including running the October 2008 University Senate meeting. In 2013, he was appointed to the Office of President at Caltech.

Marshall Sahlins is the Charles F. Grey Distinguished Service Professor Emeritus of Anthropology and the College. He has published on early-modern Pacific societies, including the Fijian War, the Polynesian War, and the Hawaiian story of Captain Cook. Professor Sahlins is also known for his political activism and has frequently published op-ed pieces in national media outlets. Before he retired, he was with the university for 24 years. He joined the faculty opposed to the Milton Friedman Institute, writing an op-ed piece for *The Chronicle of Education* and speaking at the student-run panel the evening before the University Senate meeting in October 2008.

Allen Sanderson is Senior Lecturer in the Department of Economics. He also served as Associate Provost from 1984-1991. His area of research focuses on the economics of sports. Sanderson chose to remain out of the public debate over the Milton Friedman Institute, but took classes taught by Milton Friedman and published a tribute to Friedman on the 100th anniversary of his birth.

Other people quoted in this project include Robert J. Zimmer, President of the University of Chicago, James Heckman, the Henry Schultz Distinguished Service Professor in Economics and member of the MFI planning committee, John Cochrane, the AQR Capital Management Distinguished Service Professor of Finance in the Booth School of Business and member of the MFI planning committee, as well as Gary Becker, University Professor in Economics, Sociology, the Booth School, and the Law School. In 2011, the Milton Friedman Institute was renamed the

Becker Friedman Institute for Research in Economics. Professor Becker served as the BFI's research director until he passed away in 2014. I also quote letters written to the president and provost by Patchen Markell, Associate Professor of Political Science, and Ira Wool, A. J. Carlson Professor of Biochemistry and Molecular Biology.

A note on silent voices. Other than Allen Sanderson and John W. Boyer, who chose to advocate for the MFI behind the scenes, the participants interviewed were the primary spokespeople of the debate. Other faculty chose to register their opposition to the MFI, but not in a vocal way. The CORES petition from 2008 reveals a more diverse faculty who were willing to sign their name in the letter to the president and provost (see Appendix B). The majority of signatures came from the Humanities Division and the Social Sciences Division, which houses the Department of Economics. The sciences overall are absent as are the professional schools. This makeup may have had more to do with the personal networks of those who circulated the petition than a disinterest on the part of the other divisions and schools. By 2010, when CORES circulated a second petition in response to an announcement that the fundraising plan for the MFI was moving forward despite the Great Recession's budget cuts, considerably more faculty from the Biological Sciences Division and the School of Medicine signed the petition. CORES had also expanded its mission at the time, taking issue with the Confucius Institute and the reorganization of the university's hospital system. While interviewing these faculty members was out of the purview of this research project, I have included some demographic information on the petition signers from 2008 and 2010 in Appendix B.

Chapter One: Reputation

The problem is precisely that there are many “Milton Friedmans”—including the Milton Friedman known to academic economists, and the Milton Friedman beloved of some libertarians and of some conservatives, and the Milton Friedman reviled in Latin America as a supporter of brutal authoritarian regimes—and when it comes to the symbolic act of christening an Institute, these many Milton Friedmans come as a package. (Markell, 2008)

The argument that I was making was that we’re not wanting to name a research institute after Milton Friedman because of his writings in Newsweek. It’s because if you asked economists across the political spectrum to list the five greatest economists of the 20th century, Milton’s name would be on every list. (M. Hansen, personal communication, March 4, 2014)

When the Milton Friedman Institute (MFI) was first announced in 2008, the press release featured language that spoke to the history and prestige of the University of Chicago, the Chicago School of Economics, and of Milton Friedman himself. University President Robert Zimmer was quoted as saying:

The goal of the Institute is to build on the University’s existing leadership position and make the Milton Friedman Institute a primary intellectual destination for economics by creating a robust forum for engagement of our faculty and students with scholars and policymakers from around the world. The Milton Friedman Institute will continue Chicago’s extraordinary tradition of creating new ideas that stimulate the academic world and innovative approaches that influence policy. (Zimmer in University of Chicago News, 2008)

President Zimmer’s statement alluded to the University of Chicago’s history and current standing in the academic world. The press release went on to mention the tradition of Nobel laureates in economics and named the seven faculty members who planned the MFI—all endowed chairs. The academic rank of the faculty and the reference to the longstanding history of awards for scholarly excellence in economics attested to the reputation of the university, its economists, and

to Milton Friedman's legacy. However, soon after the MFI announcement, faculty alarmed by the initiative identified negative aspects of Friedman's reputation. For opponents, naming such a large initiative after Friedman tied his reputation to that of the entire university—a reputation that they did not want to be affiliated with.

Why did the University of Chicago name an institute after Milton Friedman in the first place? What aspects of Friedman's work did MFI advocates reference to justify the initiative? What negative aspects of his work did opponents use to argue that Friedman's reputation would tarnish the university's reputation? Answering these questions requires an understanding of how the University of Chicago's history shaped its current reputation in the academic world. In a similar vein, a review of the Chicago School of Economics' history and the life and work of Milton Friedman will help explain why, for better or worse, Friedman's name became tied to the university.

This chapter starts with a discussion about reputation pulling from organizational literature and conversations on academic stardom. The historical section begins with the founding of the University of Chicago and the establishment of its research tradition. Following this section will be a brief overview of the Chicago School of Economics—a widely known group of scholars with a history as rich as that of the university. Milton Friedman, who was integral to building the Chicago School, will be discussed in this section, as well as a subsequent section providing some biographical details of his life before and after the University of Chicago. After establishing the reputation of these three entities, I will provide findings from interviews and document analysis that explain how reputation became one of the primary facets of the conflict over the Milton Friedman Institute.

Reputation in Higher Education

Organizational studies. Reputation brings to mind closely related terms like image, name, branding, fame, and prestige. History, traditions, culture, values, and perceptions of both internal and external constituencies are wrapped up in an organization's reputation.

Organizational literature on reputation has used multiple perspectives and varying methods to answer questions like “Who are we?” and “What makes us unique?” Weerts, Freed, and Morphew (2014) grouped such studies under the umbrella term “organizational identity.”

Organizational identity literature primarily draws from historical, anthropological, psychological, and communications perspectives. Much of this work started in studies of the corporate world, but influenced scholars studying higher education.

Weerts, et al. (2014) recognized institutional histories as the earliest form of organizational identity literature. Institutional histories were often written by insiders—faculty, alumni, or trustees—for other insiders in order to establish traditions and bolster pride. Writing these histories “proclaim[s] ‘this is who we are’ by showing ‘this is who we have always been’” (Weerts et al., 2014, p. 236). Examples of institutional histories utilized in this research project include Thomas W. Goodspeed's *A History of the University of Chicago* (1916), Daniel Meyer's *The Chicago Faculty and the University Ideal* (1994), and John W. Boyer's *Occasional Papers on Higher Education* series (1996-present). As will be shown in this and subsequent chapters, the history of the university, including key leaders, influential faculty, established principles, and important events, will contribute to understanding the nature of the Milton Friedman Institute conflict.

Other works on organizational identity draw from anthropological perspectives. Burton Clark's influential work, *The Distinctive College*, treated higher education institutions like

populations to be studied ethnographically (1992). Clark discovered that each institution he studied—Antioch, Swarthmore, and Reed—had distinct traditions, histories, values, and stories or sagas that insiders told themselves about their institutions. Clark’s work influenced higher education scholars like David Dill (1982), who studied the organizational culture of higher education administrators, and William Tierney (1988), who utilized an anthropological perspective to create a cultural framework for studying colleges and universities. More recently, Gaye Tuchman (2009) utilized ethnography for her six year study of the university she labeled “Wannabe U.” This body of literature is important for recognizing that each institution has its own unique identity based on traditions, beliefs, values, and events. Methodologically, these studies established that an outsider can learn the particular ethos of an institution through empirical research, reviewing important documents, observing campus life, and interviewing different groups of insiders (e.g. faculty, administrators, and students). Interviews and documents related to the Milton Friedman Institute dispute will reveal stories participants told about the University of Chicago and specifically about the Chicago School of Economics in order to formulate arguments for or against the MFI.

Another body of literature on organizational identity borrowed heavily from studies of corporations, and used social psychological terms like “self and group image” or “self and group identity” to look at both internal and external perceptions of a particular organization. Ashforth and Mael (1989) argued that members of an organization view their place of work as part of their social identity. This idea was based on the concept that people seek groups that exemplify their own values and beliefs. Once in the group—or organization—individuals start to see their lives intertwined with the life of the organization. Dutton, Dukerich, and Harquail (1994) extended this idea, observing that organizational identity can lead an employee to either feel pride if their

organization is widely respected by those on the outside, or embarrassment if negative news about the organization reaches outsiders. In higher education scholarship, Burton Clark's (1987) *The Academic Life: Small Worlds, Different Worlds* explored how faculty identify with their institution and with their chosen profession. Through interviews conducted at different types of institutions, Clark found that faculty at elite research universities and competitive liberal arts colleges identified strongly with both their institutions and with their departments or areas of specialization. In contrast, faculty at mid-ranked institutions identified little with their colleges or universities and spoke mostly of ties to their academic fields. Other scholars have continued Clark's research on university faculty, including Cummings and Finkelstein's analysis of survey responses from faculty at 80 U.S. higher education institutions (2013). In relation to the MFI conflict, thinking about how faculty and administrators identify themselves with the University of Chicago, or if they consider themselves a part of the Chicago School of Economics, may shed light on why certain people became embroiled in the dispute.

Finally, the last body of literature pertaining to organizational identity covers a wide range of research on a college or university's external image. Spanning works on public relations, branding, management strategy, and prestige, these studies explored how reputation affected public opinion, alumni satisfaction, resource allocation, student recruitment, and student retention.³ Not surprisingly, highly ranked colleges and universities are able to leverage their reputations to attract academically gifted students, prominent faculty, philanthropists, and the local and national government in the form of research grants or joint projects. Negative press about any institution, however, can cause leaders to scramble to defend or repair their university's reputation (Kazoleas, Kim, & Moffitt, 2001; Theus, 1993).

³ Refer to Weerts et. al (2014), pp. 257-258 for a discussion of these studies and references.

Individual reputation: academic stars. In the fall of 2001, contributors to the literary magazine, *The Minnesota Review*, dedicated an issue to the idea of academic celebrity. Based largely on David Shumway's journal article on the star system in literary and cultural studies (1997), essays explored the concept of academic stardom. Jeffrey Williams (2001), who coined the term "academostars," discussed negative reactions to the idea of academic celebrity, including the belief that it is "evidence of venal influences encroaching on the presumably purer academic realm" (p. 185). However, Williams argued that this negative image of academic stardom stemmed from its comparison to the glitz of Hollywood celebrity. Williams further maintained that academostars gain name recognition mostly within the academic profession through publication, frequency of citation, widely used coined phrases, or adjectification of their name (e.g. Friedmanesque). Shumway (2001) spoke to some of the dangers of name recognition, including the potential to take an academic star's theories as law instead of testing their ideas. The star system also creates a hierarchy in academia, where stars have the power to "authorize knowledge" (Shumway, 2001, p. 176).

Spurgin (2001), differentiated between academic "stars," "superstars," and "megastars." Stars and superstars' achievements are limited to academia, with stars receiving attention via publication and citation and superstars acquiring esteem through appointments to editorial boards or administrative positions. Spurgin argued that megastars break out of the academic world by having their books published for mainstream media. Megastars are often invited as guest speakers or contributors to newspapers and magazines. Interestingly, Spurgin wrote of the megastars' characteristics that "finally, and most crucially, their faces and personal histories, the ins and outs of their moves from campus to campus, the rise and fall of their intellectual reputations, may be at least well known as their ideas" (pp. 226-7). As an example, Spurgin

turned to literary faculty like Jacques Derrida and Richard Rorty, whose feature articles in *Times Magazine* focused more on the life, appearances, and relationships of the faculty than on their scholarly work.

According to Spurgin's characteristics, the academic world is full of stars and superstars, but few aspire to the public life of megastardom. Stephen Hawking's widely known publications, along with documentaries and biopics on his life, certainly qualify him for megastardom. Carl Sagan comes to mind along with Neil deGrasse Tyson, who picked up Sagan's mantle to continue educating the public about the universe. Others in science or medical fields include theoretical physicist and *New York Times* bestselling author Michio Kaku, neurologist Oliver Sacks, author of the book-turned-movie *Awakenings*, paleontologist Paul Sereno, usually featured with a newly discovered prehistoric species in the background, and Jane Goodall, famous primatologist. In the Social Sciences and Humanities, there is modern day philosopher and champion of the humanities, Martha Nussbaum, African American studies professor Henry Louis Gates, Jr., who currently hosts *Finding Your Roots* on PBS, philosopher and social activist Cornel West, who even had an acting role in the *Matrix* trilogy, and economist Steven Levitt, author of the famed *Freakonomics* books. There are likely more examples of famous academics, and possibly more ways to classify them. However, this seems to be a relatively untouched topic, therefore I limited myself to Spurgin's characteristics.

Whether these academics set out to be megastars, or whether their work thrust them into the limelight, megastars are important because they bring the often poorly understood work of academics to the public. However, they invite criticism from their fellow faculty for living a life that often takes them away from campus. The salaries of megastars are likely higher than others as universities strive to maintain them. Popular faculty speakers also make additional income

through speaking fees or honorariums (Blum, 1991). Milton Friedman, as I will discuss, may have been one of the biggest academic megastars known to date. With a \$200 million initiative, he may be the only faculty-turned-megastar to have such an expansive initiative named for him.

In the next section, I turn to the history of the University of Chicago, the Chicago School of Economics, and Milton Friedman. Emphasis will be placed on how university leaders established an organizational identity and built a national and international reputation. The financial scale of the Milton Friedman Institute initiative and its widespread publicity suggest that both the University of Chicago and Milton Friedman are well known names and desired affiliations.

The University of Chicago Builds Its Reputation

“Harper writ large.” From its founding in 1890, the University of Chicago set out to be a new kind of American institution—one combining German ideals of scientific inquiry with more traditional undergraduate instruction (Meyer, 1994; Thelin, 2004). Several years prior, the doors of the first University of Chicago closed (Goodspeed, 1916). Established in 1856 by Chicago Baptists, the first University of Chicago was a small scale institution for undergraduate and law instruction. Lack of funding, overambitious building plans, and a drain on resources during the Civil War led to the university’s demise in 1886 (Boyer, 2010; Goodspeed, 1916; Storr, 1966). However, the old University of Chicago was felicitously connected with the Baptist Theological Seminary, which benefited from the substantial financial support of the Standard Oil mogul, John D. Rockefeller (Goodspeed, 1916).

Between 1886 and 1889, key members of the Baptist Education Society, including Thomas W. Goodspeed, Henry Morehouse, and Frederick T. Gates, worked in concert to tirelessly lobby Rockefeller for support of a new Chicago University (Goodspeed, 1916; Meyer,

1994). They received help for their cause from a widely known academic prodigy named William Rainey Harper. Harper, who received his Ph.D. from Yale at the age of 19, first came into contact with Chicago Baptists as an instructor of ancient languages at the Theological Seminary (Meyer, 1994). Recognizing Harper's sound scholarship and strong administrative skills, the trustees of the old university tried unsuccessfully to recruit Harper to the role of president (Boyer, 2010). Given the university's failing financial status and a prestigious offer from Yale, Harper declined. However, when the trustees agreed to close the first University of Chicago, Harper began writing Rockefeller to encourage him to support the founding of a new university (Goodspeed, 1916).

Both Rockefeller and the Chicago Baptists persisted in their pursuit of Harper for the presidency, but Harper was ready to reject the offer to reside over a new institution if its only purpose was to serve as a denominational college (Boyer, 2010; Meyer, 1994). Harper had seized on a new, but growing trend in American higher education. Sparked by scholars who went abroad to take advantage of the German model of graduate education, emerging leaders of American institutions strived to bring similar research principles to the U.S. (Thelin, 2004). The German ideal focused on free inquiry, empirical research, and the idea that teaching and research have a mutually enriching relationship (Boyer, 2010). Harper, and others like him, desired to see more of these "true universities" in their homeland. The establishment of Johns Hopkins University in 1876 and the expansion of Yale College to Yale University in 1887 were early examples of this growing trend.

Through continued correspondence, Harper pushed Rockefeller and the Chicago Baptists to expand their ambitions in order to create a university with both undergraduate and graduate instruction from its founding. Having a graduate school was crucial to Harper's own scholarly

work, which took a historical critical evaluation of the bible rather than a denominational instructive approach (Storr, 1966; Meyer, 1994). In order to cement his presidency, Harper demanded that 1) John D. Rockefeller show his support of graduate study by allocating an additional \$1 million to form a graduate school, and 2) the Chicago Baptists would approve his critical approach to instruction and scholarship (Boyer, 2010; Goodspeed, 1916; Meyer, 1994). Harper also insisted that the university accept students of all faiths—a further departure from the original plan for a Baptist denominational institution (Boyer, 2010). Although Rockefeller and the Chicago Baptists had more modest plans in mind for the new Chicago institution, Harper lured them into “a political game of chicken: Harper would not sign on as president unless assured of the resources to organize a university, and Rockefeller had no interest in putting money into a university without the strong, charismatic leadership of Harper” (Boyer, 2010, p. 55). After receiving this assurance from Goodspeed and Rockefeller, Harper accepted the presidency.

In Daniel Meyer’s 1994 volumes on the University of Chicago faculty, he summarized Harper’s influence, writing “the pattern of the university lay in the pattern of the man who planned it...the envisioned university would be, in the most elemental and essential ways, Harper writ large” (p. 78). After his formal acceptance of the presidential role, Harper began publishing his vision for the university in six *Official Bulletins* (Goodspeed, 1916; Storr, 1966). Combining his Christian faith, the tenants of American democracy, and the German research ideal, Harper’s mission was to educate humanity, protect and promote democracy, and to seek the truth. Essential to this mission was the recruitment of well-established scholars to the faculty—academic superstars of the day. Offering high salaries and the opportunity to build their own departments, Harper targeted the “educated and university trained elite” of the time

(Meyer, 1994, p. 65). Often depicted by critics as ruthlessly launching faculty raids on other institutions, “Harper treated his faculty as key agents of professional prestige, whose individual and collective attainments, sanctioned by the competitive evaluations of the general scholarly community, would define the very essence of what the University was” (Boyer, 2010, p. 152).

While he vowed to protect his faculty so they could be free to pursue truth without external scrutiny, he had no qualms about letting people go if they did not live up to his scholarly standards (Meyer, 1994). The first heads of department at the university were integral to building the university’s reputation. They functioned largely autonomously, appointing junior faculty and graduate assistants, setting the research direction for their disciplines, and independently fundraising for on-campus facilities (Meyer, 1994). John W. Boyer summarized the importance of these academic elites to the growth of higher education in the U.S.:

Research was salutary not only as a way of advancing new knowledge, but as a way of publicly demonstrating the imagination, the creativity, and the professionalism of the new faculty, and of mobilizing and legitimating the capacity of the new University to improve and enrich society. This image of research as a social prophylactic matched well the rising confidence and prestige of the university-based professoriate in the United States that had coalesced since the 1880s as a new professional group with enhanced scholarly standards and rising levels of compensation, and protected by the growing power and authority of the academic disciplines. (Boyer, 2010, p. 152)

Early publicity. From the moment John D. Rockefeller decided to fund the new University of Chicago, newspapers started paying attention. In the late 19th century, research institutions were still a novelty to the general public. Rockefeller’s unprecedented founding

donation and William Rainey Harper's ambitious building plans drew quite a bit of attention and criticism. Cartoonists had a field day with Harper's constant plea for more money, with images of him chasing a beleaguered Rockefeller with beggar's plate or empty sack in hand. The university also became known as "Harper's Bazaar," with cartoons showing him as a circus master taming Rockefeller and his faculty (see Figure 2). This image was likely an allusion to the World Columbian Exposition of 1893, a massive undertaking that captured the imagination of the country. The Exposition's location in nearby Jackson Park and on the Midway, situated directly across from the university's new buildings, drew further media attention. The University of Chicago, with its heavy neo-gothic architecture, became known as the "City of Grey" in contrast to the Exposition's neo-classical buildings, labeled the "City of White" (Hirsch & Goler, 1990).

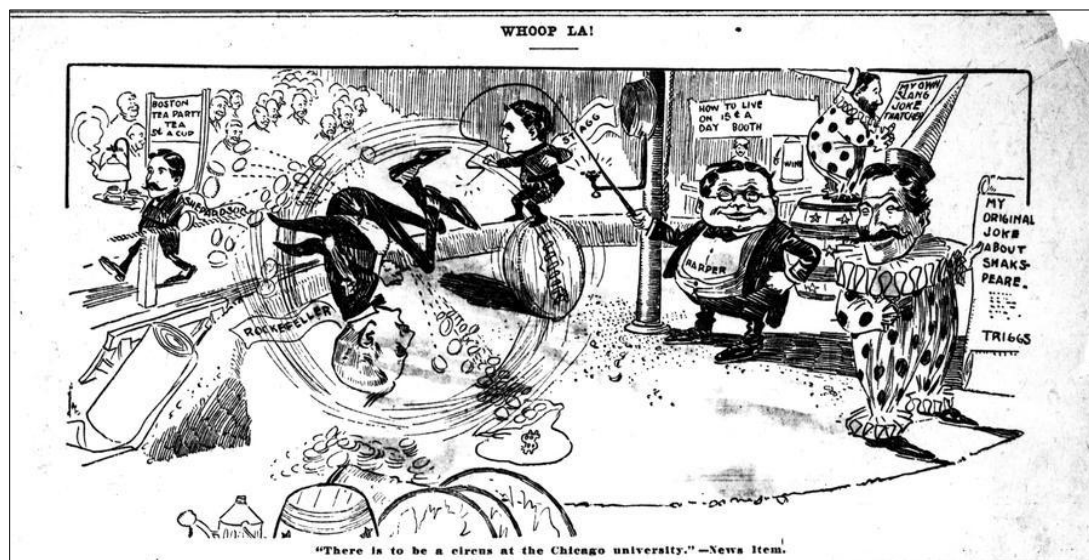


Figure 2: **Whoop La!** Unknown newspaper source. University of Chicago Photographic Archive, [apfapf3-00329] Special Collections Research Center, University of Chicago Library.

Harper tried to put a positive spin on this publicity—at least people were interested. However, privately Harper wrote in a president's report that he wished "the death penalty upon

irresponsible reporters for the miserable way in which they misrepresent the truth” (Harper in Storr, 1966, p. 223). Rockefeller’s donations continued to pour in, and the university grew in spite of—or possibly because of—the reputation Harper and his faculty were building for their university.

Growth. By 1930, the university had grown to include 35 separate departments and seven professional schools (Meyer, 1994). Both the undergraduate and graduate student populations tripled between the turn of the century and 1930 (Boyer, 2001). The number of faculty doubled. The University of Chicago became one of America’s elite research institutions, integral to the founding of national academic organizations like the Association of American Universities (AAU) and the American Association of University Professors (AAUP). William Rainey Harper had also been adamant about developing the university’s publishing arm. Wishing to advance the reputation of his university, “Harper fashioned a powerful and visible academic aura for the University through the distinguished senior faculty scholars whom he recruited and through the remarkable University Press and its many outstanding scholarly publications” (Boyer, 2006, p. 179).

As the university gained national prestige, its faculty and administrators wrestled with internal issues related to the growth of the institution and the growing professionalization of the faculty. After William Rainey Harper’s untimely death in 1906 due to stomach cancer, Harry Pratt Judson took office until 1923. Judson had been recruited by Harper as one of the university’s first faculty members (Meyer, 1994). While the trustees appreciated his conservative fiscal practices, faculty at the university characterized the Judson era as stifling. By the time he retired and Ernest DeWitt Burton took over, it became clear that the university needed major changes in order to regain its reputation for scholarly innovation (Meyer, 1994).

Burton, a biblical scholar and friend of Harper, set out to reinvigorate the university by recruiting and retaining renowned faculty members and securing research dollars through a fundraising campaign (Boyer, 2001). Before major changes could be realized, Burton succumbed unexpectedly to intestinal cancer. For the first time in the university's history, its trustees looked to the outside to recruit the next president. They chose Max Mason, a promising young mathematician from the University of Wisconsin. Mason successfully took over Burton's fundraising initiatives, but resigned unexpectedly after only three years in office (The University of Chicago, 2014a).

Burton's and Mason's attempts to reinvigorate the university stagnated due to their short terms as president. Chicago remained a preeminent research university, but one that lacked a shared vision for the future (Meyer, 1994). It would take the charismatic and often brusque leadership of Robert Maynard Hutchins, simultaneously remembered for defending the university's academic freedom while making controversial and lasting changes to the institution, to create a vision for the future. His reputation and public persona made him a megastar of his day, and he remains as famous today as William Rainey Harper.

Similarities between Harper and Hutchins were not lost on the university's trustees. Their dreams for "fresh ideas and bold initiatives" were "deliberately encouraged by University officials through comparisons of the two youthful leaders the University had recruited from Yale in the span of forty years" (Meyer, 1994, p. 501). Both men achieved academic success early in life and quickly climbed through the ranks of university leadership. Educated at Oberlin, Yale College, and Yale Law School, Hutchins became dean of Yale Law School at 29 and president of the University of Chicago at 30. Milton Mayer, a close friend and author of a memoir on Hutchins, called him the Boy President, "phenomenally bright, preternaturally handsome" (1993,

p. 1). As a young dean and scholar, Hutchins drew attention for expanding the study of human behavior in law through consultation with social scientists (McNeill, 2007). As a young president, Hutchins became widely known and respected, and utilized the radio to promote the university and his personal views on the liberal arts. This publicity was due in part to his friendship with fellow Yale alumnus William Benton. Benton became an advertising specialist and was hired by Hutchins as a part-time vice president to help shape the university's public relations. Benton managed a radio broadcast from Chicago known as the Roundtable, featuring Hutchins and University of Chicago faculty. Hutchins made the cover of *Time Magazine* in 1935 and 1949, and published *The Higher Learning in America* in 1936. Through another Yale contact at *Time*, Benton regularly sent campus news to the magazine, which appeared frequently in their publications while Hutchins was president (McNeill, 2007). In 1959, after he left the University of Chicago to work at the Ford Foundation, he interviewed on air with alumnus and author Studs Terkel to defend liberal arts against criticism that universities were outdated or impractical. Hutchins maintained that universities should be "centers of intellectual illumination" that if ignored or undermined by public interests would send America "down the drain of History." I will return to Hutchins and his indelible mark upon the university in the chapters on academic freedom and governance.

"Remember the research ideal, to keep it holy." Albion Small, head of the sociology department and dean of the graduate school until the 1920s, was once quoted as saying "The prime duty of everyone connected with our graduate schools is daily to renew the vow of allegiance to research ideals. The first commandment with promise for graduate schools is: Remember the research ideal, to keep it holy" (Small in Meyer, 1994, p. 320). In 1925, the university published *The Quest for Truth*, a monograph documenting the greatest achievements

of faculty and Ph.D. students from its founding through the turn of the century. Among the scholars cited were three Nobel laureates, directors of wartime departments, and consultants to the national government. Achievements ranged from new ways to measure celestial bodies to medical advancement in fighting infectious diseases to the creation of an Assyrian dictionary.

The research ideal still pervades campus today. In his interview, Mark Hansen, a professor of political science, advisor to the university president, and former dean of the Social Sciences Division, shared his thoughts on the university:

I think the faculty believe the University of Chicago has a very special intellectual culture and that there's no place with a greater focus on ideas, there's no place with a greater intensity, there's no place with...greater honesty and integrity about research than the University of Chicago. (M. Hansen, personal communication, March 4, 2014)

A visit to the university's website reveals that research is front and center. The news feed headlines faculty and student awards, influential alumni, new facilities, and research breakthroughs. The Accolades page is full of national and international awards, including the Pulitzer Prize, Nobel Laureates, Guggenheim Fellows, and the Presidential Medal of Freedom (University of Chicago, 2014b). Research breakthroughs throughout the university's history include DNA sequencing, carbon-14 dating, the Fujita Tornado Scale, nuclear chain reactions, and numerous advances in human medicine (University of Chicago, 2014c). Current rankings put Chicago at #4 in *U.S. News National Universities*, #14 in *Time Magazine's* World Reputation Ranks, and #9 in the Shanghai Academic Ranking of World Universities (UChicago News, 2014a). In Jonathan Cole's 2010 book, *The Great American University*, he declared:

I hold the University of Chicago, with which I've never been formally affiliated, in such high regard because it offers us a reference point for how a value system associated with greatness...can pervade an institution in ways that advance free inquiry and open discourse...the University of Chicago offers us an example of what is possible. (p. 502)

The Chicago School of Economics

Although the scholars who shaped the Chicago School of Economics could not pin down the moment when that name came into use, the label emerged in the 1950s when Milton Friedman, Allen Wallis, and George Stigler joined the University of Chicago as faculty members. Later, Friedman's student, Gary Becker, would play an integral role in adding to the Chicago School tradition. Today, 28 of 89 Nobel Prizes awarded to graduates or faculty affiliated with the University of Chicago have been awarded in the Economic Sciences (University of Chicago, 2014b). Friedman was awarded the Nobel in 1976, Stigler in '82, and Becker in '92. Of the seven faculty appointed to the Milton Friedman Institute planning committee, four have been awarded the Nobel Prize—Gary Becker ('92), Robert Lucas ('95), James Heckman ('00), and Lars Hansen ('13).

As to what the Chicago School of Economics stands for, the answer would depend on who gets asked. Those who praise the Chicago School point to its longstanding influence on economic scholarship and economic policy (Van Horn, Mirowski, & Stapleford, 2011; Van Overtveldt, 2008). Critics focus on the Chicago School's apparent conservative leanings and overall mistrust of government regulation (Cassidy, 2010; Needham, 2008). Whether famous or infamous, economics at the University of Chicago had an immediate impact on the field beginning with its first faculty members. Van Overtveldt (2008) called the era leading up to

Milton Friedman “The Chicago Tradition,” marked by “a fanatical work attitude, the firm belief in economics as a true science of the highest relevance for daily life, the emphasis on scholastic and academic achievement, [and] the preparedness to put everything continuously into question” (p. 20). These characteristics were instilled into the department by the first department head, J. Laurence Laughlin. President William Rainey Harper recruited the Harvard trained scholar to head the Department of Political Economy in 1891 (Meyer, 1994). Harper put Laughlin in the powerful position of hiring faculty, overseeing curriculum and instruction, and shaping the dominant methodology and research focus of the department. Laughlin ran the department until 1917 and played an active role in advising Harper on organizational matters. A short biography in the *Journal of Political Economy*—a journal he founded in 1892—praised him as a prolific writer and serious advocate for his students (Nef, 1967).

Laughlin was a classical economist and political conservative, but he hired a diverse set of faculty to the university including the outspoken and infamous institutionalist⁴ Thorstein Veblen. Critics claimed that Laughlin could at times be too staunch a conservative polemicist, but he was widely known for advancing empirical investigation and expected his faculty—regardless of their theoretical leanings—to adhere to the principles of scientific inquiry (Van Overtveldt, 2008). Laughlin’s insistence upon empirical work would resonate through the decades, establishing the academic rigor that the Chicago School of Economics is known for today.

⁴ Weintraub (1993) argued that classical or neoclassical economics is a metatheory, with the following basic assumptions: “1. People have rational preferences among outcomes. 2. Individuals maximize utility and firms maximize profits. 3. People act independently on the basis of full and relevant information.” Institutionalists denied that the “invisible hand” worked to the benefit of society, arguing instead that business and corporations manipulate the market to the detriment of its employees and customers, pointing to the monopolistic industrial practices of the late 19th century.

In the first decades of the 20th century, economists at the University of Chicago were a blend of institutionalists and classicists. After World War II, however, the economics department became dominated by neoclassical price theory. Jacob Viner, a formidable personality, played a key role in shaping the Chicago School. He is remembered in part for terrorizing his Economics 301: Price Theory students, but more for “initiat[ing] the systematic teaching of neoclassical price theory as the backbone of all education in economics at the University of Chicago” (Van Overtveldt, 2008, p. 81). Viner, like most economists of his day, shaped much of his scholarship around the Great Depression. He was also one of the first scholars to criticize the emerging works of the famous English economist, John Maynard Keynes. Another influential faculty member, Frank H. Knight, played a role in pushing institutionalism out of the department. Knight was known for advancing the economics of competitive markets, even though he argued that no economic system was perfect. Unlike his colleagues, Knight was skeptical of empirical methods that equated economics with the hard sciences. His work and work ethic, however, still influenced the scholars who would make up the Chicago School. For example, Knight taught his students that economic freedom was essential for obtaining religious and political freedom—an idea that Milton Friedman would echo throughout his life (Van Overtveldt, 2008).

