

Markets, Morality and the Future of Capitalism

LGST 226, PHIL 279, PPE 226

Spring 2007

Professor Waheed Hussain
667 Huntsman Hall
Phone: (215) 573-0601
Email: whussain@wharton.upenn.edu
Office Hours: Tuesday, 3-5 p.m.

Tuesdays and Thursdays
1:30-3:00 p.m.
Room: SHDH 1201

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, Jürgen Habermas, Robert Dahl, and others.

Grading

30%	Midterm paper
40%	Final paper
20%	Final exam
10%	Class Participation

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 assess some claim or theory developed in one or more of the readings. Besides helping you to understand 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 by 5pm March 1**

Final paper

The final assignment will ask you to write a 7-9 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 or the teaching fellow 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 by 5pm April 19**

Final exam

The final exam will test your knowledge of the lectures and readings. The exam will consist of identification questions and short answer questions. The identification questions will present you with a representative passage from one of the readings and ask you to identify the author. The short answer questions will ask you to explain a central concept or idea in your own words. Any of the material covered in class or in the readings may eventually make it onto the final exam, so it is important to come to the lectures and keep up with the readings. **May 4, 2007, 9-11AM**

Course materials

Gar Alperovitz, America Beyond Capitalism (Hoboken, NJ: John Wiley & Sons, Inc., 2005)

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)
Coursepack

Optional:

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

Schedule of Readings

“*” indicates readings in the coursepack

I. Introduction

January 9 and 11

Adam Smith, The Wealth of Nations, pg. 3-18 and 839-46 *

II. Welfare and Equality

January 16 and 18

Heilbroner and Thurow, Economics Explained, pg. 143-63 *

Buchanan, Ethics, Efficiency, and the Market, pg. 1-13 *

Albert Hirschman, Exit, Voice and Loyalty, pg. 1-5 and 21-54 *

January 23 and 25

John Rawls, A Theory of Justice, §§1-3, 11-15, 32, and 36

January 30 and February 1

John Rawls, A Theory of Justice, §§11-17, 43 and 48

Norman Daniels, “Equal Liberty and Unequal Worth of Liberty” (skip §IV) *

III. Freedom

February 6 and 8

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

Waldron, “Homelessness and the Issue of Freedom” *

February 13 and 15

G.A. Cohen, “The Structure of Proletarian Unfreedom” *

Sen, Development as Freedom, pg. 13-34, 72-6 and 87-120

February 20 and 22

Hayek, The Constitution of Liberty, chapters 2-4

Sen, Development as Freedom, pg. 254-61

February 27 and March 1

Karl Marx, Capital, pg. 222-5 *

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

Juliet Schor, The Overworked American, pg. 17-41 and 142-57*

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

Buchanan, Ethics, Efficiency, and the Market, pg. 26-32 *

** MIDTERM PAPERS DUE MARCH 1 **

IV. Democracy

March 13 and 15

Robert Dahl, "American Hybrid" *

Joshua Cohen, "Deliberation and Democratic Legitimacy" *

Optional: David Held, "Pluralism, Corporate Capitalism and the State," pg. 188-95 *

March 20 and 22

Mill, On Liberty, chapter II, pg. 86-120 *

Buckley v. Valeo, pg. 1-16 *

March 27 and 29

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

Robert Dahl, "Democracy and the Economic Order" *

Gar Alperovitz, America Beyond Capitalism, pg. 81-9.

Optional: Joshua Cohen, "The Economic Basis of Deliberative Democracy"

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

April 3 and 5

Pippa Norris "Knows Little" *

Habermas, "The Public Sphere," pg. 231-36 *

Habermas, Between Facts and Norms, pg. 373-9 *

Ben Bagdikian, "The Media Monopoly" *

Owen Fiss, "The Democratic Mission of the Press" *

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

Habermas, Between Facts and Norms, pg. 359-87 *

V. Globalization, Development and the Future

April 10 and 12

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

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

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

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

Jeremy Tunstall, "World News Duopoly"

V. Globalization, Development and the Future (continued)

April 17 and 19

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

Ackerman and Alstott, The Stakeholder Society, pg. 1-44 *

Gar Alperovitz, America Beyond Capitalism, pg. 79-122

Michael Piore and Charles Sabel, The Second Industrial Divide, pgs. 28-33, 205-16, 265-80, and 286-95 *

Optional: Jeremy Rifkin, The End of Work, pg. 221-48 *

David Held, "The Transformation of Political Community: Rethinking Democracy in the Context of Globalization" The Democracy Sourcebook, 516-25

** FINAL PAPERS DUE APRIL 19 **

**FINAL EXAM **

** MAY 4, 2007, 9AM – 11AM **