

Course Syllabus
Business Ethics: The Ethics and Economics of Wealth Creation
PHIL 332, Fall, 2016

Instructor: Dr. Matt Zwolinski

Office Hours: MW: 9:45 AM – 10:45 AM; 2:30 PM – 4:00 PM

Office: F167A

Course Website: <http://ole.sandiego.edu> [Blackboard]

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Required Books:

Matt Zwolinski, *Arguing About Political Philosophy*, 2nd edition (Routledge)

Matt Ridley, *The Rational Optimist: How Prosperity Evolves* (Harper Perennial)

Daron Acemoglu and James Robinson, *Why Nations Fail: The Origins of Power, Prosperity, and Poverty* (Crown)

Jonathan Rauch, *Government's End: Why Government Stopped Working* (Public Affairs)

Other readings on Electronic Reserve at Copley Library

Core Requirements: This course fulfills the Core Curriculum requirement for Ethics.

Content:

We live in one of the wealthiest nations on the planet, during the wealthiest period of human history. For many of us, this wealth is so commonplace that we take it for granted and think of it almost as though it were an inevitable fact of nature.

But for most of human history, wealth was not the normal condition of mankind. Poverty was. And, even today, desperate, crushing poverty is still all that many individuals and communities will know over the course of their lives.

How did our world become so much wealthier today than it was 500 years ago? And what explains the fact that some nations are so much wealthier than others?

This course will explore various ethical and economic issues involved in the creation of wealth. Our readings will be drawn from economists such as Adam Smith, Frédéric Bastiat, and Ronald Coase, and from philosophers such as John Locke, John Rawls, and Robert Nozick. Our focus will be on the economic and political institutions that facilitate or hinder the creation of wealth – especially property rights, democratic institutions, market exchange, and political regulation. We will look at what has worked – and failed to work – in the past to create the world we live in to day. And we will examine the kinds of institutional changes that might be made today to make the world a more prosperous one in the future.

Course Requirements:

Philosophical readings are dense and difficult. It will probably take longer than you expect to read them once, and it will probably be necessary to re-read most pieces at least once to come to an adequate understanding of the material. You should expect to spend at least **six hours per week outside of class** time reading and re-reading the material.

- **Quizzes** – I will give 5-10 unannounced, multiple-choice quizzes over the course of the semester. The purpose of these quizzes is to test your completion and comprehension of the day’s reading assignment, and to encourage attendance at class. Three things to note about them:
 - First, **quizzes are given at the very beginning of class**. You will not be allowed extra time to take them if you are late, and you will not be allowed to make them up if you miss them. So it is to your advantage to show up and be seated on time every day.
 - Second, you will receive a **zero for any quiz that you miss**, for any reason. However, at the end of the semester, I will **drop your two lowest quiz scores**. So missing a quiz will not destroy your grade. But you will have a better chance of excelling in the course if you show up regularly.
 - Finally, these quizzes are very difficult, so it is vital that you read the material carefully and in advance of class. Read the material actively, with pen (or computer) in hand to take notes. And feel free – encouraged, even – to come to office hours any time to discuss any difficulties you might be having with the readings or the quizzes.
- **Exams:** You will have two in-class exams – one during the regular semester and one final exam. Each exam will consist of multiple-choice questions (drawn from your earlier quizzes), short-answer questions, and possibly a longer essay. The final exam will be cumulative, but will emphasize material covered in the last half of the course. **Both exams must be taken at the date and time at which they are scheduled on this syllabus.** *No exceptions will be made except for cases of documented medical emergencies. Please look at the dates now and check for conflicts.*
- **Papers** – You will be asked to write three papers over the course of the semester. I will assign a topic for these papers which will involve two tasks: 1) **reconstructing an argument** or arguments from one or more of the readings we have covered in class, and 2) providing an **original critical evaluation** of that/those argument(s). These papers are *short* - **no less than two and no more than three pages** (typed, double-spaced, 1 inch margins and normal fonts) in length. The reason these papers are short is to make life easy for you but in order to force you to think carefully about what is essential to an argument and what is not. I will grade these papers with an eye to *detail* and *conceptual rigor*. Expect to be challenged.
- **Participation** – Philosophy is best learned through active conversation with others. It is therefore important that you be a regular participant in classroom discussions. Ideally, you will be sufficiently engaged with the material to contribute to these discussions spontaneously and voluntarily. As an additional stimulus, however, I will call randomly on students to answer questions in class. If you cannot answer a question satisfactorily (due to lack of preparation or absence), your class participation grade will be affected. Students may ask at any time to be informed of their current class participation grade.