By the time Milton Friedman came to the University of Chicago for graduate study in 1932, the economics department was dominated by Frank Knight and Jacob Viner. Friedman’s fellow students included George Stigler, Allen Wallis, and Rose Director, who married Friedman in 1938. Friedman and Wallis returned to the University of Chicago in 1946 to join the faculty, and Stigler followed in 1957. During the 1960s, the Chicago School became the most prominent counter to Keynesianism, promoting free-market economics and limited government intervention

(Van Horn, Mirowski, & Stapleford, 2011). Their growth and influence was due in part to the creation of the Graduate School of Business (GSB) at the University of Chicago.

Up until the 1950s, business had been an undergraduate major. University President Robert Maynard Hutchins actively suppressed efforts to expand graduate education in business because he viewed most business schools as centers of vocational training instead of academic thought. The university's next president, Lawrence Kimpton, was more amenable to graduate business education, endorsing the formation of the Graduate School of Business in 1959. From the beginning, the GSB echoed the rigorous scholarship attributed to the rest of the university. Allen Wallis became dean, recruiting Ph.D. trained economists to his faculty. According to Fourcade and Khurana (2013), the GSB was unique in combining the study of finance with empirical methods advanced by scholars in the Department of Economics. John W. Boyer, Dean of the College and university historian, called the GSB a "second economics department" (personal communication, March 5, 2014). The GSB helped cement Chicago as an economics powerhouse, advancing free-market policies from the 1970s on.

Van Overtveldt's (2008) review of literature related to the Chicago School revealed that its scholars were reluctant to define themselves under any blanket ideology. For example, when economist H. Laurence Miller (1962) attempted to define distinct characteristics of the Chicago School, George Stigler (1962) denied such homogeneity. However, through the years, the Chicago School of Economics has been defined by limited government regulation, free-markets, conservative political leanings, libertarianism, empirical research, neoclassical price theory⁵, and the application of economics to many facets of life (Van Overtveldt, 2008). Dedication to empirical research won Chicago Economists the Nobel Prize—Friedman for his work on the

⁵ The basic assumption of neoclassical economic theory is the "proposition that in a competitive market environment, individuals and corporations pursuing their own selfinterests necessarily promote the best interest of society as a whole" (Van Overtveldt, 2008, p. 52).

consumption function and Stigler for his study of market function and industrial relations. Most critics of the Chicago School of Economics do not deny its contributions to the field. Rather, they focus on the role Chicago economists played in politics and policy, with major emphasis on the 1970s tie to Augusto Pinochet in Chile and the 2008 market crash.

Beginning in the 1970s, Milton Friedman became a public spokesman for the Chicago School of Economics. He began travelling, giving lectures on the free market and advising political leaders in the U.S. and throughout the world, including Richard Nixon, Ronald Reagan, Margaret Thatcher, and Chinese Communist Party General Secretary Zhao Ziyang (Ebenstein, 2007). He also taught Chilean students who were sponsored to come to Chicago to study through a partnership between the University of Chicago and the Catholic University of Chile (Doherty, 2006). Known as the “Chicago Boys,” these economists became advisors to the military dictator, Augusto Pinochet, who overthrew the Chilean government in 1973. Upon invitation, Friedman travelled to Chile and met with Pinochet. Friedman followed this meeting with a letter advising Pinochet to implement a “shock program,” which meant layoffs, reduction of wages, slashed budgets, privatization, and deregulation (Grandin, 2006). Pinochet proved to be a ruthless leader, known for imprisoning or murdering his opponents. Although Friedman’s interaction with the dictator was brief, he—and to some extent the Chicago School—became forever linked with Pinochet’s inhumane tactics. Wherever Friedman travelled, protesters followed, even to his 1976 Nobel ceremony in Stockholm. Friedman’s connection to Pinochet emerged once again with the Milton Friedman Institute, providing ammunition for the project’s critics.

In 2008, the combination of a grossly inflated housing market and black box trading caused extensive bank failures that ultimately led to the Great Recession. Milton Friedman and

the Chicago School of Economics again made headlines—this time for influencing policies that critics claimed caused the recession. Articles referred to the Chicago School as “cooked” (Gold, 2011), “on the outs” (Strahler, 2009), “schooled” (Fitzgerald, 2009), and wrong (Krugman, 2009). There were even rifts among the faculty at the University of Chicago, including influential judge and faculty member of law and economics Richard Posner, who “came out” as a Keynesian during the recession (Cassidy, 2010). Prominent members of the Chicago School today, including John Cochrane, a member of the Milton Friedman Institute planning committee, and Eugene Fama, who won the Nobel with Lars Hansen in 2013, denied such a failure and pointed their fingers at the government (Cassidy, 2010; Fitzgerald, 2009). Nonetheless, the response of the government to create stimulus packages and rescue failing banks created a Keynesian revival.

Today the Chicago School of Economics encompasses the Department of Economics and the Business School. Although faculty remain who were heavily influenced by Friedman and Stigler, the range of study has expanded just as the field of economics expanded. The Business School now has a strong program in behavioral economics with faculty like Richard Thaler, author of *Nudge*. Steven Levitt, the man behind *Freakonomics*, calls the Department of Economics home. James Heckman, the Nobel laureate who currently runs the Center for the Economics of Human Development, calls himself an interdisciplinary researcher. Chicago economists are still recognized for their dedication to research, as evidenced by the 2013 Nobel Prize awarded to Lars Hansen and Eugene Fama for the analysis of asset prices.

Milton Friedman

As briefly discussed in the previous section, Milton Friedman arguably became the most well-known and public figure of the Chicago School of Economics. Friedman was born in

America to Jewish immigrants and often spoke of his parents' experiences making a living and raising a family in poverty (Ebenstein, 2007). In fact, in the introduction to one of the famous *Free to Choose* television episodes, Friedman related that his mother viewed her experience working in a sweatshop as positive, allowing her to improve her English language skills and earn a living wage (Friedman & Friedman, 1980). Friedman attended Rutgers for his undergraduate degree, majoring in economics. He was also mathematically gifted, and had the option of attending graduate school in mathematics (Ebenstein, 2007). The Great Depression hit while Friedman was still in college, and influenced him to pursue graduate work in economics over mathematics. Friedman first attended the University of Chicago, where he met fellow students George Stigler, Allen Wallis, and Rose Director. This group was mentored by both Frank Knight and Jacob Viner. Although Friedman received his master's degree at Chicago, he chose to attend Columbia University for his remaining graduate work. He returned to Chicago as a faculty member in the 1940s.

Between his time as a student and a faculty member at the University of Chicago, Friedman held several jobs. He first worked for the National Resources Committee in D.C., where he began his studies of the consumption function that would later win him the Nobel Prize (Ebenstein, 2007). Friedman then moved to the National Bureau of Economic Research, followed by positions at the U.S. Treasury and the Statistical Research Group of the Division of War Research at Columbia (Van Overtveldt, 2008). Returning to the University of Chicago in 1946 as a faculty member in the Department of Economics, Friedman began to shape the Chicago School. Like Jacob Viner before him, Friedman was known for intimidating his students in Economics 301—a class on price theory used to weed out graduate students (Ebenstein, 2007).

During his tenure at the University of Chicago, which lasted until 1976, Friedman became a counterweight to Keynesianism economics that had dominated the field since the 1930s. Paul Krugman, a Nobel laureate and self-identified Keynesian economist, wrote of Milton Friedman soon after his death in 2006. Krugman (2007) likened Keynes to Martin Luther, radically moving the field of economics away from classical views about the free-market. Friedman, he contended, started the counter-reformation as an “Ignatius of Loyola, founder of the Jesuits. And like the Jesuits, Friedman’s followers have acted as a sort of disciplined army of the faithful, spearheading a broad, but incomplete, rollback of Keynesian heresy” (Krugman, 2007, para. 3). Keynes became popular during the Great Depression and World War II as an advocate for government intervention in the economy. In times of economic recession, he supported policies that would increase government intervention—known as fiscal policy (Ebenstein, 2007). Stimulus packages as they are known today are based on Keynesian principles. Friedman disagreed, arguing that monetary policy—the supply of currency controlled by the Federal Reserve, was key to preventing disasters like the Great Depression (Krugman, 2007). Allen Sanderson, Senior Lecturer in Economics at the University of Chicago, summarized the evolution of the field and the impact of both Keynes and Friedman:

I think too it’s worth noting if you go back 100 years, there is no such thing as macroeconomics; it’s just economics...and it’s largely classical economics from Adam Smith on through what we’d think of as having the same DNA as Chicago....Then the Great Depression comes along and Keynes comes along with the book *The General Theory*, and Keynes involvement in the ‘20s, ‘30s, ‘40s—that was macroeconomics, [when] the word first originated. It was the split—it’s not just economics, it’s micro/macro. Then came this debate, are you a classical

economist or are you a Keynesian? Then it was, are you a classical economist or are you a monetarist (which meant Chicago or Friedman), or are you a Keynesian? (A. Sanderson, personal communication, March 4, 2014)

Friedman's work on the consumption function, positive economics, inflation, and monetarism earned him the reputation of a rigorous and prolific academic. Beginning in the 1960s, however, his advice was increasingly sought by politicians and world leaders. This public role, rather than his academic research, has been the focus of scorn to Friedman's critics. Krugman (2007) argued that starting in the 1970s, Friedman became more rigid in his opinions. Although Friedman repeatedly denied that his policies had any political bent, he was frequently sought after by conservatives, including Richard Nixon, Ronald Reagan, and Margaret Thatcher (Ebenstein, 2007). The previous section already covered his connection to Chilean dictator, Augusto Pinochet. Regardless of the facts, his visit to Chile tarnished his name even after he died.

After winning the Nobel Prize in 1976, Friedman and his wife moved to California where he became affiliated with Stanford's Hoover Institution (Ebenstein, 2007). In the late '70s through the '80s, Friedman lectured at universities throughout the United States and traveled abroad to film his famous documentary series *Free to Choose*. Episodes first aired on the Public Broadcasting Service in 1980. In 1990, Friedman updated the series, with public figures like Arnold Schwarzenegger, Ronald Reagan, George Schulz, and Steve Allen introducing the episodes. Linda Chavez, who anchored the 1990s update, called *Free to Choose* a "survival kit for you and for liberty" (Chitester, 1990).

Returning to Spurgin's (2001) concept of stardom in academia, everything about Milton Friedman's life fits the megastars' characteristics. Friedman published both scholarly works,

like *A Theory of the Consumption Function* and *A Monetary History of the United States*, and works for the mainstream public, like *Capitalism and Freedom* and a weekly column in *Newsweek*. In the latter half of his life, he became a “jetsetter,” accepting speaking engagements around the world. Like a megastar, people were fascinated with aspects of his life and career as evidenced in biographies and histories of the Chicago School of Economics. He is also posthumously famous. In 2012, PBS aired *Testing Milton Friedman*, where two supporters and two opponents watched clips from the 1990s series and discussed Friedman’s ideas in light of the 2008 Great Recession. News articles asking, “what would Friedman do/say” about the economic crisis popped up in media outlets like *Forbes* and *The Wall Street Journal* (Robinson, 2008; Wessel, 2008). As referred to in the section on the Chicago School, articles also appeared blaming Friedman and his Chicago School disciples for policies that caused the recession. That his name still emerges in popular media today attests to Friedman’s influence and importance to the field of economics and U.S. economic policy.

Reputation and the Milton Friedman Institute

Thus far, this chapter has discussed the underlying history that built the reputations of the University of Chicago, the Chicago School of Economics, and Milton Friedman. With the founding of the Milton Friedman Institute (MFI) in 2008, these reputations collided. For opponents of the MFI, Friedman’s name on a major initiative tarnished the reputation of the university. For MFI supporters, Friedman’s reputation as a scholar exemplified the essence of the University of Chicago and the Chicago School of Economics. In looking at reputation, we can understand why an institute would be named after Milton Friedman in the first place, and why the MFI sparked so much controversy.

“Milton is the name that is known around the world.” The founding of the Milton Friedman Institute served two functions. The first honored the memory of the man who spent most of his academic career at the University of Chicago, becoming the face of the Chicago School of Economics. The second was to create a high-profile university initiative that would help attract graduate students, faculty, and visiting scholars to the university. In a way, the Milton Friedman Institute could be thought of as a functional memorial—instead of placing a plaque on a classroom wall or etching Friedman’s name into a building, the research activities, events, and workshops would serve to perpetuate Friedman’s impact on the field of economics. The Milton Friedman Institute proposal, written by the faculty committee, stated this dual purpose of the initiative:

This connection of the proposed institute to the legacy of Milton Friedman’s intellectual contributions provides a special opportunity to recognize the distinguished place held by Friedman at Chicago and throughout the world. We recommend naming the institute The Milton Friedman Institute to honor Friedman’s legacy and to indicate how the work of the Institute will, like the work of Friedman, have a deep influence on economic theory and policy around the globe. (Hansen et al., 2008)

In interviews, proponents and planners of the MFI expressed their thoughts on Friedman’s legacy. Allen Sanderson remembered Friedman as an excellent instructor who was generous with his time. Sanderson commented, “If I wanted to say what names are most associated with the University of Chicago in a 100 plus year history, you can make a case for Enrico Fermi and Milton Friedman...Milton is the name that is known around the world” (personal communication, March 4, 2014). When asked about the planning process for the MFI, former

Dean of the Social Sciences Mark Hansen remembered that faculty and alumni were eager to honor Friedman in some way:

Well, I think a lot of people had been thinking about it for quite some time.

Friedman had lots and lots of admirers among faculty [and] among our alumni....[T]alking to our alumni, [I often heard] about taking classes with Friedman and the kind of impact it had on them...[So] there were quite a number of people who thought that we should explore a way of honoring Friedman and the contribution he made the university and to economics more broadly. (M.

Hansen, personal communication, March 4, 2014)

Provost Thomas Rosenbaum spoke to the reputation of the Chicago School and Friedman:

An incredibly important figure in the history of economics. He brought to the field a concentration on the necessity for driving decisions by considering data. Famous for being unafraid to debate and to push an intellectual agenda. Not only influential at the University of Chicago, but more broadly in the economic world...But I think from the reputation at the university, where business and economics is perhaps the most famous part of the university, Friedman's intellectual contributions were as well-known as anybody's in terms of the University of Chicago. (T. Rosenbaum, personal communication, May 13, 2014)

John Cochrane, a professor of finance and one of the faculty members on the MFI planning committee, compared Friedman's work to seminal discoveries in other fields, arguing that "the consumption function and the monetary foundations of inflation, are as important to 20th century economics as the discovery of DNA was to biology, quantum mechanics to physics or plate

tectonics to geology” (Cochrane 2008a). Critics of the MFI contested this statement, as will be shown in the next section.

Mark Hansen summarized how the Milton Friedman Institute would serve to bolster the reputation of the university by bringing scholars to campus:

You really have to be a part of [the university] to see how amazing the culture really is, and you have to be part of it for some sustained period of time. One of the ideas behind the Friedman Institute was to create these opportunities. Create opportunities for junior scholars to come as fellows, as postdocs, ...create the opportunities for more senior people to come and spend some time here. And it wasn't with the purpose that we would try to recruit them all, but it was...a way of advertising the special qualities of the Department of Economics and of the University of Chicago more generally. (M. Hansen, personal communication, March 4, 2014)

The opponents of the initiative disagreed, and immediately mobilized to advance the argument that Milton Friedman's name, in association with a highly visible institute, would actually damage the reputation of the university.

The many Milton Friedmans. In a letter to University President Robert Zimmer and Provost Thomas Rosenbaum, faculty member Patchen Markell described the protest against the MFI as a problem of multiple Milton Friedmans (quoted at the beginning of this chapter). Opponents of the institute did not deny Friedman's influence on the field of economics, but argued that his actions as a public figure and political advisor turned him into an ideologue for limited government and the free market. Faculty who opposed the institute formed the Committee for Open Research on Economy and Society (CORES), and began sharing their

opinions on Friedman in the news. Yali Amit, a faculty member in the Department of Statistics and the Co-Chair of CORES, spoke to the more polemical side of Friedman's life:

I view him as somebody who over a period of 30 years after he retired used his credibility as an economist to become a very dogmatic proponent of deregulations, liberalization, reducing the size of the state, bad mouthing the state, the state is a bad thing—so on and so forth....He did shows and had these quotes that were attributed to him so that's to me what he represents. It's an extremely destructive ideology that's been running the Western world for the past, or most of the world, for the past—I guess since the late '70s early '80s. And he was a vocal proponent, in some sense he was...consulted by the first, some of the first leaders who were trying to implement this stuff. And so, and I think to the broader community, whoever knows who he is, that's what he symbolizes. (Y. Amit, personal communication, May 12, 2014)

Bruce Lincoln, a professor in the Divinity School and the other co-chair of CORES, shared similar thoughts about Friedman:

He's a very controversial figure, who was quite important in the discipline of economics and central to the development of what gets called the Chicago School of Economics. I'm told by people who are qualified to judge that he was one of the foremost economists of the 20th century and I don't have the disciplinary background to contest that. He was also an extremely active polemicist and propagandist who argued vigorously for a very narrow understanding of economic policy that's—there are many ways to describe it—neoliberal, libertarian, monetarist—all are partial approximations. His most popular books represent

vigorous drumbeating for laissez-faire capitalism and a dramatically reduced role of the state to let the free market do just about everything, including delivering the mail....I think he was very much associated with factions within the Republican party and corporate leadership of a very aggressive sort seeking to maximize profit. (B. Lincoln, personal communication, March 4, 2014)

For others, the most glaring mark on Friedman's record was his association with Augusto Pinochet in Chile. In an excoriating letter to *The Chronicle of Higher Education*, Professor Emeritus of Anthropology Marshal Sahlins wrote:

Does the university expect us to "disappear" the memory of the Friedman-trained Chicago Boys, who supplied the economic programs for the draconian regimes of Augusto Pinochet in Chile and the generals in Argentina? The sacrificial reduction of social values to monetary calculations is the essence of Friedman economics, and helps explain its historic taint as the complement of state terror. (Sahlins, 2008)

Ira Wool, a professor of biology, wrote to the president and provost protesting "the inevitable association of the University with the controversial (I would say destructive) policy and public advocacy activities of Milton Friedman. For me those activities are epitomized by his economic advice and his implicit support of the Pinochet government in Chile" (Wool, 2008).

For other critics, it was Friedman's influence on economic policies that made his name infamous. Journalist Naomi Klein, who spoke at the University of Chicago at the invitation of CORES, published *The Shock Doctrine: The Rise of Disaster Capitalism* in 2007. In the book, Klein criticized Friedman's free-market ideology, labeling it as exploitive and predatory. During her talk on campus, which happened soon after the major bank failures of 2008, Klein was

quoted as saying “The crash on Wall Street, I believe, should be for Friedmanism what the fall of the Berlin Wall was for authoritarian communism” (Klein in Jerome, 2008a). CORES also received support from multiple economists, including William K. Tabb, Robert Needham, Paul Davidson, and James Galbraith—most identifying as post-Keynesians. Galbraith (2008) advised “I would concentrate all my fire on the (plainly ridiculous) idea that the University should fund an institute to advance a preformed ideological message of any kind.” Tabb (2008) wrote:

The key points are it is a University decision. Such a naming sends a message as to the wider world that a man with the political agenda and ideological priors of the archetype laissez faire economist represents what the University of Chicago stands for and wishes to be known as in the eyes of the world.

Yali Amit took John Cochrane’s comments about Friedman’s scholarship to task, claiming:

Friedman’s work on permanent income theory and the consumption function is indeed very interesting, and surely stimulated much additional work. However to this day it is a heavily debated theory. People question whether it fits the data, some question whether it can serve as a model for how individuals actually make their decisions, others question whether it has been rigorously tested against alternative hypotheses and many question the conclusions about the limitations of the effect of government intervention in the economy. All this is not surprising since clearly controlled experiments are essentially impossible in economics. On the other hand we have the foundational theories mentioned by Cochrane in the physical and biological sciences that have been rigorously tested and serve as the basis for prediction of novel phenomena and as building blocks of major technological advances. There is no comparison between the two and this attempt

to set Friedman's contributions on the same level as quantum theory—which all physicists accept—is quite a leap of faith, or arrogance. (Amit, 2008)

Ultimately, the opponents of the Milton Friedman Institute argued that Friedman's scholarship and Friedman's ideology could not be separated. Since the general public was more likely to recognize the name from Friedman's affiliation with politicians or his work as a public figure, naming an institute after him publically endorsed his views:

They maintain the Institute will honor only Friedman's economic research, and not his ideology. Yet it is hard to maintain this distinction. For better and worse, economic research affects decision making in the real economy, with profound political consequences. In Friedman's case, connections between the two were particularly strong, given his central assertion that limiting government's coercive power and maximizing the role of the market are the twin pillars of democratic freedom and wealth creation. While some of his reputation rests on research into topics like the permanent income theory of consumption and monetarism, much of it also rests on his simplistic equation of free markets with freedom, his ridiculing of government intervention (except for the defense industry), his role as advisor to Ronald Reagan and Augusto Pinochet, and the outsized role he embraced as the acerbic champion of laissez-faire capitalism. In Friedman's case, it is quite impossible to separate the political legacy from the scientific one and it is disingenuous for the University to claim it will do so, when it is quite obviously converting his public persona into a brand name designed to attract fat contributions (or are these investments?) from wealthy and corporate donors. (Amit & Lincoln, 2008)

Response to criticism. Those who planned and supported the Milton Friedman Institute were surprised by the extent of the backlash against the initiative. They responded by defending Milton Friedman’s work, the reputation of the Chicago School of Economics, and their intentions for naming the institute. Gary Becker, a Nobel laureate and student of Friedman argued that:

A university names an Institute after a former professor because of 1) his contributions to the university, 2) his contributions to scholarship or science, and 3) his intellectual honesty and character. On all three grounds I believe Milton Friedman eminently deserves having this Institute bear his name...a great teacher for 30 years at the University of Chicago, outstanding researcher, and absolute intellectual honest[y] in everything he did. To my mind these are far more than enough for faculty, students, and alumni associated with the University of Chicago, and for others as well, to be proud to have a Milton Friedman Institute at the University of Chicago. (Becker, 2008)

Mark Hansen echoed this statement in his interview:

It’s because if you asked economists across the political spectrum to list the five greatest economists of the 20th century, Milton’s name would be on every list. Every one. I think you saw that when Milton died. Even Paul Krugman came out and said,...I never agreed with the guy at all but he was a great economist and he really mattered in the intellectual development of the discipline. (M. Hansen, personal communication, March 4, 2014)

Allen Sanderson felt that attacking Friedman’s political life was “low hanging fruit” for the opposition and “mistaken if you look at the Nobel Committee in sort of recognizing Friedman,

the first thing out of their mouth was for his refinement of the consumption function” (personal communication, March 4, 2014).

Members of the planning committee, feeling attacked by opponents, either attacked back or defended the academic reputation of economics at Chicago. John Cochrane wrote a letter published in *The Chicago Maroon* addressing the faculty who signed a petition objecting to the institute. At one point, he commented specifically on the opponents’ mention of Friedman’s involvement in Chile, writing “If you’re wondering ‘what’s their objection?’, ‘how does a MFI hurt them?’ you now have the answer. Translated, ‘when we go to fashionable lefty cocktail parties in Venezuela, it’s embarrassing to admit who signs our paychecks’” (Cochrane, 2008a). In a formal statement responding to criticism, Lars Hansen, co-founder and current director of the institute, defended the decision to create the MFI by emphasizing the prestigious history of the Department of Economics:

The University of Chicago has a remarkable record of economic research. Critics sometimes refer to the ‘Chicago School’ as though it were a fringe group. Such rhetoric simply ignores the fact that Economics at Chicago has a long tradition for intellectual strength and recognition for superb scholarship....Among our currently active faculty there are 5 Nobel Laureates⁶, 7 members of the National Academy of Sciences, 3 past presidents of the American Economic Association, 4 current or past presidents of the Econometric Society, and 4 Clark medalists....These honors are not claims we make for ourselves; they reflect the

⁶ I should note that the Nobel Prize in Economics is somewhat controversial. One of my CORES faculty participants claimed that it was not a “real” Nobel. In some respects this is true—Economics was not among the original disciplines established in Alfred Nobel’s will (Lemmel, 2014). Economics was added in 1969 after Sweden’s central bank made a large gift to the Nobel Foundation. The official title of the award is the Prize in Economics in Memory of Alfred Nobel. Even though the recipient is determined by the Royal Swedish Academy of Sciences, critics of the award cite its origin with the Swedish bank as a way to dismiss or at least diminish the prestige of the award as compared to the traditional Nobels (Mulligan, 2013).

opinions of our peers in the world of economic research. To debate the Friedman Institute without acknowledging this stature denies one of the key intellectual strengths of this University. (Hansen, 2008)

Provost Thomas Rosenbaum acknowledged that people had different opinions on Friedman, many of them unfavorable. However, he argued controversy should not prevent a university from creating an initiative:

So there's an issue there—which is an issue—which is that even if you intend something to be one thing, it can be seen from the outside world in a different way. Is this a research institute? I think all the facts point to the Institute's activities as pretty mainline economics research.... There is certainly no particular viewpoint expressed in them. It's obviously a market orientation, but most of economics today is a market orientation... [P]eople associate Friedman in his full life with all kinds of things. So I think it's legitimate to say there's a perceptual issue that can be different than what the institute really does. I think there can be disagreements, however, on how do you deal with that. Are you defined then by how other people define you? Is that the appropriate response—because people misinterpret it, then you can't do it? (T. Rosenbaum, personal communication, May 14, 2014)

Dean of the College and historian of the University of Chicago John W. Boyer saw the Milton Friedman Institute as a normal initiative of the Chicago School of Economics, on par with the other centers and institutes already run out of the Graduate Business School (renamed the Booth School of Business in 2008):

The idea that this center is going to make Milton Friedman and neoclassical economics hegemonic: where have these critics been in the last 30 years? Because that became Booth's reputation....And they've made their reputation collectively and individually on it. There are also nuances, not everybody thinks the same way. If you are going to complain about Friedman, why don't you complain about George Stigler? You can say, well, I still don't like Milton Friedman and I don't like all that. Well, that's fine. You are entitled to such a view, but you've got to understand these traditions go back to the 1950s. So this criticism is like saying, well, I don't like the last 60 years of the university's history. (Boyer, personal communication, March 5, 2014)

Lars Hansen admitted some frustration with the argument by CORES faculty that Milton Friedman symbolized many things, expressing that he was not sure how to respond to such arguments:

A lot of it wasn't Milton Friedman, it was the image of Milton Friedman...And so we talked about...his role in Chile and the fact that Milton Friedman's own view of it was that my job was to help make the economy, to give good economic advice so the Chilean economy would become better. It was not to endorse Pinochet's political views, which I'm not aware that he did. Other people may have just boycotted the whole regime, but he chose to say 'I'm going to go give advice to help the economy improve.' And if you have economic freedom then in most cases you get political freedom, which in the case of Chile eventually happened as well. So he viewed it as that was his mission and role in it. So I found that a defensible position, but when I try to explain or articulate this, I was

told you have to understand that Milton Friedman is a symbol and you have to understand symbols don't have to be factually based. There's all the facts you want, but we're objecting to the symbol and the symbol is just out there. There's nothing you can do persuade us otherwise with facts. So I don't know how to respond to that argument. I don't like that argument very much because I think, I don't know. But I kind of had to throw my arms up at that point in time. (L. Hansen, personal communication, May 12, 2014)

Name changes. Since the debate, a couple name changes were made to the MFI. First, following the University Senate meeting to discuss the matter in October 2008, the provost and the MFI committee members announced that they would add “for Research in Economics” to the name, making it the Milton Friedman Institute for Research in Economics. Lars Hansen said that he was happy to make the change if it would help alleviate some of the opponents' fears the initiative would serve to indoctrinate people with free-market dogma. Co-Chairs of CORES Bruce Lincoln and Yali Amit thought this name change was a move in the right direction, but also maintained that they would rather not have Friedman's name anywhere. In 2011, the Friedman Institute merged with the already existing Gary Becker Center to form the Becker Friedman Institute for Research in Economics. Becker's name and reputation at the university made the institute's moniker less controversial. Bruce Lincoln remarked in his interview that he was delighted with this name change. However, CORES remains active and to this day has remained a sort of watchdog organization of faculty who take collective action whenever a decision, program, or initiative is announced that may hurt the reputation of the University of Chicago.

Chapter Conclusion and Discussion

This chapter built an argument that the conflict over the Milton Friedman Institute was, in part, about reputation. In the November-December 2008 issue of the *University of Chicago Alumni Magazine*, staff writer Amy Braverman Puma wrote about the MFI controversy, giving her article the Shakespearean title “What’s in a Name?” Does Milton Friedman’s name tarnish or enhance the name of the University of Chicago? From the quotes utilized in this chapter, the answer clearly depends on who was asked. To further this observation, this section will divide the faculty and administrators involved into three groups: university administrators, MFI advocates, and MFI opponents. Connections to the literature on organizational identity offer some explanations for the thoughts expressed by those involved.

Saga and the university administrator. Included in this group are interview participants Thomas Rosenbaum as Provost, John W. Boyer as Dean of the College, and Mark Hansen as Dean of Social Sciences. Press releases quoting University President Robert Zimmer are also included. Administrators, with obligations to multiple constituencies both inside and outside the university, are responsible for simultaneously stewarding the traditions of their institution while planning and implementing visions for the future. In looking back through this chapter, administrators tended to evoke traditional university language in talking about the institution and Milton Friedman’s achievements. Phrases used to describe the university included “leadership position,” “intellectual destination,” “extraordinary tradition,” and “amazing culture.” When speaking of Friedman, his influence and impact on students and on the field of economics came up most often as a reason to create the MFI in the first place. In defending this decision, administrators—whether knowingly or unknowingly—used storytelling and saga to fit Friedman into the long view of the university. In particular, John W. Boyer, with his extensive knowledge

of the history of the University of Chicago, has produced a series of monographs in a similar vein to Burton Clark's work in *The Distinctive College*. His insight into history places the MFI in a long line of research initiatives at the university.

Viewing the University of Chicago's story as a saga, one can see that the institution has always been ambitious, groundbreaking, and controversial—William Rainey Harper and Robert Maynard Hutchins had many critics, even among the faculty. Arguably, this saga is most embodied by the university's faculty, famous at various periods throughout the university's history for their discoveries. To quote again from Boyer's monograph, "Harper treated his faculty as key agents of prestige" (2010, p. 152). Those who wished to memorialize Milton Friedman thought that the institute would honor the parts of him worthy to be called a "key agent of prestige"—his publications, empirical research, awards, mentorship of students, and the ability to question and debate anyone. Taking these positive aspects of Milton Friedman's name, the MFI would remind the world that Chicago is home to preeminent scholars, with programs that would attract additional academic talent to the university.

Friedman's legacy in economics. While administrators spoke largely to the traditions of the university, those who created the MFI and those who supported it spoke mostly to the memory of Milton Friedman as an economist. They also spoke to the award winning tradition of the Chicago School of Economics. Their ties to the MFI seem to be part saga—there is certainly a story to tell about the Chicago School—but also part identity. To be a student of Friedman or a Chicago Economist definitely means something. In talking about Friedman, supporters used words and phrases like "fundamental," "legacy," "impact," "honesty," and "character." Lars Hansen defended the MFI by listing the number and type of honors awarded to current economics faculty at the university. For those influenced by Friedman's ideas, the MFI simply

memorialized one of the field's most prominent scholars. When the initiative was attacked, it would not be farfetched to argue that economists at Chicago felt personally attacked. The literature on group identity (Ashforth & Mael, 1989; Dutton et al., 1994) and Burton Clark's work on faculty identity (1987), explain why. The economists at the University of Chicago strongly identify with their discipline. The Chicago School of Economics as a label carries with it a reputation for a certain type of research, certain types of policy, various spheres of political influence, and scholarly renown. Milton Friedman, for many, was the face of this school. For his students and for those whose work is based on his scholarship, criticizing Friedman's name meant some part of their personal or professional identity had been criticized.

