



Center for the Study
of Free Enterprise

2022-23

Annual Report

Sean E. Mulholland, Director

Director's Welcome



On behalf of the Center for the Study of Free Enterprise, I am excited to present the events, research, and student-focused engagement offered during the 2022-2023 year. With a charge to renew relationships with supportive partners and develop new relationships with new supporters, the Center had a successful year. From undergraduate and graduate student research to the weekend seminar on Liberty, Community, and Prosperity, the Center rededicated its work toward encouraging student curiosity and creativity.

Due to the generosity of the Barnes Family Foundation of North Carolina, the CSFE hosted a two-day weekend seminar on listening, learning, and community building. The Liberty, Community, and Prosperity: Weekend Seminar was led by three talented and entertaining guest faculty: University of Washington, Political Scientist, Anthony Gill, Hampden-Sydney Economist, Audrey Redford, and Huntingdon College Historian, Marcus Witcher. Overall, the CSFE sponsored or co-sponsored four Degree Plus presentations attended by over 100 students.

The CSFE also supported student scholars who presented their research at conferences across the United States, including the SoCon Undergraduate Research Forum at Wofford College in Spartanburg, South Carolina, the Southern Economic Association Meetings in Fort Lauderdale, Florida, and the Eastern Economic Association Meetings in New York City. Moreover, CSFE Research Assistant, Adam Mottershead, published his solo-authored work, “Budgeting North Carolina Water through Watershed Trading Quotas,” in the undergraduate economics journal, *Issues in Political Economy*. Mottershead also received multiple, fully funded economics Ph.D. assistantship offers and will be attending Clemson University’s Economics Ph.D. program.

Looking ahead, the CSFE will be expanding the number of student educational and research experiences through the renewed support of the Koch Foundation and our new North Carolina partner, the Barnes Family Foundation.

In this year of refocus, we sought – and achieved - a solid foundation for future student educational experiences at Western Carolina University and beyond!

Go Cats!

Sean

About WCU's Center for the Study of Free Enterprise

Mission: The Center for the Study of Free Enterprise at Western Carolina University (CSFE at WCU) is a university-wide center whose mission is to provide economics research and thought leadership on issues pertaining to economic development in North Carolina, the region, and beyond, by conducting scholarly inquiry, policy analysis, educational activities, and community outreach on the role of free enterprise in a flourishing society.

Organizational Background: The Center was established on December 4, 2015, by a unanimous vote of WCU's Board of Trustees (BOT), as a university-wide Center, housed in the College of Business, reporting to the University Administration.

History: A brief overview of the Center's history is as follows.

Fall 2015	Center proposal is brought forward by Professor Edward Lopez and College of Business Dean Darrell Parker. Proposal vetted and discussed by faculty and administration. Board of Trustees approves Center and appoints Edward Lopez Director, December 4, 2015.
Spring 2016	Provost Alison Morrison-Shetlar and Faculty Chair David McCord convene Implementation Advisory Board to recommend organizational structure and charge for CSFE's ongoing Advisory Board.
Fall 2016	Provost appoints internal members of ongoing Advisory Board. Gift agreement is signed between WCU and Charles Koch Foundation. First installment of funding received October, 2016.
Spring 2017	Center launches. External members of ongoing Advisory Board are recruited. Center begins operations funding student-faculty projects and other activities.
Summer 2017	Student-faculty projects under way, some projects and activities completed, Center's first annual report is written.
Fall 2017	First organizational meeting of the complete Advisory Board is held. Center bylaws become official. Mr. Ken Torok of Sylva named Advisory Board Chair.
Fall 2017 - Spring 2018	First complete academic year of Center operations. Launch programs in all eight categories listed in scope of activities approved by Board of Trustees.
Fall 2018 - Spring 2019	Second complete year. Expand programs and build in efficiencies.
Fall 2019 - Spring 2020	Third complete year. Major campus and community impacts through opioid town hall, Apollo 16 astronaut Charlie Duke, and WCU's One Book author talk with Celeste Headlee. Cut short by COVID-19.
Fall 2020 - Spring 2021	Center impacts community and statewide policy discussions with studies on NC's long-term prospects for recovery, effects of NC's pandemic restrictions compared to neighboring states, post-traumatic growth, many presentations and media appearances. Center convenes national, regional, and community audiences in its four-part Town Hall Series.

