LGST 226: Markets, Morality, and Capitalism
Robert Hughes
Spring 2018 Syllabus

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Class meetings: TR 1:30-2:50 in JMHH F50

Markets are a central feature of most modern societies. Should markets be allowed to determine who will be rich and who will be poor? Do markets create morally problematic incentives? Are there some goods that should not be allocated via markets? This course will examine ways in which markets promote or hinder various social values. Our aim will be to determine whether we should want a market system, and if so, what sort of market system we should want.

The first half of the course will concern three values that an economic system can promote or hinder: welfare, equality, and liberty. Given that market systems are by some measures efficient, do they contribute to human welfare in the ways that matter most? Are efficiency considerations sufficient to determine what sort of market system we should want? Many political thinkers have argued that markets contribute to human freedom. Some have argued that full human freedom requires a market economy of a particular sort, one that includes private ownership of the means of production, unlimited rights to bequeath and to inherit, little or no economic regulation, and minimal taxation. There is reason to think that such an economic system would tend to generate large economic inequalities. We will discuss reasons to value economic liberty and economic equality. We will also discuss whether the ideals of liberty and equality are fundamentally in tension or whether they can be reconciled.

The second half of the course will concern ways in which specific market conditions or markets for particular goods can raise distinctive moral problems. Are there market conditions in which an offer can be coercive? Are there market conditions in which there can be transactions that are exploitative despite being beneficial and mutually consensual? Are there market conditions that make exploitation impossible? Is it objectionable to have markets for the sale of human organs, human infants, sex, or primary education? What moral limits are there, and what legal limits should there be, on the use of money to influence politics?

Readings

Readings for the course will be available via the course website (via Library Course Reserves). Though digital versions of these three books are available, you may wish to use hard copies:

> G.A. Cohen, *Why Not Socialism?*
> Jason Brennan, *Why Not Capitalism?*
> Jean-Jacques Rousseau, *Basic Political Writings*

These books will be available for purchase in the campus bookstore. Copies will also be available on reserve at the library. We will be reading all of the short books by Cohen and Brennan in the first two weeks of class. The Rousseau work we are studying is his *Discourse on the Origin of Inequality*. If you already have a different translation of this work, you are welcome to use it instead.

Assignments and Grading

> 15% Questions on the Reading
> 15% Class participation
> 30% First paper (1800-2400 words, due **Friday, March 16 at 2PM**)
> 40% Second paper (2400-3000 words, due Monday, **April 30 at 2PM**)

For the first paper, I will offer several possible topics from which you may choose. You will develop your own topic for the second paper. I will give you guidance about how to do this. Both paper assignments will address normative questions, questions about what actions, institutions, or social practices are good or bad, right or wrong, just or unjust, desirable or undesirable. Papers should not focus on describing the economic world as it is or has been. A paper for this course might explain an argument we discussed, offer an objection to the argument, and attempt to resolve the problem. Or a paper might critically evaluate a dispute between two authors we have studied. Or a paper might apply one of the normative theories we have discussed to a contemporary social question.

Grades for paper assignments will be on an absolute scale. I will not use a curve. The main criteria for the evaluation of papers will be the clarity of the writing and

organization, the accuracy and charity of the presentation of others' views and arguments, and the effectiveness of critical discussion.

To help guide you through the readings, I will ask you to write up answers to a questions on each of the reading assignments. Sometimes I will ask you to write brief (1-3 sentence) answers to several questions. Sometimes I may instead ask for a full paragraph answer to a single question. Answers to questions on the reading are due on Canvas before every class except for the first session, which has no reading assignment. Answers to questions on the reading will be graded S/U. You may skip any five sets without penalty (though you should still do the reading on days that you skip the QR assignment). I will not give written feedback on these assignments, but you are welcome and encouraged to discuss your answers to questions on the reading with me in office hours. We will always discuss the questions on the reading in class.

Grades for participation will be based on regular attendance and on both the frequency and the quality of active participation, with an emphasis on quality. Comments in class do not have to be true or deep to be helpful (though if you are in possession of deep truths, I hope you will share). Any effort to help the class think through the material is potentially valuable, including mistakes, tentative suggestions, devil's advocacy, and requests for clarification. That said, it will probably not help your participation grade to bullshit, i.e., to speak with the aim of sounding good without caring whether you are saying something true. It also will not help your grade either to be hyper-aggressive or to pretend to have read the day's readings when you haven't. To ensure that all students get opportunities to speak, I will not always call on the first students to raise their hands.

Papers should be submitted to Canvas and automatically checked with Turnitin. Late papers will be penalized 1/3 of a letter grade per day late, including weekend days. Answers to questions on the reading must be submitted on time to receive credit.

Academic Integrity

Information on academic integrity will be available on the course website. Students are expected to know and comply with University regulations regarding academic integrity.

If you use or discuss someone else's ideas—including ideas you get from discussing the course with classmates, friends, or family—you must cite the source. If you use someone else's words, you must clearly identify the quotation as a quotation, and you must cite the source. You are always welcome to speak with me about when it is necessary to cite a source. If you must make a last-minute decision about citation, it is better to cite too much rather than too little.

Dual submissions are not allowed in this course. No part of any assignment for this course may consist of work that you (or others) have submitted for assignments in other courses, at the University of Pennsylvania or elsewhere.