Institutional identity and CORES. The final group is comprised of the faculty who opposed the institute. On Milton Friedman, and sometimes the Chicago School of Economics, opposition language used words like “ideology,” “dogmatic,” “destructive,” “polemicist,” “narrow,” “propagandist,” and “political.” Not all of these words are inherently negative at first glance, but they are a negative way to describe someone in the academic world. Here again there is some evidence of storytelling or saga in the way CORES faculty spoke about the MFI. In the research ideal of the university—the one that Albion Small said to keep holy—the search for truth should be unimpeded by such vulgarities as politics. As will be discussed in the next chapter on academic freedom, the University of Chicago even issued a moratorium on declaring any political position of the university in the 1960s. In Harper's true university, being “narrow” or a “propagandist” means that the search for truth is compromised by preconceived conclusions. In this way in the eyes of the opposition faculty, Milton Friedman violated what it meant to be a University of Chicago scholar. His public persona cemented his reputation as an ideologue, and it is this reputation that the opposition argued would harm the reputation of the University of

Chicago as a bastion of truth. But why did these faculty members care so much about the reputation of the university? The literature on organizational identity can provide some answers.

Burton Clark's work, *Small Worlds, Different Worlds* (1987), demonstrated that departmental identity can be stronger than institutional identity. Cummings and Finkelstein (2013) found that faculty today identify less and less with their institutions, feeling closer ties either at the departmental level or through national discipline-based organizations. In Clark's original work, however, he found that faculty at highly ranked colleges and universities had the strongest ties to their institution. Faculty also tend to reside at a particular institution for years longer than most people stay with organizations outside academia. Some even spend their entire intellectual lives at one institution. The nine faculty and administrators interviewed for this project represent 247 years of work at the University of Chicago. Dutton, Dukerich, and Harquail (1994) suggested that the longer people stay at a particular organization, the more likely they are to attach attributes of the organization to their own personal or professional identities. Connecting part of one's identity to an organization can lead to feelings of pride when the organization is successful, but may also cause embarrassment or shame if the organization fails in some way. Dutton et. al also proposed that organizational identities often remain hidden until its "members believe that the organization's actions are inconsistent with its collective identity" causing people to question "'What is this organization really about?'" (1994, p. 243). How people think their organization is perceived by outsiders also affects feelings of pride or embarrassment, depending on positive or negative publicity.

Just as the economists supporting the MFI identified with the Chicago School of Economics, the opposition faculty identified strongly with an image of the academic profession that the University of Chicago is supposed to embody. CORES faculty came from multiple and

often unrelated disciplines, including Biology, Statistics, Religious Studies, English, and Anthropology, yet were of a similar mind about the MFI. Even, the name “CORES” served to separate them from the faculty involved in the MFI by branding themselves as the defenders of “Open Research” against what they perceived as narrow, predetermined research at the MFI. The acronym also referenced the Core Curriculum, a common set of liberal arts classes recognized by every College alumnus since the 1930s. By choosing this name, CORES faculty both upheld the research ideals of the professoriate and alluded to one of the university’s most famous intellectual traditions.

In reading through documents and transcribed interviews related to the dispute over the Milton Friedman Institute, it is clear that CORES faculty felt that the initiative’s name would reflect badly on the University of Chicago. Organizational identity literature takes this a step further to say that if something reflects badly on the University of Chicago, it also reflects poorly upon some aspect of the faculty’s identity as University of Chicago scholars. When the CORES group voiced publically, “this initiative is not what the University stands for,” they were also saying, “this is not what we stand for.”

Implications for practice. Challenges to an organization’s reputation or identity are not necessarily negative. Dutton et al. (1994) viewed such challenges as an opportunity for organizational members to reevaluate and redefine the values and characteristics of the organization. The CORES group started this process, and as will be shown in the following chapters, opposition to the MFI sparked a long, involved process of reevaluating the University’s stance on academic freedom, governance, and program planning. CORES is still active today, and has released statements about the university’s decisions to restructure the Hospitals and Biological Sciences Division and the partnership with the Confucius Institute.

Publically, universities still rely heavily on reputation. Many books on the landscape of higher education today are alarming tomes on institutional competition and the pursuit of prestige. The institutions at the top, while often criticized for being exclusionary, weather economic downturns and anti-intellectual attacks in large part because of their reputations. Students clamor to go there, faculty dream of working there, foreign countries vie for branch campuses or centers abroad, and both public and private donors pour massive amounts of money into research, scholarship, and campus planning. The University of Chicago is among these elite institutions. Having this reputation means that when the University of Chicago does something, people pay attention. Of course, this attention can be both positive and negative. University communications offices are trained to release favorable news about the institution, and do damage control to counter hostile press. However, these messages are often aimed at external audiences. Creating messaging for internal audiences may go a long way toward making faculty, students, and staff feel involved or reassured about the direction of their institution. To do that successfully, administrators need to have an ear open to these constituencies to address concerns in way that acknowledges each group's role and importance to the goings on of the university.

Implications for research. Studies on organizational identity still favor the for-profit world. More work in this area needs to be done on institutions of higher education. A relatively new body of literature focuses on how reputation, branding, and marketing affect student application rates and retention rates. The majority of the studies rely on preconceived measurements of reputation, like rank, endowment, and graduation rates (Weerts et al., 2014). These studies are useful to admissions and communications offices, but do not capture unique attributes of a particular institution. To truly understand the ethos of a university requires the kind of ethnographic studies conducted by Burton Clark and Gaye Tuchman. Taking the long

view of a university's history and listening to the stories people tell about their institution can help explain why conflicts erupt in the first place.

Scholarship on individual reputation in the academic world seems to be even rarer. The contributors to the *Minnesota Review*'s issue on academic stardom in the literary world started an interesting discussion that could extend to other disciplines. Given the sheer number of social media outlets today, the potential for academics to extend their reach beyond campus is greater than ever. Star status may influence tenure, promotion, and salary decisions. For faculty who travel frequently for speaking engagements, their time away from campus may interfere with time spent in more traditional faculty roles, like teaching, advising, and conducting research. Research of academic stars can help illuminate the potential tension between an individual faculty member's star reputation and the more established practices of the academic profession.

Chapter Two: Academic Freedom

Should the foundation of the Milton Friedman Institute serve to entrench, even to ossify, a single vision of the discipline of economics at the University of Chicago? Or does it provide an opportunity to develop a more capacious view of the field? (Ando, 2008, p. 1)

The principle of academic freedom applies here if you're a faculty member and you want to research something, then you shouldn't be constrained by the president, the provost, the trustees, nor your colleagues. (T. Rosenbaum, personal communication, May 13, 2014)

In the last chapter, I referred to the Milton Friedman Institute as a functional memorial. In addition to honoring Friedman's name, the MFI was planned as research initiative. According to the original proposal, activities of the MFI would include workshops, a visiting fellows program, and research opportunities for students and faculty. While the faculty involved in the planning maintained that this research agenda would be in keeping with the tradition of academic rigor and empirical methods advanced by the University of Chicago, those who opposed the MFI saw it as a think tank—usually defined as a political entity whose purpose is to advance preconceived ideas.

The debate that ensued over the MFI's research agenda raised some interesting questions pertaining to academic freedom. Who can have a say in the research direction of an academic institute? Do the politics of an individual speak for the politics of the university? Can faculty judge each other's work and the work of their administration? Answering these questions relies on knowledge of what academic freedom means to the academic profession. To really understand the concept we must look back into the history of academic freedom beginning with the rise of the research university in the late 19th century (Boyer, 2002; Gerber, 2014). In order to break away from ecclesiastical control of education, PhD trained faculty needed to establish norms and principles of their profession. In Louis Menand's 1996 edited volume on academic

freedom, he called it “the key legitimating concept of the entire enterprise” (p. 4). But it took the professorate decades to reach some level of consensus on what academic freedom meant.

This chapter will review the history of academic freedom in the United States beginning with the post-Civil War rise of the research university. Interestingly, this history cannot be written without several key events occurring at the University of Chicago. Pieces of this history will prove important to the MFI debate, as I will show in quotes from interviews and documents related to this case.

Academic Freedom and the Research University

Richard Hofstadter and Walter Metzger’s extensive 1955 volume traced the idea of academic freedom back to Europe’s medieval universities. Although wholly different than what we think of as academic freedom today, Hofstadter and Metzger included this history in order to emphasize that the hunger for intellectual freedom had deep roots. They, like other scholars of higher education, argued that the real development of what we think of as academic freedom began with the introduction of the research university in the United States (Boyer, 2002; Gerber, 2014; Menand, 1996; Veysey, 1965). From the Colonial Era to the Civil War, many colleges in America were run by various religious denominations. The majority of students were taught a curriculum intended for clerical purposes by a staff of instructors whose education level was not that much higher than their own (Thelin, 2004). After the Civil War, German trained academics brought the idea of the research university back to the United States. Hofstadter and Metzger summarized what the research university meant for education:

The emergence of the university was nothing less than an educational revolution in the United States. Research took a place along with teaching as a major function. The methods and concepts of science displaced the authority of

religion. The academic profession took on, for the first time in a full measure, the character, aspirations, and standards of a learned profession. (1955, p. xii)

These newly trained PhDs would buck traditions of ecclesiastical rule over institutions of higher learning as they worked together to establish the principles of their profession.

Any historical overview of academic freedom in the U.S. must give a nod to the German concepts of *Wissenschaft*, *Lehrfreiheit*, and *Lernfreiheit* (Boyer, 2002; Finkin & Post, 2009; Hofstadter & Metzger, 1955; Veysey, 1965). Although scholars today believe the German-trained American faculty over-idealized or oversimplified the reality of these concepts, their influence on the U.S. research university is unmistakable. *Wissenschaft*, sometimes misinterpreted as *science* or *empirical research*, could be characterized as pursuing knowledge for the sake of knowledge. Whether exploring science or philosophy, *Wissenschaft* “signified a dedicated, sanctified pursuit...not the study of things for their immediate utilities, but the morally imperative study of things for themselves and for their ultimate meanings” (Hofstadter & Metzger, 1955, p. 373). Veysey (1965) explained that this idea was skewed by Americans, who equated *Wissenschaft* with scientific inquiry and laboratory-based investigation. Still, the methods of research and the German practice of housing teaching and research under one university excited American scholars accustomed to denominationally controlled curricula.

In pursuit of knowledge for knowledge’s sake, German students and faculty of the 19th century were granted the privileges of *Lehrnfreiheit* and *Lehrfreiheit*. The standards of *Lehrnfreiheit* sound familiar to what we think of as the college experience today; it meant that unlike the state-controlled, highly prescribed curriculum of the *Gymnasium*, students at university were free to choose their classes, free to pursue their own academic interests, and free to live unsupervised (Hofstadter & Metzger, 1955). Such freedom was essential for Germany to

train future researchers. *Lehrfreiheit* is the term that is most often linked to the American concept of academic freedom (Boyer, 2002; Gerber, 2014). According to Hofstadter and Metzger, “by *Lehrfreiheit*, the German educator meant two things. He meant that the university professor was free to examine bodies of evidence and to report his findings in lecture or published form—that he enjoyed freedom of teaching and freedom of inquiry” (1955, pp. 386-7). However, Hofstadter and Metzger went on to emphasize that the Germans “distinguished sharply between freedom *within* and freedom *outside* the university” (p. 388). German faculty rarely voiced public opinions on politics or the country’s leadership (Finkin & Post, 2009). There was also disagreement among German scholars as to whether or not they should be allowed to speak only to their fields of research, or whether they could question and criticize scholars in other disciplines. These subtleties appeared to be lost on German-trained Americans who ran with the idea upon return to the U.S. As John W. Boyer wrote in his monograph on academic freedom at the University of Chicago:

What some American academics had already begun to understand by the concept of *Lehrfreiheit* was in fact a more full blown “academic freedom,” a more ambitious and robust notion that included the freedom enjoyed by scholars to speak on issues beyond one’s narrow field of scholarship and, even more significantly, beyond the walls of one’s home university. (Boyer, 2002, p. 12)

Once back in the States, these academics became leaders in higher education. New institutions like Johns Hopkins, Stanford, Cornell, and the University of Chicago were founded on the German ideals of *Wissenschaft*, *Lernfreiheit*, and *Lehrfreiheit* as the colonial and antebellum era colleges started transforming into what we think of today as the modern university. Newly trained Ph.Ds would take positions of prominence at these universities as department heads and

deans. But they soon found that their faculty appointments did not grant them leave to say or do anything they pleased. The need to establish the boundaries of the faculty-administrator and faculty-trustee relationship, to define academic work, and to divine the purpose of a research university would rally faculty together to defend and champion the academic profession.

Not yet free. Although the research university began to thrive at the turn of the century, presidents and trustees were still very much in control. Presidents in particular maintained the power to appoint and dismiss members of the faculty. Dismissals became a topic of heated debate as several scandalous cases spread through national newspapers. The universities of the late 19th and early 20th centuries played a vital role in society and “must above all else emanate an air of respectability” (Veysey, 1965, p. 381). Presidents of these institutions were very much public figures, prone to the praise or criticism of the media. This pressure to maintain a favorable reputation made presidents susceptible to the opinions of trustees, university donors, and wealthy business owners. Four prominent dismissal cases demonstrated the dangers of external influence trumping faculty prerogatives.

The first case happened at the University of Chicago in 1894. Edward Bemis was a professor of political economy with radical views. Details of how Bemis’s dismissal affected the University of Chicago will be saved for the next section on the university’s history of academic freedom. This section will review details relevant to the national problem of academic freedom at the time. The 1890s marked the era of the captains of industry, and trusts dominated everything from coal to steel to railroads. Workers, tired of low pay and squalid working conditions, began to go on strike. Bemis publically advocated for municipal ownership of utilities and supported the Pullman strike of 1894. A speech he gave against the railroad companies made the newspapers, causing outrage among Chicago’s businessmen (Veysey,

1965). The university's president, William Rainey Harper, sent Bemis a letter requesting that he "exercise very great care in public utterance about questions that are agitating the minds of the people," and complained "it is hardly safe for me to venture into any of the Chicago clubs" (Harper in Hofstadter & Metzger, 1955, pp. 427-8). Bemis was dismissed at the end of that academic year without explanation or review. Bemis and his supporters argued that he had fallen victim to moneyed interests.

In 1900, the Edward Ross case of Stanford University proved to be even more scandalous. Like Bemis, Ross advocated for social reform, and spoke out against the railroads and their use of cheap immigrant labor (Veysey, 1965). He was also an open Democrat and spoke regularly at San Francisco's Socialist Club. After one speech attacking the railroad, he drew the ire of Stanford's only living trustee, Mrs. Jane Lathrop Stanford, whose husband founded the university (Finkin & Post, 2009; Hofstadter & Metzger, 1955). Mrs. Stanford urged the university's president, David Starr Jordan, to dismiss Ross. Jordan, who liked Ross, tried to minimize the impact of Ross's speeches to Mrs. Stanford, and also urged Ross to lay low (Veysey, 1965). Neither tack worked; Mrs. Stanford forbade any faculty member from participating in politics, and Bemis was ready to sacrifice his position for the greater cause of academic freedom (Haskell, 1996). The day after his dismissal, Ross made a statement to the press, avowing "I cannot with self-respect decline to speak on topics to which I have given years of investigation" (Ross in Hofstadter & Metzger, 1955, p. 440). The press largely sympathized with him, and the publicity tarnished Stanford's reputation for years. Even worse, several prominent and well-liked senior faculty resigned after Ross's dismissal and some alumni refused to donate to the university.

The Ross case raised several interesting questions about academic freedom. First, could philanthropists use pecuniary threats to control a university's faculty? Mrs. Stanford was troubled for the rest of her life by the backlash she received for Ross's removal, and eventually gave up her control of Stanford to a board of trustees (Veysey, 1965). Second, should faculty have to conform to the dominant views of the day to protect the reputation of their institution? Supporters of Bemis and Ross argued that universities should be free from the sway of public opinion—that unpopular ideas were no less valuable even if they drew criticism. Third, should the president have the right to dismiss faculty without any sort of review? The trustees, presidents, and faculty of the next two cases would say no, paving the way for the peer review process.

Before we leave the Ross case, it is important to note what happened immediately after his dismissal. The national professional organization, the American Economic Association (AEA), launched its own investigation into the incident (Finkin & Post, 2009; Hofstadter & Metzger, 1955; Veysey, 1965). Although Stanford did not give them access to any internal documents, through interviews and correspondence with relevant parties the AEA concluded that Ross was dismissed under suspicious and unsubstantiated circumstances. Both Veysey (1965) and Hofstadter and Metzger (1955) credited the AEA's investigation as establishing a precedent for the future American Association of University Professors Committee A investigations into academic freedom violations. Two other dismissal cases also helped to advance the cause of academic freedom.

The same year that his former student, Edward Bemis, was dismissed from the University of Chicago, Richard Ely of the University of Wisconsin became the target of a member of the Board of Regents, Oliver Wells. Ely was the director of Wisconsin's School of Economics,

Politics, and History (Hofstadter & Metzger, 1955). Wells disliked Ely for his pro-union, pro-strike, and pro-boycott support of labor. Calling up practices from the denominational days of colleges, Ely was actually put on trial. Unlike the Bemis and Ross cases, the president of Wisconsin, Charles Kendall Adams, openly supported Ely and submitted a statement in his favor for the trial. At the time, University of Wisconsin's Board of Regents consisted of politically conservative businessmen. Everyone expected them to dismiss Ely (Veysey, 1965). However, not only was he retained after the trial, the Regents released an unprecedented statement proclaiming that it was not their role to interfere with academic pursuits of the faculty:

As Regents of a university with over a hundred instructors supported by nearly two millions of people who hold a vast diversity of views regarding the great questions which at present agitate the human mind, we could not for a moment think of recommending the dismissal or even criticism of a teacher even if some of his opinions should, in some quarters, be regarded as visionary....In all lines of academic investigation it is of the utmost importance that the investigator should be absolutely free to follow the indications of truth wherever they lead. (Regents of the University of Wisconsin in Hofstadter & Metzger, 1955, p. 427)

In a similarly surprising case at Trinity College of North Carolina, the trustees, president, and the entire faculty came to the defense of John Bassett in 1903. Bassett was a professor of history at the college, and the editor for *South Atlantic Quarterly*. After publishing an article urging southerners to address the Jim Crow laws and lynchings plaguing the black community, numerous newspapers attacked him, demanding that he retract his statement or be removed from his position. Bassett, in contrast with faculty who were dismissed, actually resigned. This time, the president and faculty sprang into action, writing a letter to the trustees threatening that they

would *all* resign if Bassett left the college. Alumni and friends of Trinity College also wrote letters of support to the trustees and the Duke family, who contributed a large amount of money to the college. One letter written to Benjamin N. Duke emphasized “it is of the highest importance that a professor from Trinity College should be allowed to hold and express any rational opinion he may have about any subject whatever” (Walter Hines Page in Hofstadter & Metzger, 1955, p. 448). In the end, the trustees voted to retain Bennett.

These and many other dismissal cases across the country forced the faculty to consider their positions at institutions of higher learning. Some faculty sided with the presidents and trustees who demanded conservative comportment from their faculty (Veysey, 1965). Others saw the danger of allowing external interests to dictate the direction of their research. These cases also raised troubling tensions about politics and academia. Each of the faculty mentioned here identified with and promoted “leftist” political ideals, voicing their opposition of conservatives, monopolistic control, and poor treatment of laborers. Mrs. Stanford mandated that all of Stanford’s faculty avoid political activity, but did nothing to rebuke professors who openly supported conservative politicians. There were also cases of leftwing Populist university presidents purging conservatives from the faculty (Hofstadter & Metzger, 1955). The ferment over academic freedom would culminate in some of the greatest academic minds of the time joining forces to question, discuss, and debate the privileges and principles of their profession (Finkin & Post, 2009).

Faculty begin to mobilize. Dismissal cases did not disappear in the first decade of the 1900s, but both Veysey (1965) and Hofstadter and Metzger (1955) discussed the lull that occurred in academic controversy at this time. Veysey importantly noted that faculty were not yet united on the issue of academic freedom, with some claiming that the scandal associated with

dismissal cases was largely manufactured by the newspapers. Others felt that academic freedom was actually a danger that needed to be eliminated. Hofstadter and Metzger attributed the lull in dismissal cases—or at least in the widespread publication of cases—to the changing politics of the nation. U.S. President Theodore Roosevelt, though running on the Republican Party ticket, promoted some of the same anti-trust and pro-labor laws that got Edward Bemis, Richard Ely, and Edward Ross in trouble. But national sentiment was still inextricably tied to the academic pursuits of higher education. Commenting on the changing political tide of the era, Veysey wrote “resistance to academic freedom was not so much a matter of principle as it was an aspect of public relations. The passions of the non-academic population...were permitted to govern the university’s attitude from season to season” (1965, p. 410).

The period of relative calm in higher education ended in the 19-teens. Caught up in the reform of Progressivism, faculty members began to lobby for similar reform in academia. The year 1913 proved to be momentous for the advancement of academic freedom (Hofstadter & Metzger, 1955). First, J. McKeen Cattell, a professor of psychology and the editor of *Science* magazine, published a book called *University Control* based on letters he solicited from faculty across the country. Cattell (1913) advocated for a complete reorganization of the university, giving faculty the power to vote for presidents and deans and protecting faculty employment with a peer review process. Not everyone agreed with his plan, but many letters spoke to the need to minimize the trustee role while boosting faculty input.

Second, a new faculty dismissal case received widespread attention, resulting in an investigation by two professional organizations. John Mecklin, a professor of philosophy, self-reported to the *Journal of Philosophy, Psychology, and Scientific Methods* that the president of Lafayette College forced him to resign for using textbooks that the president deemed “subversive

of the faith and morals of the students” (Mecklin, 1913, p. 560). Mecklin appealed to his colleagues for attention to his case because it raised “a most important question, namely, whether a well-meaning, but misguided loyalty to outworn theological beliefs is to take precedence over loyalty to approved scientific methods and well-attested facts” (p. 560). The American Philosophical Association and the American Psychological Association decided to investigate the case and concluded that Mecklin had been forced to resign under ambiguous circumstances. They also argued that no professor should be dismissed without clear justification and a review process involving other faculty and the trustees (Lovejoy et al., 1914).

Also in 1913, three organizations joined together in an attempt to establish standards of the academic professions. A joint committee of members from the American Economic Association, the American Political Science Association, and the American Sociological Society worked for over year, but in the end could not agree on principles that would apply to the entire academic profession (Cain, 2012; Hofstadter & Metzger, 1955). Specifically, they could not decide whether faculty should be protected both inside and outside the walls of the university, or if faculty of all ranks should be protected equally. In the end, the committee only published a preliminary report. But the issues they raised would soon be tackled by another group.

Finally in 1913, faculty members at Johns Hopkins University invited professors from nine elite research universities to a conference. Their goal was to create a faculty organization to establish principles of the academic profession, and to defend those principles when necessary. The conference group formed the American Association of University Professors (AAUP) and invited professors from 60 institutions to join (Hofstadter & Metzger, 1955). At first, their membership would be limited to faculty of high rank from the nation’s leading institutions. Over the years, membership expanded to more institutions and younger faculty.

The 1915 Declaration. The AAUP met for the first time in 1915. That same year, the organization released the *Declaration of Principles*, defining academic freedom. The *Declaration* discussed three types of academic freedom—the freedom of inquiry and research, the freedom of teaching, and the freedom of extramural speech (AAUP, 1915). Because most dismissal cases were predicated on political speech inside the classroom or outside the university, the report focused mainly on the latter two types of academic freedom. The authors made clear that institutions whose purpose was to advance specific religious doctrine or to champion political or economic ideologies were private, “proprietary” institutions that should not be confused with academic institutions wishing to advance knowledge through the pursuit of free inquiry (AAUP, 1915, p. 293). By contrast, academic institutions were to be thought of as a public trust, highlighting the special role faculty were beginning to play in advancing society:

The third function of the modern university is to develop experts for the use of the community....The recognition of this fact has led to a continually greater demand for the aid of experts in these subjects, to advise both legislators and administrators. The training of such experts has, accordingly, in recent years, become an important part of the work of the universities; and in almost every one of our higher institutions of learning the professors of the economic, social, and political sciences have been drafted to an increasing extent into more or less unofficial participation in the public service. It is obvious that here again the scholar must be absolutely free not only to pursue his investigations but to declare the results of his researches, no matter where they may lead him or to what extent they may come into conflict with accepted opinion. To be of use to the legislator or the administrator, he must enjoy their complete confidence in the

disinterestedness of his conclusions. (AAUP, 1915, p. 296)

As a public trust, the AAUP argued that professors were not employees, but appointees for the public good, and should therefore be protected from the opinions of people who lacked academic training. As long as faculty members expressed thoughts that were based on their scholarly experiences, they should be free to say anything both in and outside the classroom. The report also stated that professors should not be discouraged from speaking on issues outside their trained discipline. If a faculty member was accused of indoctrinating students or making unfounded statements on issues in the public arena, they should have the privilege of trial by peers, with clear explanation of the reasons for dismissal or disciplinary action.

Once the 1915 *Declaration* was published, the AAUP received pushback from the press and from other national organizations, like the American Association of Colleges (AAC), formed by university presidents in the same year (Hofstadter & Metzger, 1955). Most lay people could not march into their boss's office, complaining of their work situation or insulting the company without expecting to be fired (Finkin & Post, 2009). Why should faculty enjoy more freedoms than most citizens? The AAUP would continue to fine-tune the principles of the 1915 *Declaration*, which needed defending as the country entered the World Wars.

Academic freedom in times of turmoil. In the years following the 1915 *Declaration*, the AAUP continued to expand its membership and began working with national academic organizations to standardize the meaning of academic freedom. However, when progress seemed to move forward, the faculty profession was forced to take steps back during times of national crisis. World War I undid quite a bit of this progress, as paranoia swept the country (Hofstadter & Metzger, 1955). People were especially wary of pacifists or “hyphenated” Americans—people who had recently immigrated and may be more loyal to their families back

home in enemy countries (Cain, 2012). Multiple faculty were dismissed for being unpatriotic, or not patriotic enough. Even the AAUP had trouble defining the limits of extramural speech, claiming in their 1925 *Conference Statement* that professors should take special care to emphasize that their individual opinions did not reflect the general attitude of their institutions (Finkin & Post, 2009). In the 1930s and '40s, universities would be subjected to Red hunters, with two nationally famous incidents occurring at the University of Chicago (reserved for the next section). Again, faculty came under attack for their political views—dismissed without a hearing for attempting to “indoctrinate” their students with socialist or communist propaganda.

The AAUP gained some support in the late 1930s, when the AAC worked with them to produce the 1940 *Statement of Principles on Academic Freedom and Tenure* (Hofstadter & Metzger, 1955). The 1940s *Statement* utilized more direct and clear language than the 1915 *Declaration*, and focused more on the practical applications of academic freedom—namely the tenure, review, and judiciary processes. The *Statement* upheld the argument that universities are public goods, therefore faculty must be granted freedom of research and teaching. As for the controversial and political issues that caused many faculty dismissals, the AAUP urged caution in introducing “controversial matter which has no relation to their subject” and responsibility to “remember that the public may judge their profession and their institution by their utterances” (AAUP, 1940, p. 3). Since 1940, over two hundred professional, academic, and administrative organizations have endorsed the *Statement*. However, their report was purposefully short and ambiguous, allowing for individual institutions to use these principles to make their own statements on academic freedom. Ultimately, trustees still had the legal right to accept, reject, or modify the AAUP’s guidelines. This ambiguity also explains why people both inside and outside of academia continue to struggle with the meaning and privileges of academic freedom.

What remains important to the Milton Friedman Institute dispute is that faculty are granted the freedom to direct their own research and curricula, that they may criticize and question each other and the administration as long as their comments are based on scholarly arguments, and that an individual professor's opinion may always cause problems for the reputation of a university, even if that faculty member is clear that he or she does not represent the institution as a whole. The next section turns to the history of the University of Chicago to see how the faculty and administration handled the growing idea of academic freedom.

Academic Freedom at the University of Chicago

A rough start. When the Chicago Baptists recruited William Rainey Harper to be the first president of the University of Chicago, he insisted upon a “true university,” embodying “self-government, freedom from ecclesiastical control, and the right of free utterance” (Meyer, 1994, p. 65). Harper's actions, however, did not always match his lofty language. He would not hesitate to dismiss someone if he or she did not meet his expectations.

The Edward Bemis dismissal case brought unwanted attention to the university, and became fodder for Harper's critics. Nationally, the case was framed as another example of a faculty member coming under fire for advancing controversial political and social views. Sociologist Edward Ross, whose own dismissal case shook the academic community, called the University of Chicago “Gas Trust University,” claiming the university had no right to call itself an institution of higher learning (Hofstadter & Metzger, p. 428). After criticism surrounding the Bemis dismissal spread through the national press, Harper and the head of the Sociology Department, Albion Small, insisted that Bemis was dismissed because he was a lackluster scholar and teacher (Boyer, 2002; Veysey, 1965). J. Laurence Laughlin, the head of the Political Economy Department, also disliked Bemis's approach to economics (Meyer, 1994). Other

subsequent dismissals did not raise the same level of public outcry, and in each case the faculty member lacked professional clout and ran afoul of their department heads. Most of Harper's deans and department heads sympathized not with the faculty who reported to them, but with university presidents. On the Edward Ross dismissal case at Stanford University, Albion Small supported President David Starr Jordan, writing that "Ross deserved all that he got" (Small in Meyer, 1994, p. 179). Regardless of the real reason for Bemis's dismissal, the case remained a smudge on Harper's career and the early history of the university.

The university's first faculty had mixed views on academic freedom. Most enjoyed complete autonomy anyway, and did not see freedom of inquiry as a real concern. Nonetheless, in 1899, the University Congregation—an organization consisting of faculty, instructors, administrators, and alumni—rejected the idea that faculty should have to consider the reputation of the university first and foremost in their public utterances (Boyer, 2002). Instead, they voted to uphold academic freedom as a fundamental principle of the university, and claimed that faculty should not be afraid to proclaim scholarly opinions in public. The university was also to be thought of as politically neutral to begin with, a burgeoning idea that would be endorsed decades later by the Kalven report.

Red hunters. The University of Chicago was one of the first members of the AAUP, and utilized their own chapter of the organization as a forum to discuss their opinions on academic freedom. These ideals would be tested on two separate and highly public occasions—both having to do with the Red Scare of the 1930s and again in the 1940s. The president of the university in both instances was Robert Maynard Hutchins, who became nationally known for defending the research principles of his university. John W. Boyer (2002) described the events of this era in his monograph on *Academic Freedom and the Modern University*. In the 1930s,

the university housed a number of left-wing scholars and students who were pro-union and pro-labor. The University of Chicago also hosted known socialist and communist guest speakers. This activity irked businessmen and some members of the Board of Trustees. In meeting minutes published in Boyer's monograph, the trustees tackled issues of academic freedom, national patriotism, university reputation, and philanthropic support. Trustee Thomas Donnelly reportedly felt that:

There was a difference between academic freedom and academic license...that members of the faculty as citizens have a perfect right to do as they wish as individuals but not as members of the staff and thereby using the name of the University to help them to give publicity to and spread their individual ideas.

(University of Chicago Board of Trustees in Boyer, 2002, p. 31)

Donnelly also brought up the practical problem of scaring off potential donors at a time when the university desperately needed funds. Both President Hutchins and Trustee Harold Swift defended the activities of the students and faculty. Hutchins proposed that any person wishing to express their scholarly views should be heard, and that students and faculty could judge for themselves the merits of those views. Swift argued that reprimanding a few individual professors would result in a widespread faculty revolt. In the end, Swift managed the meeting well and upheld the principles of academic freedom. But the university soon became the target of both the media and the government in the Walgreen Affair of 1935.

Supposed socialist activities at the university continued to draw criticism. In 1935, Red hunters published a pamphlet entitled *How Red is the University of Chicago?*, naming student groups, faculty, guest speakers, and events that apparently advocated the overthrow of the government (Hewitt, 1935). A Congressman from New York also published a list of apparent

communist universities, the University of Chicago included. Hutchins largely dismissed this report, reaffirming that the university's purpose was to pursue truth through free inquiry regardless of public opinion (Boyer, 2002). His troubles continued later that year when Charles R. Walgreen of Walgreen's drugstores removed his niece, Lucille Norton, from the College claiming that she had been indoctrinated with communist dogma.

Thanks to a press controlled by the conservative William Randolph Hearst, the Walgreen Affair became a scandal prompting Illinois Republican politicians to call for a governmental hearing on seditious activities at the University of Chicago (Boyer, 2002). Hutchins continued to defend his institution making a speech on NBC radio called "What is a University?," in which he denied that any faculty or students at the University of Chicago were Red. He also argued that the best way to uphold democracy was to allow for open discourse and critical examination of alternative forms of government (Hutchins, 1935). Trustees again were divided on the issue, concerned about negative press and the future financial state of the university (Boyer, 2002). However, they showed a united front during the Walgreen trial. Milton Mayer, a journalist and friend of Hutchins, recounted much of the trial in his 1993 book *Robert Maynard Hutchins: A Memoir*. Hutchins and other faculty members did an excellent job of making their accusers, including Walgreen himself, look like ignorant witch hunters. In the end, University of Chicago was exonerated of seditious activity. Walgreen even apologized and made a \$550,000 gift to the university (Mayer, 1993).