Fall 2021 – Spring 2022 The Center hosted its fifth annual scaled up seminar in Asheville, NC. Seminar presenters have received valuable feedback on their ongoing research from participants over the past five years. Recent publications from past scaled up seminars include:

- Audrey Redford and Angela K. Dills. 2021. "The Political Economy of Drug and Alcohol Regulation During the COVID-19 Pandemic." *Southern Economic Journal* 87(4): 1175-1209.
- Vincent J Geloso, Phillip Magness, John Moore, Philip Schlosser, "How Pronounced is the U-Curve? Revisiting Income Inequality in the United States, 1917–60," *The Economic Journal*, Volume 132, Issue 647, October 2022, Pages 2366–2391.
- Phillip W. Magness and Michael Makovi. "The Mainstreaming of Marx: Measuring the Effect of the Russian Revolution on Karl Marx's Influence," *Journal of Political Economy* 2023 131:6, 1507-1545.

CSFE Personnel and Scope of Activities

Center Director:



Professor Sean Mulholland is the Center's Director, following in the footsteps of founding Director Edward Lopez. Sean joined the WCU economics faculty in 2016 as a full professor. His research has appeared in many journals, including the *Journal of Economic Growth*, *Public Choice*, *Economics Letters*, and *Economics of Education Review*. His co-authored paper, "Ride-Sharing, Fatal Crashes, and Crime" was awarded the Georgescu-Roegen Prize for the best academic article published in the *Southern Economic Journal* in 2018. His work has been covered by Ballotpedia, Politifact, National Review, and Tyler Cowen on marginalrevolution.com. Sean has a long track record of designing and leading educational experiences for students that foster curiosity and creativity. He has two decades of experience working with undergraduates on their research projects and careers.

Center Staff:

The Center relies on part-time staff to manage and promote events and conduct research. **Allie Todd** has continued to serve as our part-time media and marketing specialist.

Adam's Mottershead serves as a research assistant on the Center's project investigating water use, water rights, and development in North Carolina and beyond.

Center Advisory Board:

The Center's Advisory Board consists of six tenured WCU faculty members, five distinguished members of the community. (The number of Board members, however, are subject to a change being discussed in the Faculty Senate) The Advisory Board's charges are to:

- Advocate for the Center and the University;
- Advise the Director on the Center's strategic plan, budget, and activities;
- Deliver advice on potential future Center initiatives;
- Remain active in Center events, meetings and discussions;
- Provide suggestions as to additional resources that may be able to add value to the Center; and
- Provide input and recommendations on how to keep the Center's programs relevant and innovative.

2022 - 23 Internal Advisory Board Members:

- Channa De Silva, Professor of Chemistry
 - De Silva teaches chemistry and carries out research in the areas of nanotechnology, biotechnology, and computational chemistry.
- Chris Hoyt (Fall 2022 only), Professor of Philosophy
 - Wittgenstein scholar
- John Seefeldt, (Spring 2023 only), Associate Professor of Design
 - His research interests are in experience and interactive design. John's work is informed both by research and a speculative design approach. His most recent work leverages interactive media such as virtual and augmented reality, in conjunction with new and traditional fabrication techniques.
- Sarah Steiner, Hunter Librarian, Head of Research & Instruction Services

2022 - 23 External Advisory Board Members:

- Craig Richardson, Professor of Economics, Winston-Salem State University
- Arthur Salido, Director of Economic Development, Withersravenel
- Open (to be filled in the fall of 2023)
- Open* (Faculty senate is in the process of eliminating these two external positions)
- Open* (Faculty senate is in the process of eliminating these two external positions)

Scope of Center Activities:

WCU's Board of Trustees approved a mission statement and a list of activities & deliverables that together serve as the Center's guide to operations. Pursuant to the BOT's action, CSFE's activities are organized into eight categories:

1. Host renowned experts, and engage in civil, informed, and fruitful discourse.
2. Publish research.
3. Support student and faculty research and engagement projects, including student scholarships, faculty stipends, travel funds, and general support.

This report provides details about CSFE activities in these categories.

