

Economics 6470
Ethical, Moral and Philosophical Foundations of Capitalism
SUMMER 2015
MILLER HALL 1308
T 5:30 – 8:45

Dr. Adrian Austin
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Phone: (678) 839-4773
E-mail: Use CourseDen

Office Hours: Before June 01, T 1:00 – 5:30
After June 01, MTWRF 3:30 – 5:30

Note: All official school communication goes to your school email account.

Course Website: Main page is on CourseDen.

Tentative Course Schedule: The instructor reserves the right to change the syllabus and assigned readings in consultation with the students; however this outline and list of readings represents a good example of the scope of the readings that would be required from class participants.

Class Description: This course is designed to explore the moral, ethical, and economic foundations of a capitalist system. The vehicle we will use for this pilgrimage is Ayn Rand's fictional novel, "Atlas Shrugged." Ms Rand was the founder of objectivist philosophy and a strong proponent of laissez faire capitalism. In "Atlas Shrugged," Rand stakes her position that capitalism is the only economic system that leads to a moral and just society.

As we work our way through the novel we will use additional materials to give you both supporting and contrasting viewpoints. These additional materials will include addresses, speeches, interviews, video documentaries, and various readings. Many of the interviews, speeches and addresses are available on YouTube. The idea is to expose you to as broad a view as possible while keeping your workload to a manageable level.

Learning Goals

- 1) Students will make effective presentations to the class.
- 2) Students will have a basic understanding of the ethical foundations of economic decision making.
- 3) Students will demonstrate a basic knowledge of how alternative economic systems address the question of the allocation of scarce resources.
- 4) Students will have a basic knowledge of the conditions of market efficiency and market failure and the economic role of government.

I. Introduction and Course Overview (May 05, 2015)

- Principles of Microeconomics: The Efficiency and Equity of Competitive Markets.
- PBS Commanding Heights: The Battle for the World Economy: Episode One: The Battle of Ideas.
https://www.youtube.com/watch?v=MCYU_HviAh0

II. Classical Economics (May 12, 2015)

- Adam Smith. *The Wealth of Nations*. Book I, Ch 1-3; Book IV, Ch 2.
<http://www.econlib.org/library/Smith/smWNCover.html>
- Read, Leonard (1958). *I, Pencil*
<http://www.econlib.org/library/Essays/rdPnc11.html>
- Heilbroner, Robert. *The Worldly Philosophers*. Ch 1-2, “The Economic Revolution” and “The Wonderful World of Adam Smith.” (handout)
- (Optional) Heilbroner, Robert. Interview
<http://www.youtube.com/watch?v=3sg36QvF7Hs>
- Hessen, Robert (2007). “Capitalism.” *The Concise Encyclopedia of Economics*.
<http://www.econlib.org/library/Enc/Capitalism.html>
- Ayn Rand, *Atlas Shrugged*, Part I Ch.1-3

III. Government - The Big “G” (May 19, 2015)

- Hobbes, *Leviathan*, Ch 11 and 14
<http://oregonstate.edu/instruct/phl302/texts/hobbes/leviathan-contents.html>
- Locke, *Of Civil Government*, Ch 2 and 9
<http://www.constitution.org/jl/2ndtreat.htm>
- Rand, Ayn. (1963) “The Nature of Government”
http://www.aynrand.org/site/PageServer?pagename=ari_ayn_rand_the_nature_of_government
- Ayn Rand, *Atlas Shrugged*, Part I Ch.4-6

IV. Market Failure and the Role of Gov’t (economic view of gov’t) (May 26, 2015)

- Caplan, Bryan (2007). “Externalities.” *The Concise Encyclopedia of Economics*.
<http://www.econlib.org/library/Enc/Externalities.html>
- Cowen, Tyler (2007). “Public Goods.” *The Concise Encyclopedia of Economics*.
<http://www.econlib.org/library/Enc/PublicGoods.html>
- Stiglitz, Joseph (2007). “Information.” *The Concise Encyclopedia of Economics*.
<http://www.econlib.org/library/Enc1/Information.html>
- Shughart, William (2007). “Public Choice.” *The Concise Encyclopedia of Economics*.
<http://www.econlib.org/library/Enc/PublicChoice.html>
- Hardin, Garrett (2007). “The Tragedy of the Commons.” *The Concise Encyclopedia of Economics*.
<http://www.econlib.org/library/Enc/TragedyoftheCommons.html>