After World War II and the rise of the Soviet Union, the university again came under attack by Red hunters. An Illinois senator named Paul Broyles proposed five bills that would require public employees to take loyalty oaths and prevented large groups from gathering without first registering with the Illinois Secretary of State (Boyer, 2002). A group of University

of Chicago students joined students from other institutions to protest the bills outside the capital in Springfield, Illinois. Some protesters apparently became unruly, leading Broyles to attack their institutions for indoctrinating them with communist ideals. Broyles received monetary support to conduct investigations of the institutions, including the University of Chicago. Again Hutchins shined, making his inquisitors look like fools. The university also received substantial support from Trustee Laird Bell. Bell, going on the offensive, published a widely praised pamphlet in 1949 called *Are We Afraid of Freedom?* In it, Bell argued that freedom is an essential part of the university just as it is an essential part of democracy, quoting historical figures like Thomas Jefferson, John Milton, and John Stuart Mill. He also reminded readers of the university's integral role in developing the atomic bomb and listed faculty members who made important discoveries in chemistry, medicine, archaeology, and politics. Finally, Bell championed academic freedom as an important principle to society:

To be great, a university must adhere to principle. It cannot shift with the winds of passing public opinion....It must rely for support upon a relatively small number of people who understand the important contributions it makes to the welfare of the community and the improvement of mankind; upon those who understand that academic freedom is important not because of its benefits to professors but because of its benefits to all of us. (Bell, 1949, p. 13)

The Broyles investigation petered out, and the University of Chicago was cleared of committing seditious activities (Boyer, 2002). The publicity of the investigation, coupled with Bell's widely published pamphlet on freedom, won the admiration of the academic community. Interestingly, as Hutchins became somewhat of a hero against external threats to academic freedom in the 1930s and '40s, he also bore the indignation of faculty members as he pushed through massive

changes to the College curriculum. These changes will be discussed in the chapter on university governance.

The Kalven report. In the Edward Bemis case of 1894, the Walgreen Affair of 1935, and the Broyles investigation of 1949, the University of Chicago found itself balancing its reputation with the work of individual faculty members. Although disagreement existed on the real reason for Bemis's dismissal, critics of William Rainey Harper argued that the president let the reputation of the university in the eyes of local businessmen trump the prerogatives of Bemis's political and economic scholarship. By the time of the Red investigations, faculty, trustees, and administrators had a stronger idea of what academic freedom meant to the university. President Robert Maynard Hutchins, Trustee Harold Swift, and Trustee Laird Bell defended both the reputation of the university and the individual rights of faculty and students to seek truth through free inquiry, regardless of public opinion. As Boyer (2002) pointed out in his monograph on academic freedom, the Walgreen Affair and the Broyles investigation united the campus. However, the 1960s brought widespread campus unrest with students staging protests over Vietnam and Civil Rights. University of Chicago students demanded that the leadership of the institution take a stand on social issues of the day—particularly on university investments that were tied to South Africa (Boyer, 2002). The president of the university at the time, George Beadle, put together a committee of faculty to address the issue of political and social action. The committee was headed by Harry Kalven, a law scholar specializing in First Amendment rights.

The resulting report reaffirmed that the university's mission must be “the discovery, improvement, and dissemination of knowledge” and that “by design and by effect, it is the institution which creates discontent with the existing social arrangements and proposed new

ones” (Kalven et al., 1967, p. 1). However, the report clearly stated that “the instrument of dissent and criticism is the individual faculty member or the student. The university is the home and sponsor of critics; it is not itself the critic” (p. 1). To protect those who hold unpopular and controversial views, the Kalven report argued that the university must not take collective action lest it suppress individual academic freedom. This idea of political neutrality would reemerge as the primary reason why President Hanna Holborn Gray chose not to divest from South Africa in the 1980s.

History’s influence on the MFI dispute. The history of academic freedom in the United States and specifically at the University of Chicago established important precedents for the Milton Friedman Institute. Academic freedom has favored the individual faculty member’s right to create and implement his or her own research agenda and curriculum. The University of Chicago, aside from the Bemis case, has an especially long history of upholding and defending the rights of individual professors. However, faculty can criticize each other’s work and should not be reprimanded for openly disagreeing with university leaders. For the most part, peer review is now the standard for determining whether or not someone has violated the principles of academic freedom. As for an individual faculty member’s politics speaking for the university, this issue remains ambiguous in practice. Even if a university declares political neutrality, a professor’s educational background and current institution are almost always mentioned in public statements. There is a fourth issue in this case that merits its own chapter, and that is the potential for monetary support of a university to compromise free inquiry. This will be discussed in a subsequent chapter on philanthropy. For now, I would like to modify the questions raised at the beginning of this chapter to speak to the specifics of the MFI case. First, who had the right to set the research agenda for the Milton Friedman Institute? Second, did the MFI initiative have a

political bent, and if so, what did this say about free inquiry at the University of Chicago?

Finally, what granted faculty outside the MFI and outside economics the right to criticize their peers and their administrative leaders?

Academic Freedom and the Milton Friedman Institute

There were three main aspects of the MFI case that called attention to academic freedom. First was the individual's right to freedom of research. The second was whether the MFI violated the political neutrality of the university, thereby threatening free inquiry. Finally, the nature of the entire dispute was an example of academic freedom at work—freedom to question, criticize, and openly debate without the fear of being reprimanded.

Individual academic freedom. Interestingly, both advocates and opponents of the MFI agreed on one thing—no one should have the ability to take away an individual's or even a department's right to set their own research agenda. Those in administrative positions particularly highlighted the danger of infringing on individual academic freedom. Mark Hansen, Dean of the Social Sciences at the time of the conflict, said “the last thing we need to do is to have a vote on whether we should do something that matters to important scholars. Because when you come right down to it, we are all minorities in that situation” (personal communication, March 4, 2014). In remembering his role overseeing the October 2008 University Senate meeting, Provost Thomas Rosenbaum remembered:

The part that I disagreed with strongly was the notion that faculty in other parts of the university could vote on what areas of inquiry were acceptable from their colleagues in different fields....I found that part frightening and that was the part I was most interested in as the chief academic officer, in making sure to avoid establishing that precedent. Now clearly there are people who feel differently

about this. But you ask my opinion about it, that's the part that I tried to stress because I think in terms of the long-term health of the university that was the major issue. (T. Rosenbaum, personal communication, May 13, 2014)

John W. Boyer, Dean of the College, also felt that the core of the MFI dispute came to defending academic freedom: "This is really a question of academic freedom. If a group of colleagues wants to organize a research center, and they secure philanthropic support and it is generally appropriate to the University's mission—then I think this is fine" (personal communication, March 5, 2014).

Bruce Lincoln and Yali Amit, the co-chairs of the opposition group, the Committee for Open Research on Economy and Society (CORES), did not disagree with the principle of individual faculty prerogative. Lincoln, a professor in the Divinity School, explained:

Really, what goes on in the department is not for outsiders to mess with. The economists should decide what kind of economics gets taught. And if a historian of religions disapproves or disagrees, I think it really doesn't matter much at all. It's not my field or my right. (B. Lincoln, personal communication, March 4, 2014)

In response to criticism of the CORES group by MFI committee member and professor of finance, John Cochrane, Yali Amit wrote "Out of respect for the academic freedom and autonomy of the Economics department we intentionally do not want to intervene or investigate the work going on there" (Amit, 2008, para. 12). Amit, a faculty member in the Department of Statistics, remembered:

One of the counter arguments was academic freedom. If the Stat Department wants to establish an institute and raise money, we don't want the English

Department telling us what to do. And that's an important argument. So we said to them, if this is just an internal thing that the Econ Department wants to do, it's none of our business. (Amit, personal communication, May 12, 2014)

Where the CORES group disagreed with administration was on the scope of the Milton Friedman Institute's research agenda:

At a certain point, Yali made the argument that having structured the Institute as an interdisciplinary entity involving three different major units made it a university-wide concern. Further, if it was a top fundraising priority of the University at large, it was a concern for everybody. And if it was going to be a flagship enterprise that had all these features, people like us have a right to be involved and to have a voice with which to tell the administration, clearly and firmly: We hate this initiative and you are doing this against our will. We don't, however, presume to tell the economics department how to do its business. On the principle of intellectual freedom, they chart what goes on in economics. And were the institute located inside the department, rather than being an initiative, priority, and concern for the university at large, whatever we thought about Milton Friedman's name and his thought and his profile, wouldn't be all that relevant. (B. Lincoln, personal communication, March 4, 2014)

What Lincoln and his supporters were arguing was that the scale of the MFI, with its \$200 million price tag and the involvement of multiple academic units, made the plan relevant to *everyone* in the university. Here, the issue of individual academic freedom began to blend into the topic of the fourth chapter—academic governance. To decide if the Milton Friedman Institute should be handled as a departmental initiative or as a university-wide concern, those

involved with the case turned to the university's governance history and its current statutes. Ultimately, in response to the MFI dispute and several subsequent conflicts, President Robert Zimmer and Provost Thomas Rosenbaum released a statement on faculty engagement. In it, they reiterated strong support for the academic freedom of both the individual and the department:

The University's longstanding belief in the importance of academic freedom is realized in part through two important mechanisms: the freedom of individual faculty members to set the direction of their work without interference, and the deference given to departments and schools as collections of faculty with common disciplinary interests, working together to set their directions for academic development and collaboration. These principles, deeply embedded in our culture and practices, help ensure the independence and freedom to develop a wide range of ideas and perspectives. (Zimmer & Rosenbaum, 2010, p. 1)

Specifically addressing the MFI dispute, Zimmer and Rosenbaum went on to write "following the University's traditions of open inquiry and of not subjecting the research of faculty or groups of faculty to the control of others, we have supported the prerogative of faculty members in economics, law, and business to develop such an institute" (p. 4). In the MFI case, the precedent of individual faculty freedom won over collective concern.

Free inquiry and political neutrality. The second theme concerns the purview of the Milton Friedman Institute's research agenda. Critics of the initiative argued that Friedman's highly public opinions and his tie to mostly conservative politicians would compromise the scholarship coming out of the institute. As a part of the University of Chicago, they felt the MFI countered the principles of free inquiry and political neutrality established by the university. Bruce Lincoln stressed during his interview that "the fight about the Friedman Institute wasn't so

much about Friedmanite Economics. It was about whether the university should be endorsing a narrow and political position at the level of funding, visibility, and institutional commitment that was envisioned” (personal communication, March 4, 2014). Referring to the language of the MFI proposal, Yali Amit alleged that the initiative would result in pre-conceived research outcomes:

We understand the sentences from your report that have been quoted in our petition as meaning that policy initiatives are typically ill conceived and market solutions are typically better, hence the conclusion that social security should be privatized. Indeed Friedman was an avid advocate of doing just that.

Paradoxically it appears that the scope of research of the Institute is narrower than that of the Economics department, whereas one would hope that flagship University Institutes would involve broader interdisciplinary research than individual departments. (Amit, 2008)

During the October University Senate meeting, Bruce Lincoln’s address claimed that the MFI violated the principles of the Kalven report, reminding participants “that document, as we all know, vests the right to political advocacy in the individual and insists that the University itself must remain strictly impartial to guarantee intellectual freedom and academic integrity” (Lincoln, 2008, p. 2). Clifford Ando, a classics professor, wrote President Zimmer and Provost Rosenbaum a letter addressing his concerns about the MFI. Ando evokes similar language to some of the historical documents quoted in this chapter, touching on free inquiry, peer review, and the societal benefit of university research:

The prestige of the modern university rests in very large measure upon the instantiation in its practices and procedures of various principles that we might

cluster under a rubric like freedom of inquiry. To that end, at all stages of our professional lives we construct firewalls to forestall the effects of bias and influence of prejudice upon research. Scholarly journals subject submissions to blind reading and peer review; committees outside departments review departmental personnel decisions; practices of citation and acknowledgment require the divulging of all sources of influence and funding in the course of research. These last are important because the social utility of the institution is correctly perceived to lie very largely in its willingness and capacity to subject to open-ended and unbiased inquiry all manner of received wisdom. The approved 'Proposal to Establish The Milton Friedman Institute' seems to me to place under duress those features of the University and so to risk the good name of the University in ways that are imprudent. (Ando, 2008, p. 2)

Ultimately, for the critics of the Milton Friedman Institute, the visibility, funding, and administrative support of the initiative served to cement Friedman's ideas into the core principles of the university itself.

For the creators of the MFI, the initiative in no way violated the university's stance on academic freedom or neutrality. Lars Hansen, a professor of economics and the current director of the Becker Friedman Institute, viewed the MFI as an extension of the rigorous scholarship the economics department was famous for:

Our view is that we're economists at the end of the day, and we're happy to discuss economic problems and economic analysis, and its flaws and virtues....Our research mission is to nurture economic analysis and how it can be addressed to a whole variety of societal problems. We're very open to people

saying, well there are other aspects of these problems. We're very open to people telling us what's flawed in our analysis. (L. Hansen, personal communication, May 12, 2014)

John Cochrane, as one of the authors of the MFI proposal, took personal offense to some of the accusations opposition faculty included in their petition, writing to the student newspaper:

The petition charges that the Institute research findings are “predetermined,” adding, “[P]resumably then, to take one example, the question of whether to privatize Social Security would be moot; the only reasonable question is how.” Undertaking research with “predetermined” outcomes is a gross violation of scholarly ethics. If the authors of the petition were to do a quick search, rather than “presume,” they would find that U of C economists conduct a wide range of analyses of Social Security—and, more importantly, the underlying economic issues needed to evaluate Social Security, such as the changes in the distribution of income across people and generations, and the incentive effects of tax and transfer policies. They would also see how economic research at this University is driven by careful theoretical and empirical analysis, not by a politically desired result. (Cochrane, 2008)

Administrators repeatedly stated that the university supported the MFI as a research initiative of the faculty, and that the university did not endorse Friedman's ideas as absolute truth:

We do want to clearly state in advance of that meeting that we, too, would be very concerned if the intent or effect of the Institute was to propagate a strict ideology or position. The Institute's purpose is to promote the most rigorous economic

research across a wide range of subfields and one a diversity of policy questions,
true to the highest ideals of the University. (Zimmer & Rosenbaum, 2008, p. 1)

Speaking to the controversial public life of Friedman, Thomas Rosenbaum's thoughts echoed the conclusions of the Kalven report: "faculty should be upsetting in this fashion, in the sense of posing arguments that disturb. Universities should be in the position of allowing those arguments, but not be upsetting themselves" (personal communication, May 13, 2014).

The freedom to disagree. Finally, the nature of this entire conflict can be viewed as an exercise of academic freedom. The debate itself drew faculty from a wide variety of disciplines and research specialties. Students became involved as well through various clubs and in the student-run newspaper, *The Chicago Maroon*. Shut out of the University Senate meeting, which allowed only faculty by rule of university statutes—students organized their own town hall event on the controversy and protested outside of the Senate meeting. Although the debate became heated at times, and the faculty took potshots at each other in the press, no one was reprimanded for their opinions. In the past, such conflict may have been viewed as unwelcome, with the need to maintain a positive public image trumping displays of academic freedom. In the MFI case, however, interaction with colleagues represented some of the best aspects of university life:

I came away with a lot of respect for the professionalism and collegiality of those I spoke with. They knew that I disagreed with them fundamentally and, what is more, I was trying to undo something of major importance to them, but the discussions were absolutely respectful. There were no temper tantrums, there was no name calling. Rather, there were serious exchanges of views. And I came away persuaded that these were thoughtful and serious people who didn't understand certain points that held real importance for me. And I'm sure they felt

much the same about me. Ultimately, they resolved nothing, but those discussions were a model of the University's ideals. (B. Lincoln, personal communication, March 4, 2014)

Lars Hansen, as the main faculty representative for the MFI, met with opposition faculty on several occasions. Remembering these meetings, Hansen said:

It was largely a productive meeting. It was certainly open. They had their concerns....I met personally with Bruce Lincoln at some point in time...about his own specific concerns and how he really wanted there to be more forceful faculty governance in certain, in the creation, and ground rules, and stipulations of the institute. Again, that was an interesting conversation. (L. Hansen, personal communication, May 12, 2014)

Both Mark Hansen and Thomas Rosenbaum, in their respective roles as Dean of the Social Sciences and Provost, spoke to the importance of remaining open to faculty on both sides of the debate. Hansen remembered:

Yeah, I heard from people....[S]ome I sought out because I wanted to understand what upset them about this and I wanted to have a chance to...have...a back and forth with them. There were a number of people who opposed the institute or who criticized the institute [who] I had a great deal of respect for....I want[ed] to really understand what their concerns are...not just so that I can answer them but so that I can...empathize with them and identify with them, [and] in that way...know my faculty better. (M. Hansen, March 4, 2014)

Rosenbaum saw the provost's office as a place if "people...have concerns about the direction of the university policies that affect their faculty scholarship or life, we have a responsibility to be responsive and I tried to do that as best as I could" (personal communication, May 13, 2014).

Chapter Conclusion and Discussion

Academic freedom had an uncertain start in American higher education. It took the country's first PhDs out of the comfortable realm of their own research to collaborative discussions on the nature of their growing profession. Times of war and unrest surfaced the potential dangers of undermining academic freedom. Through the decades, academic freedom went from an idea held by few to a right endorsed by many. The Milton Friedman Institute dispute revealed that academic freedom remains a precious part of the university's mission. Yet the bounds of academic freedom are still open to debate.

From academic freedom to governance. The question of individual, or in this case departmental, academic freedom versus university-wide interests became a central topic for debate in the faculty governing body, the Council of the University Senate. Full details of this new debate will be discussed in the fourth chapter on governance. What is important to note for this chapter is that the scope of academic freedom can still be questioned, discussed, and debated. Members of the opposition faculty declared that they had no right to intrude on other faculty's work at the individual or departmental level, thus creating a boundary between their opinions and their colleague's work. However, because the MFI was presented as a top presidential priority and an interdisciplinary enterprise, the opposition argued that this initiative went beyond the bounds of an individual faculty member's academic freedom to general concerns on the academic principles of the whole university. Administrators disagreed with this

argument, and expressed that their ultimate goal in the dispute was to protect individual academic freedom. Provost Thomas Rosenbaum remarked:

That was another thing that came out of the debate. I do think though that if we established a new precedent, the individuals who do unpopular things, and ironically those who were...most adamant from the CORES point of view would have been most at risk. So if you ask, would you put the Center for the Study of Race, Politics, and Culture to vote, it's not clear that the university as a whole would see that as a worthwhile intellectual effort, particularly in a politically polarized atmosphere, and that it would be endorsed. (T. Rosenbaum, personal communication, May 13, 2014)

The Council of the Senate would spend two years grappling with the issue of individual research verses collective educational concerns, turning to the university's history and statutes in order to determine what initiatives should be subject to faculty vote.

Neutrality and the activities of the Becker Friedman Institute. As to the question of the political neutrality of the MFI, the merger of the initiative with the already existing Becker Center seemed to resolve this issue. The Becker Friedman Institute (BFI) reports to the provost and the deans of the Law School, Business School, Public Policy, and Social Sciences. Its research agenda is set by Lars Hansen, the current director, as well as scholars both inside the university and at Columbia, M.I.T., and Stanford. The institute has been up and running since 2008, hosting visiting fellows, holding events, and producing research reports—all available to the public on the BFI website. Speaking to the resolution of the dispute, Lars Hansen believed that:

[W]hat really persuaded, what really silenced people was seeing the events we're doing. The events weren't like the events that they were so fearful of, and the ones that they were so scared of. So I think once we got down to business...they could still protest Friedman's symbol, but it became much harder to protest our actual activities because they weren't the type they were most fearful of. (L.

Hansen, personal communication, May 12, 2014)

Bruce Lincoln concurred:

What seemed clear to me was the Becker Institute was located inside the Economics Department, it was not an interdivisional structure. At the time, MFI was listed as one of the top five priorities of the University as a whole. Nobody is out beating the drums for Becker Friedman at present....The shape the Institute ultimately took is less dangerous and less offensive than the original one. I still don't like it, but I can live with this. (B. Lincoln, personal communication, March 4, 2014)

Implications for practice. The guidelines of the AAUP's Committee A on Academic Freedom and Tenure are purposely brief. Although Committee A will still investigate universities for violations of these principles, the AAUP also acknowledges that each institution should have their own policies and guidelines for the practice of academic freedom. Establishing and also periodically reviewing institutional policies on academic freedom is especially important now as the idea has been linked more and more to First Amendment speech rights and controversial topics. Looking for books on academic freedom now conjures up titles on extremist politics, hate speech, culture wars, terrorism, and corporatization. It will be largely up to each institution to decide where to place the line between academic freedom and hurtful

speech. University faculty and administrators also need to decide if research centers and institutes should be subjected to the same standards as the traditional departments.

Implications for research. Research institutes and centers also offer an opportunity for further research. So far only a handful of scholars have raised awareness of the dramatic increase of research centers and institutes housed under the umbrella of universities (Burgan 2009; Gerber, 2014; Mallon, 2004, 2006). Usually named for donors, the activities of these institutes can appear to fall outside the bounds of free inquiry expected from traditional academic departments. Since the University of Chicago opened, faculty members sought to form their own institutes to have more control over their research. The Oriental Institute, established by archaeologist James Henry Breasted with money from the Rockefellers, set a precedent for establishing extra-departmental entities at the university. Today, the Becker Friedman Institute is just one of over a hundred centers and institutes at the university. However, these institutes do not have a central reporting structure or method of ensuring that they adhere to the same academic principles as the traditional departments.

In the interviews conducted for this case study, several participants mentioned recent controversy over the Chinese government backed Confucius Institute. Why? Academic freedom. Over one hundred faculty signed a petition urging the university's leaders to end their relationship with the institute. Familiar figures emerged in this controversy—Bruce Lincoln organized the petition, stating that the Confucius Institute “grants much too much influence to an outside entity over academic matters...the integrity of the academy depends on preserving its autonomy and its ability to reach disinterested decisions about what's worth teaching, what's worth researching, [and] what counts as knowledge” (Lincoln in Jaganathan & Xiao, 2014). Marshall Sahlins, a professor emeritus of anthropology who was particularly critical of the MFI,

wrote extensively on the Confucius Institute. One of his pieces was cited by the American Association of University Professors Committee A on Academic Freedom and Tenure in their June 2014 report urging universities to cut ties with the Confucius Institute unless they could negotiate terms that would uphold the principles of the 1940 *Statement on Academic Freedom and Tenure*. As this study of the Milton Friedman Institute came together, the University of Chicago announced that it had suspended negotiations to renew the relationship with the Confucius Institute after it was revealed that their director made offensive comments about the university.

The Confucius Institute is in many ways different from the Milton Friedman Institute. One is a foreign government-led initiative that establishes ties with many U.S. universities. The other was an internal initiative of the University of Chicago's administration and faculty. However, both raised issues of academic freedom. Both carry the university's name. Clifford Ando, who opposed the MFI, spoke to this issue in a letter to the president and provost:

What is more, I am deeply concerned by your response, that the Institute will not grant degrees, nor will anyone hold tenure in it. That claim would seem to be made in order to bracket the Institute (and other institutes and centers) from the sort of scrutiny regarding intellectual rigor and rationale to which departments and Committees are regularly subjected. Up to a point, that is appropriate: institutes and centers and Committees can be brought into being to organize intellectual energy outside specific disciplinary configurations and similarly can be disbanded once the conversation moves on. What concerns me is rather the following problem, that in bracketing the Institute from the scrutiny regularly directed to degrees and appointments, we are also bracketing them from scrutiny

as regards bias, prejudice and influence. In other words, we should beware lest we unwittingly permit institutes and centers to become sites where the principles by which the University organizes its life are eroded, and interests from outside are allowed to intrude. (Ando, 2008, p. 3)

In the majority of cases, research institutes function as sites of collaboration between faculty members pursuing interdisciplinary work. However, university leaders should realize that many people do not recognize the difference between work that comes out of an institute and work produced through departments. Institutes, no matter how peripheral insiders may think them to be, still publish with the university's name tied to their own. More research is needed in order to answer if—and possibly should—institutes and centers practice the same principles of free inquiry as the university that houses them.

Chapter Three: Philanthropy

Placed up front, this potent combination of Name + Ideology amounts to serious advertising, and it gives fundraisers exactly what they want: a well-known brand and a market-tested product....Were I an admirer of Friedman, I would wonder if the honor paid via such branding is not really a form of exploitation; worse yet, a form of pimping and prostitution. (Lincoln, 2008a, pp. 4-5)

[T]he very creation of this University was made possible by a generous gift and a challenge to others to give....This University has stood firmly on the principle that such external support must never direct or limit our intellectual pursuits. On the rare occasions when conflicts arise, we have always rejected funding opportunities, whether from government or private sources, that might compromise our academic values or limit in some way the direction of scholarly inquiry, the unfettered dissemination of knowledge, or the free expression of ideas and viewpoints. (Zimmer & Rosenbaum, 2010, pp. 4-5).

In one of the first public announcements for the Milton Friedman Institute, it was reported that the University of Chicago would invest \$200 million into the initiative. The “University’s \$200 million will cover an operating endowment and facilities, as well as other start-up costs, with the majority of funds coming from alumni and business leader donations” (Rosman, 2008, para. 5). Donors of \$1 million or more would be part of a “Milton Friedman Society.” The original proposal, drafted by the seven faculty members of the MFI ad hoc committee, suggested:

Exploring the possibility of creating a Milton Friedman Institute Founders Society of the most generous friends and supporters of the Institute. This group would receive regular news and publications from the Institute, would be invited to an annual lecture and dinner, and would provide financial support at a level that would ensure the long-term success of the Institute. (MFI Committee, 2008, p.7)

However, the news gave the Milton Friedman Society a slightly more worrisome bent, claiming “individuals who donate at least one million dollars will be given special access to the work of

the Institute” (Rosman, 2008, para. 5). The \$200 million price tag coupled with the suggestion of inside access to the university set off alarm bells among the faculty members who formed the opposition group, the Committee for Open Research on Economy & Society (CORES). The University Press also announced that the MFI would be housed in a newly purchased and soon-to-be renovated Chicago Theological Seminary, located directly across from the main quadrangles. For CORES faculty, this dedication of resources was unbalanced, showing a general favoritism for the Department of Economics over other departments.

The fundraising goal and the proposed donor society raised the following questions about the MFI case: First, how was the MFI seen as evidence of growing corporate influences on academia? In a similar vein, does donor involvement threaten the principles of academic freedom? Finally, was the MFI a problem of disproportional allocation of resources? This chapter begins with an overview of philanthropy in higher education, followed by a review of donor involvement at the University of Chicago. This history will inform the discussion of the MFI debate, and show that disagreement over monetary control, faculty autonomy, and donor expectations arose simultaneously with the increase of philanthropic support in higher education. I then turn to the fundraising environment at the time of the MFI announcement to place the initiative in the context of other fundraising projects. Finally, I explore the role of fundraising in the MFI conflict through my proposed questions.

Philanthropy in Higher Education

The role of fundraising and higher education is little understood by the very people who benefit from it. Faculty are no doubt familiar with grant applications; students will recognize the scholarships that enable them to attend college. On a daily basis, people walk into campus buildings that have family names adorning entryways. However, few faculty and likely even

fewer students know where that money comes from. The role of fundraising in higher education has largely remained out of the purview of higher education scholars as well. There are more “how-to” books written for presidents or development VPs seeking money, or for donors to decide how to invest, than there are resources that explore the history and current influence of philanthropy in higher education.

This section relies on Thelin & Trolinger’s 2014 publication, *Philanthropy and American Higher Education*, which looks at major issues of donor involvement and fundraising in U.S. colleges and universities since the colonial era. Curti and Nash’s 1965 *Philanthropy in the Shaping of American Higher Education* takes a deeper dive into this history, with extensive details on the donors, university leaders, and national trends that shaped the course of philanthropic giving to higher education. Through their work, the history of philanthropy in U.S. higher education can be broken down into several time periods. First came the era of giving to this country’s first colleges located in the colonies. As the country gained independence and became responsible for growth and progress, philanthropic endeavors turned toward technical and vocational training. The post-Civil War era marked the beginning of the first research universities and the unprecedented wealth of industry giants. Lean times during the World Wars and the Great Depression brought on another era of philanthropy as universities turned more and more to their alumni for support. Finally, the growth of foundations and corporate giving ushered in a new kind of philanthropy to U.S. higher education—one that is being scrutinized by more scholars of education. My purpose in this section is to give a short summary of each era, devoting more space for the problems that philanthropy has raised for higher education over the years.

The first colleges in the colonies benefited from sectarian Christianity and connections to England. A clergyman's estate gift and bequest of books to a recently formed college in the Massachusetts colony gave us Harvard College in 1638 (Thelin, 2004). Soon, other colonies and other denominations followed suit. For the various sects of Protestantism in the colonies, sharing one's God-given wealth was an expected practice (Curti & Nash, 1965). Pride also played a role, as each colony desired to have a college as a sign of progress and prosperity. Most donors, however, could not afford cash gifts. Bequests were more common, as were what we now call "in-kind gifts"—books, whole libraries, table settings, and other objects. Gifts provided small stipends to students or paid a portion of an instructor's salary. One wealthy English merchant, Thomas Hollis, was able to provide cash gifts to Harvard, totaling £5,000 (Thelin & Trollinger, 2014). Harvard's Board of Overseers went back and forth with Hollis over stipulations of two gifts intended for professorships. The trouble stemmed from each party's definition of "fit" for the men chosen for the professorships. Although eventually resolved:

The Harvard-Hollis controversy revealed that the willingness of college authorities to accept innovations determined the creative role that philanthropy might play in higher education. A college can refuse the donation, accept it on the conditions under which it is given, or take the philanthropist's money but not his ideas. (Curti & Nash, 1965, p. 20)

The balance between what donors want and what college and university leaders think is in keeping with their institutional mission remains an issue today.

The majority of colonial colleges lost their philanthropic ties to England after the American Revolution (Curti & Nash, 1965). Between the American Revolution and the Civil War, many new colleges opened as the country expanded. Some benefitted from a single

wealthy philanthropist, but others ended up closing their doors. The need to build a country, however, spurred philanthropic giving to colleges. Now with a practical focus, donors wished to fund programs that would produce engineers and applied scientists. Particularly in the western states and territories, new colleges were a sign of success and growth (Thelin, 2004).

The post-Civil War era ushered in the rise of the research university in America, which I have detailed in previous chapters. The ambitious plans of university presidents like William Rainey Harper, Daniel Coit Gilman (Johns Hopkins), Andrew D. White (Cornell), and David Starr Jordan (Stanford) would not have been realized without philanthropic support. The last decades of the 19th century are perhaps best remembered for the growth of industry, and with it, the rise of industrial wealth (Thelin, 2004; Veysey, 1970). Labeled “captains of industry” or more critically, “robber barons,” men like John D. Rockefeller, Andrew Carnegie, and Cornelius Vanderbilt made their money through monopolistic control of oil, steel, railroads, and more. Motivations to give varied by magnate, and ranged from ensuring a family legacy to fulfilling societal needs through the training of new scholars and professionals who could address society’s ills through critical and empirical methods. As discussed in the chapter on academic freedom, the relationship between industrial donors and their universities raised troubling questions about the potential of donors to direct academic work and control faculty appointments or dismissals.

By 1910, families of industrial wealth began forming foundations to handle their philanthropic endeavors (Karl & Katz, 1981). Foundations offered the opportunity for faculty members to apply directly for grants instead of relying on centrally administered allocations. To administer funds, families like the Rockefellers hired experts—usually former faculty or university administrators—to determine which projects to fund. Over the decades, these ties to

particular universities tended to direct funds to a small number of already elite institutions, starving smaller or newer institutions that lacked the faculty and facilities to compete for grants (Curti & Nash, 1965). Yet every institution suffered in times of national crisis like WWI, the Great Depression, and World War II. Recognizing the need to expand potential donor pools, Harvard University employed an outside consulting group, John Price Jones, to lead higher education's first campaign in 1919 (Curti & Nash, 1965). Other universities followed, including the University of Chicago, hiring John Price Jones to organize their own campaigns (Boyer, 2005). These campaigns marked the first time that colleges and universities poured resources into mobilizing their alumni base. Although big gifts mostly came from foundations, universities continued building their alumni and friends base.