1. Weekend Exploring Liberty Colloquium

In February, with support from the Barnes Family Foundation, CSFE hosted a two-day weekend seminar on listening, learning, and community building. The Liberty, Community, and Prosperity Weekend Seminar was led by three talented guest faculty:



Anthony Gill | Department of Political Science | University of Washington



Audrey Redford | Department of Economics | Hampden-Sydney College



Marcus Witcher | Huntingdon College

Four of the six presentations were Degree-Plus events and students from many disciplines attended.

The weekend seminar was a success! Over 50 individual students attended one or more presentations, with a total attendance over 100 for the weekend. Our guest faculty continued the discussions with students over meals and into the evening socials. Many students have continued to send questions about additional readings and future academic enrichment opportunities.

The Liberty, Community, and Prosperity: Weekend Seminar Presentations:

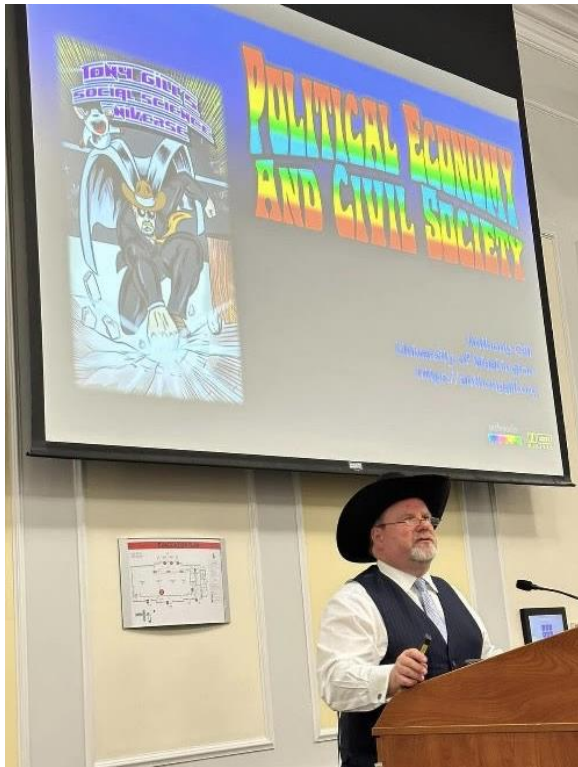
February 3, 2023: Dinner Presentation and Discussion

Professor Anthony Gill (Political Scientist, University of Washington)

"Culture and Political Economy: The Critical Role of Civil Society in Preserving Market Freedom."
(DegreePlus Event)

Mainstream political economy frequently begins with the assumption of market failure and seeks out government intervention to remedy the shortcomings of the private sphere. Such intervention, which comes with legal bright lines and entrenched interests, reduces individual freedom and often creates inefficient unintended consequences. But what if there was another way to boost market efficiency, provide valuable public goods, and mitigate negative externalities? There is! It is called civil society and has been working wonders for centuries. In a colorfully vibrant talk, Prof. Anthony Gill reveals how simple cultural norms and rituals, along with private clubs and associations, work to improve prosperity and preserve liberty.





February 4, 2023: Presentation and Discussion

Professor Audrey Redford (Economist, Hampden-Sydney College)

“Private and Public Choice”

Abstract: How do groups make decisions? How do they agree to the rules under which they operate? How does the agreed process affect potential outcomes? How do the incentives change when deciding in group versus individual choice? Join Professor Redford as she provides informative stories about collective action and this insights provided by the Public Choice school of thought.

Presentation and Discussion:

Professor Marcus Witcher (Historian, Huntingdon College)

“How Government Restricted African American Flourishing” (DegreePlus Event)



Witcher discusses the importance of the black church and civil society, explain some differences between common law and enlightenment conceptions of property rights, and more modern manifestations of racially charged, government sanctioned means of discrimination.

