

Markets, Morality and the Future of Capitalism

Legal Studies 226x
Spring 2006

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Office Hours: Thursday, 3-5 p.m.

Tuesdays and Thursdays
1:30-3:00 p.m.
Room: TBA

Markets play a central role in the life of a capitalist democracy. But is this a good thing? Should we let markets decide who is rich and who is poor? Who makes decisions and who follows them? Whose ideas get heard and whose ideas do not? The goal of this class will be to examine the market from the perspective of various social values to see whether we should want a market system and, if so, what kind of market system we should want. Among the issues we will examine are the following. Does the market contribute to the common good? If so, how? Does the market conflict with the idea that all human beings are of equal value? What is the relation between the market and freedom? Does the market liberate us or oppress us? Can we reconcile the market with our democratic ideals? What role should corporations play in a healthy democracy? What role should markets play in an increasingly globalized world? We will read several important philosophers, economists and political theorists writing on these issues, including Adam Smith, John Rawls, Amartya Sen, Friedrich Hayek, Karl Marx, Robert Nozick, Ronald Dworkin, Jürgen Habermas, Peter Singer, and others.

Grading

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|-----|---------------------|
| 25% | Class presentation |
| 25% | Midterm paper |
| 40% | Final paper |
| 10% | Class Participation |

Class Presentation

One quarter of your grade will be based on a class presentation. We will divide the readings at the beginning of the semester, and you will be responsible, either individually or in groups, for making a presentation about that reading. The presentation should review the main points and present some issues for discussion. Presenting an issue for discussion may involve, making an argument against the views of the author, examining a difficult issue in the text, or placing the reading in the context of other readings in the course. Though it is not required that you do so, you may find it useful to use your presentation as an opportunity to explore a topic for your final paper. You will be graded on how well you understood the views of the authority, the overall quality of your presentation, and the insightfulness of the issues that you present.

Midterm Paper

The midterm assignment will ask you to write a 5-7 page paper on an assigned topic. The topics will ask you to explain the theory or position developed in one or more of the readings. Besides ensuring that you have read and understood the material, the point of the midterm is to teach you how to present the views of another author and how to examine difficult ideas that are not easy to grasp on the first reading. You will be graded on the depth of your understanding of the material you are presenting and on the overall quality of your presentation. **Due in class March 2.**

Final paper

The final assignment will ask you to write a 10-15 page paper. You will have a choice of writing on an assigned topic or writing on a topic of your own choice. (If you are writing on your own topic, you should discuss it with me beforehand.) The paper should address an important normative question regarding the market system and it must engage with the readings—within these boundaries, you have wide latitude in picking a topic. Some possibilities include: applying one or more of the theories we have discussed to a contemporary social issue or case study; examining a theoretical dispute between two or more authors; attacking the position of an author on a particular normative issue. Independent research may be necessary if you are writing on a contemporary social issue or a case study, but this is not required if you are writing on a more theoretical question. You will be graded on the depth of your understanding of the relevant moral issues, the quality of your reasoning, and your general grasp of the ideas that we discussed in class. **Due in class April 20**

Course materials

Friedrich Hayek, The Constitution of Liberty (Chicago: University of Chicago Press, 1978)

John Rawls, A Theory of Justice, revised edition (Cambridge, MA: Harvard University Press, 1999)

Amartya Sen, Development as Freedom (New York: Alfred A. Knopf, 1999)

Robert Dahl, et. al. The Democracy Sourcebook (Cambridge: MIT Press, 2003)
Coursepack

Schedule of Readings

“*” indicates readings in the coursepack

I. Introduction

January 10 and 12

Adam Smith, The Wealth of Nations, pg. 1-23 and 838-46 *

II. Welfare and Equality

January 17 and 19

Alan Buchanan, Ethics, Efficiency and the Market, chapters 1 and 2 *

Albert Hirschman, Exit, Voice and Loyalty, pg. 1-5, 21-62, and 76-86 *

January 24 and 26

John Rawls, A Theory of Justice, §§3, 11-17, 30 and 48

January 31 and February 2

John Rawls, A Theory of Justice, §§3, 11-17, 30 and 48 (again)

Norman Daniels, “Equal Liberty and Unequal Worth of Liberty” *

III. Freedom

February 7 and 9

Nozick, Anarchy, State, and Utopia pg. 150-74 (skip 164-66), 262-5 *

G.A. Cohen, “Capitalism, Freedom and the Proletariat” *

February 14 and 16

Hayek, The Constitution of Liberty, chapters 2-4, 9, 10, and 15

Sen, Development as Freedom, pg. 13-53, 87-110, and 254-61

February 21 and 23

Karl Marx, Capital, pg. 361-4 *

G.A. Cohen, Karl Marx’s Theory of History: A Defense, pg. 297-325 *

Juliet Schor, The Overworked American, pg. 1-43 *

Nozick, Anarchy, State, and Utopia pg. 246-53 *

February 28 and March 2

Rawls, A Theory of Justice, §32

Rawls, “The Basic Liberties and their Priority,” §§ 1-2, 5-9, 12 and 13 *

** MIDTERM PAPERS DUE MARCH 2 **

IV. Democracy

March 14 and 16

Friedrich Hayek, “Majority Rule” The Constitution of Liberty, chapter 7

Ronald Dworkin, “Political Equality” Sovereign Virtue, pg. 184-210 *

Joshua Cohen, “Deliberation and Democratic Legitimacy,” pg. 67-8 and 72-9 *

March 21 and 23

Buckley v. Valeo *

Mill, On Liberty, chapter II *

Ronald Dworkin, “Free Speech, Politics and the Dimensions of Democracy” Sovereign Virtue, pg. 351-385 *

March 28 and 30

Charles Beitz, “Political Finance” Political Equality, pg. 192-213 *

George Stigler, “The Theory of Economic Regulation” The Democracy Sourcebook, pg. 393-398

Frank Sorauf, “Inside Campaign Finance: Myths and Realities” The Democracy Sourcebook, pg. 408-418

April 4 and 6

Habermas, The Structural Transformation of the Public Sphere, pg. 159-75 *

Michael Schudson, “Was There Ever a Public Sphere?” The Power of News, pg. 189-203 *

Michael Schudson, “The News Media and the Democratic Process” The Power of News, pg. 204-23 *

V. Globalization, Development and the Future

April 11 and 13

Jagdish Bhagwati, In Defense of Globalization, 51-67 and 92-105 *

Peter Singer, “One Economy” One World, pg. 51-105 *

Amartya Sen, Development as Freedom, pg. 146-57

Optional:

Seymour Lipset, “Political Man: The Social Bases of Politics” The Democracy Sourcebook, pg. 56-64

Evelyn Huber, et. al. “The Impact of Economic Development on Democracy,” The Democracy Sourcebook, pg. 71-5

Adam Przeworski, et al. “Economic Development and Political Regimes” The Democracy Sourcebook, pg. 108-15

Bruce Russett, “How Democracy, Interdependence, and International Organizations Create a system for Peace” The Democracy Sourcebook, pg. 492-7

V. Globalization, Development and the Future (continued)

April 18 and 20

Ackerman and Alstott, The Stakeholder Society, pg. 1-44, 58-62 and 114-21 *

Jeremy Rifkin, The End of Work, pg. 221-48 and 256-74 *

Rajan and Zingales, Saving Capitalism from the Capitalists, pg. 275-314 *

Optional:

David Held, “The Transformation of Political Community: Rethinking
Democracy in the Context of Globalization” The Democracy Sourcebook,
pg. 516-25

**** FINAL PAPERS DUE APRIL 20 ****