Around the 1950s, private foundations and corporate giving started to overshadow the family foundations of the early 20th century. The Ford Foundation became one of the largest donors to higher education in the '50s and '60s. Corporate giving from companies like General Electric and Du Pont also grew. Picking up where Curti and Nash left off in 1965, Thelin and Trollinger (2014) covered the advent of Silicon Valley wealth and the resulting foundations. Staff dedicated to fundraising increased as universities grew their alumni relations and development offices. University fundraisers even have their own professional organization, the Council for Advancement and Support of Education, serving approximately 74,000 staff at 3,600 member institutions (CASE, 2014). Campaign goals also grew, usually spurred by the private Ivy League universities.

The reality today is that billion dollar campaigns are becoming more common in higher education institutions. No longer limited to the elite private universities, well-established publics like the University of Illinois system, the University of Tennessee, the University of Virginia,

and the State Universities of New York have launched billion dollar campaigns since 2008 (Fuller, 2010). Squeezed on multiple sides by declining state appropriations, tuition freezes, declining federal funding, and competition with peer institutions, university leaders view private gifts as a way to offset budget cuts and grow endowments. A recent report by the consulting firm, Marts & Lundy, revealed that higher education institutions garnered \$33.8 billion in fiscal year 2013 (Troop, 2014). But what has this influx of money done to the academic and research direction of universities? This vast amount of money, coupled with increasing competition among universities brings me to the closely related issue of corporatization and higher education.

The business of universities. Although often framed as a late 20th and early 21st century problem, the idea that business practices are invading institutions of higher education arose with the growth of the research university in the United States. Thorstein Veblen, the infamous political economist and one of the first faculty members at the University of Chicago, published *The Higher Learning in America: A Memorandum on the Conduct of Universities by Business Men* in 1918. In the book, Veblen discussed student enrollment practices, departmental competition, standardized undergraduate instruction, and the influence of private donations as evidence of the “incursion of business principles into the affairs of learning” (p. 219). Although he conceded that “centralized administrative machinery” is a “necessary evil” to large universities (p. 221), Veblen concluded “that the intrusion of business principles in the universities goes to weaken and retard the pursuit of learning” where “any disinterested preoccupation with scholarly or scientific inquiry is thrown into the background and falls into abeyance” (pp. 223-4).

Other faculty publications from the early 20th century echoed similar sentiments to Veblen’s work, but historical scholars of education warn that some of the most vocal critics of

higher education were “a small, disillusioned minority within academic ranks” (Veysey, 1965, p. 347). However, their observations about the growing involvement of the business sector were not unfounded. As universities grew, the need for staff to handle operations related to students and the faculty necessitated growth of administrative staff (Thelin, 2004). For universities to attract resources, including land and research funds, they needed the philanthropic support and civic connections of wealthy business owners. “Business-minded” individuals could be found in a university’s central administration, sitting on trustee boards, and among the student population as wealthy families sent their children to receive competitive educations (Veysey, 1965).

Over the decades, this idea has picked up a broader base of critics who feel that the drive for external funds has led university leaders to behave more like for-profit CEOs (Andrew, 2006; Birnbaum, 2004; Steck, 2003; Waugh, 1998). Beginning in the early 2000s, this encroachment of business on academia was labeled “corporatization”—“the most ominous buzzword in contemporary academic circles” (Steck, 2003, p. 66). Steck (2003) traced the root of corporatization in academia to the 1970s, when long-term financial crises met with bureaucratic management fads. Although used as a blanket term to cover everything from patent seeking to licensing university logoed t-shirts, corporatization also covers fundraising practices. Steck wrote, “today, it is undoubtedly a rare president, no matter what the size or status of her or his college, who is not deeply concerned to pull in external funding from the federal government and foundations” (2003, p. 73).

Scholars who have researched the growth of private funding in higher education argue that it has changed the makeup of universities (Katz, 2012). Beginning in the 1990s, Slaughter and Rhoades (1996) tracked perhaps the most conspicuous area of growth in private funding, research and development (R&D). The privatization of the health care, agriculture, and chemical

industries, together with federal legislation like the Bayh-Dole Act and the Orphan Drug Act, sparked meteoric growth in science and technology (Del Favero & Bray, 2010; Slaughter & Rhoades, 1996). Although universities are non-profit organizations, the Bayh-Dole Act allows them to profit from patents and industry partnerships. Labeled “academic commercialism” (Slaughter & Rhoades, 1996) or “academic entrepreneurship” (Del Favero & Bray, 2010), critics argue that the majority of university funds now flow to academic departments in the hard sciences and engineering because of the potential for big payoffs:

Extramural funding has tended to reshuffle departmental influence but, because of increased resource scarcity, sources of outside funding are all the more important today and do affect institutional politics. Rewards go to the more entrepreneurial units that, through continuing education programs, sponsored research, and/or private endowment, can supplement their regular budgets, define their productivity in dollar terms, and build influential constituencies of business and government officials and agencies. (Waugh, 1998, p. 70)

In addition to directing funds to specific areas, Stanley Katz (2012) argued that foundations today expect a high level of accountability once funds are awarded. The article, “Beware Big Donors: Big Philanthropy's Role in Higher Education,” compared “megafoundations” like the Bill & Melinda Gates Foundation to the early foundations associated with the Rockefeller and Carnegie families. Katz characterized Rockefeller and Carnegie foundations as “more reflective, more patient, and generally less aggressive” than 21st century foundations that expect to have more oversight over projects they choose to fund. He concluded, “philanthropy has therefore increasingly been reconceptualized as something akin to venture capital investing.” This new

type of philanthropist, or “venture philanthropist” (Elliott, 2006, p. 14), has raised troubling ethical issues for higher education, with growing evidence of strings-attached giving.

Recent strings-attached gifts causing controversy include the establishment of special-interest programs or centers like the Academy on Capitalism and Limited Government at the University of Illinois Urbana-Champaign and the George W. Bush Freedom Institute at Southern Methodist University (Burgan, 2009), Branch Banking & Trust donating money to universities to house an Ayn Rand Institute (Keenan, 2008), and Koch Foundation gifts to economics departments promoting conservative policies (Berrett, 2011). In each example, members of the faculty argued that the initiatives infringed on their rights of academic freedom and curricular control. Even the Lumina Foundation and the Bill & Melinda Gates Foundation have come under scrutiny for pushing a reformist agenda on institutions and excessively promoting practices that increase graduation rates and accessibility, like online degree programs (Katz, 2012; Parry, Field, & Supiano, 2013). Every college and university will respond differently to these pressures based on fundraising policies, their current financial state, and history of giving.

The History of Philanthropy at the University of Chicago

In President Robert Zimmer and Provost Thomas Rosenbaum’s 2010 statement to University of Chicago faculty quoted at the beginning of this chapter, they pointed out the importance of the university’s founding philanthropic support from John D. Rockefeller. Rockefeller’s contributions to the University of Chicago totaled \$35 million—an amount equivalent of over \$600 million today (Thelin, 2004). Under the creative vision of first president William Rainey Harper, Rockefeller was convinced to expand his initial support for a small denominational college into a new university. Founding gifts also came from locally civic-minded families, who donated land or provided funds for facilities. Many of these names are

now etched into the university's buildings, like Cobb, Ryerson, Kent, Foster, Snell, and Hitchcock (Johnson, 2001). After these initial founding gifts were secured, however, Harper essentially stopped fundraising. His overreliance on Rockefeller provided fodder for critics who produced amusing cartoons such as the one printed here, now archived online at the University of Chicago Library (see Figure 3).

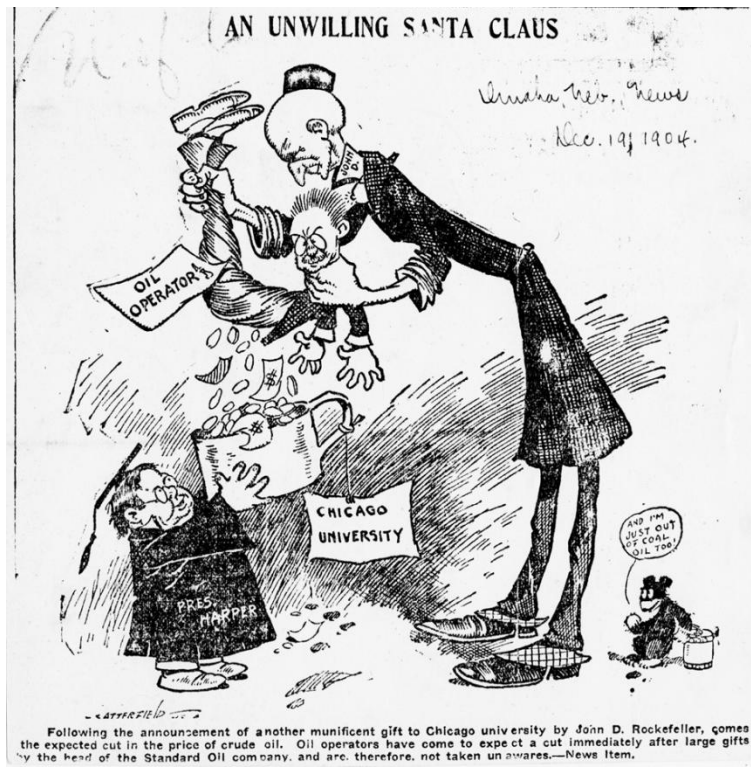


Figure 3: **An Unwilling Santa Claus**. From the Omaha Nebraska News, December 19, 1904. University of Chicago Photographic Archive, [apf1-02477], Special Collections Research Center, University of Chicago Library.

Even with groundbreaking founding gifts, faculty soon started to complain about a lack of resources (Meyer, 1994). Unlike the colonial era universities, Chicago as a brand new institution lacked an endowment and an alumni base (Boyer, 2005). Since donor funds were handled centrally and distributed from the president's office, faculty—especially department heads—pursued their own funding. However, as Daniel Meyer (1994) pointed out in his volumes on University of Chicago faculty, few were able to actually secure external support.

Two successful examples of faculty fundraising served as bellwethers for potential tensions between private funding and higher education. The first faculty member, James Henry Breasted, wrote direct appeals to John D. Rockefeller, Jr. in 1919 to fund excursions to the “Bible Lands” (Meyer, 1994, p. 347). John D. Rockefeller, Sr. agreed to fund Breasted’s archaeological excavations for five years at a total of \$50,000. Eventually tensions arose between Breasted and the university’s central administration over his handling of funds. University President Harry Pratt Judson “abruptly reined him in” in order to maintain control over Breasted’s research and to control the university’s relationship with the Rockefellers (Meyer, 1994, p. 349).

Perhaps one of the earliest examples in higher education of long term renewed institutional support was Professor of Geology Thomas C. Chamberlin’s relationship with the Carnegie Institution (Meyer, 1994). The Carnegie Institution administered grants to scientists across the United States beginning in the early 1900s (Kohler, 1991). The Institution paid half of Chamberlin’s salary at the university for almost two decades. Chamberlin, as a Carnegie associate, was required to send annual reports to Carnegie staff, but expected renewal of his funds to be automatic (Kohler, 1991; Meyer, 1994). The head of the Carnegie Institution, Robert Woodward, would not make such promises and told Chamberlin that all associates were subject to an annual review. Kohler (1991), who traced the early history of philanthropy in scientific fields, pinned this tension on the “sudden scaling-up of the patronage system” where “academics used to the laissez-faire of grants committees run by friends and colleagues were unprepared for a granting agency that had its own agenda and its own ideas of how academic science should be practiced” (p. 16). These examples show that disagreement over monetary control, research

agendas, faculty autonomy, and donor expectations arose simultaneously with the increase of philanthropic support in higher education.

The growth of institutional campaigns. Beginning in the 1920s, the University of Chicago periodically launched formal fundraising campaigns. The campaigns tended to follow periods of financial starvation due to external forces like World Wars I & II, the Great Depression, and the recession of the 1970s (Boyer, 2005). Especially in the earlier campaigns, university administrators banked on their relationship with the Rockefellers and contacts in the Carnegie Foundation and Ford Foundation for landmark gifts. Since alumni giving was almost non-existent in the early years, and the trustees struggled with their philanthropic role in the university, the largest campaign gifts still came from family foundations (Boyer, 2005). Larger grants funded initiatives like endowed professorships, the Medical School, the Graduate School of Business, and new buildings (Johnson, 2001; Meyer, 1994). Over the years, the university invested resources into cultivating the alumni pool and expanding their relationship with the city of Chicago. By the late 1960s campaign, university fundraisers noted that individual gifts had finally exceeded grants from foundations (Boyer, 2005). Today, the university's largest gifts—\$100 million for undergraduate scholarships and \$300 million for the Business School—came from alumni.

“Killed by restricted kindness.” While university leaders recognized the need for fundraising, many were ambivalent at best about seeking funds. University Presidents Judson (1907-1923), Mason (1925-1928) and Hutchins (1929-1951) preferred “quiet campaigns” to major public endeavors (Boyer, 2005). Even Lawrence Kimpton, who succeeded Hutchins and launched an aggressive campaign in the 1950s, worried about the university's relationship to its donors. Historically, John D. Rockefeller had been largely hands-off when it came to running

the university (Meyer, 1994; Veysey, 1965). Although he made occasional grumblings about the hiring of controversial faculty or William Rainey Harper's ambitious spending, Rockefeller recognized that "to give to the universities...was to lose control over the use of funds which they contributed" (Karl & Katz, 1981, p. 244). However, as families like the Rockefellers formed foundations, grants became increasingly directed to specific projects, and even to specific faculty members as shown in the early examples of Breasted and Chamberlin (Meyer, 1994). After securing a large donation from the Ford Foundation in 1955, President Kimpton remarked:

As gifts in more recent years have come to the universities in increasingly restricted form, the administration of a university has become more difficult.

Those fields of teaching and research that have captured the imagination of the public and the foundation executive have flourished and the salaries and facilities of such have burgeoned. Those parts of the university that have had no similar appeal—whatever their intrinsic importance—have starved and withered....[W]e have recently launched a campaign to raise millions of dollars. If we fail, it will seriously injure the University for years to come. And I am forced to add that if we succeed, it may also injure the University for many years to come, since we can be killed by restricted kindness...for we can be degraded and disfigured by the money we seek. (Kimpton in Boyer, 2005, pp. 130-132)

The Fundraising Environment for the MFI

The University of Chicago announced plans for the Milton Friedman Institute in May of 2008, just as the Alumni Relations & Development Office wrapped up an ambitious \$2 billion campaign called the "Chicago Initiative." The campaign raised a total of \$2.38 billion for new facilities, financial aid, research, faculty recruitment, and civic projects (Yoe, 2008). Some of

the largest gifts of the Chicago Initiative included \$84 million for the Comer Children's Hospital, \$35 million for the Logan Arts Center, \$25 million for a new library building, and an unprecedented \$100 million dollar gift by an anonymous donor to ease loan debt of low income undergraduate students (Abowd, 2008; Schonwald, 2007; Yoe, 2008). In November of 2008, as the university entered the silent phase of its next campaign, the Graduate School of Business was renamed the Booth School of Business to honor alumnus David Booth's \$300 million gift to the university. With multi-million dollar gifts coming in, it seemed feasible that the university could raise \$200 million for the Milton Friedman Institute. Complicating the issue of funding, 2008 also saw the first major bank failures that would lead to the Great Recession. The Recession delayed fundraising plans for the university and required budget cuts across campus.

Philanthropy and the Milton Friedman Institute

Faculty members opposed to the Milton Friedman Institute called the initiative an "elephant that came charging into our campus...a grandiose venture, with a budget that would raise the envy of people doing real lab science" (Amit, 2008). They accused administrators of "invit[ing] cronyism, corruption, and creeping corporate takeover" (Amit & Lincoln, 2008). Emeritus Professor of Anthropology, Marshall Sahlins, wrote to *The Chronicle of Higher Education* arguing that donor involvement with the MFI would be akin to selling the university's research to "the highest financial bidders" (Sahlins, 2008). The role of philanthropy in the Milton Friedman Institute debate brings us back to the following questions: How was the MFI seen as evidence of growing corporate influences on academia? Does donor involvement threaten the principles of academic freedom? Was the MFI a problem of disproportional allocation of resources?

Corporatization. The language of documents and interviews related to the Milton Friedman Institute conflict echoes language found in broader conversations about the corporatization of academia discussed earlier in this chapter. The use of words like “privatization,” “profits,” “bidder,” “corporate,” and “branding,” expressed faculty distaste for the MFI’s fundraising plan. Professor of Biology Ira Wool lamented to President Zimmer that “corporatization is not only increasingly reflected in the relationship of faculty to the administration, but in the very architecture of campus buildings—the Business School and other recently constructed campus buildings could be the headquarters of GMC or IBM” (Wool, 2008). Marshall Sahlins was more blunt in his *Chronicle* piece, asking “so why not outsource the university as well by submitting its research to the care of private, profit-driven interests” (Sahlins, 2008)? Bruce Lincoln wrote in an op-ed piece published by the student newspaper, *The Chicago Maroon*, “the opportunity for inside information is clear, if implicit, as is the possibility of corporate penetration—or one might say, hostile takeover—of a particularly influential branch of a great University” (Lincoln, 2008b).

On the other side of the conflict, what CORES faculty called corporatization was simply fundraising. Professor James Heckman, one of the MFI’s founding faculty members, told *Chicago Maroon* reporters that “Yale and Harvard and Princeton are way ahead of us [in terms of endowment] and there is a sense in which having that base of money really does make it possible support basic research” (Heckman in Klein, 2010). Similarly, MFI founding faculty member John Cochrane told the opposition:

The whole point is to try to get private donors who see benefits of Milton Friedman’s legacy to support economics research here. If the writers [of the

petition] understood the first thing about money, that it is fungible, they might understand which side of their bread is buttered. (Cochrane, 2008a)

John W. Boyer, who has been Dean of the College for over 20 years, said that all centers or institutes should fundraise:

Universities should not invest long-term in research centers when they can secure external support for them, whether from federal, state or private philanthropic sources. So to the extent that critics opposed the Institute for trying to fundraise, I thought this was kind of an absurd argument. All centers should be fundraising. They just happened to have a potentially larger pool of constituents from whom to fundraise. (J. Boyer, personal communication, March 5, 2014).

Increasing donor involvement, however, has raised troubling questions about the nature of academic work.

Venture philanthropy? In the historic overview of philanthropy in education, I referenced historian Stanley Katz's 2012 article on megafoundations and the growing idea that philanthropy today is closer to investing than it is to benevolence. This idea was reflected in an interview with CORES Co-Chair Bruce Lincoln:

There is an old fashioned style philanthropy that I think is properly understood as an exchange of wealth for prestige. John D. Rockefeller had more money than he knew what to do with. Giving it to the University of Chicago repositioned a robber baron as a philanthropist— a generous, civic-minded individual who gave his money for a good cause. And precisely what happened with that money was less a concern for him than the fact that the University was perceived as an outstanding beacon of knowledge. Charity of that sort trusts the university to

define where research is going or what kinds of degrees are going to be granted or what kind of faculty will be hired.

More recently, a corporate style of philanthropy understands a gift to a university as something closer to an investment, rather than an exchange of material for non-material goods, as when purchasing stock gives one a stake in ownership and some measure of control. Under this model, you give money so that something you want to see happen actually takes shape. Sometimes it's research in an area that's going to develop products and patents useful to the corporate donors. Or training people who will be good employees of an industry. And sometimes it's developing a line of thought that for whatever reasons is ideologically attractive to whoever writes the big check. (B. Lincoln, personal communication, March 4, 2014).

For faculty who opposed the Milton Friedman Institute, the perception that donors of the Milton Friedman Society would have the ability to influence the direction of research threatened the tradition of free inquiry valued by the university. In an interview with Clifford Ando, a classics professor, he expressed concern that donor access to the MFI would provide an opportunity for the exchange of insider information, similar to what happened at Wharton Economic Forecasting Associates (WEFA), affiliated with the University of Pennsylvania in the 1970s. According to phone interviews with former staff conducted by Ando, WEFA “produced quarterly forecasts...of the conditions of the US economy. And...it eventually became clear that they were releasing the results of the quarterly forecast to donors some amount of time before they released them to newspapers.” Ando further commented that the donor language of the Milton Friedman Society:

[D]rew my attention because, one, it suggested a possibility for a collusion, as it were, between moneyed interests and scientific outcomes—the appearance of which one should try to avoid as a university, as a public institution receiving public support. After all the foundation of the non-profit status of universities is that they serve a public good and not a private one. (Ando, personal communication, March 5, 2014)

Professor Lincoln shared similar concerns about the language surrounding the Milton Friedman Society:

I thought that was one of the most corrupt things I had ever read. I thought it effectively promised high rollers inside information about what the federal board of reserve would be doing and what national economic policy would be. It could be read to suggest that your million dollars isn't a gift, it's an investment that will buy you privileged information you can use to turn a profit far greater than your initial million. I thought it threatened to set up a branch of the university as a for-profit, closed circle operation that would speak into the ears of the wealthy, rather than making its research public so that anyone could benefit from it. I thought it was an abominable structure. (B. Lincoln, personal communication, March 4, 2014)

Ando's and Lincoln's references to research as a public good speak not only to the founding ideals of the University of Chicago, but to the principles of the academic profession. When the first members of the American Association of University Professors (AAUP) came together to draft the 1915 *Declaration of Principles on Academic Freedom and Tenure*, they faced the arduous task of convincing university trustees and administrators, as well as the general public,

that members of their profession deserved the rights of free inquiry, free teaching, and free utterance. To advance this idea, the AAUP argued that universities are public trusts providing a public good to society, and must therefore remain sheltered from popular opinion and moneyed interests.

President Zimmer and Provost Rosenbaum denied the accusation that donors could influence the research direction of the institution, maintaining that:

From its inception, the University of Chicago has been a distinctive institution, driven by a focus on inquiry, with an intense research environment and a belief that the best and most powerful education takes place in a challenging environment of open inquiry....It benefits from, and deliberately protects, a culture where the widest possible range of perspectives and arguments can be expressed....Donors support our work because they believe in the values of the University of Chicago and want to enable us to achieve our highest aspirations. These donors understand the importance of academic freedom and the essential role of unfettered inquiry. (Zimmer & Rosenbaum, 2010)

When asked about the role of donors in the Milton Friedman Institute, Rosenbaum emphasized

If there are strings attached in terms of publication, namely restricting publication, we say no. If donors want to be involved in determining the directions, we say no. And it's not in the abstract. There have been a number of gifts actually some very large gifts, about 100 million dollars, but we said no because basically people want to use us as a contract shop. We don't do work for hire. (T. Rosenbaum, personal communication, May 13, 2014)

In a statement released by MFI faculty member Lars Peter Hansen, he wrote “In my first meeting with President Zimmer, we both immediately agreed that this Institute cannot be research for hire whereby conclusions are pre-ordained and economists simply provide supporting evidence. We have no interest in such an institute” (2008, p. 3). John Cochrane took personal umbrage at the thought that MFI faculty would be controlled by donors:

The petition charges that there will be “donor/corporate control” over this Institute. Nowhere in this University do donors ever control the nature of research and certainly not its outcome. Every part of the University publicizes its research to the outside world and to donors, without violating this rule. This is a completely unfounded insult to the professional ethics of the faculty and administration involved with the institute. (Cochrane, 2008b)

The Friedman Institute’s founding faculty members tried to assert that donor access to the MFI would be limited to annual reports and invitations to special events. Moreover, they emphasized that the scholarship produced at the MFI would not be for sale (Hansen, 2008; Lipkin, 2008a). For James Heckman, fundraising was a normal aspect of institutional development: “It’s true for any institute. You state a mission, attract funders. They expect the mission to be fulfilled. Very rarely do people fund pure knowledge” (Heckman in Jerome, 2008c). However, Provost Rosenbaum admitted that the fundraising language unfortunately clouded the academic ambitions of the Institute:

But I think it was a legitimate point about the website, which was written...more as a development document, which I think was a mistake. I think those people would acknowledge that it was a mistake. It just didn’t emphasize the intellectual aspects of things. It emphasized an opportunity for fundraising, which is always a

mistake to do it that way. Fundraising is a very important part of universities being able to do what they want to do, but it should never drive what you're doing. In principle we determine intellectual directions that we think are promising, where we have faculty who are interested, where we believe we can make a mark, that's world competitive. And then you go out and you find the money. (T. Rosenbaum, personal communication, May 13, 2014)

The direction of resources. University President Kimpton's quote from the 1950s campaign spoke to an uneven distribution of external resources that strengthened some departments while diminishing others. Critics of the Milton Friedman Institute cited it as an example of a growing trend that Associate Professor Patchen Markell called "'development-driven institution-building,' in which big decisions about the intellectual agenda of the university are determined by somebody's sense of where the donors are and what they are likely to support" (2008, p. 2). One CORES supporter told *The Chicago Maroon* that "the University has been moving towards giving preference to those departments that will bring in the most alumni donations. Business and economics are the new religion of the University" (Spicer in Klein, 2010, para. 31).

Professor John Cochrane accused the CORES faculty of simply coveting the resources of the MFI, speaking facetiously in their voice while criticizing the CORES petition:

Finally, we get to the point! We can get over our "distress" at admitting where we work, but what we want is to do some of our own "substitution of monetization for democratization." And with none of the niceties about non-partisan, non-ideological, open-minded research in the Milton Friedman founding documents either – this money is reserved for people who can get the right

answers and belong to the right clubs. And we're not planning to ask our sympathizers to pony up money either. Basically, we want the Friedman Institute money. (Cochrane, 2008a)

Administrators took a less confrontational approach, assuring balance in fundraising by listing multiple fundraising initiatives in their letters to faculty, including “the Graduate Aid Initiative in Social Sciences, the Humanities, and Divinity, the Mansueto Library, the Logan Arts Center, the renovation of Harper Library, the New Hospital Pavilion and the new Physical Sciences building” (Zimmer & Rosenbaum, 2008, p. 1). However, when the university announced in 2010 that it had hired an architecture firm to renovate the Chicago Theological Seminary in order to house the Friedman Institute, CORES again called out the administration for showing favoritism to one department:

Given that no targeted gifts have been announced (unlike other projects like the Logan Arts Center and the Mansueto Library), we can only presume that vital University resources are being devoted to the MFIRE project. Although we have not been informed of its cost, conversion of the Seminary building into a temple of neoliberal economics comes at a time when the University's stinginess towards its own graduate students has dramatically increased student interest in unionization. It also comes as the University pleads that its financial woes permit it to offer only a regressive contract (one that does not even keep pace with health care premiums) to Teamsters Local 743, which represents its staff and clerical workers. (Lincoln, 2010)

In his interview, John W. Boyer appealed to the idea of balance in university initiatives by citing a more recent program in the Humanities:

In some ways you could argue that the Neubauer Collegium for the Humanities and Social Sciences⁷ shows the same pattern. The economists got the Becker Friedman Center and the humanists got the Neubauer Collegium, so now the world is whole again. Both are getting buildings, too. Becker Friedman is getting the old Chicago Theological seminary, which is an ironic site. The Neubauer is also being housed in a defunct seminary at the old Meadville Lombard Center, which is now being gutted. So we will have these two buildings roughly across the street, or down the street, from each other. The one is a bastion of humanistic thought in one defunct seminary and the other is a bastion of neoclassical economic thought in another defunct seminary. It is kind of a nice image. (J. Boyer, personal communication, March 5, 2014)

Chapter Conclusion and Discussion

The debate over the Milton Friedman Institute was not just about money. However, any time a university announces fundraising priorities, it reflects that university's values. For President Zimmer and Provost Rosenbaum, the MFI initiative was balanced with many broad ranging fundraising goals for the university. For CORES supporters, the amount of money proposed for the MFI unequally favored the Department of Economics and suggested unwanted encroachment of donors on free inquiry. Perhaps part of the problem stemmed from the modus operandi of the university's Office of Alumni Relations & Development, which usually waits until landmark gifts have been secured to publically announce large-scale facilities projects or

⁷ The Neubauer Collegium for Culture and Society was founded in 2012 with a \$26.5 million dollar gift from the Neubauer family to "create an incubator for boundary-crossing research and a structure to connect UChicago faculty with top international scholars" (Station, 2012).

programs.⁸ Examples include the Mansueto Library, the Reva & David Logan Art Center, the Comer Children's Hospital, and the Neubauer Collegium for Culture and Society. In each case, multi-million dollar gifts were announced simultaneously with the program or building that the donors chose to support. The Milton Friedman Institute differed in that no large gift had been secured at the time of announcement. For MFI faculty members, \$200 million was just an ambitious fundraising goal, not a promise of funds from the university. However, whenever the MFI was discussed in local news and even in national media, that dollar amount of 200 million figured prominently into the debate (Lydersen, 2008; Staley, 2008). At times, the media mistakenly reported information, like "The University of Chicago plans to spend about \$200 million to establish the Milton Friedman Institute for the study of economics to attract scholars, students and donors" (Staley, 2008).

The reality of fundraising for the Milton Friedman Institute. The controversy over the monetary aspects of the MFI has been somewhat blunted by the reality of fundraising for the initiative. In interviews with several faculty and administrators involved with the MFI, they revealed that fundraising efforts have largely been unsuccessful. Provost Rosenbaum insisted that \$200 million was a fundraising goal, not what the university promised to the Institute:

TR: Actually it didn't involve that much money. I mean it involves much less money in terms of university—I mean it's not been that successful in fundraising.

GV: Right but the initial public commitment of \$200 million...

TR: Yes, but that was a fundraising goal. The university commitment was less than the Center for the Study of Race, Politics, and Culture. Less than the Center for the Study of Gender and Sexuality. So the initial university monetary

⁸ Here I am speaking from personal experience working in the Office of Alumni Relations & Development for the College—a position I held from 2007 to 2011.

commitment was minimal to be honest. (T. Rosenbaum, personal communication, May 13, 2014)

Lars Hansen, now the director of the Becker Friedman Institute, shared similar thoughts:

LH: But so, part of the resources were going for two things. One was for the institute itself. I mean they were going to raise money for it. I should say the amount of money raised for the institute is far less than what the university announced. The university announced probably what, \$100 million or something?

GV: I think it was \$200.

LH: Yeah, but \$100 for the building and \$100 for the institute. That's certainly not been realized. As I say that this was really a fundraising goal and not some money that was handed over to us. (L. Hansen, personal communication, May 12, 2014).

When asked about the resources dedicated to renovating the Chicago Theological Seminary, administrators asserted that the university would have acquired the building and paid for its renovation regardless of the MFI initiative:

The property basically came on the market because the Seminary was nearly bankrupt. So the university, the central administration and board of trustees faced two choices. Do nothing, or they could take over the whole building, but it was in terrible shape. The toilets weren't working and to simply invest a few million dollars would have been a waste of money....But the benefit has been more than space for the Institute. This has freed up space for other academic departments in [the] Rosenwald and Walker buildings. For example, Linguistics and Media

Studies are moving up from Gates-Blake, so some of the Humanities departments have profited from these investments as well. (J. Boyer, personal communication, March 5, 2014)

When asked if the public opposition of the MFI had an effect on fundraising efforts, most interview participants (on both sides of the debate) said they thought the Great Recession had more of an effect. Some speculated that a lack of funding was the impetus for the merger of the Friedman Institute with the Gary Becker Center. However, the provost and the former dean of the Social Sciences Division both said the merger took place in order to reduce programmatic overlap and to eliminate competition for funds between the two entities. Announced in 2011, the Becker Friedman Institute for Research in Economics received a \$25 million gift to support interdisciplinary work in Economics, Law, Public Policy, and Business (Crane, 2011). On the Becker Friedman Institute website, the donation page lists conferences, visiting scholars, student programs, and research as core activities that benefit from unrestricted gifts (Becker Friedman Institute, 2014a). There are also opportunities to support endowed research funds starting at \$100,000. Lars Hansen said in his interview that the Milton Friedman Society is now called the Board of Overseers, although there are no dollar amounts associated with Board membership on the website (Becker Friedman Institute, 2014b). In 2014, as construction of the Chicago Theological Seminary drew to a close, trustee and alumnus Alvaro Saieh made a significant gift to support the building's renovation, which now houses the Department of Economics and the Becker Friedman Institute (Huang, 2014). The building was renamed Saieh Hall for Economics in honor of his donation. The amount of the gift has not been disclosed.

In 2014, the university also announced the public phase of its next campaign, "The University of Chicago Campaign: Inquiry and Impact." Among the \$4.5 billion goal, priorities

include funds for the Institute for Molecular Engineering, a new 800-bed residence hall for undergraduates, the new Center in Delhi, and the Neubauer Collegium for Culture and Society (UChicago News, 2014b). The Becker Friedman Institute remains a university fundraising priority as well.