Presentation and Discussion

Professor Anthony Gill (Political Scientist, University of Washington)**"The Dynamic Efficiency of Gifting"**

In his *Scroogenomics*, Joel Waldfogel argues that gifting creates enormous deadweight loss, as individuals give one another gifts that they do not want or cannot use. He views efficiency as static, calculating the gains from trade (or gifting) at the moment of transaction. A puzzle arises, however, when one realizes that gifting has been a nearly ubiquitous institution throughout history. If gifting wastes valuable resources, why does it persist? In this enlightening talk, Professor Gill shows that gift giving is dynamically efficient despite the possibility of generating short-term deadweight loss. A well-functioning civil society requires expanded social networks and trustworthiness among anonymous and quasi-anonymous exchange partners. Gifting allows individuals to signal trustworthiness by offering ‘burnt sacrifices’. Gifting practices that include a willingness to sacrifice via reciprocity norms, public visibility and ritual will tend to promote generalized trust. He considers these four elements – sacrifice, reciprocity, publicness, and ritual – to be critical institutional design principles for fostering trust, community, and dynamic efficiency.

Presentation and Discussion:

Professor Audrey Redford (Economist, Hampden-Sydney College)**“Malnovation, Drug Prohibition, and the Opioid Crisis” (DegreePlus Event)**

Between 1999 and 2017, the overall rate of drug-overdose deaths in the United States more than tripled from 6.1 per 100,000 individuals to 21.7. During that same period, the rate of overdose deaths involving “natural and semisynthetic opioids” (this category includes drugs such as hydrocodone and oxycodone) more than quadrupled from 1.0 to 4.4 per 100,000 individuals. More alarmingly still, however, is the drastic increase in the rate of overdose deaths from heroin and various nonmethadone synthetic opioids (fentanyl and fentanyl-like substances, or analogs, are included in this category). The heroin overdose death rate saw a sevenfold increase (0.7 to 4.9 per 100,000 individuals) during this eighteen-year period, and the overdose rate attributed to nonmethadone synthetic opioids increased from 0.3 in 1999 to 9.0 per 100,000 in 2017. These startling findings raise several important questions regarding the increase in opioid-



related overdose deaths and the change in drug-use behavior during this period from primarily prescription drugs to illicit opiates and opioids such as heroin, illegal fentanyl, and fentanyl analogs. An important piece of this puzzle, but by no means the only piece, is how drug prohibition and drug regulation created the unintended consequences that inadvertently encouraged riskier drug-use behavior and contributed to the deadly toll of this opioid crisis.

Presentation and Discussion:

Professor Marcus Witcher (Historian, Huntingdon College)

“Black Liberation through the Marketplace” (DegreePlus Event)

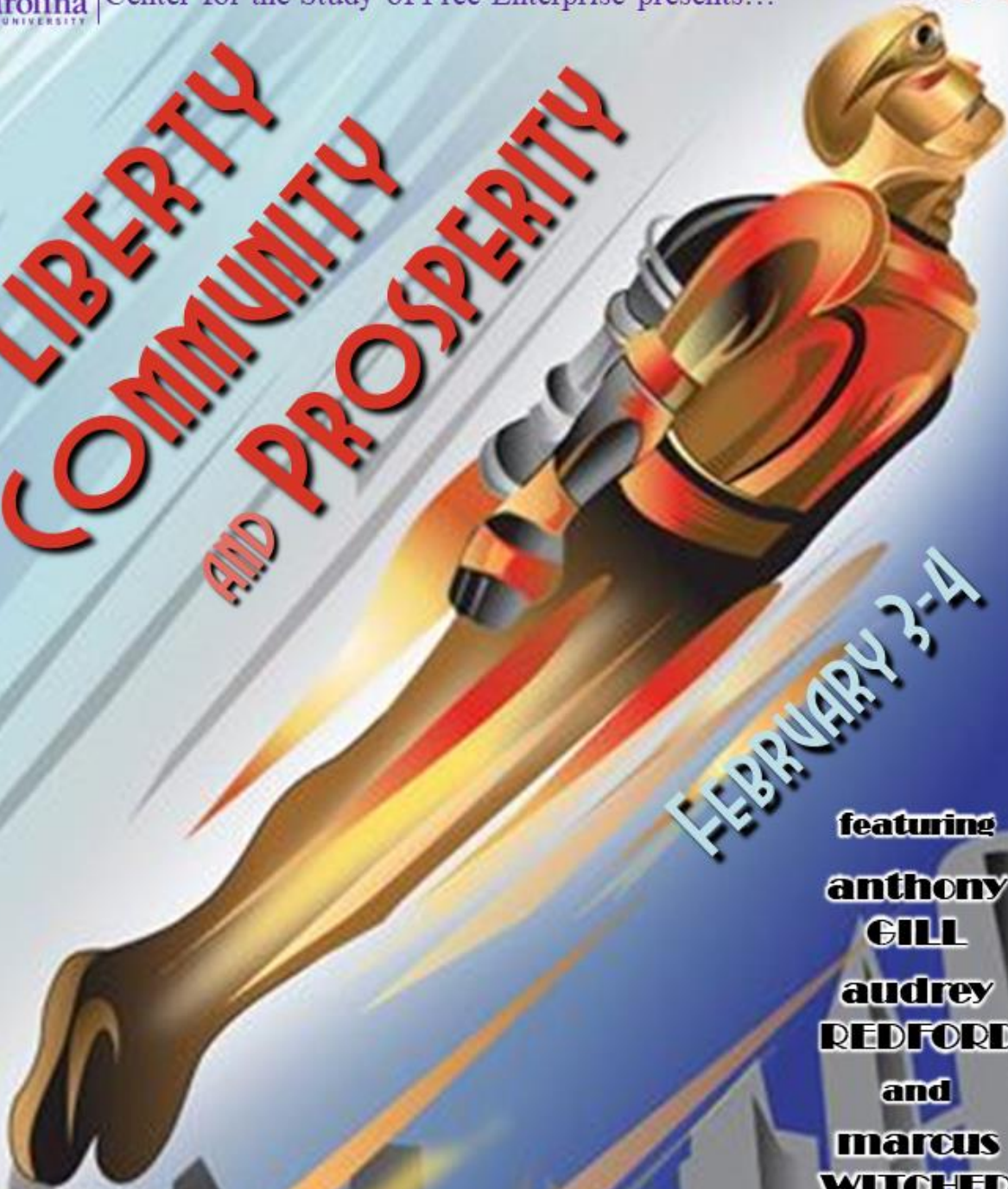
Witcher chronicles the achievements and failures of market-based attempts to achieve liberation for the Black community throughout American history. From the great shame of slavery to the racist roots of the minimum wage, their liberal examination uncovers both stumbles and strides in the quest for truly equal human flourishing and urges participants to resist tribalism from the Right and Left.