Your Grade

Each activity in this class is worth a certain number of points. Your grade will be determined based on a straight (un-curved) analysis of percentage of points earned vs. total points.

Quizzes: 5-10 @ 5 points each	25-50
Exam 1	40
Final Exam	60
Papers: 3 @ 20 points each	60
Participation	20
Total Points:	205-230

A+	97 - 100%
A	93 - 96.9
A-	90 - 92.9
B+	87 - 89.9
B	83 - 86.9
B-	80 - 82.9
C+	77 - 79.9
C	73 - 76.9
C-	70 - 72.9
D+	67 - 67.9
D	63 - 66.9
D-	60 - 62.9
F	59.9 or below

Learning Outcomes

By the end of this course...

- Students should be able to describe, in essay form, the main tenets of major social/political theories such as utilitarianism, Rawlsian liberalism, and Nozickian libertarianism, as well as the economic theories of market prices, market failure, and Coasian bargaining.
- Students should be able to apply these ethical theories to various questions involving property and commerce.
- Finally, students should be able to critically evaluate these theories in in-class essays.

Academic Integrity

You are expected to know and follow University Policies on cheating and plagiarism. See the Code of Academic Integrity. Outside research is *a good thing* in philosophy. Just cite it! If it is determined that you have cheated, you will fail the course and I may recommend that you be expelled from the University.

Schedule for PHIL 332: Business Ethics
Fall, 2016
Professor Zwolinski

KEY DATES AT A GLANCE

Sept 5	-	No class: Labor Day
Sept 30	-	First Writing Assignment Due
Oct 19	-	First Exam
Oct 21	-	No class: Fall Holiday
Nov 7	-	Second Writing Assignment Due
Nov 23-25	-	No class: Thanksgiving
Dec 2	-	Third Writing Assignment Due
Dec 16	-	Final Exam at 11:00 AM

Schedule of Readings

Note:

[ER] = Electronic Reserves

[AAPP] = *Arguing About Political Philosophy*

[RO] = *The Rational Optimist*

[WNF] = *Why Nations Fail*

[GE] = *Government's End*

Week 1 (Aug 31 – Sept 2) – Introduction: From Anarchy to Affluence

Aug 31:

- Introduction to course

Sept 2:

- Thomas Hobbes, “The State of Nature as a State of War”, [AAPP, **pp. 7-10 only**]
- Matt Ridley, *The Rational Optimist*, Chapter 1, “A Better Today, The Unprecedented Present,” pp. 11-28. [RO]

Week 2 (Sept 5 - 9) – The Great Divergence and What Doesn't Explain It

No class September 5 (Labor Day)

Sept 7:

- Daron Acemoğlu and James Robinson, *Why Nations Fail*, Preface and chapter 1 [WNF]

Sept 9:

- Daron Acemoğlu and James Robinson, *Why Nations Fail*, chapter 2 [WNF]

Week 3 (Sept 12 - 16) – Extractive vs. Inclusive Institutions

Sept 12:

- Daron Acemoğlu and James Robinson, *Why Nations Fail*, chapter 3 [WNF]

Sept 14:

- Daron Acemoğlu and James Robinson, *Why Nations Fail*, chapter 4 [WNF]

Sept 16:

- Daron Acemoğlu and James Robinson, *Why Nations Fail*, chapter 7 [WNF]

Week 4 (Sept 19 - 23) – Property Rights

Sept 19:

- John Locke, “Property” [AAPP, pp. 357-364]

Sept 21:

- David Hume, “Justice as Convention” [AAPP, pp. 185-193]

Sept 23:

- David Schmidtz, “The Institution of Property” [AAPP, pp. 374-387]

Week 5 (Sept 26 - 30) – The Division of Labor and Opportunity Cost

First Writing Assignment Due September 30

Sept 26:

- Adam Smith, “The Wealth of Nations” [AAPP, **pp. 318-325 only**]
- Matt Ridley, *The Rational Optimist*, Chapter 1, “A Better Today, The Unprecedented Present,” pp. 32-46. [RO]

