

Ethics Economics and the Business System

Baruch College
PHI 3050 – FTRA
Class Number: 51697

Instructor: Yuval Abrams
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Meeting time: T, Th 4:10-5:25
Office hours (by appointment): M 5:45-6:45
Th 2:30-3:45

Semester: FALL 2018
Classroom: VC 4-185
Credits: 3.0
Office: B5-287

SYLLABUS

INTRODUCTION

Though a science, economics generates intense political, moral, and philosophical controversies. This course studies philosophical and moral questions raised by economic theories, including different accounts of rational choice, the major analyses of the concept of value, the relation between justice and market distributions, the concept of rights and the notion of property, and the moral claims of consumers, shareholders, and workers.

Textbooks

The required textbook in this course is: Gerald F. Gaus, *On Philosophy, Politics, and Economics*. Wadsworth 2008

All other readings will be made available to you on the course Blackboard site.

Course Blackboard Site:

There will be a site for this course on Blackboard. The syllabus, some of the readings will be posted and accessible on that site. It is your responsibility to follow updates on Blackboard and by email regularly.

Learning Goals

Upon completion of this course, students will be able to:

Grasping Concepts

- Grasp logical concepts ('premise,' 'conclusion,' 'soundness,' 'validity,' 'truth,' etc.)
- Grasp ethical concepts ('right,' 'wrong,' 'justice,' 'relativism,' 'altruism,' etc.)
- Grasp basic economic concepts ('efficiency,' 'utility,' 'maximization', etc.)
- Grasp basic concepts in political theory and political economy ('laissez faire', 'free markets', 'socialism', etc.)

Understanding Forms of Reasoning

- Identify and understand forms of logical reasoning (valid, invalid, necessary v. sufficient conditions)
- Understand what counts as a normative (and specifically an ethical) premise
- Understand basic rational choice and game theory (utility maximization, dominant strategies, expected utility).

Ideas

- Understand what is at issue in the different understandings of Economics as a science and/or a normative enterprise
- Understand how (if at all) Economics and moral theory interact
- Understand the philosophical underpinnings of traditional debates in Political Economy and how they inform policy
- Apply the basic concepts to moral debates such as minimum wage, exploitation, etc.

- Understand the contours of the debate regarding the moral limitations of markets: in business ethics, in policy, and in moral theory more generally.
- Understand the different theories, both economic and philosophical, about value.

Course Requirements and Grading

Your grade will be a function of short papers, exams, and a score for participation and quizzes.

- **40% two short papers (20% each)** – everyone will be required to submit two short papers of about 1000 words in length. The first paper will be due the week after the midterm. The second paper will be due the week after the final exam. **The first paper must be submitted in hard copy. The final paper is to be submitted electronically to my email address.**
- **40% midterm and final (20% each)** – we will have two exams, one on October 30th and the other on December 20th (dates to be confirmed). There will be roughly **30 multiple choice** questions per exam and they will be cumulative. I'll confirm before each exam what material will be on there, but any material we cover in class (including Powerpoints, handouts, and assigned reading) could feature.
- **10% participation** – I expect all students to attend every class, arrive on time, and participate in class. A lot of the class will consist in debates and discussions. Please try to keep your contributions on topic, and try not to dominate discussion to the exclusion of other students. Personal reflections are welcome, but try to be clear and concise. Contribution to discussion is the main way to get a high participation score, but you can also boost your score by being engaged and on time.
- **10% quizzes** – there will be quizzes the readings at the beginning of some (but not all) the classes. The quizzes will be for the purpose of ensuring you've done the readings, and the questions will be simple, accordingly. There will not be one every class, but there will be approximately 10-12 over the course of the semester. I will allow you to drop your two worst quiz grades. Absences will count as a zero, but of course, those grades can be dropped along with other poor performances. I will announce in advance when the quizzes will be.

TIPS ON DOING WELL IN CLASS

- Attend every class so you don't miss material.
- Participate in discussion, and think of something smart to say when I call on you.
- Make careful notes: some questions in the Midterm and Final won't be fully covered in the readings and Powerpoint.
- Study for exams with classmates, using readings, notes, and Powerpoints.
- Do as much as you can earlier in the semester – your life will only get more busy. Start thinking about your first paper as early as you can.
- If English isn't your first language (or if you don't have experience with formal writing), book an appointment with the Writing Center.
- **Get everything done on time.**

READING AND WRITING PHILOSOPHY PAPERS

Note that reading and writing philosophy papers is unlike reading and writing papers in any other subject, so if you're relatively new to philosophy, you'll be required to develop new skills. As a guideline, you should expect to spend at least five minutes reading each page. You should not expect to understand every idea or grasp every reference, but you should try to get an overall understanding of the piece.