Implications for practice. How might university leaders have dispelled the controversy over MFI's funding? For one, the president and provost could have repeatedly stated that half of the \$200 million was a fundraising goal, and that if the goal was not met the university would not direct capital funds to the institute. Two, while most new programs and building projects are not announced with a comprehensive breakdown of the finances involved, once it became apparent that money was indeed an issue, university leaders could have published a plan for the institute's revenue sources and expenditures. If the renovation of the Chicago Theological Seminary made up half of the \$200 million, why not say so? As a practice, the university acquires buildings in Hyde Park as they become available since space is a premium on Chicago's South Side. Given its central location on the university's campus, it is highly likely that the Theological Seminary would have been acquired and renovated regardless of the MFI, and could have been the new home to any department on campus who needed the space. Because the renovation of the building became folded into the Milton Friedman Institute, it created the appearance of favoritism to the Department of Economics.

Finally, development offices on campus could do a better job of educating faculty about fundraising and campaigns. Too often university leaders assume that faculty do not care or want to know about fundraising. When asked if the University Council hears about campaign priorities or fundraising goals, three faculty members interviewed said that they only hear reports of initiatives once they are already underway. Professor Clifford Ando remarked "You know

I've seen several things come before the Council or the Committee of the Council that I thought were being brought to us very late, with the pen poised above the paper, or indeed the check" (personal communication, March 5, 2014). Although not every program may interest the faculty, when ambitions reach the multi-millions, early faculty involvement may help reduce conflict and misunderstanding, and may even strengthen campaigns as more faculty stand behind fundraising priorities.

Implications for research. Although a few authors like Katz (2012), Slaughter and Rhoades (1996), and Thelin and Trollinger (2014) have observed or studied the influence of external support on higher education, this area is still ripe for research. The Lilly Family School of Philanthropy at Indiana University-Purdue University Indianapolis offers degrees in Philanthropic Studies and researches giving and donor behavior across a spectrum of organizations, including higher education. Many of these reports, however, are aimed at fundraising practitioners. The data they collect could be utilized for higher education scholarship. With campaigns growing larger every year, there is now a need for critical examination of donor involvement and influence on the academic programs of postsecondary institutions. Studies could focus on donor involvement, direction of funds, stewardship and reporting mechanisms, and trends pertaining to the type of programs and projects receiving donations.

Chapter Four: Governance

There was a time when the role of the faculty in University governance set us apart from other universities—that time has evidently passed. (Wool, 2008)

As far as faculty governance, it doesn't really exist. I think it hardly existed ever...the Committee of the Council was a rubber stamp when I was on it in the early '90s. It met with president and provost, it was twice a month. And it had no separate meeting, no separate faculty decisions. Basically it was just there to ratify initiatives that came from elsewhere. So the notion of faculty governance is a charade. (Sahlins, personal communication, March 5, 2014)

I began this dissertation with a vignette of the October 2008 University Senate meeting and a quote from a third year student in the College. Evoking images of conjuring or divination, the student glibly called attention to a real problem—university governance remains a mystery to most people. Yet governing bodies played an integral role in the MFI case. Prior to the October Senate meeting, two other governing bodies were involved in the debate—the Committee of the Council and the Council of the University Senate. Each body has different parameters for membership and more importantly, different powers. The governing bodies provided a formal channel for debate over the MFI, but also created a space for faculty to debate the powers granted to them in university statutes. This new discussion continued for years after the MFI dispute, extending the timeline of the case to 2012.

This chapter will explore the conflict over the Milton Friedman Institute as an issue of governance. The first question is based on the structural aspects of university governance—namely, who is allowed to participate in governing bodies and what are their responsibilities? The second question speaks to the reality of decision-making: Who actually gets to decide what at the university? The third has to do with governance as a process to resolve conflict: Which governing bodies were involved in the MFI debate and what happened in their meetings? Information I discovered while conducting interviews led me to ask a final question: How can

conflict be used to reevaluate governance? As in prior chapters, I begin with a historical overview of academic governance in U.S. higher education and tensions that have risen in the 21st century. Next, the history of governance at the University of Chicago is explored to provide context for the activities that surrounded the MFI conflict. Finally, governance problems related to the MFI conflict are revealed through interviews and documents related to the case.

Historical Overview of Governance in American Higher Education

In the broadest definition, governance in academia is the process through which faculty, administrators, trustees, and sometimes students participate in university planning and decision-making. At the highest level, trustees have always held the legal right to make final decisions in higher education institutions. However, they are rarely involved on a day to day basis in the activities of campus life. Instead, they entrust both the presidential administration and faculty governing bodies to lend their expertise to important educational and organizational policies and practices.

Larry G. Gerber's recent book, *The Rise and Decline of Faculty Governance*, historically connects the expansion of governance at higher education institutions to the increasing professionalization of faculty. The first colonial colleges established in North America were primarily run by the president and the religiously affiliated trustees (Gerber, 2014; Thelin, 2004). The academic profession as we know it today did not exist as most people teaching in the colleges were young and inexperienced instructors. It was not until after the Civil War, when the German research ideal began to influence scholars in the U.S., that leaders of new research universities like Cornell, Johns Hopkins, and the University of Chicago recruited PhD trained scholars to their faculties (Boyer, 2010; Veysey, 1970). As faculty became more specialized, they began to expect greater autonomy and control of their curriculum and research. While they

gained more control over their work, early forms of faculty governing bodies were often limited to deans or department heads.

By the early 20th century, the size and disciplinary range of research institutions had grown, enrolling more students and employing more faculty and administrative staff (Thelin, 2004; Veysey, 1970). Faculty, now recognized nationally as experts of their chosen field, enjoyed greater control over academic aspects of the university, especially in their respective departments (Boyer, 2010; Gerber, 2014). They became involved in the appointment process, tenure and dismissal decisions, and the development or review of curricula. However, participation in these decisions was still largely limited to full professors, and in many cases the president maintained the greatest amount of authority (Gerber, 2014). This limited participation would soon expand, beginning with the creation of the American Association of University Professors (AAUP) in 1915. Founded as a national organization of faculty, the AAUP grappled with issues of academic freedom and governance. In the chapter on academic freedom, I referenced the role the AAUP played in defining the principles of the academic profession, including the ideals of free inquiry and autonomy over research and curricular work. The AAUP also advocated for more faculty input in university matters and periodically tracked faculty involvement at member institutions across the country.

Throughout its history, the AAUP conducted surveys of higher education institutions to explore faculty governance structures and influence. Between the 1920s and the 1940s, the number of faculty on a single campus grew dramatically. To keep governing bodies manageable, many institutions moved away from including the general faculty to electing representatives to councils or senates (Gerber, 2014). Faculty influence now extended to presidential appointments, faculty hires, program review or discontinuance, and new programs. This

influence was acknowledged in 1966, when the AAUP, the American Council on Education, and the Association of Governing Boards of Universities and Colleges published the joint Statement on Government of Colleges and Universities (AAUP, 1966 in 2001). The joint statement recognized faculty as experts on academic programming and curriculum, but also acknowledged “an inescapable interdependence among governing boards, administration, faculty, students, and others” (AAUP, 2001, p. 218). In addition to curricular responsibilities, the joint statement recommended that faculty participate in decisions related to educational policy, long-range planning, budgets, facilities, and presidential appointments.

Although the joint statement remains the ideal for shared governance, Gerber (2014) wrote that challenges to this ideal emerged as early as the 1970s. Specifically, the growth of multi-campus structures, an increasing number of part-time or contingent faculty, and the economic crisis of the 1970s began to erode faculty control over their institutions. In the 1970s and ‘80s, business management fads started infiltrating academia across institutional types, including zero-based budgeting (ZBB), total quality management (TQM), and the planning programming budgeting system (PPBS) (Birnbaum, 2000; Gerber, 2014). George Keller’s influential 1983 book, *Academic Strategy*, advocated for stronger top-down decision-making and criticized faculty governing bodies for being too arcane to function in a high pressure environment. The move toward greater administrative control continued in the late 1990s and early 2000s.

Governance in the 21st century. Gerber (2014) attributed the decline of faculty influence in shared governance to sustained economic problems, competition from the for-profit education sector, and the deprofessionalization of the faculty due to fewer tenured positions. Proponents of stronger centralized control of universities argued that “the faculty traditions of

debate and consensus building, along with the highly compartmentalized organization of academic departments and disciplines, seem increasingly incompatible with the breadth and rapid pace required of the university-wide decision process” (Duderstadt, 2000, p. 240). The Association of Governing Boards of Universities and Colleges (2010) reached a similar conclusion, and came out with new guidelines to encourage more centralized and expedited decision-making. The conservative American Council of Trustees and Alumni called for even stronger trustee oversight in general education assessment, program review, presidential selection, research, and policy creation (ACTA, 2014).

Proponents of shared governance have responded critically and passionately to complaints that senates are too slow and arcane for the modern university (Andrews, 2006; Birnbaum, 2004; Gerber, 2001; Hasseler, 2006; Hubbell, 2010; Waugh, 1998). Waugh (1998) warned that increased centralized authority would marginalize faculty as “customers or stakeholders” (p. 64). He also predicted that specially appointed task forces would undermine the authority of faculty senates, allowing administrators to hand-select participants for predetermined roles. Gerber (2001) argued that encroaching structures of corporate hierarchy undermined the traditional values of academic freedom and democratic forms of decision-making. In a rebuttal against criticism that governing bodies slow down decision-making, Birnbaum countered, “the greatest danger to higher education may not be that decisions are made too slowly because of the drag of consultation, but that they are made too swiftly and without regard for institutional core values” (2004, p. 7). Andrews (2006) and Hasseler (2006) lamented the loss of faculty input and the ability to dissent because of an increasingly corporate culture. Hubbell, a former faculty senate chair, wrote that “to maintain our academic culture, especially

academic freedom, we must resist attempts to model the university after its corporate counterparts” (2010, p. 151).

Despite the buzz about shared governance going extinct, empirical research shows that governing bodies are alive and quite prevalent across four-year institutions of higher education (Gerber, 2014). In separate surveys by Cummings and Finkelstein (2012), Kaplan (2004b), and Tierney and Minor (2003), faculty felt they still had influence over their traditional academic responsibilities including curriculum, degree programs, and personnel decisions like tenure and promotion. Faculty felt they had the least control over matters related to the budget and presidential review and appointment—roles that have been traditionally handled by administration. Cummings and Finkelstein also noted the growing influence of deans and departmental chairs on degree programs and curricula. The survey results overall indicated that faculty governance is neither slow nor ineffectual, nor is it dying under the weight of centralized authority.⁹

Importantly, while these surveys demonstrated that faculty governing bodies are still active, the data also showed that the structure and purview of senates or councils varies widely from university to university. Acknowledging that each institution has a unique history and practice of governance, researchers like Minor (2004), Kaplan (2004a), Tierney (2004), and Kezar and Eckel (2004) pushed for studies that focus on specific institutions and situations. In the next section I turn to the specific history of governance at the University of Chicago, followed by an overview of the current governance structure and responsibilities.

⁹ I will not address faculty unionization here because the topic does not apply to University of Chicago faculty. For an overview of faculty unionization, see Gerber (2014), pp. 108-116.

The History of Governance at the University of Chicago

Faculty involvement with the governance of the university morphed over the first century of the institution. As Provost Thomas Rosenbaum phrased it, “I think over the history of the university...you swing back and forth on the pendulum between centralization and decentralization, and that’s healthy” (personal communication, May 14, 2014). Original plans for the university allowed for little faculty involvement in both administrative and academic planning. However, faculty influence quickly grew. Through the years, faculty authority drifted from a senate to the departments to a representative council. Faculty would also undermine the authority of weaker presidents, and butt heads with formidable ones. Perhaps the most memorable and formidable of them all, first president William Rainey Harper opened the university with the pendulum pulled firmly toward centralized administrative authority.

“Caligula” Harper. William Rainey Harper envisioned a strongly centralized university. His prior experience with influential faculty at Yale soured his view of faculty involvement in university decision-making (Meyer, 1994). Harper recruited well-known and highly trained faculty to the University of Chicago, but maintained strong authority over academic programs, faculty appointments, and policy decisions (Meyer, 1994). In his original plans for the university, the only governing body (aside from the trustees) was the University Council, consisting of administrative officers (Goodspeed, 1916; Meyer, 1994). There was no faculty governing body. However, by the 1890s faculty began to demand more autonomy because of their advanced training (Gerber, 2014). Two first faculty members at Chicago would accept nothing less, and advocated for representation on a university senate:

I can remember distinctly when, sitting in Professor Hale’s house with him and President Harper, I said “We have been deciding here very large questions of

university policy. It is not right that these far-reaching conclusions should be arrived on the judgment of two or three professors in consultation with the President. These matters ought to go properly to a body composed of the heads of all departments of the University, and their opinions should be decisive in forming the University organization with which we should begin work.”

(Laughlin in Goodspeed, 1916, pp. 139-40)

Harper agreed to the creation of the University Senate, comprised of department heads, to oversee all educational matters. The University Council remained in existence to handle all administrative matters (Goodspeed, 1916).

In these early years of the university, authority resided mainly in the president and the heads of department. Some faculty began to resent that decisions were often made in small, private meetings between Harper and specific faculty members. In his history of Chicago faculty, Daniel Meyer remarked that “the dominating role of the President and the head professors would have the effect of creating an administrative elite within an educational elite, an academic authority...that would exercise considerable power within the University over the commonalty of the faculty” (1994, p. 80). Harper continued his practice of recruiting department heads and deans without the input of faculty. When word got out that he was also thinking about creating a chancellorship, faculty protested calling his plan “Napoleonic” (Andrews in Meyer, 1994, p. 202). English professor Robert Herrick particularly disliked Harper’s autocratic style, writing “Caligula Harper is growing insane with little wheels in his head” (Herrick in Meyer, 1994, p. 211). Younger faculty felt completely powerless, forced to work under the control of their department heads.

In 1896, Harper attempted to be more inclusive by creating the University Congregation consisting of staff, alumni, and all faculty ranked Instructor and above (Goodspeed, 1916; Meyer, 1994). The Congregation met quarterly, and while they had no governing authority, they could advise the University Senate to review a contested policy. Harper intended the Congregation to serve a mostly ceremonial function, pairing quarterly dinners in full academic dress with the meetings. Because the Congregation had no formal authority, its purpose quickly came under scrutiny. Goodspeed called the Congregation “a fifth wheel in the coach”—a sentiment that must have been felt by many as meetings were eventually reduced to once a year (Goodspeed, 1916, p. 395).

The purpose of the Congregation, the Senate, and the Council eventually became confused, prompting faculty to demand clarification on the jurisdiction of each body. A group of faculty formed to advocate for the increased authority of the University Senate and the complete abolition of the University Council. A counter group formed to support Harper’s current organization of the university. Thomas Chamberlin, a prominent professor of geology, sent Harper a letter of support stating that advocates of reorganization were “attempt[ing] to intrude upon the functions, privileges, and discretions of the President” (Chamberlin in Meyer, 1994, p. 203). The matter was decided in a vote of the Congregation, which was endorsed by the trustees. The organizational structure of the university would stand. However, change swiftly came after the unexpected death of Harper in 1906 and the appointment of Harry Pratt Judson to the presidency.

A shift toward decentralization. Judson’s appointment to the presidency angered many faculty members who felt that trustees should consult them for presidential recommendations (Meyer, 1994). The trustees rejected this notion, maintaining the authority to choose the

president. Although the faculty lost that battle, they would quickly gain more authority as Judson's leadership paled in comparison to Harper's reign. In 1908, governing power shifted dramatically from the University Council to the University Senate (Goodspeed, 1916). The Council, which still mainly consisted of administrators, would serve only an advisory function. The Senate expanded, adding all full faculty members. Most importantly, the Senate now had veto power over the administrative board and the college faculties.

At the same time, the faculties of each academic college or unit organized and became more autonomous, resulting in decentralized authority (Goodspeed, 1916). Departmental control soon proved to be a problem as department heads became "virtual petty presidents in their own right" (Boyer, 2001, p. 13). Under departmental regimes and a University Senate comprising only of full professors, young faculty members had almost no outlet for representation. Judson tried replacing department heads with rotating chairs to ease departmental grip. The reporting structure, however, remained largely unchanged with chairs functioning autonomously and answering only to the president. A few faculty members who still believed in Harper's vision of a unified university felt that the departments had become "hermetically sealed container[s]" (Albion Small in Meyer, 1994, p. 506). Following Judson's retirement in 1923, attempts to restructure the university by presidents Ernest DeWitt Burton (1923-25) and Max Mason (1925-28) failed because of their short tenure in office. Fortunately for the proponents of organizational change, support arrived in the form of a comprehensive survey.

The idea to survey the University of Chicago first emerged under Burton's presidency. However, with his death and Mason's short time in office, the idea never reached fruition. Charles Judd, a professor of education, latched on to the idea and received approval to move forward with the survey from the university's acting president in 1929. Judd recruited his former

student, Floyd Reeves, to oversee the survey along with outside support from statistician and school administrator Leonard Ayers (Boyer, 2001). The project's staff spent the next four years surveying the university's faculty, students, administration, and alumni in addition to examining historical documents, class curricula, and budget ledgers. The results were published in twelve volumes in 1933 (Reeves, 1933).

In the meantime, university trustees successfully recruited a young academic prodigy to take over the office of president. Robert Maynard Hutchins, who was only 30 at the time, had a reputation for being ambitious and outspoken (McNeill, 2007). He was also known as a brilliant scholar and an effective administrator. Although the trustees initially backed away from Hutchins's gruff manner, they realized that the prevalent "faculty factualism" called for "'a strong man,' preferably from the outside, who would have the creative imagination to pull the university together by making it once again a pioneer on the national education scene" (Meyer, 1994, p. 494).

The pendulum swings again. The Reeves survey revealed that over 50 offices reported to the president (McNeill, 2007). While budget allocations came from the centralized president's office, curriculum, research, and faculty recruitment remained in the hands of the department chairs. To alleviate the logistical burden on the president's office, Leonard Ayres advised the president to group similar departments under divisional administrators (Boyer, 2001). Hutchins agreed, and in November of 1930, university trustees voted to organize the departments into the four divisions known today—Social Sciences, Humanities, Biological Sciences, and Physical Sciences. This new structure overthrew the despotism of department chairs by placing authority in divisional deans who reported to the president. The Reeves survey also recommended that a clear line between the faculty governing bodies and the president's executive rights needed to be

defined in the University Statutes (Reeves, 1933). Hutchins, who disapproved of faculty encroachment on his presidential powers, readily agreed (McNeil, 2007). Further plans for organizational and educational reform would be put on hold, however, as the Great Depression set in. During the 1930s, faculty and administrators were mainly concerned with the finances of the university. The looming prospect of war also delayed Hutchins's plans. Hutchins did find time, however, to squabble with faculty over the tenure and promotion structure in the mid-1930s and also made the controversial decision to eliminate intercollegiate football in 1939. The real battle between Hutchins and the faculty began in the 1940s, when he tried to make dramatic changes to the College.

From his start as president of the University of Chicago, Hutchins envisioned a college curriculum based entirely on traditional liberal arts. He also wanted the university to accept high school students in their junior year, thus receiving a B.A. by the time they were 18 (McNeill, 2007). By a margin of 15 faculty votes, Hutchins's reforms passed the University Senate in 1942. However, faculty soon discovered that the new educational plan required massive curricular changes across all four of the university's disciplinary divisions. Also, faculty appointments to the College no longer needed approval of the department heads. Angry that Hutchins was stepping on their toes, several senior faculty organized to force a revote in the Senate. This time, they were split right down the middle, 58 to 58, although there was speculation that Hutchins "bought" some key votes through the promise of promotion (McNeil, 2007). After a few salty exchanges between Hutchins and the University Senate, the trustees intervened.

Over the next few years, trustees mainly backed Hutchins's decisions, but also heard from senior faculty members. Conflicts erupted over the Great Books style of teaching, the

balance of divisional classes required for the B.A., and a proposal to establish a separate Institution of Liberal Studies at the graduate level (McNeil, 2007). Finally, with the help of trustee Laird Bell, some level of compromise was reached resulting in the reorganization of the faculty governing bodies. The Senate now included all tenure track faculty who had served for at least three years, but became mostly an advisory body (Mayer, 1993). Faculty governing power now resided in the University Council, comprised of elected representatives of the professoriate (McNeill, 2007). A small subgroup of the Council, known as the Policy Committee¹⁰, would meet biweekly with administrators and set the agenda for Council meetings. New statutes were established in 1944 giving the Council “the right to disapprove of proposals of the presidents, but the president can veto the Council’s action. In case of a stalemate, the decision will be up to the Board of Trustees” (Mayer, 1993, p. 350).

The Senate and Council structure established under Hutchins still exists at the University today. As Dean of the College, John W. Boyer remarked:

Our current system of governance came about in the late 1940s in response to senior faculty resistance to many of Robert Maynard Hutchins’ attempted reforms. The Trustees brokered a compromise that gave the faculty considerable authority—authority on academic matters, for approving or disapproving degree programs. (J. Boyer, personal communication, March 4, 2014)

The University Senate still consists of all tenure track faculty, now with a one year service requirement for participation. The Council of the University Senate is made up of 51 elected faculty members who meet monthly with the president and other administrative officers. The Committee of the Council, seven members elected from the Council, meets biweekly with the president (Secretary of the Faculties at the University of Chicago, 2014).

¹⁰ The Policy Committee is now called the Committee of the Council.

The growth of representative faculty governance. By the end of Hutchins's presidency in 1951, he came to be respected for his protection of academic freedom during public investigations of communist activity at the university (Boyer, 2002). However, soon after his departure, it became apparent that his general education B.A. was a disaster for the university. By creating a four-year curriculum for the B.A., he sharply divided the College from the remaining academic divisions (Boyer, 2012). Admitting young teenagers to the College also increased the dropout rate and gave the university a bad reputation among the nation's high schools. His successor, Lawrence Kimpton (1951-60), started the process of recombining College general education classes with upper level divisional classes.

The faculty at this point were split between divisional appointments—primarily conducting research and teaching graduate students—and College appointments teaching undergraduates. Under Kimpton's new plan, undergraduate students would take roughly two years of general education classes and two years of classes in a chosen concentration under one of the four divisions. The faculty response to the merger was defensive and territorial (Boyer, 2012). College faculty felt especially vulnerable, lacking the research experience of the divisional faculty. Eventually the growth of joint appointments to the College and the divisions helped alleviate some of the territoriality. Under President Edward Levi (1968-75), the College and divisions continued to mingle both curriculum and faculty appointments. To ensure the College faculty felt they had a voice in university governance, Levi created the College Council and the Committee of the College Council, paralleling the Council of the Senate and Committee of the Council established under Hutchins. Both College governing bodies are composed of elected and appointed faculty members.

Faculty governance today. To return to my first question on the makeup of governing bodies at the university, I pulled information about the senate and councils from the Secretary of the Faculties website at the University of Chicago. To help alleviate confusion, I created a table of faculty governing bodies (see Figure 4). The University Senate still functions an advisory body, supposedly meeting once a year. However, in recent decades, the University Senate has met only twice—once in 1984 to debate divestment from apartheid South Africa and in 2008 to debate the Milton Friedman Institute (Lipkin, 2008c). The school and unit faculties, known as Ruling Bodies, oversee curriculum, faculty appointments, and peer review in their respective schools and divisions. Overarching governing bodies include the Council of the University Senate, the Committee of the Council, the College Council, and the Committee of the College Council.

<p>University Senate The University Senate consists of Professors, Associate Professors, Assistant Professors who have completed one year's full-time service on academic appointment at whatever rank, the President, the Provost, and the Vice Presidents.</p> <p>The University Ruling Bodies.:</p> <ul style="list-style-type: none"> a) The Council of the University Senate; b) The Faculty of the College*; c) The Faculty of the Division of the Biological Sciences, including the Pritzker School of Medicine; d) The Faculty of the Division of the Humanities; e) The Faculty of the Division of the Physical Sciences; f) The Faculty of the Division of the Social Sciences; g) The Faculty of the Booth School of Business; h) The Faculty of the Divinity School; i) The Faculty of the Law School; j) The Faculty of the Irving B. Harris Graduate School of Public Policy Studies; k) The Faculty of the School of Social Service Administration; l) The Faculty of the Oriental Institute; m) The University Boards. <p>* The Faculty of the College are presided over by the College Council</p>

Figure 4: **Faculty Governing Bodies.** Adapted from the Bylaws of the University of Chicago. (2011).

Of these groups, the Committee of the Council holds the most authority because of their ability to set the agenda for the Council of the Senate. Elected from the Council of the Senate, the Committee meets biweekly with the president. According to the University Statutes, the Committee has the following powers:

The Committee may concern itself with all matters of educational policy within the jurisdiction of the Council. All matters to be presented to the Council for action shall first be laid before the Committee, which shall report its opinion upon them to the Council through its spokesman. At the Committee's request it may meet with the appropriate committee of the Board of Trustees. (University of Chicago Board of Trustees, 2011)

The Council of the University Senate meets once a month and possesses several powers according to the University Statutes. For example, they have the right to vote on matters under their jurisdiction. However, what actually falls under their jurisdiction proved to be integral to the conflict over Milton Friedman Institute.

Governance and the Milton Friedman Institute

Several themes related to governance emerged in interviews and documents related to the Milton Friedman Institute conflict, and they return us to the questions of who is in charge of university decisions and how governing bodies were utilized to approach disagreements over the MFI. First, as in prior skirmishes in the university's history, the conflict erupted into an "us versus them" debate, with administrators taking the brunt of the criticism. The second theme relates to the process of how the MFI moved through the various governing bodies. Finally, disagreement over how the MFI was handled sparked the third and most complicated theme—

that of faculty jurisdiction. Interestingly, this final issue continued to be a topic of debate long after the MFI conflict subsided.

Who is really in charge? The debate that ensued over the Milton Friedman Institute echoed the university's earlier clashes between presidents and faculty. The discussion also closely mimicked broader conversations about faculty governance as seen in writings by Birnbaum (2004), Gerber (2014), and other proponents of faculty involvement in university decisions. At the core of the matter is the question: Who is really in charge—faculty or administration? In interviews with people involved with the MFI dispute, faculty and administrators shared diverging thoughts on the matter. To return to the quote that opened this chapter from Professor Emeritus of Anthropology Marshall Sahlins, “the notion of faculty governance is a charade. A president told a person I know...that the major problem of Hugo Sonnenschein when he was president...was he told people in advance what he was going to do. This president obviously doesn't” (personal communication, March 5, 2014). Other faculty members of the opposition group, the Committee for Open Research on Economy and Society (CORES), shared similar thoughts. When asked about the role of the Council of the University Senate, Bruce Lincoln, Professor of the History of Religions and Co-Chair of CORES, remarked:

According to the Statutes, Council is the supreme academic governing body of the University with responsibility for all academic programs and affairs. Although that role sounds very robust, Council had gradually been turned into a sounding board and a relatively toothless institution that served to rubber stamp those decisions the administration wants to run through it. (B. Lincoln, personal communication, March 4, 2014)

Yali Amit, Professor of Statistics and Co-Chair of CORES, likened the administration to “a benevolent monarchy. It’s not like they want a real constitutional democratic mechanism where we can veto something or stop something” (personal communication, May 12, 2014).

By contrast, administrators largely claimed that the university is faculty-run. An administrator with experience working for University of Chicago President Hanna Holborn Gray (1978-1993) commented:

We’re [a] very faculty run, faculty driven institution. And I would say [of a former Ivy League] president...if something would come up that presented a problem or challenge, you could just kind of see the wheels turn. And the first place the wheels stopped were, how will this effect [the university]? Is this good for [the institution]? Thinking of the university as a whole. And I would say if the comparable or equivalent situation arose here, you would see the wheels turn in Hanna’s head and the first place they stopped was, what will faculty think of this? And probably “what will the faculty think of this” didn’t make [the former Ivy League president’s] top five of things that he was concerned about. So the larger community versus the faculty, and I think...that sort of sets apart the philosophy of the institution. (Anonymous, personal communication)

Provost Thomas Rosenbaum expressed similar sentiments, attributing the role of the administration as one of support for the faculty:

Well it’s very faculty oriented, clearly. But it’s also distributed, a lot of power is vested in the deans, the divisions....The responsibility of the center—provost, president, vice president—is to help them with priorities or things like space allocation when there is a contest between divisions. To determine budget

allocations, although a lot of those are fixed, but there are fungible monies that have been allowed to be distributed to try to give faculty a sense of opportunity, intellectual opportunity, and possibility and provide resources when there is sustainable faculty leadership to see that occur....But fundamentally this is a place, as you know, that believes firmly in the rights of the faculty to research the intellectual directions of the university. (T. Rosenbaum, personal communication, March 13, 2014)

Former Dean of the Social Sciences, Mark Hansen, felt that many of the university's decisions are decided at the departmental level, but added "there's a conviction here that the only things that are really going to work are things that the faculty put their shoulders to, ... which means that it has to be something that faculty wants to do" (personal communication, March 4, 2014).

John W. Boyer, Dean of the College, spoke of faculty control as more of a myth than reality:

I do believe there is a sense here, beyond faculty self-governance, that the faculty *are* the university or that they are the most important part of it, in the sense that they somehow own the place. My own view is that this has been somewhat harmful to the longer term welfare of the University because it diminishes, if not trivializes, the role of students and alumni. (J. Boyer, personal communication, March 5, 2014)

Since the answer to the question of who is really in charge at the university varied by person, it will be more pertinent to explore who was in charge of specific decisions related to the Milton Friedman Institute.

Governance process and the MFI. Although much of the debate over the Friedman Institute took place outside of formal governing bodies, the Council of the Senate, the Committee

of the Council, and the University Senate both played a role in deliberation. Before the MFI was publically announced, the proposal came to the Council of the University Senate in February of 2008.¹¹ Lars Hansen, a professor of economics and chair of the ad hoc committee charged with writing the MFI proposal, reported to Council members. He presented the Milton Friedman Institute as an opportunity to bolster the reputation of the economics department, to bring visiting scholars to campus, and to honor Milton Friedman's contributions to the university. Although a dollar amount was not attached to the initiative at the time, there was talk of housing the MFI in a physical space and seeking donations. President Robert J. Zimmer reportedly said that the MFI would not be subject to the jurisdiction of the Council because it would not offer degrees or appoint faculty, but welcomed advice. Some concerns included funding and the potential political nature of research conducted under the MFI. Bruce Lincoln was present as a Council member. In his interview, he reflected on the concerns he raised in that meeting:

I said that I felt Friedman's political commitments were quite strong and this initiative represented tacit endorsement of them. How did they reconcile that with longstanding policy barring the University from political advocacy of any sort? And what safeguards would there be so that this wouldn't become a politicized institution at the heart of the university? President Zimmer responded appropriately, voicing concern and showing awareness of the issues. He denied that that institution would have any political face and the meeting was adjourned. But there was no scope for a vote or anything of the sort. It was presented simply an informational matter, with no provision for review or action by the faculty at large. And I came away feeling disturbed, for I really didn't like the initiative. I

¹¹ One faculty member was kind enough to share relevant meeting minutes with me. Because these documents are confidential, they will not be directly cited.

thought I had gotten as much as one could under the circumstances, but I remained deeply troubled. (B. Lincoln, personal communication, March 4, 2014)

Until the MFI was publically announced, faculty beyond the Council were largely unaware of the proposal. After the announcement in May, faculty who would eventually make up the CORES group started meeting regularly to discuss their concerns. An unsuccessful meeting between those faculty members and the president and provost led CORES to circulate a petition that would press the president into calling a meeting of the University Senate. The University Statutes state that a Senate meeting will be called if one-tenth of the faculty agree (University of Chicago Board of Trustees, 2011). CORES quickly collected enough signatures and a meeting was set for October of 2008.¹²

The University Senate meeting took place on October 15, 2008. Although the meeting was intended to air opinions on the Milton Friedman Institute, the agenda changed at the last minute. This change caused further controversy and created a deeper rift between the opposition faculty and administration. According to the student newspaper, *The Chicago Maroon*, a new meeting agenda heavily featuring the president and provost was circulated at the last minute. The article's byline claimed "Provost shortens discussion time for Friedman Institute at Faculty Senate meeting this week. Rules of procedure for Wednesday's Faculty Senate meeting...were abruptly altered, decreasing the time allotted to discuss the gathering's main agenda item" (Lipkin, 2008b). Despite the fact that the meeting was called to discuss the MFI in the first place, administrators claimed that the faculty wanted to hear about the financial state of the university. October was a big month for bank failures, and the economy was on everyone's

¹² Although it looks like there was a long delay between the announcement of the MFI in May and the Senate meeting in October, it is important to note that the start of the debate took place at the end of Spring Quarter. Since the university does not start classes until the first week of October for Fall Quarter, October was the first time all faculty would be back on campus.

mind. However, opponents of the MFI saw the change in agenda as a conspiracy to reduce faculty input. Bruce Lincoln remembered meeting with David Fithian, Vice President and Secretary of the University, to discuss the content and logistics of the Senate meeting:

He was very low key, friendly, extremely polite, and he took extensive notes on our conversation. His tone was gentle, easy-going and he basically said: I'm here to find out what you'd like in the meeting and how you think it ought be organized? So I laid out what I thought a proper meeting of the Senate would involve, so as to permit a democratically grounded faculty evaluation of a highly controversial, and I thought highly problematic proposal. I wanted multiple presentations. I wanted open discussion. I wanted full coverage. I wanted it to be a public meeting that students, alumni, and the world at large could hear. I wanted it to be a demonstration of how serious, intelligent, and principled our faculty are. I wanted a full airing of views and I wanted a vote that would settle the matter. He took his notes back to the administration—with the result every single point I asked for was denied. Basically, I conclude he was on an espionage mission. He was there to find out what we thought would make a good meeting so they could avoid that and escape its threats. But I was too naïve to recognize what was happening. (B. Lincoln, personal communication, March 4, 2014).

