



Markets, Morality and the Future of Capitalism

LGST 226, Spring 2013

Professor Waheed Hussain
667 Huntsman Hall
Phone: (215) 573-0601
Email: whussain@wharton.upenn.edu
Office Hours: Thursday 2:00-3:00 p.m. or by appointment

Tuesdays and Thursdays
3:00-4:30 p.m.
Room: JMHH F60

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

30%	First paper
30%	Second paper
30%	Final paper
10%	Class Participation

Papers

There are three assignments for this class. Each one will ask you to write a 5-7 page paper. You will have a choice of writing on an assigned topic or writing on a topic of your own choice. The assigned topics will ask you to assess some claim or theory developed in one or more of the readings. If you write on your own topic, it should address an important normative question regarding the market system and it must engage with the readings. 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.

Besides helping you to understand the material, the point of the papers is to help you to learn how to present the views of another author and to examine difficult ideas that are not easy to grasp on the first reading. The papers are also a chance for you to formulate your own views over the course of the semester. 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.

Course materials

Robert Frank and Philip J. Cook, The Winner-Take-All Society
Friedrich Hayek, The Constitution of Liberty (Chicago: University of Chicago Press, 1960)
Robert Nozick, Anarchy, State and Utopia (New York: Basic Books, 1974)
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:

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

Schedule of Readings

“*” indicates readings in the coursepack

I. Introduction

January 10

Introduction

II. Welfare, Efficiency and Equality

January 15 and 17

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 22 and 24

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

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

January 29 and 31

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

February 5 and 7

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

Robert Frank and Philip J. Cook, The Winner-Take-All Society, Chapter 1, 3, 6 and 11

** FIRST PAPERS DUE FEBRUARY 12 **

III. Freedom and Community

February 12 and 14

Friedrich Hayek, The Constitution of Liberty, Chapters 2 and 3

Amartya Sen, Development as Freedom, pg. 13-34, 72-6 and 87-131

February 19 and 21

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

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

February 26 and 28

Elizabeth Anderson, “Ethical Limitations of the Market” *

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

March 12 and 14

Movie (in class): "Food Inc."

Bill McKibben, "The Wealth of Communities" (canvas)

**** SECOND PAPERS DUE MARCH 19 ****

V. Democracy

March 19 and 21

Friedrich Hayek, "Majority Rule" The Constitution of Liberty

Robert Dahl, "American Hybrid" *

Joshua Cohen, "Deliberation and Democratic Legitimacy" *

March 26 and 28

Buckley v. Valeo, pg. 1-16 *

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

April 2 and 4

Micklethwait and Woodridge, "The Rise of Big Business in America" (canvas)

Habermas, "The Public Sphere," pg. 231-36 and Between Facts and Norms, pg. 373-9 *

Citizens United v. FEC (selections) (canvas)

Thomas Christiano, "The Uneasy Relationship Between Democracy and Capital" *

VI. The Future

April 9 and 11

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

Nicholls and Opal, "The Economics of Fair Trade" (canvas)

Waheed Hussain, "Is Ethical Consumerism an Impermissible Form of Vigilantism?"
(canvas)

Optional:

Michele Micheletti, Political Virtue and Shopping, chapter 3 (skip pg. 75-82) (canvas)

Botsman and Rogers, "The Rise of Collaborative Consumption" (canvas)

Harvard Business School, "Norway Sells Walmart" (canvas)

April 18 and 23

Robert Dahl, "Democracy and the Economic Order" *

Richard K. Lester and Michael Piore, "Universities as Public Spaces" *

Erik Olin Wright, "The Social Economy," pg. 193-216 (canvas)

**** FINAL PAPERS DUE APRIL 30 ****