- Brook Yaron, President of the Ayn Rand Foundation, Presentation:
 - P1. http://www.youtube.com/watch?v=aoU_64zEiRE
 - P2. http://www.youtube.com/watch?v=YCx_mRC92bk&feature=related
 - P3. <http://www.youtube.com/watch?v=-veryOu60uY&feature=related>
 - P4. <http://www.youtube.com/watch?v=1xwKTT6FKIM&feature=related>
 - P5. <http://www.youtube.com/watch?v=zmpkMTIX4k8&feature=related>
 - P6. <http://www.youtube.com/watch?v=-veryOu60uY&feature=related>
 - P7. <http://www.youtube.com/watch?v=to4d8WD-Ons&feature=related>
 - P8. <http://www.youtube.com/watch?v=tWPVEJmygas&feature=related>
 - P9. <http://www.youtube.com/watch?v=BIJ0Ex8-5-0&feature=related>
 - P10. http://www.youtube.com/watch?v=_8ITFYLIhQ&feature=related
 - P11. http://www.youtube.com/watch?v=_Jn7SJGBAmw&feature=related
- Ayn Rand, Atlas Shrugged, Part I Ch.7-10

V. Socialism, Critics and Defenders of Capitalism (June 02, 2015)

- Karl Marx and Friedrich Engels. *The Communist Manifesto*. (Chapters 1, 2, and 4) <http://www.marxists.org/archive/marx/works/1848/communist-manifesto/>
- Heilbroner, Robert (2007). "Socialism." *The Concise Encyclopedia of Economics*. <http://www.econlib.org/library/Enc/Socialism.html>
- (Optional) DECLARATION of PRINCIPLES, Adopted by the XVIII Congress, Stockholm, June 1989 <http://www.socialistinternational.org/viewArticle.cfm?ArticleID=31>
- Noam Chomsky: Can civilization survive really existing capitalism? https://www.youtube.com/watch?v=_uuYjUxf6Uk
- (Optional) Declaration of the Occupation of New York City <http://www.nycga.net/resources/documents/declaration/>
- (Optional) Hayek, FA (1945). "The Use of Knowledge in Society." *American Economic Review* 35 (4). <http://oll.libertyfund.org/simple.php?id=92>
- Polanyi, Karl. *The Great Transformation*. pp. 33-76 and 136-57. (handout)
- (Optional) F. A. Hayek, *The Road to Serfdom* (Abridged) www.iea.org.uk/sites/default/files/publications/files/upldbook351pdf.pdf
- David Henderson, *the Joy of Freedom*, Ch 1, 8 (handout)
- Jagdish Bhagwati, *Why the Critics of Free Trade and Globalization are Mistaken* <https://www.youtube.com/watch?v=MDCVzbrXGb4>
- (Optional) Video: ABC News Special, "Greed" <https://www.youtube.com/watch?v=F0VHiONkot8>
- Ayn Rand, Atlas Shrugged, Part II Ch.1-5

VI. Moral and Ethical Foundations (June 09, 2015)

- Morals vs Ethics
http://www.diffen.com/difference/Ethics_vs_Morals
- Fisher, James (2003). "Ethics" The Internet Encyclopedia of Philosophy
<http://www.iep.utm.edu/ethics/>
- (Optional) Hazlit, Henry. (1972) Foundations of Morality. Ch. 2, "The Mystery of Morals" and ch. 3, "The Moral Criterion."
<http://mises.org/books/foundationsofmorality.pdf>
- Eric Foner, Freedom, Capitalism and Morality.
<http://www.youtube.com/watch?v=X1Ga7YC11uM&feature=fvsre1>
- Milton Friedman interview.
http://www.youtube.com/watch?v=RWsx1X8PV_A
- (Optional) Hazlit, Henry. (1972) Foundations of Morality. Ch. 30, "The Ethics of Capitalism" and ch. 31, "The Ethics of Socialism."
<http://mises.org/books/foundationsofmorality.pdf>
- Crockett, David (Compiled by Edward S. Ellis) "Not Yours to Give"
<http://www.fee.org/library/detail/not-your-to-give-2>
- Evensky, Jerry (1993). "Retrospectives: Ethics and the Invisible Hand." Journal of Economic Perspectives 7, 2
<https://www.aeaweb.org/articles.php?doi=10.1257/jep.7.2.197>
- Murray Rothbard, "Free Markets" The Concise Encyclopedia of Economics.
<http://www.econlib.org/library/Enc/FreeMarket.html>
- Armen Alchian, "Property Rights" The Concise Encyclopedia of Economics.
<http://www.econlib.org/library/Enc/PropertyRights.html>
- Ayn Rand, Atlas Shrugged, Part II Ch. 6-10

VII. Welfare and Utilitarianism (June 16, 2015)

- Esping-Andersen. 1990. The Three Worlds of Welfare Capitalism. Ch. 2, "Decommodification in Social Policy" and ch.3, "Welfare State as System of Stratification." (handout)
- Bentham, Jeremy (1789). "Of the Principle of Utility." Chapter I in An Introduction to the Principles of Morals and Legislation.
<http://www.econlib.org/library/Bentham/bnthPML1.html>
- Paul Krugman – Income Inequality and the Middle Class <http://www.youtube.com/watch?v=5kWA-CwFK5A&feature=related>
- Smeeding, Timothy. "Poor People in Rich Nations: The US in Comparative Perspective." Journal of Economic Perspectives, 20(1): 69-90.
<https://www.aeaweb.org/articles.php?doi=10.1257/089533006776526094>