Three quick tips: (i) skim read the whole article once, ignoring things you don't understand; (ii) re-read it again a second time much more slowly, taking at least five minutes per page; (iii) write a brief summary of the article as you read it, and make annotations as you go. In general, expect a ten page philosophy article to take between an hour and an hour and a half to read.

Writing philosophy papers is quite tricky, but we will discuss this in some detail together in class. Jim Pryor has some excellent guidelines on how to read and write philosophy papers. See

<http://www.jimpryor.net/teaching/index.html>. We will also discuss these issues in class. Additionally, for assistance with citation formats, see the Newman Library's online guide:

http://www.baruch.cuny.edu/tutorials/weissman/oral_presentations/newman_style_guides.htm

Please be aware of the NY State Education Law, which provides that:

1. Any student in an institution of higher education who is unable, because of their religious beliefs, to attend classes on a particular day or days shall, because of such absence on the particular day or days, be excused from any examination or any study or work requirements.
2. It shall be the responsibility of the faculty to make available to each student who is absent from school, because of religious beliefs, an equivalent opportunity to make up any examination, study or work requirements which they may have missed because of such absence on any particular day or days
3. Any student who is aggrieved by the alleged failure of any faculty or administrative officials to comply in good faith shall be entitled to maintain an action or proceeding in the supreme court of the county in which such institution of higher education is located for the enforcement of their rights

CUNY Policy on Academic Integrity

Baruch College's Statement of Academic Integrity:

Academic integrity in its best form involves upholding the principles and expectations of doing one's own work and giving credit to others for theirs. Academic integrity strengthens the educational environment by valuing original work and providing a fair environment for all students. (<http://www.baruch.cuny.edu/studentaffairs/AcademicIntegrity/>)

Baruch College's Statement on Academic Dishonesty:

Academic dishonesty is unacceptable and will not be tolerated. Cheating, forgery, plagiarism and collusion in dishonest acts undermine the college's educational mission and the students' personal and intellectual growth. Baruch students are expected to bear individual responsibility for their work, to learn the rules and definitions that underlie the practice of academic integrity, and to uphold its ideals. Ignorance of the rules is not an acceptable excuse for disobeying them. Any student who attempts to compromise or devalue the academic process will be sanctioned.

For more information on the definitions of Academic Dishonesty, see here

https://www.baruch.cuny.edu/academic/academic_honesty.html

CUNY Policy on Disability Services

Baruch College is committed to providing access to all programs and curricula to all students. Students with disabilities who may need classroom accommodations are encouraged to register with the Office of Students with Disabilities. For more information, please contact the Office of Students with Disabilities, One Bernard Baruch Way, Newman Vertical Campus, Room 2-271, New York, NY 10010, phone number, 646-312-4950 or visit <https://www.baruch.cuny.edu/studentaffairs/ossd/disabilityServices.htm> .

Student Academic Consulting Center (SACC)

SACC's mission is to help undergraduates of Baruch College succeed academically and in their chosen professions. This includes tutorial services. For more information, visit <https://www.baruch.cuny.edu/sacc/>

Schedule

All readings are from Gaus or will be made available on the course Blackboard site.

Note: The dates, topics, and readings are tentative and subject to revision. It is your responsibility to stay tuned and keep up with the schedule. I will announce readings in class and on Blackboard.

Tuesday, August 28: Introduction

Thursday, August 30th: Ethical Reasoning and Ethical Theories

Readings: MacKinnon Chapters on Ethical Reasoning, Utilitarianism, and Kantian Ethics

Tuesday September 4th: Is Morality Rational? (Take One)

Readings: Plato, "The Ring of Gyges" (from the Republic); Hobbes "Leviathan" (Excerpts)

Thursday September 6th: Instrumental and Economic Rationality

Readings: Gaus, Chapter 1

Tuesday September 11th: NO CLASS (Rosh Hashanah)

Thursday September 13th: Utility Theory

Readings: Gaus, Chapter 2;

Optional: Hausman & MacPherson “Rationality”;
Gilboa “Utility Maximization”, “Expected Utility”

