

LGST 226: MARKETS, MORALITY, & CAPITALISM

THE WHARTON SCHOOL, UNIVERSITY OF PENNSYLVANIA
SPRING SEMESTER 2016, TUESDAYS-THURSDAYS 3:00PM

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Office Hours: Tuesdays 1:30-3 & by appointment

COURSE DESCRIPTION

Markets play a central role in the life of a capitalist democracy. But is this a good thing? Are markets the appropriate mechanism for allocating all goods? 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? We will read a range of important thinkers writing on these issues, including Adam Smith, Jean Jacques Rousseau, John Rawls, Friedrich Hayek, Amartya Sen, Thomas Piketty, Karl Marx, Robert Nozick, Bill McKibben, Joseph Raz, Robert Dahl, and many others.

COURSE REQUIREMENTS

Class Participation (30%) – The success of this course depends on active classroom discussion. Attendance and engagement are expected. Students' grades will be dictated by quality & preparedness, not quantity of participation. I expect to cold call occasionally. When there is a reading about which you find yourself having particular questions or pronounced views, I encourage you to send me an email in advance of class (but this is not a requirement).

In-Class Presentation (10%) – Each student will be assigned a reading to comment on in class. This will require preparing a short (5-15 minute) presentation on one issue or argument in the reading. You should briefly outline the argument and then raise some questions or objections. Clarity and precision are important goals here. The aim is NOT to summarize the entire reading; pick only one particular idea/argument to talk about. Rather, the aim is to provide added value by clarifying and/or problematizing the reading and jumpstarting class discussion. You should email me a brief description of what you plan to talk about no later than the night beforehand, so that I know when I should turn to you.

Paper 1 (30%) – 3000 word limit, due midnight March 18.

Paper 2 (30%) – 3000 word limit, due midnight April 30.

For both papers, you will be expected to select your own topic. For this reason, you should be thinking about the topics early, and you are strongly encouraged to run your idea/topic past me. Papers should address an important normative question (i.e. not purely descriptive). Some possibilities include: explicating an argument, raising an issue it faces, and attempting to resolve the issue; 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; criticizing the position of an author on a particular normative issue.

READINGS

All readings will be posted on Canvas. There are no books or coursepacks that you are required to purchase. We will, however, read significant portions of the following books, which you might consider purchasing (in roughly the following order of priority):

Thomas Piketty, *Capital in the Twenty-First Century*

John Rawls, *A Theory of Justice*

Friedrich Hayek, *The Constitution of Liberty*

G.A. Cohen, *Why Not Socialism?*

Date	Topic	Readings
Jan. 14	Introduction	No Readings
Unit 1: Welfare & Efficiency		
Jan. 19	Efficiency	<ul style="list-style-type: none"> • Adam Smith, <i>Wealth of Nations</i>, selections • Allen Buchanan, <i>Ethics, Efficiency, and the Market</i>, pp. 1-36
Jan. 21	Pollution-Selling	<ul style="list-style-type: none"> • Ronald Coase, “The Problem of Social Costs,” sec. I-IV & VI (skim V, skip VII-X) • Charles Frank, “Pricing Carbon: A Carbon Tax or Cap-And-Trade?”
Jan. 26	Preferences & Rationality	<ul style="list-style-type: none"> • Amartya Sen, “Rational Fools: A Critique of the Behavioral Foundations of Economic Theory” • John Broome, “Why Economics Needs Ethical Theory”
Unit 2: Equality & Inequality		
Jan. 28	Rousseau	• J.J. Rousseau, <i>Discourse on Inequality</i> (edited)
Feb. 2	Wealth & Inequality I	• Thomas Piketty, <i>Capital in the 21st Century</i> , pp. 1-35, 237-265
Feb. 4	Wealth & Inequality II	<ul style="list-style-type: none"> • Thomas Piketty, <i>Capital in the 21st Century</i>, pp. 336-376 • T.M. Scanlon, “The 4 Biggest Reasons Why Inequality Is Bad For Society”
Feb. 9	Justice as Fairness	• John Rawls, <i>A Theory of Justice</i> , §§1-3, 11
Feb. 11	Rawls’s Two Principles	• John Rawls, <i>A Theory of Justice</i> , §§11-17, 48
Unit 3: Freedom, Community & Exploitation		
Feb. 16	Libertarianism I: Austrian School	<ul style="list-style-type: none"> • Friedrich Hayek, <i>The Constitution of Liberty</i>, Ch. 2 and 3 • Ludwig von Mises, “The Economic Foundations of Freedom”
Feb. 18	Libertarianism II	<ul style="list-style-type: none"> • Robert Nozick, <i>Anarchy, State, and Utopia</i>, pp. 150-74, 262-5 • G.A. Cohen, “Capitalism, Freedom, and the Proletariat”
Feb. 23	Socialism	<ul style="list-style-type: none"> • Karl Marx, <i>Das Kapital</i>, Ch. 10, §1 “The Limits of the Working Day” • G.A. Cohen, <i>Why Not Socialism?</i>
Feb. 25	Community	• Bill McKibben, “The Wealth of Communities”
Mar. 1	Exploitation I: Fairness	• Alan Wertheimer, <i>Exploitation</i> , Ch.1 and Ch. 9
Mar. 3	Exploitation II: Degradation	• Ruth Sample, <i>Exploitation, What It Is and Why it is Wrong</i> , Ch. 3
SPRING BREAK		