Though you are welcome and encouraged to discuss the readings with other students in the course, you should write up answers to the "Questions on the Reading" assignments on your own.

Classroom Policies

A recent study indicates that students perform better on conceptual questions if they take notes longhand, rather than typing. (This is true even if students are not attempting to multitask.) Partly for this reason, I will ask you to refrain from using electronic devices in class, including laptops, and you should silence devices before class begins. If you have a disability that requires you to take notes on a computer, or if you have *really* bad handwriting, come talk to me. Whenever there are large blocks of text you will need in your notes, I will provide printed copies.

I will ask you to sit according to a seating chart, which we will set in week 2. I will also ask you display name cards.

Faculty and TA Lunches

I will arrange group lunches with students through the Student-Faculty Meals Program. I invite and encourage you to sign up on Canvas. These lunches are voluntary, and there is no charge to students.

Our TA, Matthew Caulfield, is available for lunch (at no charge to students) through the Take a PhD to Lunch Program.

Tentative Schedule of Readings

The dates listed are the dates reading assignments are due. For some reading assignments, you will not have to read the whole of the article that is posted online. Please look at the daily "Questions on the Reading" assignment on Canvas (even if you are not writing up answers that day) for page numbers and advice about where to focus. I may adjust the reading list in later units in response to the interests students express earlier in the term.

Unit 1: The Moral Ideals behind Socialism and Capitalism

January 16: Socialism as a moral ideal

> G. A. Cohen, *Why Not Socialism?* Chapters I-III

January 18: What distinguishes capitalism from market socialism?

> G. A. Cohen, *Why Not Socialism?* Chapters IV-V
> Jason Brennan, *Why Not Capitalism?* pp. 3-46
> Optional but recommended: John Roemer, "A Future for Socialism"

January 23: Capitalism as a moral ideal

> Jason Brennan, *Why Not Capitalism?* pp. 47-99

Unit 2: Markets and Welfare

January 25: Utilitarianism and Pareto-efficiency

> Joseph Heath, "Defining Efficiency"

January 30: Do modern economies make people better off?

> Jean-Jacques Rousseau, *Discourse on the Origin of Inequality*, Introduction and Part I

February 1: Do modern economies make people better off?

> Jean-Jacques Rousseau, *Discourse on the Origin of Inequality*, Part II
> Mary Wollstonecraft, *Vindication of the Rights of Women,* Chapter I

Unit 3: Markets and Equality

February 6: The problem of inequality; Rawls's proposal
> T.M. Scanlon, "The Four Biggest Reasons Why Inequality is Bad for Society"
> John Rawls, *A Theory of Justice*, §§1-3, 11-13

February 8: The original position and the two principles

> John Rawls, *A Theory of Justice*, §§ 4, 20, 24-26

February 13: Economic inequality in contemporary societies

> Thomas Piketty, *Capital in the Twenty-First Century*, pp. 1-27, 237-270

February 15: Justice and inheritance

> D. W. Haslett, "Is Inheritance Justified?"
> Thomas Piketty, *Capital in the Twenty-First Century*, pp. 336-358

Unit 4: Markets and Freedom

February 20: A classical liberal view of economic freedom

> Friedrich Hayek, *The Constitution of Liberty*, Chapters II and III

February 22 : A libertarian view of economic freedom

> Robert Nozick, *Anarchy, State, & Utopia*, pp. 150-74, 262-5

February 27: Economic freedom for the poor

> G. A. Cohen, "The Structure of Proletarian Unfreedom"

Unit 5: Attempts to Reconcile Equality and Liberty

March 1: Are liberty and equality compatible? Left-libertarianism

    Michael Otsuka, "Self-Ownership and Equality: A Lockean Reconciliation"

SPRING BREAK

March 13: Are economic liberty and regulation compatible? Civic republicanism

    Phillip Pettit, "Freedom in the Market"

March 15: Economic liberty and the prevention of poverty

    Arthur Ripstein, *Force and Freedom*, pp. 267-286

Unit 6: Coercion and Exploitation

March 20: Threats, offers, and warnings

    Robert Nozick, "Coercion," pages TBA

March 22: Can job offers be coercive?

    David Zimmerman, "Coercive Wage Offers"

March 27: Exploitation and its regulation

    Alan Wertheimer*, Exploitation,* pp. 3-34, pp. 296-309

March 29: Another view of exploitation

    Ruth Sample, *Exploitation: What It Is and Why It's Wrong*, pp. 55-96

Unit 7: Ethical Limits of the Market

April 3: Noxious markets

    Debra Satz, *Why Some Things Should Not Be for Sale*, pp. 91-112, 189-205

April 5: Another view on limits of the market

    Elizabeth Anderson, "Ethical Limitations of the Market"

April 10: Selling parental rights

> *In re Baby M*
> Landes & Posner, "The Economics of the Baby Shortage"

April 12: Education markets and problematic incentives

> Daniel Halliday, "Private Education, Positional Goods, and the Arms Race Problem"

Unit 8: Markets and Democracy

April 17: Democratic ideals

> John Rawls, *A Theory of Justice*, § 39
> Excerpts from *Buckley v. Valeo*

April 19: Vote-selling and self-interested voting

> Steven Reiber, "Vote Selling and Self-Interested Voting"
> Greg Mankiw, "On Selling Votes"

April 24: Markets and political influence

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