Other faculty saw a similar conspiracy on the part of administration. Marshall Sahlins claimed he snuck into the meeting because, “emeritus professors were specifically excluded. I attended. I was told that I couldn't, but I walked in. I tried to talk, but I wasn't recognized” (personal communication, March 5, 2014). Associate Professor of Political Science Patchen Markell wrote

the president and provost a letter afterward, expressing concern over the way the meeting was handled:

I had hoped to offer my views of the controversy surrounding the Milton Friedman Institute at Wednesday's meeting of the Senate, but since there were many more of us who wished to speak than could be accommodated in the available time, I was unable to do so. Like many of those present, I was disappointed in the constrained format, which struck me as needlessly defensive and anti-deliberative, and I hope that there will be more opportunities for faculty-wide discussion of this important issue. (Markell, 2008)

Because the meeting was closed to students, emeriti faculty, and staff, and would not be recorded in any way, opposition faculty also saw the control of information flow as method of administrative control over the issue. Recalling that event, Bruce Lincoln remarked, "They wouldn't permit the press to be present....They were doing everything possible to present the appearance of democratic process, while controlling it as tightly as they knew how" (personal communication, March 4, 2014).

Administrators and members of the MFI planning committee thought the Senate meeting was largely positive. Professor of Finance John Cochrane told the student newspaper "that Mark Hansen and Lars Hansen's statements did a great deal to calm everybody" (Cochrane in Lipkin, 2008c). Mark Hansen remembered his role at the meeting:

[T]here were...a couple of people who got up and spoke in support of the Friedman Institute. A couple people got up and spoke and articulated criticisms. I was one of the people who spoke as to why I thought that it was a) appropriate, and b) a good thing for the university. The discussion was quite respectful. One

always is concerned that...it will sort of turn into a rally. But it wasn't that....

I'm not sure in the end that minds were changed. But people were heard and people were heard respectfully. (M. Hansen, personal communication, March 4, 2014)

As provost, Thomas Rosenbaum oversaw the meeting and recalled the importance of having a forum for faculty input:

One was to have a process where people felt that they could be heard. And we even had this university wide meeting as you recall....The discussion I think was extremely important. And the process where people of different viewpoints had the opportunity to express them and to be heard is essential in terms of what we do. (T. Rosenbaum, personal communication, May 13, 2014)

For the opposition faculty, being heard was not enough. A few days after the Senate meeting, Yali Amit told the student newspaper "we haven't really made effective progress except for maybe some people hearing each other" (Amit in Florido, 2008). One result of the meeting was an addition to the institute's name. The MFI planning committee, endorsed by the president and provost, agreed to extend the name to the Milton Friedman Institute for Research in Economics (MFIRE). This change was made to indicate that the MFI would not be a political think tank (Lipkin, 2008d). For CORES, this was a move in the right direction, but they did not think that the issue was resolved. Within a week of the October 15th Senate meeting, there was talk of demanding a second meeting. However, as interest in the debate died down, the CORES group lost momentum (B. Lincoln, personal communication, March 4, 2008). The conflict did spark a larger discussion of faculty governance at the university—a new debate that would last for several years after the start of the MFI conflict.

“Who gets to decide what in the university?” Plans for the Milton Friedman Institute moved forward after the October Senate meeting. The debate was largely taken out of the public context, but continued in the Council of the University Senate. CORES faculty focused on gaining representation in the Council of the Senate. In addition to the Milton Friedman Institute, they also raised objections to reorganization of the University Hospitals and Biological Sciences Division. Although pushback against administration largely remained out of the news, there must have been enough dissenting voices among the faculty to prompt the president and provost to release an e-mail on faculty-wide engagement to all university faculty and emeritus faculty. In the message, they discussed the balance of faculty governance:

We rely upon a strong system of faculty governance and effective channels for faculty input into decisions that shape the academic enterprise. Crucial to making these decisions is a model of distributed authority that follows and fosters the principles above. Particular roles are played by individual faculty members, larger faculty bodies, departments, department chairs, divisions and schools, the College, the deans, the Council of the University Senate, and the provost. The set of relationships and the resulting distributed authority have served the University well for decades. They have allowed for appropriate respect to groups of faculty with particular academic interests and appropriate deference to departments, divisions, and schools in the development of their programs. And they have provided for full faculty engagement on the establishment of new degree programs or new bodies with faculty appointive powers, but not on the decisions of how such programs then operate and are organized, matters properly left to the

relevant faculty in the programs/bodies themselves. (Zimmer & Rosenbaum, 2010, p. 2)

This new debate over faculty governance would focus on what exactly those “particular roles” entailed. Two primary issues emerged—voting rights of the Senate and jurisdiction of the Council of the Senate.

Is the university a democracy? As William Rainey Harper planned the University of Chicago, he promoted the tenets of democracy and truth, writing “the university is the Messiah of the democracy, its to-be-expected deliverer,” its ultimate purpose being “to mingl[e] together as in a crucible, the widely diverging ideas...holding up the standard of consecration to truth and truth only” (Harper in Meyer, 1994, p. 63). In practice, however, the ideals of democracy did not always apply to the way the university was actually run. Presidents Harper, Hutchins, and now Zimmer have been accused of imperialistic practices.

Following the October 15, 2008 University Senate meeting, the Council of the Senate convened on October 21st. The Committee of the Council reported on their first meeting of the academic year, which took place a week before the Senate meeting. In the meeting minutes, it was revealed that the Committee of the Council—made up of seven appointed members of the Council of the Senate—unanimously agreed that no vote would be permitted at the University Senate meeting. Calling such a vote inappropriate, the Committee concluded that the University Senate had no formal voting rights under the Statutes and must defer to the Council of the Senate. Members of the opposition group CORES and their supporters objected to these conclusions. Marshall Sahlins believed that the act of voting was more important than winning, saying “I repeatedly asked for a vote of the faculty because we were being disenfranchised in the

Senate...better to lose than to not vote” (personal communication, March 5, 2014). A student group protesting the Milton Friedman Institute put up fliers around campus declaring:

This isn’t the type of university we want. In response to the Milton Friedman Institute, almost two hundred of our concerned teachers called for the first Faculty Senate meeting in a decade to debate these and other basic questions and democratically vote on the fate of our university. **However, faculty members have been denied the right to vote or pass a motion at the senate, and the public is not allowed to attend the proceedings. Why?** As students, we have a modest demand for the administration: **Respect open discourse and democratic governance on campus!** (Unknown author, 2008)

The question of voting rights also reached the student newspaper in their coverage of the Senate meeting. Lipkin (2008b) reported that in the 1984 Senate meeting over divestment from South Africa, the Senate was allowed a vote. With no formal authority the vote was merely advisory, but gave faculty a chance to formally record their opinions. Faculty member and spokesperson for the Committee of the Council, Michael LaBarbera, dismissed the call for a vote, telling *The Chicago Maroon*:

Meetings of the Senate are to permit the president to communicate with the faculty and vice versa. It’s not a debating society....The Senate is not a governing body, and the crowd won’t be representative of the Senate as a whole, so it won’t accurately reflect the entire Senate’s view. If you want action items, it has to go through the Council. That seemed more honest. (LaBarbera in Lipkin, 2008b)

Members of the MFI planning committee and supporters of the institute agreed, stating that such a vote “would weaken the University administration and encourage the encroachment by faculty

on administration prerogatives” (Posner, 2008). John Cochrane spoke of the consequences of voting down the MFI:

Does the committee [CORES] think that the University should dissolve the Institute? Consider all that this step implies: giving donors back their money, publicly disavowing the University’s connection with Milton Friedman, and censuring the administration and council that created and approved this institute.

(Cochrane, 2008b)

The current University Statutes state that the Senate has the power to select members of the Council and to force a meeting with signatures of one-tenth of the faculty, but its powers end there (University of Chicago Board of Trustees, 2011). The Statutes do not include any language on voting in an advisory capacity. In the past, the Senate, or its historic equivalent, voted on issues of organizational and educational reform under Harper (Meyer, 1994) and Hutchins (Boyer, 2012; McNeil, 2007) and divestment from South Africa under Gray (Lipkin, 2008b). After the governance reforms of the 1940s, formal voting rights went to the Council of the Senate. However, the MFI conflict spawned further debate over just what the Council should be allowed to vote *on*.

Matters of jurisdiction. The Council of the Senate, being a representative body of the University Senate, has power “over matters affecting more than one Ruling Body, and any action of any Ruling Body which substantially affects the general interest of the University” (University of Chicago Board of Trustees, 2011, p. 14-15). The phrase “general interest” came under scrutiny following the Milton Friedman conflict. There would also be disagreement over the phrase “educational work,” stemming from a line in the Statutes stating:

All advisory, legislative, and administrative powers in the University concerning its educational work, except those vested in the President by the Board of Trustees, shall be exercised by, or be under the authority of, the Ruling Bodies specified in §12, according to their respective jurisdictions as herein defined.

(University of Chicago Board of Trustees, 2011, p. 12)

After the October Senate meeting, faculty members involved with CORES began to lobby for a review of the Statutes related to faculty governance. Bruce Lincoln, then a member of the Council of the Senate, remembered:

I started to object at the way council had been transformed into an impotent rubber stamp....One of the first things we did when we [CORES] had serious representation was to press for the Statutes to be honored so that the role the Statutes give to Council might become a reality. That set off a brawl in Council that was very unpleasant and the sides fought to a standoff. The administration really wanted to cede no ground whatsoever, but there was a large faction pressing for change. Two rival reports of what the Statutes meant were filed. And both were ultimately ratified. So we've got a formal record of unresolved ambiguity, ambivalence, and division, for both the Statutes and the reports can be read in two different ways. (B. Lincoln, personal communication, March 4, 2014)

Mark Hansen, Dean of the Social Sciences during the MFI conflict, also recalled the debate over the Statutes:

That's a more general issue, which is...about what does faculty governance mean, and who gets to decide what in the university. And I think there were some members of the faculty who took a very expansive view of what the faculty

should weigh in on and I think others who saw that as kind of a dangerous thing...who...felt like the last thing we need to do is to have a vote on whether we should do something that matters to important scholars. Because when you come right down to it, we are all minorities in that situation (M. Hansen, personal communication, March 4, 2014)

In 2012, President Zimmer appointed two special subcommittees to review the jurisdiction of the Council of the Senate and the language of a specific Statute. The first subcommittee was charged with answering questions about what types of programs or initiatives require Council approval and when the Council should play only an advisory role. They also looked into the history of voting within the Council. After reviewing archival material from Council meetings and consulting with administrators and faculty, the Committee on Faculty Governance produced a report for the Council. The report, signed by the seven faculty members on the committee, concluded that the Council of the University Senate only holds authority over programs that grant degrees or appoint faculty. Such new programs fall under the “general interests” of the university as laid out in the University Statutes. Programs or initiatives not granting degrees or appointing faculty fall under the purview of the faculty involved and the decanal authority of those who oversee the program’s respective school, unit, or division. The report stated that under these assumptions, an initiative like the Milton Friedman Institute would not require a Council vote because it would undermine the autonomy of the faculty members involved. The MFI held no degree granting or appointing powers, so decanal governance should reign. In contrast, the Molecular Engineering Institute, formed about the same time as the MFI, would and did fall under the jurisdiction of the Council as both a degree-granting and faculty appointing program.

The second committee proved to be divided on the same issues raised in the Committee on Faculty Governance report. The Committee on 12.5.3 of the Statutes was made up of six faculty members (see Appendix B for full language of Statute 12.5). Statute 12.5 covers the Council of the Senate, with 12.5.3 specifically addressing the Council’s jurisdiction and powers in nine sub-statutes. The committee reviewed histories of the university and archival documents, met with deans and the Office of Legal Counsel, and held two town hall meetings for interested faculty. Although the goal of the Committee on 12.5.3 was to clarify language found in the Statutes, two separate and discordant reports were filed and ultimately ratified by the Council of the Senate. The phrases “general interest” and “educational work” surfaced again as causes for debate. The Statutes give the Council of the Senate authority over “any action of any Ruling Body which substantially affects the general interest of the University” (University of Chicago Board of Trustees, 2011, p. 15). Ruling Bodies—both the Council and the separate school/unit/division faculties—possess “all advisory, legislative, and administrative powers in the University concerning its educational work, except those vested in the President by the Board of Trustees” (University of Chicago Board of Trustees, 2011, p. 12).

Three of the six faculty members took a narrow view of the Statutes, concluding that the Council’s jurisdiction over educational work meant that it could approve only those programs that seek to grant degrees. Anything related to research, curriculum, instruction, or admissions would be left to the school/unit/divisional faculties, unless changes would affect more than one Ruling Body. The other three faculty members took an expansive view of the Statutes, arguing that educational work encompasses more than just instruction. They contended that at a research university, there are no definitive lines between instruction, research, publication, and other scholarly activities, calling all of them educational work. Under this purview, the Council of the

Senate should have the right to weigh in on any academic matter that would affect the university as a whole.

The language of the Statutes is undoubtedly confusing. In the end, the questions raised by these special committees boiled down to disagreement over what should fall under the local authority of the school/unit/divisional faculties and what should come under Council control. For the Milton Friedman Institute, the question was ultimately: Is this an initiative that would affect the university as a whole, or is this an initiative that only affects faculty in Economics, Business, and Law? Dean of the College John W. Boyer recalled:

There were concerns about the role of the Council of the Senate, and the Statutes are very clear that its primary role is to approve and review academic programs, by which we mean programs that are linked with an academic degree. So if you want to create a new school of public policy you would have to get the Council's approval; if you want a new master's program, the Council would have the right to approve it. The College Council has voted on new majors under my deanship, like Jewish Studies, Environmental Studies, Gender Studies. The Council of the Senate also has the right to review these decisions and overturn them if it wishes. They've never exercised that right. But in my view they do not have the right to approve or disapprove research centers that don't have curricula involving for-credit courses. (J. Boyer, personal communication, March 5, 2014)

Provost Thomas Rosenbaum agreed:

And as a matter of practice the only institutes that come up for votes are ones that either have faculty appointive powers or grant degrees. And the argument there is that you're making a statement on behalf of the university, that's an educational

statement on either of those, and that thereby the council has jurisdiction. The difficulty is that it's not that explicit in the Statutes. The Statutes have a certain amount of ambiguity which is generally good, I would argue. And there was some risk in this whole argument given that the statutes are the creature of the trustees. And the trustees could have redefined it and just said, amended the Statutes to say that the Council has no jurisdiction whatsoever over the formation of institutes. At one point it looked like that might happen. We actually, we being the central administration, actually fought against that because I think for the long term, it's good to have more leeway for the Council for faculty action and not a stipulation from the trustees. (T. Rosenbaum, personal communication, May 13, 2014)

CORES faculty members felt that since Milton Friedman's name was meant to draw a large amount of attention and donations, the MFI was a matter of general interest to the university. Describing a meeting between him, Yalit Amit, and the president and provost, Bruce Lincoln remembered:

At a certain point, Yali made the argument that having structured the Institute as an interdisciplinary entity involving three different major units made it a university-wide concern. Further, if it was a top fundraising priority of the University at large, it was a concern for everybody. And if it was going to be a flagship enterprise that had all these features, people like us have a right to be involved and to have a voice....Were the institute located inside the department, rather than being an initiative, priority, and concern for the University at large, whatever we thought about Milton Friedman's name and his thought and his

profile, wouldn't be all that relevant. We aren't citizens of the Economics Department, we are citizens of the University. If it's University business, we claim the right to scream. (B. Lincoln, personal communication, March 4, 2014).

For CORES member Clifford Ando, a professor of classics, the formation of institutes like the MFI posed a danger of circumnavigating formal governance: “There is a concern...that for whatever reason—and one could imagine multiple ones—that the foundation of an institute reporting directly to a provost could be a mechanism to get around otherwise extant structures of adjudication and approval” (personal communication, March 4, 2014).

The president, provost, and deans of the university agreed in the end that the MFI was a local initiative. The current iteration—the Becker Friedman Institute for Research in Economics—has a governing board composed of the current provost, a senior faculty member, the chair of the economics department, and deans of the business school, law school, social sciences, and public policy (Becker Friedman Institute Leadership, 2014). The CORES group has remained active, now comprising about 40% of the Council of the University Senate. The issues they raised opened up important conversations about faculty involvement in university governance.

Chapter Conclusion and Discussion

What can the Milton Friedman Institute conflict tell us about university governance? On the face of it, the conflict may appear to be just another case of dying shared governance. Public exchanges in the news between faculty and administrators had a negative and sometimes combative tone. One could argue that the administration “won” the MFI debate since plans for the institute went ahead, but no one interviewed would say that. For everyone involved, the importance of the MFI conflict went beyond winners and losers. The conflict brought to light

serious questions of faculty participation in the academic matters of the university. Instead of governance dying, the MFI case proved that governance is alive—that faculty care and want to be involved. Even more amazing, faculty are willing to look back into their institution’s own history and memory to carefully and thoughtfully form opinions, just as the faculty on the Committee on Faculty Governance and the Committee on 12.5.3 of the Statutes did to produce their reports.

The specifics of the MFI case can offer some general lessons on governance and invites further opportunities for research. First, for governing bodies to work, people must care about the role they serve. Second, faculty are hardly ever of a single mind. The majority of the opposition to the MFI took aim at the university’s administrators. But there were divisions among the faculty in support or opposition of the institute as well. Finally, research into governing bodies has revealed that formal structures should not be the only aspect studied when examining decision-making power at an institution. Elements of the MFI case align with those studies.

Implications for practice. In Gerber’s *The Rise and Decline of Faculty Governance* (2014), he ends with a plea to keep governance alive through participation. In interviews with faculty and administrators involved with the MFI conflict, many felt that the norm of faculty boards was inaction:

But it’s easy to turn down or to become disenchanted with or uninvolved with university governance. You know—and I’m sure other people would say this—I’m sure many people would recognize the problem that the correlate to faculty not being heard is faculty not, to use a sports metaphor, faculty not stepping up to the plate. It takes time, it takes time. And just as the university is asked to do

more and more, and are larger more complicated enterprises, the demand on faculty time is higher and higher... [C]oming back to the term *prima donna*, if the vision of yourself is that of a high-falutin', highly paid intellectual who ought to exist in a sort of rarified world of 19th century German aesthetics, and that it dirties you to do committee work, well then don't be surprised that it turns out the next week they make a decision without you. (C. Ando, personal communication, March 5, 2014).

Yali Amit echoed a similar sentiment about the Council of the Senate: "It gets these reports about random things that the administration wants to report about. And falls asleep...so I was on the Council once as a junior faculty and I didn't understand what I was doing. It was really boring" (personal communication, May 12, 2014). Even Thomas Rosenbaum, who would become the provost and is now the president of Caltech, remembered "I think I served on the Council in something like '86 to '88. Something like that...You know I was a recently tenured professor, associate professor. I was not hugely involved in the broader political environment in that fashion" (personal communication, March 13, 2014). One participant was more disillusioned about governance:

So there's a larger problem...in faculty governance in general, which is that since the '60s everybody belongs more importantly to an invisible college than to their own college. They belong to their discipline, which is not only national but international. And their kudos and their successes are in their professional activity including their success in the university which reflects in salary, leaves, and all kinds of perquisites, their success outside the university. So nobody basically gives a shit about running the university because as long as they have

nice niche, are well paid, are recognized and so on, people are not committed to the conditions of their employment or their university. (Anonymous, personal communication)

Since the Milton Friedman Institute dispute, the nature of faculty governance at the university has changed. The CORES group concentrated their efforts on gaining more seats on the Council of the Senate. The Committee on Faculty Governance and the Committee on 12.5.3 of the Statutes were direct results of renewed faculty interest in their role at the university. This increase of governing activity shows how conflict can be actually be healthy. Mark Hansen summarized what the MFI debate did for university governance:

And then we had what turned into...a two or three year long debate in the council about...the powers of the council....The Friedman Institute wasn't the only thing that caused that to be on the agenda, but it was...the first thing. It kind of got everything rolling. (M. Hansen, personal communication, March 4, 2012)

For faculty to want to participate in the first place, governing bodies like senates or councils need to have clear roles and powers. If their function is reduced to passive listener or a rubber stamp, faculty are less likely to care about institutional matters.

Implications for research.

Faculty factions. Too often in discussions about shared governance, a line is drawn between the faculty and administration. A good fight will always draw the public's attention. With the MFI, the opposition group CORES had plenty to say about the university's administration, but they were not the only faculty voice involved. There was no equivalent group to CORES on the other side of the debate, but plenty of faculty showed support for the MFI and for the faculty who created it. Some, like Law School Professor Richard Posner, voiced

their support publically as he did in his blog (Posner, 2008). Others, like economics faculty member Allen Sanderson, preferred not to make public statements, but supported his colleagues behind the scenes. When asked if the nature of the MFI debate was an issue of faculty versus administration or faculty versus faculty, Bruce Lincoln referred the University Senate meeting:

Both, but the rival factions of the faculty were quite different in their nature, size, and relation to the administration. What I took to be diagnostic at the Senate meeting was that the provost, chaired the meeting and selected who would be called upon to speak from the floor. He very, very carefully balanced it 50-50. Every speaker was followed by someone on the opposite side, but whereas those opposed came from every branch of the University, those in favor all came from the Business School or the Department of Economics....Large sections of the faculty didn't care. But of those who cared, there was a real asymmetry in the two sides. Those who saw this as holding the promise of real support for their work loved what the administration was doing; those without a personal stake were much more critical. (B. Lincoln, personal communication, March 4, 2014)

There was also a fair amount of communication back and forth between CORES faculty and the faculty who authored the Milton Friedman Institute proposal. Both Bruce Lincoln on the CORES side and Lars Hansen on the MFI side remarked that these exchanges were collegial, pushing each person to consider problems or perspectives that they may not have thought of before.

There is a small, but growing number of studies that focus on different forms of faculty involvement in decision-making outside of formal governing bodies. Instead of depicting "the faculty" as one entity, they explore the role that ad hoc committees play in planning and

implementation of new programs (Keller, 1983; Hartley, 2003; Hartley & Shah, 2006; Hearn & McLendon, 2012; Schuster, Smith, Corak, & Yamada, 1994). The Milton Friedman Institute was the brainchild of such a committee. The ad hoc committee or “task force” model may undermine formal governing bodies by placing decision-making power in the hands of a select few. One concern is that smaller groups of faculty are hand-selected by administrators to plan and implement initiatives of the administration (Waugh, 1998). Another concern is that these small ad hoc committees show administrative favoritism toward a select few. In the MFI case, the president, provost, and deans publically backed the members of the institute’s planning committee in the press and in meetings of the Council and University Senate. When studying conflicts, especially with governance in mind, it may be relevant to explore multiple structures of control, including deanships, departmental chairs, and ad hoc committees in addition to central administrative and governing structures.

Toward more effective shared governance. In prior research, scholars have explored governance through a structural lens, focusing on size, composition, and powers granted through formal university documents (Gilmour, 1991; Tierney & Minor, 2003). However, scholars are beginning to understand that other factors influence decision-making processes beyond structural components (Del Favero & Bray, 2010; Kezar & Eckel, 2004; Minor, 2004; Pusser & Marginson, 2012). Institutional politics, culture, and history also influence the decision-making power of faculty. Kaplan (2004a) found that the structure and formal role of governing bodies had little to do with actual decisions being made. He concluded that “our concern for and focus on governance structures may be misplaced, or at least overemphasized” (p. 32). In 2004, Tierney called for less “exhortations and lamentations about the state of governance from either those who want more administrative authority or those who perceive the demise of shared

governance” (p. 122). Emphasizing the need for more empirical data, Tierney wrote that studies of power and decisional control will be necessary in order to explore governance outside the frame of academic councils or senates. One way to achieve such a study is “to look at specific issues to see who is involved or not” (p. 116).

Again, the discussion of the ad hoc committees needs to be part of the broader picture of university governance, institutional planning, and decision-making. Research into the frequency of use, composition, and purpose of ad hoc committees, juxtaposed with research into permanent centralized governing bodies, can illuminate how and where the bulk of an institutional planning is taking place. In research institutions in particular, the size of the university, the decentralized nature of organization, and disciplinary diversity merit the use of ad hoc committees and task forces. If every decision made had to go through a central governing body, little would be accomplished. Also, depending on the purpose of the ad hoc committee, it may be inappropriate to present a program to faculty members outside a particular discipline or area of specialization. But this is where the tension between academic freedom and governance emerges. As with the MFI conflict, some faculty and administrators argued for the academic freedom of the MFI planning committee—as experts in economics—to create and implement their own initiative. However, other faculty argued that involving multiple units and including such a high fundraising goal in the proposal made the MFI a matter of university-wide importance. I believe more research into institutional planning and decision-making will help higher education scholars understand the complicated dynamics of university governance. Ultimately, whether or not ad hoc committees or central governing bodies are effective structures of institutional planning will depend in large part on the culture of the institution in which they preside.

Conclusion

There arose thirty-three years ago, in the Middle-Western United States, a university which, from its very foundation, proclaimed: "Here is to be found intellectual freedom." It established as its official motto, and has kept it: "Let knowledge grow, that life may be enriched." By setting up lofty ideals of scholarship, by recognizing research as one of its primary aims, and by encouraging freedom of investigation as a prime condition of success in research, it began on a place to which many another institution has been slowly ascending....This university is the University of Chicago. (The Committee on Development, 1925, pp. 9-10)

Reputation, academic freedom, philanthropy, and governance. Four ways of viewing a single conflict. Four ways to ask how the University of Chicago embodies its avowed standards in practice. Reputation may have in fact started the conflict. Had the institute been named after a donor, or given a more generic academic title like "The Center for Research in Economics, Business, and Law," the amount of money involved may have caused some grumbling among the faculty, but likely not to the level of fervor reached once the initiative was announced with Milton Friedman's name. But reputation was just the start. The MFI ignited a debate that opened up questions about free inquiry, university policies on political statements, donor involvement, decision-making processes, and faculty governing powers. Each of these issues overlaps with the other.

Weaving Together the Issues

Reputation and academic freedom. The University of Chicago has a longstanding history of defending academic freedom, which includes remaining politically neutral, adhering to empirical methods, and publishing a product that benefits society. Yet in the past, concerns over institutional reputation caused the wave of faculty dismissals across higher education in the late 19th century. The Edward Bemis case showed that the university was not immune to the sway of the public. These concerns surfaced again during the Red hunter investigations, but at that time

University of Chicago trustees and President Robert Maynard Hutchins remained adamant about defending the rights of the faculty and students. The university now has an established reputation for defending the academic freedom rights of individual faculty members.

In the case of the Milton Friedman Institute, the reputation of the university, the Chicago School of Economics, and Milton Friedman caused those involved in the debate to question how Friedman's name on such a visible initiative would affect the university's name. For those who opposed, the institute served as an endorsement of his scholarship to the detriment of alternative approaches to economics. Opponents also felt that the initiative endorsed Friedman's role as a public figure and political advisor, especially in relation to Pinochet. If the activities of the MFI served to entrench a single research approach to economics or advocate for policies that leaned to the political right, the reputation of the university as a stronghold of free inquiry would be threatened. Those who planned and advocated for the MFI insisted that the institute would adhere to the same research ideals practiced by Chicago economists. Their reputation for strong empirical research has been endorsed by the numerous awards garnered by faculty and alumni over the years. For them, Friedman's name spoke to the award-winning history and scholarly renown of the Chicago School of Economics. Siding with individual academic freedom, administrators concluded that just because Friedman was controversial and unpopular in certain circles did not mean that the university should scrap the initiative that bore his name.

Reputation and philanthropy. In his address to the University Senate, Bruce Lincoln accused administrators of "pimping" Friedman's name in order to attract donors. During the student-run town hall meeting the night before, a supporter of the MFI argued that university initiatives need donors with "big pocketbooks" and the Friedman's name would "resonate" with donors (Tsiang in Jerome, 2008b). An opposition faculty member responded that fundraising

was “the worst reason to name a research institute” (Rothenberg in Jerome, 2008b). As I discussed in the chapter on philanthropy, private institutions and public research universities established in the mid to late 19th century attract the most external funds. Every five years or so, these institutions launch campaigns that now have billion dollar fundraising goals. The MFI was announced as a \$200 million initiative. This amount of money is unfathomable to most colleges and universities, especially for a single fundraising goal. Yet there was precedence for the dollar amount from the \$100 million gift for an undergraduate scholarship program and \$300 million for the Booth School of Business. However, the Milton Friedman Institute was likely the largest fundraising initiative attributed with honoring a faculty member in the landscape of American higher education. In hindsight, Provost Thomas Rosenbaum admitted that the Milton Friedman Institute should not have been advertised as a fundraising initiative because the donor language detracted from the institute’s proposed research activities.

Philanthropy and academic freedom. Donor language pertaining to the Milton Friedman Society raised concerns about academic freedom. From history, we learned that the balance between donor interest, institutional need, and institutional mission is delicate. The University of Chicago was lucky in that John D. Rockefeller seemed largely disinterested in its activities. Other universities were not so lucky, with presidents forced to bend to the will of Mrs. Jane Lathrop Stanford, Commodore Cornelius Vanderbilt, and other industry magnates who were not satisfied with letting their money go without some strings. Today this pressure is increasing, with “venture philanthropists” insisting upon more stringent application processes for grants and regular progress reports. Donor involvement in the MFI raised questions about the pursuit of disinterested research. The notion that lucrative economic information might be “for sale” violates the principle of academic freedom that obligates university research to remain a

public good. The faculty who planned the MFI denied that donors would have access to any information ahead of the public. Opponents felt that the language of the donor society implied special access to the MFI. They also alluded to development-driven academic planning, arguing that the MFI opened the door for donors to direct the research initiatives of the university. Administrators insisted that donors are not privy to inside information, and that their proposed funds can be rejected if the strings attached compromise the core values of the university.

Academic freedom and shared governance. The concepts of academic freedom and governance grew together as the research institution took hold in the United States. Without faculty governance, there would be no structure in place to implement and defend the values of academic freedom. For the MFI debate, a primary issue that emerged was whether or when faculty governing bodies have a right to potentially trump the academic freedom rights of an individual professor or department. For opponents, the involvement of multiple units—the Business School, Law School, and Department of Economics—as well as the grand scale of the initiative, made the Milton Friedman Institute a matter of university-wide concern. For those who supported the MFI, the initiative belonged to the faculty and deans in the department and units. As described in the last chapter, the Council of the University Senate spent months debating this issue, leading town hall discussions and digging into the university’s governance history. In the end, two separate reports were ratified—one with an expansive view of Council powers and one with a limited view. Administrators, citing academic freedom of the individual, ultimately decided that the MFI did not fall under the purview of the Council because the program would not appoint faculty or grant degrees.

Reputation and shared governance. Despite the fact that the president and trustees hold the final authority on decisions, the University of Chicago has a reputation for being

faculty-run. From history, we know that control has gone back and forth between the faculty and presidents. For the faculty who opposed the MFI, the process through which the initiative was planned and implemented contradicted the university's reputation for strong faculty involvement in governance. Members of the group the Committee for Open Research on Economy and Society (CORES) accused administrators of autocratic leadership styles. Administrators countered that faculty opinion always matters, and that no initiative can be achieved without faculty support. The provost even felt that the public opposition on part of university faculty resulted in the MFI's scant donations (T. Rosenbaum, personal communication, May 13, 2014).

Philanthropy and governance. Finally, the MFI debate raised the issue of philanthropic initiatives, like institutes or centers, skirting existing governing structures. From what I could glean from interviews, little development planning goes on in the Council of the University Senate. Instead, the Council tends to learn about initiatives once they are already planned. Many of these initiatives are likely the product of ad hoc committee work. On a logistical level, these smaller, temporary committees make sense. Working with a small group of people who have experience and interest in creating a new initiative would be easier than submitting every new idea to a governing body like the Council of the Senate. However, leaving the representative governing bodies entirely out of campaign planning and development opens the door for conflict and could potentially pit the ad hoc committee against the governing body.

