

Economics and Theories of Fairness

Full Syllabus (revised November 12, 2020)

1. Course Description

Free markets excel at producing wealth, but seem to do so at the cost of economic inequality. Is this inequality unjust? Is it a problem economics and public policy should solve?

Liberal democracies have traditionally had the protection of private property as a core mandate. But they also have varying degrees of redistribution in order to fund social welfare systems. How can we reconcile these objectives which seem to conflict?

Is the protection of individual rights more important than the promotion of the greatest good for all? To what extent can personal liberty and the common good be reconciled?

Are current entitlement programs like Medicare unfair to the younger generation? Is our current natural resource usage unfair to future generations?

In this course, we will use the philosophical concept of justice to address these and other related questions. We will draw from economic history, political theory, and the history of philosophy in order to acquire a framework for understanding the concepts of justice, liberty, rights, and equality. We shall then apply this historical and conceptual framework to discussion topics and case studies drawn from present day economics and contemporary social issues. In this way, we shall come to understand economics as more than a social science of laws and theorems. Instead we shall see how economics as an applied science influences the well-being of the whole of society.

2. Learning Objectives

Participants in the class can expect to:

- 1) Gain an understanding of the concepts of equality, justice, and rights, as they appear in and evolve throughout history.
- 2) Gain a greater appreciation for the ways in which economic ideas influence a society's well-being.
- 3) Expand your understanding of classical economists to include their ideas on ethics.
- 4) Confront the tensions between individual rights and the common good and try to resolve in your own mind.
- 5) Enhance your critical reasoning skills as you assess arguments from multiple sides of an issue.

- 6) Enhance your presentation and debate skills as you participate in class assignments.
- 7) Enjoy the experience of learning how seemingly abstract ideas from the past have massive real world implications for the present.

As John Maynard Keynes wrote: “The ideas of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood. Indeed, the world is ruled by little else.” In this course, we will examine many of these ideas and also try to assess if they are right or wrong.

3. Course Requirements

Note for Fall 2020. This will be a unique semester without precedent. Let’s work together for maximum flexibility to make this semester successful. I may need to change the course requirements to adjust to the realities of virtual learning. There may be some adjustments on the fly. That said, I will not increase your workload. The course plan is meant to be manageable for you.

Readings. You must sign in to each class having done the readings assigned. I have tried to keep the selections short, especially since some of the readings are a bit challenging.

Attendance. Attendance is required for all classes except for extraordinary circumstances. This is the same policy your first job out of college will have, so you get an early experience of it in this course. Attendance for Fall 2020 means signing into the virtual classroom.

Office Hours. Given the unusual nature of this semester, I am asking all students to have two brief one on one conversations with me for virtual office hours. The first will be for me to learn how the course is going for you. The second will be to offer help on your debate and/or final paper. You are strongly encouraged to make additional appointments to speak with me over the course of the semester.

Academic Integrity. Every member of the Penn community is responsible to uphold the University’s commitment to academic integrity. Please review [the policy](#) when beginning this course.

Class Participation. It is expected that members of the class will engage in vigorous class discussion in a way that is well-prepared, thoughtful, and respectful of the opinions of others. Quality of one’s contribution to the discussion will weigh more heavily than quantity. My objective is to make the course relevant to issues today, intellectually stimulating, and also fun. That requires we all engage in discovery and conversation together.

Midterm. There is one midterm scheduled for early November. It will be comprised of some objective questions and two short essays, which you choose from a set of three topics.

Class Debate/Class Discussion. Each member of the class will participate in one debate or lead one class discussion about the issues we are studying. I will attempt to match your

preference for the debate topic and the side you're representing on a best-efforts basis. The debates are a fun chance to work with other students to stimulate lively discussion of the course subject matter. Since the debates won't have enough spots for everyone, students not participating in a debate will be required to lead a class discussion on one of our class topics. The preparation for this is very comparable to the debate prep. The difference is the discussion leaders will present multiple sides of the topic, as opposed to defending only one side.

Final Paper. Members of the class must write a six-page paper with one of three objectives:

- 1) To research, critique, or expand on a topic from the course in greater detail.
- 2) To apply one of the theories studied to a contemporary issue in business, politics, or economics. An example would be debt forgiveness for developing countries.
- 3) To extend one of the theories of justice studied to a larger question such as global justice, environmental justice, or justice due to future generations.

Once you decide on a topic, you should preview it with me. You may suggest other topics for the final paper which will be subject to my approval. Two weeks before the paper is due, I will take part of a class to discuss the paper options and expectations in greater detail. I will also have extended office hours during the reading days.

4. Grading

Coming to class, doing the reading assignments, and following the code on academic integrity are all basic requirements you must meet but which do not add to your grade (though failure to do these will absolutely subtract from your grade). The other requirements will have the following weights for your final grade.