Center for the Study of Free Enterprise presents...



LIBERTY COMMUNITY AND PROSPERITY



FEBRUARY 3-4

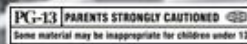
featuring
**anthony
GILL
audrey
REDFORD
and
marcus
WITCHER**

SCAN ME
AND SOAR



envisioned and developed by
sean MULHOLLAND

production assistance from
**teresa STARRS melanie LEWIS
brynne MURPHY & whitney MCCALL**



February 3rd, 2023

Blue Ridge Conference Room

6:00 pm: Doors Open

6:30 pm: Welcome by Sean Mulholland, Director of the Center for the Study of Free Enterprise

6:30 – 8:30 pm: Dinner and Presentation

Professor Anthony Gill (Political Scientist, University of Washington)

"Culture and Political Economy: The Critical Role of Civil Society in Preserving Market Freedom."

8:30 – 9:30 pm: Social

February 4th, 2023

Forsyth Hall 101

8:30 – 9:30 am: Breakfast

9:30 – 10:45 am: Professor Audrey Redford (Economist, Hampden-Sydney College)

"Malnovation, Drug Prohibition, and the Opioid Crisis"

10:45 – 11:00 am: Break

11:00 – 12:15 pm: Professor Marcus Witcher (Historian, Huntingdon College)

"Houses and Highways: How the Federal Government Segregated America"

12:15 – 1:30 pm: Lunch

1:30 – 2:45 pm: Break

2:45 – 4:00 pm: Professor Anthony Gill (Political Scientist, University of Washington)

"The Dynamic Efficiency of Gifting"

4:00 – 4:15 pm: Break

4:15 – 5:30 pm: Professor Audrey Redford (Economist, Hampden-Sydney College)

"Private and Public Choice"

5:30 – 6:45 pm: Dinner

6:45 – 8:00 pm: Professor Marcus Witcher (Historian, Huntingdon College)

"Black Entrepreneurship: Building the Foundation for Freedom"

8:00 – 9:30 pm: Social

About the Center for the Study of Free Enterprise at Western Carolina University:

The Center for the Study of Free Enterprise at Western Carolina University (CSFE at WCU) is a university-wide center whose mission is to provide economics research and thought leadership on issues pertaining to economic development in North Carolina, the region, and beyond, by conducting scholarly inquiry, policy analysis, educational activities, and community outreach on the role of free enterprise in a flourishing society.