Unit 4: Commodification & Incommensurability

Mar. 15	Limits of the Market	• Elizabeth Anderson, “Ethical Limitations of the Market”
Mar. 17	Sex-Selling	• Laurie Shrage, “Prostitution and the Case for Decriminalization” • Debra Satz, <i>Why Some Things Should Not Be For Sale</i> , pp.135-155
Mar. 22	Baby-Selling	• <i>In re Baby M</i> • Landes & Posner, “The Economics of the Baby Shortage”
Mar. 24	Organ-Selling	• Radcliffe-Richards et al., “The Case for Allowing Kidney Sales” • Debra Satz, <i>Why Some Things Should Not Be For Sale</i> , pp.189-206
Mar. 29	Incomparability & Incommensurability	• Joseph Raz, <i>Morality and Freedom</i> , pp. 340-345 • Ruth Chang, “The Possibility of Parity”
Mar. 31	Constitutive Incommensurability	• Joseph Raz, <i>Morality and Freedom</i> , pp. 345-353 • Ruth Chang, “Against Constitutive Incommensurability or Buying and Selling Friends”

Unit 5: Capitalism & Democracy

Apr. 5	NO CLASS	[Note: We will make up this week’s classes with an evening session TBD]
Apr. 7	NO CLASS	
Apr. 12	Foundations of Democracy	• Friedrich Hayek, <i>The Constitution of Liberty</i> , Ch. 7 • John Rawls, <i>A Theory of Justice</i> , §§ 36 • Joshua Cohen, “Deliberation and Democratic Legitimacy”
Apr. 14	Campaign Finance Law	• <i>Buckley v. Valeo</i> , selections • <i>Citizens United v. FEC</i> , selections
Apr. 19	Vote-Selling	• Steven Reiber, “Vote Selling and Self-Interested Voting” • Greg Mankiw, “On Vote Selling”
Apr. 21	Capital & Democracy	• Thomas Christiano, “The Uneasy Relationship Between Democracy and Capital” • Waheed Hussain, “Is Ethical Consumerism an Impermissible Form of Vigilantism?”
Apr. 26	Conclusion	• Robert Dahl, “Democracy and the Economic Order”

CLASS POLICIES & INFORMATION

1. *Be Respectful.* Rather than setting out a laundry list of classroom rules, I prefer to say simply that you should treat your classmates and me with respect. This class is about developing your judgment about how to treat others, and you should exercise that judgment in the classroom. The following are a few things that I think can often be disrespectful: talking separately while another person is addressing the group; getting up to leave in the middle of class; snickering at or mocking another person’s comments; eating loudly or in a manner that will distract others. But this is not an exhaustive list. This is open to your discretion, which I hope will prompt deliberation on your part.

2. *No Bullshit.* You should do the readings. Philosophy can be challenging to read, and you may need to read things more than once before you understand them. But don’t bullshit if you haven’t done the readings for some class. It will only hurt the class discussion (and I will probably know). [h/t: David Plunkett]

3. *No Laptops.* Laptops and are not allowed in class. Recording devices are also not allowed. I will permit tablets or other electronic devices without an external keyboard for the purpose of accessing

assigned readings and notes or annotations that you may have made on the assigned readings. If you abuse this limited use of electronic devices, I may ask that you no longer bring them at all.

4. *No plagiarism.* Plagiarism is a serious form of academic misconduct, and punishment will be severe. Any time you use ideas from someone else, whether directly quoting or not, you should provide a citation. Failure to do so is dishonest and unfair to others. Laziness or accident is not an excuse.

5. *Guidance on writing Papers:* 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. Each paper should make an argument of your own. 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. It is essential to have a clear, well-reasoned argument, and the best papers will have something interesting or somewhat original to say. Clarity in writing and reasoning is critical. The top papers will also add some intellectual creativity or value (i.e. say something non-obvious).

It is perfectly fine to use the first-person, but you don't have to. You also don't have to do outside research. If you want to draw on additional materials, that's fine; please cite them, but I don't particularly care what citation format you use.

For more guidance, the following links provide resources for writing a philosophy paper, which may be useful:

<http://www.jimpryor.net/teaching/guidelines/writing.html>

<http://www.fas.harvard.edu/~phildept/files/ShortGuidetoPhilosophicalWriting.pdf>