- Cassidy, John. 2006. “Relatively Deprived: How Poor is Poor?” The New Yorker, April 3.
<http://www.newyorker.com/magazine/2006/04/03/relatively-deprived>
- Machan, Tibor R. “Against Utilitarianism; or, Why Not Violate Rights if it’d Do Good”
<http://mises.org/pdf/asc/2002/ASC8-Machan.pdf>
- Ayn Rand, Atlas Shrugged, Part III Ch.1-5

VIII. Rights & Justice (June 23, 2015)

- Hazlit, Henry. (1972) Foundations of Morality. Ch. 28, “Rights.”
<http://mises.org/books/foundationsofmorality.pdf>
- The Declaration of Independence of the United States of America
http://www.archives.gov/exhibits/charters/declaration_transcript.html
- Rothbard, Murray (1982). The Ethics of Liberty ch. 4; chs. 6-8
<http://mises.org/rothbard/ethics/ethics.asp>
- Rand, Ayn (1963) “Man’s Rights”
http://www.aynrand.org/site/PageServer?pagename=ari_ayn_rand_man_rights
- Hazlit, Henry. (1972) Foundations of Morality. Ch. 24, “Justice.”
<http://mises.org/books/foundationsofmorality.pdf>
- “Distributive Justice” in the Stanford Encyclopedia of Philosophy
<http://plato.stanford.edu/entries/justice-distributive/>
- “Justice as Fairness: Justice within a Liberal Society,” section 4 of “John Rawls” in Stanford Encyclopedia of Philosophy
<http://plato.stanford.edu/entries/rawls/#JusFaiJusWitLibSoc>
- Hayek, “Social or Distributive Justice”
<http://www.scribd.com/doc/48850569/F-Hayek-Social-or-Distributive-justice>
- Ayn Rand, Atlas Shrugged, Part III Ch. 6-10

Grading

Your grade will be determined in the following manner

Attendance and participation: 100%

Common Language for Course Syllabi Updated June 21, 2013:

Students should review the following information each semester, because these statements are updated as federal, state, university, and accreditation standards change. A current version can always be found at
http://www.westga.edu/assetsDept/vpaa/Common_Language_for_Course_Syllabi.pdf

Americans with Disabilities Act

Students with a documented disability may work with UWG Accessibility Services to receive essential services specific to their disability. All entitlements to accommodations are based on documentation and USG Board of Regents standards. If a student needs course adaptations or accommodations because of a disability or chronic illness, or if he/she needs to make special arrangements in case the building must be evacuated, the student should notify his/her instructor in writing and provide a copy of his/her Student Accommodations Report (SAR), which is available only from Accessibility Services. *Faculty cannot offer accommodations without timely receipt of the SAR; further, no retroactive accommodations will be given.*

UWG Email Policy

University of West Georgia students are provided a MyUWG e-mail account. The University considers this account to be an official means of communication between the University and the student. The purpose of the official use of the student e-mail account is to provide an effective means of communicating important university related information to UWG students in a timely manner. It is the student's responsibility to check his or her e-mail.

Credit Hour Policy

The University of West Georgia grants one semester hour of credit for work equivalent to a minimum of one hour (50 minutes) of in-class or other direct faculty instruction AND two hours of student work outside of class per week for approximately fifteen weeks. For each course, the course syllabus will document the amount of in-class (or other direct faculty instruction) and out-of-class work required to earn the credit hour(s) assigned to the course. Out-of-class work will include all forms of credit-bearing activity, including but not limited to assignments, readings, observations, and musical practice. Where available, the university grants academic credit for students who verify via competency-based testing, that they have accomplished the learning outcomes associated with a course that would normally meet the requirements outlined above (e.g. AP credit, CLEP, and departmental exams).

University of West Georgia Honor Code

At the University of West Georgia, we believe that academic and personal integrity are based upon honesty, trust, fairness, respect, and responsibility. Students at West Georgia assume responsibility for upholding the honor code. West Georgia students pledge to refrain from engaging in acts that do not maintain academic and personal integrity. These include, but are not limited to, plagiarism, cheating, fabrication, aid of academic dishonesty, lying, bribery or threats, and stealing.

The University of West Georgia maintains and monitors a confidential Academic Dishonesty Tracking System. This database collects and reports patterns of repeated student violations across all the Colleges, the Ingram Library, and the School of Nursing. Each incidence of academic dishonesty is subject to review and consideration by the instructor, and is subject to a range of academic penalties including, but not limited to, failing the assignment and/or failing the course. Student conduct sanctions range from verbal warning to suspension or expulsion depending on the magnitude of the offense and/or number of offenses. The incident becomes part of the student's conduct record at UWG.

Additionally the student is responsible for safeguarding his/her computer account. The student's account and network connection are for his/her individual use. A computer account is to be used only by the person to whom it has been issued. The student is responsible for all actions originating through his/her account or network connection. Students must not impersonate others or misrepresent or conceal their identities in electronic messages and actions.