Implications for Practice

What can the MFI case tell us about our approach to university conflict? First, we should resist the urge to pigeonhole conflict. Some involved in the MFI debate said the problem was only about Milton Friedman's name. Others said money was the issue. After reading case documents and listening to interview participants, it became clear that many issues were

involved in the dispute. Labeling a conflict has the potential to ignore or marginalize certain people, documents, and events. For example, Burgan (2009) portrayed the MFI as a problem of governance. Looking only at the governing process led her to the incorrect conclusion that the MFI conflict was resolved through the University Senate meeting, and that the majority of faculty were happy with that meeting's outcomes. We know from interviews, the reemergence of the dispute in 2010, and the long debate over university statutes that the problem was not resolved in the Senate meeting. Nik-Khah (2011) briefly discussed problems of Friedman's reputation, the large dollar amount of the initiative, and governance, but dismissed these issues in favor of labeling the dispute as one of misunderstanding on the part of the opposition faculty. While opposition faculty came from varied backgrounds outside of economics, dismissing them as outsiders delegitimizes their criticisms of the MFI and their years of experience at the university. In a conflict, many voices can emerge from interested parties, including faculty, administrators, students, and alumni. Only by examining these multiple perspectives can one come to understand the holistic nature of conflict.

Second, create opportunities for everyone to be heard. Governing bodies do not include everyone. In this case, seven faculty members of the Committee of the Council held the authority to deny a Senate vote. The Council of the Senate is slightly larger at 51 members, but this number is still a small fraction of the university faculty. The October meeting of the University Senate had a broader audience, but the meeting was closed to non-faculty and the press per university policy. What opportunities do administrators have for creating a space for everyone to be heard? The town hall offers one solution, open to anyone in the university community interested in the topic. To the extent allowed, keep these events open and record information to share with those who could not attend. Surveys distributed via e-mail offer

another method of collecting information, and one that has the potential to reach a wider audience who may not have time to attend a meeting. The more people can contribute their voices, the better university leaders will be able to glean the most salient concerns over the object of contention. Hearing from multiple people can help leaders address specific concerns and communicate better with the different audiences involved.

Third, look to the past for guidance. Almost everyone involved in the MFI dispute referenced the University of Chicago's tradition, history, and values. Ask questions like: What are the university's principles and how have they been embodied in the past? In what way might the object of conflict defy these principles? Are the rules and guidelines on the books up to date with the modern operations of the university? Or is there a need to reevaluate rules, policies, and procedures in light of new trends in higher education? Listen to the stories people tell about their time at the university. Have things really changed, or is there a tendency to mythologize the past? Every institution has a memory of important events and key people that define its identity and chosen values. With a better understanding of this history, those involved can better understand why a conflict might erupt in the first place, and develop methods for resolution.

Finally, if money is involved in the dispute, be as open as possible about the budget or fundraising process. In the MFI case, the dollar amount of 200 million was frequently referenced in mainstream media articles. Because these articles failed to distinguish between a goal and an investment, many people believed that the MFI would receive capital funds from the university. In interviews, however, it became clear that \$100 million was only a fundraising goal—albeit a large one. If the MFI staff did not raise this amount of money, the university would not put central funds toward the initiative. The other \$100 million was allotted for building renovation. This amount would have been invested in renovating the Theological

Seminary with or without the existence of the Milton Friedman Institute. The way the project was presented made it appear as if university leaders favored one department over the others. By being more explicit about the finances involved with the MFI, administrators could have resolved the monetary side of the conflict more easily. In general, involving faculty members in fundraising can help demystify campaign planning and the operations of alumni relations and development offices. Forging a relationship between development staff and faculty can create mutually beneficial opportunities, with faculty support bolstering campaign initiatives and fundraising staff helping faculty connect with donors who may be interested in their work.

Implications for Research

As I wrote in the introduction, I hope this study will contribute to literature on university conflict, organization and administration, governance, and institutional histories. As I learned more about the Milton Friedman Institute debate, I saw the merit of using a historical perspective to approach the conflict. Although university conflicts can grab attention in mainstream media, unless you are a part of the institution or spend time getting to know the institution, it would be difficult to understand the complete nature of a conflict. Reporters may frame a conflict as a governance issue, or they may pick the juiciest quotes to depict a battle between faculty and staff. By presenting conflict in this simplified way, I am afraid that such debates will only draw the ire of the public. Especially for the faculty leading the protest, only understanding the surface of a dispute may lead to comments like “don’t they have anything better to do with their time?” or “faculty just love to argue.” For those on the outside of a conflict, the object of debate may seem trivial. By conducting research, we can come to understand that university conflict is multifaceted and often deeply rooted in an institution’s history.

Organizational identity literature offers us some insight into why faculty become involved in university conflict in the first place. Historically, the academic profession has come to embody certain values and practices. There are standards of research and procedures of peer review that must be recognized by faculty and administrators in order for universities to remain bastions of knowledge. Without these professional standards, universities drift into the realm of profit-seeking or politically driven organizations. Then there is institutional identity—the idea that people identify certain aspects of themselves in their place of employment. While higher education scholars have made some headway in this area (Clark, 1987; Cummings & Finkelstein; Weerts, Freed, & Morpew, 2014), there is enormous opportunity for further research. Large scale, multi-institutional studies could survey faculty specifically on their professional and institutional identity. Smaller scale qualitative studies could include interviews with faculty at a few institutions of similar type or several different types for comparison. Single institution studies, like Tuchman's (2009) *Wannabe U* are still rare. Institutional studies offer the opportunity to see what is unique about an institution, but invites others to think about what may be similar or different at their institutions.

Given Milton Friedman's famed history, I found the conversation on academic stardom from *The Minnesota Review* intriguing. Friedman met all of the parameters of a megastar (Spurgin, 2001), from his Nobel Prize to his popular documentary to the many biographic works on his life. Yet I found few resources on academic celebrity. I think this is a troubling topic for the faculty. The star system creates a hierarchy that few may want to admit exists. Megastars are able to publish in top journals, hold esteemed appointments to editorial boards, gain administrative authority as deans or department chairs, travel for guest appearances, and transition over to popular media like television and bestselling books. We hold these faculty in

esteem by writing about their lives and following their careers, but I could not find any literature on how academic stardom might affect the more traditional standards of the academic profession. How does public fame influence promotion, salary, and perquisites? Are other faculty at the same institution somehow devalued because they are not megastars? These questions open the door to in-depth qualitative studies.

For anyone worried about the growing competitiveness of higher education, research on fundraising is a must. I believe that university development has been marginalized for decades. Before I worked in the field, I had no clue what went on in alumni relations and development offices. Publications on higher education fundraising are mostly practitioner based, offering advice on how to raise money. There is little information on how that money affects the academic activities of the university. We know that the amount of money raised by college and universities is at the multi-billion dollar level (Troop, 2014). But we also know that significant amounts of this money flow to a handful of institutions. Anecdotally, it appears that scholars are starting to see the danger of this competition, especially for mid to low level ranked institutions. We have also heard of donor involvement encroaching upon the academic activities of institutions (Berrett, 2011; Burgan, 2009; Keenan, 2009). Slaughter and Rhoades (1996) have studied the influence of external funds in the area of research and development at universities. Their work can serve as a model for studying how external funds affect all parts of a university.

Finally, there is ample opportunity for the study of extra-departmental programs in higher education. The number of centers and institutes housed under one university can reach into the hundreds, as is the case for University of Chicago. These institutes carry the university name, yet few people know what they do. In my interview with Clifford Ando, he enlightened me to a further complication in the development of institutes and centers:

Chicago has in essence two kinds of institutes. One is an institute *of* the University of Chicago, comprised of academic employees *of* the University of Chicago who do research in their capacity as employees *of* the University of Chicago. Note that I keep using the preposition “of.” These almost always come about because of initiatives welling up from below. But there are also institutes *at* the University of Chicago, which are frequently institutes proposed by external persons. In such cases, faculty are brought together with the external party. There are number of cases where somebody has said, you can use the University of Chicago logo, for example. You can [have] borrowing privileges at the library, you can use the mailing list to access the students, you can do this that and the other thing. But because your structures of governance are not in the end sufficiently academic, you will not be called an institute *of*. You are simply an institute *at* the University of Chicago. (C. Ando, personal communication, March 5, 2014).

Few people are likely to recognize this distinction, especially the general public. The decisional outcomes of the Milton Friedman Institute rested largely on the logic that an institute not appointing faculty or conferring degrees is not subject to the same research standards and governing structures as the departments. Therefore, one could argue that centers and institutes allow faculty to circumvent the powers of centralized governing bodies. I do not believe that the faculty who planned the MFI set out to evade the Council of the University Senate, nor did they plan for the institute’s research to be anything but an extension of their work inside the Department of Economics and the Booth School of Business. This conflict does, however, open the possibility for many research questions such as: Who staffs these extra-departmental

programs? Do they seek external funds? Are they interdisciplinary? How are they governed? Are they publishing under the university's name? Should they adhere to the same standards of academic freedom as the departments? If an institute is allowed to produce publications like policy reports that might slant to one side of the political spectrum, can university leaders ensure that their institution is still seen as politically neutral? Research into this area could take the form of an inventory or typology of institutes and centers to establish a general landscape of extra-departmental programs across higher education. Studies of a single university could elucidate how these programs are run and what kind of work they produce.

The Becker Friedman Institute Today

The new Saieh Hall for Economics is still undergoing renovation, but parts of the building are open to the public. The renovated seminary now houses the Department of Economics and the Becker Friedman Institute for Research in Economics (see Figures 5). Lars Hansen remains the director of the institute, joined by fellow faculty member and original member of the MFI planning committee, Kevin Murphy. According to the institute's home page, the BFI has received 95 international presenters and 392 domestic presenters since 2009. The BFI takes 30-plus visiting scholars a year and hosts multiple events and workshops including the Friedman Forum and the Becker Brown Bag Series. In 2012, members of the BFI celebrated the centennial of Milton Friedman's birth with keynote speakers James Heckman, Kevin Murphy, Gary Becker, and Robert Zimmer. Becker's life was celebrated in October of 2014 after his death in May. Current research initiatives include work on price theory, economics and the family, macro financial modeling, and fiscal studies. All papers produced out of the BFI are available for download on the institute's website. The governing committee

consists of the deans from the Booth School of Business, the Law School, the Social Sciences Division, and the Harris School of Public Policy.

When I asked interview participants about the activities of the Becker Friedman Institute, most mentioned the workshop series. Members of the opposition faculty have attended some of these workshops and found them to be in keeping with the research traditions of the Department of Economics. The BFI is still fundraising and will be a part of the new university-wide campaign, announced in 2014.

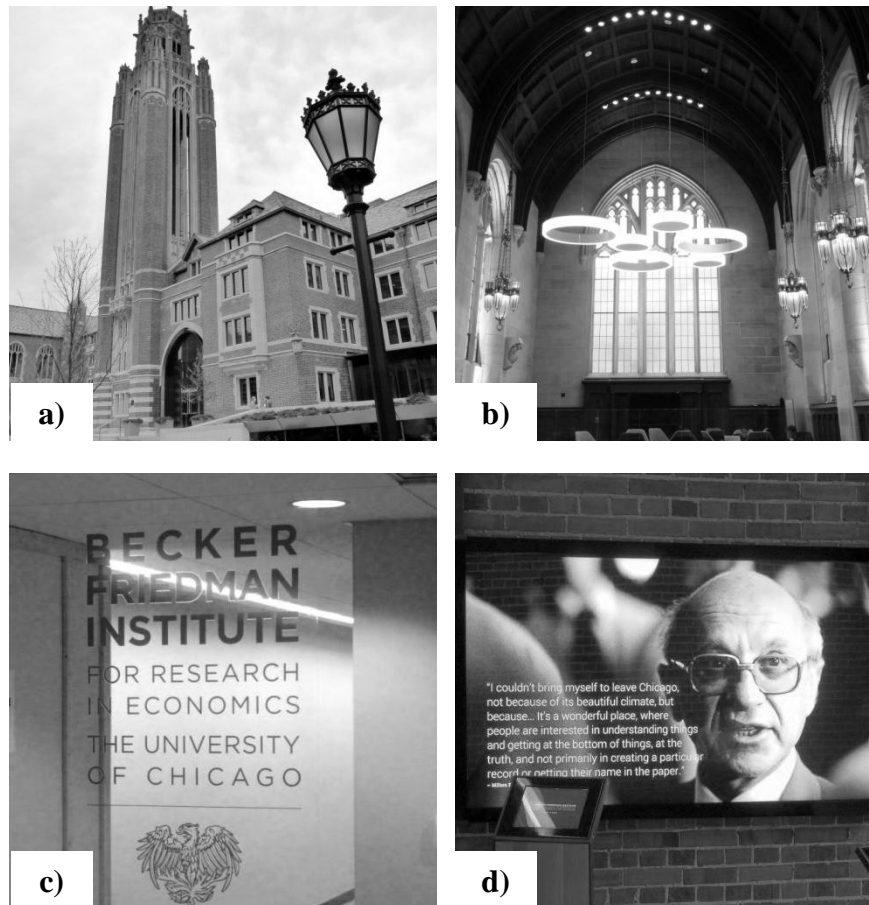


Figure 5: a) Exterior of Saieh Hall, b) Interior Common Room, c) Becker Friedman Institute Sign, d) Multimedia Installation featuring Milton Friedman. (2014). Photos by Ken Bigger

Continued Activity of CORES

Faculty members of CORES remain active. They appear to communicate mainly through listserv e-mails and have taken up issues of the Confucius Institute and the University of Chicago Hospitals. The most effort was put into electing more CORES faculty to the Council of the University Senate to influence change in the central governing bodies. They currently make up about 40% of the Council's membership. Similar strategies have been used to approach newer issues, including a petition circulated by Bruce Lincoln and op-ed pieces written by Marshall Sahlin to protest the Confucius Institute. Defending governance, disinterested research, and academic integrity remain principal causes of CORES.

The Tension between the Present and Past

One of my interview participants commented that universities are peculiar places that must continuously innovate and adapt in order to stay relevant to society, but also places that are decades or centuries old with traditions, legacies, and unique cultures that pervade campus life. A university's ethos is hard to pin down, but is embodied in the many forms of academic work we do, from research to the classroom to policy and more. When new decisions seem to contradict longstanding traditions, there is bound to be backlash. In these instances of disagreement, no matter how much they escalate, there is opportunity to pause and reevaluate standards and practices. Conflict presents a chance to look back into an institution's history to ask what we value, what should remain, what needs to adapt, and what needs to change.

APPENDICES

APPENDIX A:

Research Method in Detail

This research project was conducted for the completion of a doctoral degree at Michigan State University's College of Education. Below are details usually found in a designated dissertation chapter. While I included some of this information in the introduction, I chose to move the bulk of the text to an appendix so as not to interrupt the narrative flow of the MFI story.

Research Paradigm

This study was conducted through the worldview of social constructivism. Instead of seeking a single truth or reality, social constructivists believe that individuals create their own realities based on personal history and social context (Glesne, 2011; Guba & Lincoln, 2005). Researchers in this paradigm reconstruct social phenomena by interacting with people and interpreting multiple perspectives of the same phenomenon. Special attention is paid to how study participants interact with one another to reach some consensus or agreement on the truth or reality of a given situation. Social constructivism is suited for qualitative methods because researchers seek to explore and interpret rather than control and explain. For my particular study, I wanted to understand how multiple participants viewed a single conflict.

Historical Perspective

I chose a historical perspective because I did not want to limit the analysis of MFI conflict to a single model. This conflict was about many things, and I felt that choosing one would ignore the full picture of what happened. Upon interviewing participants, I found there was a story to tell about the MFI case—one that would not fit a pre-existing model. However, as all historians are, I was informed by a variety of literature that helped place the conflict into

larger context. This literature included institutional histories, organizational theories, research on governance structures, conversations on the role of philanthropy in higher education, the genesis and development of academic freedom, and other university conflicts.

Historians must come to terms with their own subjectivity. As researchers, we spotlight certain people or certain events, hoping that what seems important to us will be important to someone else (Gaddis, 2002). In other words, “historians do not discover the past as much as they create it” (Howell & Prevenier, 2001, p. 1). The purpose of writing history is to learn from the past. As Gaddis phrased it:

We know these things about the future only from having learned about the past:
without it we’d have no sense of even these fundamental truths, to say nothing of
the words with which we express them, or even of who or where or what we are.

We know the future only by the past we project into it. (2002, p. 3)

I chose to spotlight the Milton Friedman Institute case because I thought it could reveal latent issues that undergird university conflicts. In choosing to tell the story from the approach of four different themes, I imposed significance on documents and interviews from the case. These themes also shaped how I approached the historical background sections. A full history of the University of Chicago or higher education in the U.S. would fill volumes—and much of it would be irrelevant to this case. I chose to include sources that spoke specifically to historical issues of reputation, academic freedom, philanthropy, and governance. Another person may look at the same historical sources and pull out different information.

Case Study

Case studies have been called a research strategy rather than a methodological choice (Glesne, 2001; Stake, 2004). Instead of demonstrating how the researcher is going to approach

the data, case studies demonstrate a choice of what is to be studied. Cases are bound, usually in time or place, allowing the researcher to conduct an in-depth analysis of a place, phenomenon, or person. The MFI case is bounded in place: the University of Chicago, and time: 2008-2012. I chose a single rather than multiple case study in order to fully explore the history, values, and practices of the university that shaped the nature of the MFI dispute.

Document Selection

Initial documents were identified on the opposition faculty's website, <http://www.miltonfriedmancores.org/cores>. The site's content included a summary of the dispute, an electronic petition and signatures, links to news articles about the MFI, and personal communications written by opposition faculty, MFI committee members, and administrators. Additional documents came from searches conducted in the student newspaper, *The Chicago Maroon*, and on Google to find national news coverage of the case. According to Howell and Prevenier (2001), newspaper and online sources should be analyzed with the author, intended audience, and potential biases in mind. In the MFI sources, I made sure to distinguish between op-ed pieces, which people submitted to *The Wall Street Journal*, *The Chicago Maroon*, and *The Chronicle of Higher Education*, from articles that were reporting on the conflict. Many of these articles recycled the same information—as one participant told me, once an article reaches the Associated Press, many media outlets will pick up the same story. Other web sources included politically “left” or “right” sites like Reason.com and Foundation for Individual Rights Education. Each of these sources was valuable for understanding opposite arguments about the MFI. I did not expect these sources to present me with any facts, save for key dates like the October 15, 2008 Senate meeting. Everything else I tried to confirm or clarify with interview

participants. For example, the press repeatedly reported that the university had invested \$200 million into the initiative, when half of this was actually a fundraising goal.

Voices represented in the documents include opposition faculty, advocate faculty, administrators, students, and alumni. A small number of documents were found using the snowball technique (Remler & Van Ryzin, 2011), having been referenced or quoted in the initial set of documents. Information on the University of Chicago's governing bodies was found online at the Secretary of the Faculties website. One faculty member was kind enough to share copies of his personal files on the MFI debate. Some of these documents, especially ones containing meeting minutes from the Council of the University Senate, are confidential. I referenced the content of these documents because they are integral to understanding what happened to the MFI conflict after 2008. These documents were not directly quoted, and I did not share any faculty member's name found in the documents. Several other participants mentioned that I should read these documents; therefore I do not feel I violated any confidentiality related to the Council of the Senate minutes.

Participant Selection

Additional data came from purposive interviews with key faculty and administrators at the University of Chicago. I intended to interview as many of the key actors found in the documents as possible. Names were identified from the primary and secondary documents found on the CORES website and in *The Chicago Maroon*. Due to scheduling conflicts, I was not able to interview everyone I contacted. Unfortunately, both Ira Wool and Gary Becker passed away in the last two years. I also contacted a graduate student who was active in the conflict, but we were not able to meet. After conversing with my dissertation chair, we determined that between

the documents and interviews I was able to conduct, the data were sufficient to give me a full picture of the conflict from different perspectives.

Interviews filled in gaps found in the documents, and provided insight into the motivation of each person for participating in the dispute. Although chosen interview subjects have been publically identified in the documents, I offered them the chance to create a pseudonym for interview purposes. All participants declined the pseudonym option. Interviews were semi-structured in order to allow participants to share their unique experiences and perspectives (Glesne, 2011; Yin, 2014). General questions included information about their history at the university, experience with governing processes, personal thoughts about Milton Friedman, and specific questions about their role in the MFI conflict. I also had several questions for each person based on information found in the published documents. The purpose of these follow-up questions was to clarify, fill-in, or elaborate on statements they made in the primary documents. I developed three separate protocols for the following groups: MFI committee members, opposition faculty members, and administrators.

Institutional Review Board and Protocol Development

An application to the Institutional Review Board was submitted in accordance with standards on the ethical treatment of individuals in research. The application was approved with exempt status on November 12, 2013. This study presented minimal risk to participants since chosen interview subjects were selected on the basis of their prior public participation in the dispute. There was no financial conflict of interest related to this study, and participants were informed that they would receive no financial compensation for agreeing to be interviewed. Interview subjects were under no obligation to interview with me, and could choose not to answer specific questions they may find objectionable. Electronic data, including audio files and

transcriptions of the interviews, will be kept on the researcher's password computer. Any printed data and all consent forms will be kept in the private home of the researcher in a locked file cabinet.

Data Collection and Analysis

Documents from the CORES website and news outlets were downloaded into separate files. Internet links to each document were added in order to retrace their source. Interviews were transcribed by the researcher. Documents and transcribed interviews were analyzed according to the “sociological condition, which treats text as a window into human experience” (Ryan & Bernard, 2000). The process was both inductive and deductive, what some historians call the “reiteration loop” (Gaddis, 2002, p. 46). I began by reading through documents found on the CORES website. From these, I identified potential interview participants and developed questions for the interview protocols. After the interviews were transcribed, I read through each one and took note of important themes. Comparison between interviews and documents helped identify patterns. I kept a research journal throughout with preliminary thoughts on grouping pieces of text and further questions. I also began to look for relevant historical material related to the themes in secondary sources on the University of Chicago and higher education in the U.S. I read through all of the sources several times before settling on the four themes—reputation, academic freedom, philanthropy, and governance. I did a final review of the text, pulling out quotes that fit these themes and picking the most representative and comprehensive ones to include in my write up.

Ensuring Research Quality

There is disagreement among methodologists as to the best methods for ensuring research quality in qualitative research (Glesne, 2011; Merriam, 2002; Stake, 2004; Yin, 2014). Some

scholars utilize terminology from quantitative research, such as “internal validity” and “generalizability” (Remler & Van Ryzin, 2011; Yin, 2014). Others argue that differences between qualitative and quantitative research design warrant the use of new terminology to approach research quality in qualitative analysis (Glesne, 2011; Imel, Kerka, & Wonacott, 2002; Stake, 2004). For this study, I adopt the terminology of this latter group of scholars. In this section, I detail methods utilized to shore up credibility, transferability, dependability, confirmability, and authenticity.

Credibility. Credibility, also referred to as internal validity, ensures that a study’s findings are congruent with what is being observed in the field (Imel, et al., 2002; Merriam, 2002). Methods to shore up credibility include triangulation, peer review, and member checks. In qualitative research, triangulation usually includes document analysis, observation, and interviews. The goal of triangulation is to have multiple types of evidence to validate one’s findings. While my study did not include observation, I collected and analyzed primary documents, secondary documents, and interviews. These three types of sources were cross-checked for themes. For peer review, I relied on the members of my dissertation committee, chosen for their multiple perspectives and experiences as university faculty and administrators. I looked to my committee to ensure that I am not personally biasing the data and findings, and to offer suggestions for approaching the data. Finally, after interviewing participants, I offered them the opportunity to read and comment on my interpretations in order to ensure that I had captured their experiences as accurately as possible.

Transferability. The generalizability of qualitative work, particularly single case studies, has been a topic of contention among social scientists (Gaddis, 2002; Glesne, 2011; Merriam, 2002; Stake, 2004). Unlike controlled quantitative studies, qualitative studies do not

attempt to make broad conclusions about the general population. Instead, qualitative researchers should share as much information possible about the context of their studies and their findings so readers can determine what components may be transferable to their own situations. This is accomplished by providing the reader with sufficient background information and direct quotes from collected data. Gaddis (2002) called this process “particular generalization,” where “in seeking to show how past processes have produced present structures, we draw upon whatever theories we can find that will help us accomplish that task” (p. 62). This process contrasts with research that seeks to confirm, refute, or modify an existing model. Gaddis called the former process one of embedding generalization within the narrative, and the latter embedding the narrative within the generalization. For this project, I let the narrative guide me to theories and literature that could help explain what I found in the text. I also provided ample direct quotes from interviews and case documents, and discussion sections that suggest lessons to be learned as well as opportunities for further research.

Dependability. Dependability ensures that a study’s results are linked to the data collected. To shore up dependability, researchers can keep an “audit trail,” which includes documentation of procedures, selection of documents and interview participants, and decisions made about data selection and analysis (Imel et al., 2002; Merriam, 2002; Yin, 2014). Keeping a research journal and memos during the collection and analysis process can also ensure dependability. In qualitative research, it is not expected for a study or its results to be replicated exactly (Merriam, 2002). However, keeping a good audit trail will allow other researchers to trace the construction of a study in order to judge whether the results are consistent with the collected data. For my audit trail, I saved Word or PDF files of all documents with their sources and internet links when possible. Audio files were saved in their entirety in addition to being

transcribed into Word documents. I kept a project journal to document my thoughts as I began collecting data. As a draft of each chapter formed, I met with my dissertation chair and saved his feedback and my own thoughts for reference throughout the project.

Confirmability and authenticity. Confirmability and authenticity have to do with identifying personal assumptions, biases, and potential ethical issues (Imel et al., 2002; Merriam, 2002). The practice of disclosing one's prior relationships, assumptions, and biases is known as reflexivity (Glense, 2011). Disclosing this information helps readers determine the reliability and trustworthiness of a study's findings. To that end, I include a few notes about reflexivity and my study.

An explanation of my site selection must necessarily include a discussion of my connections to the University of Chicago. I am both an alumna and former fundraising officer of the university. While I had no direct involvement with the MFI's fundraising endeavors, I was employed in the same blanket office of alumni relations and development during the duration of the case. At that time, I was aware of the Milton Friedman Institute as a university initiative, but did not start exploring conflict in depth until I left the university to pursue a doctoral degree at a different institution.

My time at the university as both a student and administrator made it easier for me to navigate the system and to obtain interviews. While employed there, I worked extensively with John W. Boyer, Dean of the College, because of my role as a development officer for the College. I knew Mark Hansen, Dean of the Social Sciences, and Thomas Rosenbaum, University Provost, from conferences and events. Allen Sanderson, Senior Lecturer in Economics, shared our tower in Harper Memorial Library, and I knew him mostly from friendly

hellos and his famous holiday themed pound cake. I had no connection with Bruce Lincoln, Yalit Amit, Marshall Sahlins, Clifford Ando, or Lars Hansen.

I held no personal opinions of Milton Friedman before or even after researching this case. I never met him, nor did I take any economics classes as a student. I did watch his *Free to Choose* series and video footage from some of his university lectures in order to familiarize myself with his work, policies, and manner. I made it a point to balance my sources on him between his critics and his admirers.

Limitations

While in-depth case studies have the advantage of exploring complex questions, they do not always capture the breadth of the broader issues at hand. While my findings may be transferable to similar institutions, this study is not meant to solve conflict across the many institutional types found in North America's higher education system. For example, community colleges, for-profits, and newer institutions are more likely to have a history of centralized administrative authority. My study more specifically addresses four-year research institutions with roots that date back to the 19th century.

My study was also limited by time and resources. I believe that an eventual cross-case analysis of university conflict will yield common themes about academic freedom, governance, university planning, and reputation. However, with my projected graduation date, I had just over a year to collect data and write the dissertation.

APPENDIX B:

Summary of CORES Petition Signers

CORES 2008 Petition Total Faculty: 104	CORES 2010 Petition Total Faculty: 168
Women (35); Men (69)	Women: 49; Men: 119
Academic Rank: Assistant (12); Associate (26); Full (20); Named Chair (28); Emeriti (12); Other (6)	Academic Rank: Assistant (12); Associate (36); Full (52); Named Chair (35); Emeriti (32); Other (1)
Academic Unit by Division/Schools: Humanities (46); Social Sciences (46); Physical Sciences (4); Law School (1); Divinity School (7)	Academic Unit by Division/Schools: Biological Sciences (16), Divinity (11), Humanities (60), Medicine (18), Physical Sciences (8), Social Service Administration (2), Social Sciences (53)

Table 1: **Summary of CORES Petition Signers.**

APPENDIX C:

Excerpt from the Statutes of the University of Chicago

Enacted by the Board of Trustees

Last amended: November 3, 2011

12.5. The Council of the University Senate

12.5.1. Constitution. The Council of the University Senate shall consist of fifty-one elected members chosen by the Senate from its membership by the Hare System of Proportional Representation. The President and the Provost of the University shall be members without vote, save that the Chair may vote to break a tie. These officers shall serve as Chair or Vice Chair in the order listed, and if none of these be present, a Dean of a Division shall preside. Nominations shall be made and elections shall be held each year to elect seventeen regular members to serve for a term of three years from September 25, to replace the seventeen whose terms expire on September 24. Candidates shall be placed in nomination by three or more members of the Senate. The retiring members, except those who have served less than one year, shall be ineligible for re-election until the lapse of one year. Vacancies shall be filled, in accordance with the Rules of Procedure of the Council, at the time of the annual elections.

12.5.2. Meetings. The Council shall meet once a month in the Autumn, Winter, and Spring Quarters, or more often at the call of the President or of the Provost, or of such proportion of its membership as it shall determine.

12.5.3. Jurisdiction and Powers.

12.5.3.1. The Council shall be the supreme academic body of the University, having all legislative powers except concerning those matters reserved to the Board of Trustees, the Office of the President, or the other Ruling Bodies. In particular, it shall have such jurisdiction over (1) matters affecting more than one Ruling Body, and (2) any action of any Ruling Body which substantially affects the general interest of the University. Questions of jurisdiction between the President and the Council shall be decided by the Board of Trustees. Questions of jurisdiction between the Council and other Ruling Bodies shall be decided by the President. The competence of the Council shall extend to the Institutes and other educational and research organizations of the University not defined as Ruling Bodies and not subordinate to a Ruling Body in the same way that competence applies to the Ruling Bodies.

12.5.3.2. Actions of Ruling Bodies within the jurisdiction of the Council shall be referred to the Council, through the Committee of the Council, at the first Council meeting following the action, and shall not be effective until that meeting of the Council. At such meeting the Council may approve or disapprove such action, or direct that such action be stayed until further order of the Council.

12.5.3.3. The Council shall act by vote of the majority (but not less than twenty) of the members in attendance.

12.5.3.4. The President, the Provost, or any member of the Council may initiate legislation in the Council. Any Ruling Body may lay before the Council action of any other Ruling Body which it desires the Council to consider.

12.5.3.5. Consistent with the powers reserved to the Board of Trustees, the Office of the President, and other Ruling Bodies, the Council of the University Senate shall formulate those rules that relate to student conduct prohibited by §21. The Council of the University Senate shall formulate the procedures that will enforce those regulations and shall provide for hearings where there are charges of violations of those regulations. The Council of the University Senate may also establish mechanisms for the formulation and administration of additional rules and regulations for student conduct prohibited by §21.

12.5.3.6. The President shall not give effect to proposals on matters within the jurisdiction of the Council without the approval of the Council, but the President may submit the action of the Council to the Board of Trustees. Any action so referred to the Board of Trustees shall be accompanied by such report or reports as the interested parties may prepare and transmit to the Board of Trustees through the President. The interested parties may, at their request, meet with the appropriate committee of the Board of Trustees. The decision of the Board of Trustees shall be final.

12.5.3.7. Either the President, the Provost, or the Council may make recommendations to any Ruling Body concerning matters within the jurisdiction of the latter.

12.5.3.8. The President may within a reasonable time before the next regular meeting of the Council disapprove any action of the Council (including action disapproving the action of a Ruling Body), and upon such disapproval the action shall be reconsidered by the Council before becoming effective. Approval by the Council of such action upon reconsideration shall constitute reference of the action to the Board of Trustees. The decision of the Board of Trustees shall be final. Any action so referred to the Board of Trustees shall be accompanied by such report or reports as the interested parties may prepare and transmit to the Board of Trustees through the President. The interested parties may, at their request, meet with the appropriate committee of the Board of Trustees.

12.5.3.9. The President or the Council may invite any person not a member of the Council to attend a meeting of the Council, with the right to speak, but not to vote.

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