

## **Markets, Morality and the Future of Capitalism**

LGST 226

Spring 2011

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Tuesdays and Thursdays  
1:30-3:00 p.m.  
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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, Friedrich Hayek, Amartya Sen, Karl Marx, Robert Nozick, Jürgen Habermas, Robert Dahl, and others.

### **Grading**

20%	Midterm paper
40%	Final paper
20%	Final exam
20%	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 4\*\*

## 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 26\*\*

## 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. \*\* TBA \*\*

## Course materials

John Rawls, A Theory of Justice, revised edition (Cambridge, MA: Harvard University Press, 1999)  
Robert Nozick, Anarchy, State and Utopia (New York: Basic Books, 1974)  
Amartya Sen, Development as Freedom (New York: Alfred A. Knopf, 1999)  
Richard Lester and Michael Piore, Innovation (Cambridge: Harvard University Press, 2004)  
Juliet B. Schor, The Overspent American (New York: Basic Books, 1998)  
Coursepack

Optional:

Erik Olin Wright, Envisioning Real Utopias, (Brooklyn: Verso: 2010)

## Schedule of Readings

“\*” indicates readings in the coursepack

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### I. Introduction

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*January 13*

Introduction

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### II. Welfare, Efficiency and Equality

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*January 18 and 20*

Buchanan, Ethics, Efficiency, and the Market, pg. 1-26 \*

Adam Smith, The Wealth of Nations, pg. 3-18 \*

Cass Sunstein, “Open Source Software” Infotopia \*

*January 25 and 27*

Adam Smith, The Wealth of Nations, pg. 839-46 \*

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

*February 1 and 3*

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

*February 8 and 10*

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

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

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### III. Freedom, Consumption, and Growth

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*February 15 and 17*

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

Waldron, “Homelessness and the Issue of Freedom” \*

*February 22 and 24*

Friedrich Hayek, The Constitution of Liberty, chapter 3 (webcafe)

Schor, The Overspent American, chapter 4

John Kenneth Galbraith, “The Dependence Effect” \*

*March 1 and 3*

Karl Marx, Capital, pg. 222-5 \*

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

Schor, The Overspent American, chapter 6

\*\* MIDTERM PAPERS DUE MARCH 3 \*\*

*March 15 and 17*

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Amartya Sen, Development as Freedom, pg. 13-34, 72-6 and 87-120  
Benjamin M. Friedman, The Moral Consequences of Growth, chapter 12 (webcafe)

Optional: Carol Graham, Happiness Around the World, chapter 2

*March 22 and 24*

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Movie (in class): "Flow"  
Elizabeth Anderson, "Ethical Limitations of the Market" (webcafe)

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## **V. Democracy**

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*March 29 and 31*

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Robert Dahl, "American Hybrid" \*  
Joshua Cohen, "Deliberation and Democratic Legitimacy" \*

*April 5 and 7*

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*Buckley v. Valeo*, pg. 1-16 \*  
Charles Beitz, "Political Finance" Political Equality, pg. 192-213 \*  
Robert Dahl, "Democracy and the Economic Order" \*

*April 12 and 14*

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Pippa Norris "Knows Little" \*  
Habermas, "The Public Sphere," pg. 231-36 and Between Facts and Norms, pg. 373-9 \*  
Owen Fiss, "The Democratic Mission of the Press" \*

Optional: Jeremy Tunstall, "World News Duopoly" \*  
Habermas, The Structural Transformation of the Public Sphere, pg.159-75 \*  
Habermas, Between Facts and Norms, pg. 359-87 \*

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## **VI. The Future**

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*April 19, 21 and 26*

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Rajan and Zingales, Saving Capitalism from the Capitalists, pg. 275-314 \*  
Michele Micheletti, Political Virtue and Shopping, chapter 3 (skip pg. 75-82) (webcafe)  
Richard K. Lester and Michael Piore, "Universities as Public Spaces" in Innovation  
Erik Olin Wright, "The Social Economy," pg. 193-216 (webcafe)

Optional: Thomas Pogge, "Eradicating Systemic Poverty: Brief for a Global Resources Dividend"  
Michael Piore and Charles Sabel, The Second Industrial Divide, pgs. 28-33, 205-16, 265-80, and 286-95  
Joshua Cohen and Charles Sabel, "Directly-Deliberative Polyarchy"

\*\* FINAL PAPERS DUE APRIL 26 \*\*

\*\* FINAL EXAM TBA \*\*