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2. Publish research

With the refocus on student research, we were delighted that CSFE research associate, Adam Mottershead, published his work on water use and rights in North Carolina:

Mottershead, Adam. 2022. “Budgeting North Carolina Water through Watershed Trading Quotas,” *Issues in Political Economy*, Vol 31(2), 40-70 40.

Director Sean Mulholland published:

Mulholland, Sean E, and Reynaldo Hernandez-Julian. 2023. “Does Economic Freedom Lead to Selective Migration by Sex and Race?” *Journal of Regional Analysis & Policy* 53 (1): 16–33.

3. Support student research and engagement projects

Support for Ongoing Research

These CSFE-supported research projects are being prepared for completion and submission for peer-reviewed publication. The CSFE supported student presentations at conferences throughout the year.



In October, Adam Mottershead presented his work, “Budgeting North Carolina Water through Watershed Trading Quotas” at the SoCon Undergraduate Research Forum. He was one of ten Western Carolina University students who participated in the regional student research conference. The event is a collaborative project of the Southern Conference membership hosted annually at Wofford College in Spartanburg, South Carolina.

For more on the Western Carolina University students’ experience at SURF, [see the story here](#).

In November, MBA student Luís Hemmer and Steve Ha, Western Carolina University economist, co-presented their work, “Estimating Economic Impacts of the COVID-19 Pandemic at the State Level: An SEIR Model Approach” at the Southern Economic Association Meetings in Florida. Using an SEIR model they considered the effects of COVID-19 mandates, such as school closures, mask mandates, social distancing, business restrictions, business closures, and stay-at-home orders, on measures of health and economic activity. The analysis shows that these policies prevent the spread of coronavirus diseases but have adverse impacts on macroeconomic activity.

For more on Hemmer, see the [WCU story here](#).



In March, Adam Mottershead presented “Budgeting North Carolina Water through Watershed Trading Quotas,” at the River Management Symposium in San Antonio, Texas. This conference includes water policy scholars, policymakers, and advocates. In addition to presenting findings on watershed delineations and water budgets, Adam learned more about the Southeast chapter members of the River Management Symposium.

In March, Libby Weitkamp presented her paper, “If you’re not into yoga: yoga interest and deadly falls,” at the Issues in Political Economy Undergraduate Research Sessions of the Eastern Economic Association meetings in New York City. Her preliminary results suggest that states that are more interested in yoga have lower incidences of deadly falls by those 65 years of age and older. Her work was supported by the Barnes Family Foundation of North Carolina through the CSFE.



In April, Adam Mottershead presented preliminary findings on “The Stream Mitigation Market and its Effect on Water Quality” (co-authored with Sean Mulholland) at the National Conference for Undergraduate Research (NCUR) in La Crosse, Wisconsin. The paper investigates how nitrogen, phosphorus, alkalinity, and suspended solids levels respond in approved mitigation credit stream sites over a ten-year water period. Adam was co-sponsored by, Kloo Hansen and the office of Research, the office of the Provost, and the NCUR travel and registration by WCU students were coordinated by Dr. Jill Granger and Dr. Lori Oxford.



Research Associates Program:

The vision of CSFE’s Research Associates Program is to advance WCU’s research-oriented students onto graduate studies, including doctoral studies with funding at highly ranked Ph.D. programs.

In the fall semester, students conduct research, investigate prospective programs, write admission essays, and submit applications. In the spring semester, students present their research projects at an academic conference, make site visits to programs they’re considering, and finalize research papers with their mentor. By April, Research Associates decide if and where they will be attending in the fall.



In 2022-23, Adam Mottershead (Natural Resource Management Major/Economics Minor) was a CSFE Research Associate. He applied for and was admitted with full funding to Ph.D. programs at Clemson University, Texas Tech University, and West Virginia University. Ultimately, he accepted Clemson University’s Economics Ph.D. program offer and, after a gap year, will begin in August of 2024.

Please follow the Center @CSFE_WCU, on Facebook.com/CSFEWCU, and at enterprise.wcu.edu.