Class Participation: 30%
 Midterm Exam: 25%
 Class Debate or Discussion: 20%
 Final Paper: 25%

Points Achieved	Letter Grade	Points Achieved	Letter Grade
96 - 100	A+	72 - 75.75	C+
92 - 95.75	A	68 - 71.75	C
88 - 91.75	A-	64 - 67.75	C-
84 - 87.75	B+	60 - 63.75	D+
80 - 83.75	B	56 - 59.75	D
76 - 79.75	B-	less than 56	NP

5. Course Plan and Texts

All readings are found either 1) in the required text, Sandel's *Justice: A Reader* (abbreviated as JR below with page numbers), or 2) on Canvas (indicated by an * before the author's name below).

(Themes)

Justice as Power/Justice as Desert

Sept. 2: Course Introduction and Overview; Class Discussion: Universal Basic Income

*Antiphon the Sophist, "Against Justice" (2 page fragment)

Sept. 7: Labor Day. NO CLASSES

Sept. 9: *Aristotle, *Nicomachean Ethics*, Book I.1-3; V.7

Aristotle, *Politics*, Book I.1-2 (JR 263-266) I.8-9 (JR 270-274), Book III.6-7 (JR 284-286), III.9-13 (JR 287-295)

Justice as Protection of Property

Sept. 14: John Locke, *Second Treatise on Government*, excerpts from Chapters I, II, III, IV, V (JR 83-96) and IX (JR 109-110)

Sept. 16: Case Study: Private Property versus the Greatest Good

Do Markets Self-Regulate for the Common Good?

Sept. 21: *Adam Smith, *Theory of Moral Sentiments*, excerpts from Part I, Chapters 1, 2, 3; and from Part IV, Chapter 1

Class Discussion: The Web as Model for Society (decentralized, self-regulating, user-generated, spontaneously ordered)

Sept. 23: *Adam Smith, *Wealth of Nations*, excerpts from the Introduction, Chapters II, XI; from Book IV, excerpt of Chapter IX; from Book V, excerpt from Chapter I.

Sept. 28: *John Maynard Keynes, "The End of *Laissez-Faire*", Parts III-V

Sept. 30: Friedrich Hayek, *The Constitution of Liberty*, "Equality, Value, and Merit" (JR 73-82)

Justice as the Greatest Good

Oct. 5: John Stuart Mill, *Utilitarianism*, excerpts from Ch. I-IV, (JR 14-35)

Oct. 7: Mill, excerpt from Chapter V (JR 35-47)

Varieties of Utilitarianism (lecture)

Oct. 12: Class Discussion: Is Utilitarianism Applicable? Is it Just?

Justice as Fairness

Oct. 14: John Rawls, *A Theory of Justice*, excerpts from §§ 1, 3, 4, 5, 11, 12, 13, 17, 24, 25 (JR 203-221)

Oct. 19: Rawls (continued), excerpts from § 48 (JR 223-226)

Oct. 21: Class Discussion: Is Equality Attainable? Varieties of Egalitarianism (lecture)

Libertarianism

Oct. 26: Robert Nozick, *Anarchy, State, and Utopia*, excerpts from Ch. 7, Section I (JR 60-73)

Oct. 28: Nozick, excerpt from Ch. 7, Section II (JR 226-235)

Nov. 2: **MIDTERM**

Nov. 4: Rose and Milton Friedman, *Free to Choose*; (JR 49-60)

Varieties of Libertarianism (lecture)

Nov. 9: Case Study: Forming the Good Society

Looking Beyond Western Thought

Nov. 11: i) Class Debate #1: Does the Common Good Outweigh Individual Rights? ii) Class Discussion of the Good Society case study.

Nov. 16: Guest Speaker: Dr. Michael Puett (Harvard) "The Notion of Justice in Classical Chinese Thought"

Nov. 18: i) Class Debate #2: Should Amazon Be Broken Up?

ii) Class Discussion: Are There Collective Rights?

Nov. 23: ASYNCHRONOUS: Is the "China Model" an alternative to Western liberal democracies? TEDTalk by Eric X. Li, Essay by Yasheng Huang, Debate between Daniel Bell and Philip Pettit.

Nov. 25: NO CLASS: FRIDAY SCHEDULE

Global and Generational Justice

Nov. 30: Guest Speaker: Dr. Kok-Chor Tan (Penn) "Global Egalitarianism and Human Rights"

Dec. 2: i) Class Debate #3: Do We Have a Moral Obligation to Future Generations?

ii) Class Discussion of the "China Model"

Dec. 7: Class Discussion: Justice Between Generations

Dec. 9: Recap of Major Themes Covered; Guidance on Term Paper

Dec. 10-14. No Class: Reading Days.

Dec. 11 & 14: Online office hours for help on final papers.

Dec. 16: Final Papers Due by 6pm.