Sept 28:

- Matt Ridley, *The Rational Optimist*, Chapter 2, “The Collective Brain: Exchange and Specialization After 200,000 Years Ago,” pp. 47-84. [RO]

Sept 30:

- Frédéric Bastiat, “What Is Seen and What Is Not Seen” [ER]

Week 6 (Oct 3 - 7) – The Prisoners’ Dilemma and Market Prices

Oct 3:

- Robert Axelrod, “The Evolution of Cooperation” [AAPP]

Oct 5:

- Matt Ridley, *The Rational Optimist*, Chapter 3, “The Manufacture of Virtue: Barter, Trust, and Rules after 50,000 Years Ago” [RO, **pp. 85-100 only.**]

Oct 7:

- Friedrich Hayek, “The Use of Knowledge in Society” [ER]

Week 7 (Oct 10 - 14) – Market Prices and Market Failures

Oct 10:

- Hayek, continued

Oct 12:

- Charles Wolf, “Market Failure” [AAPP, pp. 330-338]

Oct 14:

- Ronald Coase, “The Problem of Social Cost” [ER, **pp. 1-19 only**]

Week 8 (Oct 17 - 21) – Externalities: The Problem of Pollution

No class October 21 (Fall Holiday)

First Exam October 19

Oct 17:

- Edwin Dolan, “Controlling Acid Rain” [ER]

Oct 19:

- **First Exam**

Week 9 (Oct 24 - 28) – Rent-Seeking and Special Interest Politics

Oct 24:

- Jonathan Rauch, *Government's End*, Chapters 1-2 [GE]

Oct 26:

- Jonathan Rauch, *Government's End*, Chapters 3-4 [GE]

Oct 28:

- Jonathan Rauch, *Government's End*, Chapters 5-6 [GE]

Week 10 (Oct 31 – Nov 4) –Moral Frameworks #1: Mill on Utilitarianism

Oct 31:

- John Stuart Mill, “Justice and Utility” [AAPP, pp. 194-210]

Nov 2:

- Mill, continued

Nov 4:

- Mill, continued

Week 11 (Nov 7 - 11) – Moral Frameworks #2: Rawls on Distributive Justice

Second Writing Assignment Due November 7

Nov 7:

- John Rawls, “A Theory of Justice,” [AAPP, **pp. 211-223 only**]

Nov 9:

- John Rawls, “A Theory of Justice,” [AAPP, pp. 223-237]

Nov 11:

- Rawls, continued

Week 12 (Nov 14 - 18) – Moral Frameworks #3: Nozick on Libertarianism

Nov 14:

- Robert Nozick, “Anarchy, State, and Utopia” [**ER – not AAPP!**]

Nov 16:

- Nozick, continued

Nov 18:

- Nozick, continued

Week 13 (Nov 21) – The Moral Challenge of Global Poverty

No class November 23-25 (Thanksgiving)

Nov 21:

- Peter Singer, “The Life You Can Save” [AAPP, pp. 667-682]

Week 14 (Nov 28 – Dec 2) – Global Poverty: An Individual or Institutional Problem?

Third Writing Assignment Due December 2

Nov 28:

- David Schmidtz, “Islands in a Sea of Obligation: Limits on the Duty to Rescue” [ER]

Nov 30:

- Daron Acemoğlu and James Robinson, *Why Nations Fail*, chapter 9 [WNF]

Dec 2:

- Daron Acemoğlu and James Robinson, *Why Nations Fail*, chapter 12 [WNF]

Week 15 (Dec 5 - 9) – Two Institutional Reforms: Trade and Migration

Dec 5:

- Daron Acemoğlu and James Robinson, *Why Nations Fail*, chapter 13 [WNF]

Dec 7:

- Daron Acemoğlu and James Robinson, *Why Nations Fail*, chapter 15 [WNF]

Dec 9:

- Fernando Teson and Loren Lomasky, “Trade and Justice” [ER]

Week 16 (Dec 12) – Two Institutional Reforms: Trade and Migration

Dec 12:

- Michael Huemer, “Is There a Right to Immigrate?” [AAPP, pp. 621-649]

Friday, December 16th, 11:00 AM - Final Exam