Tuesday September 18th: NO CLASS (Yom Kippur)

Thursday September 20th: Utility Theory (Continued) / Efficiency

Readings: Gaus Chapter 3;

Optional: Hausman & MacPherson “Rationality in Normative and Positive Economics”

Tuesday September 25th: Game Theory

Readings: Gaus, Chapter 4

Optional: Gilboa: “Games and Equilibria”

Thursday September 27th: Game Theory (continued)

Tuesday October 2nd: Game Theory (continued)

Thursday October 4th: Is Morality Rational? (Take Two)

Readings: Gauthier, *Morals by Agreement* (excerpt), Schmitz “Reasons for Altruism”

Tuesday October 9th: Property

Readings: Locke, *Of Property*; Hume *Of Justice and Property*

Thursday October 11th: Property, Tragedy of the Commons, and Communal Property

Readings: Hardin, “The Tragedy of the Commons”;
Schmitz, “The Institution of Property”;
Ellickson, “Property in Land”

Tuesday October 16th: Division of Labor

Readings: Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, bk. I, chs. 1–3;

Thursday October 18th: How Markets Work

Readings: F.A. Hayek, “The Use of Knowledge in Society”

Tuesday October 23rd: Marxist Critique

Readings: Marx, *Communist Manifesto* (excerpts)

Thursday October 25th: Marxist and the Alienation of Labor

Readings: Marx, “Estranged Labor”

Tuesday October 30th: MIDTERM EXAM

Thursday November 1st: Smith on Wages and Exploitation

Readings: Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, bk. I, ch. 8;

Tuesday November 6th: Distributive Justice: Egalitarianism

Readings: Rawls, *A Theory of Justice* (Excerpts)

Thursday November 8th: Distributive Justice: Libertarianism

Readings: Nozick, *Anarchy, State, and Utopia*, ch 7

Tuesday November 13th: Free Markets and Market Failures

Readings: Gilboa, "Free Markets"

Thursday November 15th: Capitalism v. Socialism

Readings: Cohen, *Why Not Socialism?*

Tuesday November 20th: Capitalism v. Socialism

Readings: Brennan, *Why Not Capitalism?*

Thursday November 22nd: No Class (Thanksgiving)

Tuesday November 27th: The Purpose and Moral Obligations of the Firm

Readings: Friedman, "The Social Responsibility of Business is to Increase its Profits"

Thursday November 29th: TBA (Note: the topics we cover in the last four classes will be determined by class interest. Possible topics include (but are not limited to: Exploitation, Price-Gouging, Sweatshops, Commodification and Markets, Free Trade, Proposals to Increase social responsibility for firms, Social Choice Theory and Arrow's Theorem, Public Choice Theory and Rational Voting, Paternalism and Behavioral Economics, and Topics in Law & Economics).

Tuesday December 4th: TBA

Thursday December 6th: TBA

Tuesday December 11th: TBA

COURSE POLICIES

(i) Late paper policy

All papers are due in class on the due date given. You must submit a hard copy either in class or in my mailbox at VC 5-295. Extensions will be granted only for compelling academic reasons (e.g., conflicts with other due dates) and only with advance notice of at least 24 hours, or for personal reasons to be assessed on a case-by-case basis. Late papers will be marked down by 2% of the total grade per day. No late paper will be accepted more than a week after it was originally due.

(ii) Attendance

I will not be taking attendance, but bear in mind that you are graded on participation.

(iii) Electronic devices

All instruments, including but not limited to mobile phones, that beep, chirp, tinkle, chime, ring, or make other annoying electronic noises must be turned off *before* you enter the classroom. This is a non-negotiable rule, and it will be enforced. Any student who uses an electronic device during class will first be asked to turn it off, and then asked to leave the room. Repeated offenders will face severe penalties to their participation score.

(iv) Other policies

- Show up on time. I notice students who are late, and their participation grade will take a hit.
- If you arrive late (or need to leave early) please do so as quietly and as discretely as possible.
- At the end of the class, please don't begin packing up until I announce that class is over.
- In discussion, be respectful to me and to your fellow students. Especially to your fellow students.

IMPORTANT DATES

September 11th: No class (Rosh Hashanah)

September 18th: No class (Yom Kippur)

October 30th: Midterm

November 6th: First paper due

November 22nd: No class (Thanksgiving)
December 12: Last day of classes
December 20: Final Exam (3:30-5:30pm) (Tentative)
December 27: Final Paper Due