**Economics 123/Philosophy 123 Prof. Stephen J. Schmidt**

**Norms, Values, and Economic Justice Fall 2015**

**MWF 1:50-2:55 Lippman 012**

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**Course Description**

Questions in economics come in two kinds: “what is?” and “what should be?” The first type of question merely requires descriptive answers; the second type call for judgments about what is good. Economists cannot make any recommendations about what policies should be adopted and which should not without some idea about what economic outcomes are morally desirable and what are not. We will begin by examining the neoclassical, “mainstream” ideas about the proper goals of economic policy, which are rooted in utilitarianism and the Pareto principle, and then consider a number of alternative views, among them egalitarian, Rawlsian, communitarian, Austrian, libertarian, feminist, religious, and humanist. We will discuss possible solutions to several current economic policy problems in light of these different normative approaches.

**Learning Outcomes**

In this course students will learn a number of ways that economists have defined “good” outcomes of economic policies, and the roots of those definitions in philosophies about the good and about social justice. Students will examine their own moral views and clarify their positions about what the goals of economic policy should be. In class we will debate what constitutes a “good” solution to economic problems. Students will develop the skill of moral reasoning about economics; identifying right or wrong policy choices on the basis of theories of what is just. They will also develop the skill of presenting their reasoning orally and in writing.

**Prerequisites**

There are no prerequisites for this course, but if you have taken either Economics 101 or 241, or Philosophy 100 or 105, some of the concepts from those classes may be useful in this one.

**Enrollment**

Enrollment in the course is limited to a total of 35 students. Students who enrolled in the course in preregistration will have priority for spaces in the class. Open spaces will be filled at the discretion of the professor.

**Course Requirements**

The primary requirement of this course is that students be able to make, explain, and defend economic policy recommendations on the basis of some theory of what constitutes a good policy, and can explain why different theories of the good lead to different policy recommendations. Students will do this through short to medium-length written essays, some on in-class short case papers, some on exams, some in out-of-class assignments, and in class discussions. There will be one midterm exam and a final exam. Your grade will be determined as follows: class participation 10%, case papers 10%, essays 30%, midterm exam 20%, final exam 30%.

**Textbooks**

Hausman, Daniel, and Michael McPherson, *Economic Analysis, Moral Philosophy, and Public Policy*, 2nd edition, Cambridge University Press (2006)  
 Sandel, Michael. *Justice: A Reader.* Oxford University Press (2007)

Additional readings will be assigned via JSTOR and/or the Nexus website

**Nexus**

This course will use the Nexus online software for a variety of course-related tasks. The Nexus website is at <http://nexus.union.edu>. You should already be registered as a student in this course, except that students admitted from the waiting list will be added to Nexus as soon as they are admitted to the class.

**Grading Policy**

All assignments must be handed in, or submitted via Nexus, by the start of class on the due date unless you have arranged an extension with me in advance of the due date. Late assignments will normally be penalized 10% per day late. Participation in class discussion is mandatory, and I will call people randomly to ensure that everyone in the class is given an equal chance to participate. If you must miss a class, let me know about your absence in advance and give an acceptable reason for being absent.

**Honor Code**

All students are expected to abide by the requirements of the Union College Honor Code at all times during this course. It is your responsibility to ensure that submitted work is your own and does not involve any form of academic misconduct, and you will be asked to attest that that is so during the term. I will answer any questions about what constitutes permitted conduct or misconduct in this course at any time during the course. Ignorance is not an excuse for breaching academic integrity. You are expected to ask me for any clarification you need regarding, but not limited to, collaboration, citations, and plagiarism.

**Accommodations**

I will make recommended accommodations for students with documented learning disabilities, per the Dean of Students office. Students who wish such accommodations should contact me during the first week of the course so that I can make appropriate arrangements.

**A Note on the Readings**

In this class we will be reading a variety of authors with different perspectives on the question of what constitutes a desirable economic policy. On occasion their views will disagree with one another. You should not assume that I agree with (or disagree with) any particular author; part of the goal of this course is to develop the skill of understanding and assessing conflicting opinions. You also will not agree with everything you read in this course. In such cases, identify what you do think, and why you do not agree with the author; then present your reasoning in class discussion and on written assignments.

**And a Small Note of Caution**

There are two professors named S. Schmidt at Union College, and to make it worse, both of us are economics professors. I am Stephen J. Schmidt; my namesake is Shelton S. Schmidt. (Schmidt is the German equivalent of Smith, so it’s a fairly common name.) We’re not related (at least not that we know of) and we don’t look anything alike, so it’s easy to tell us apart in person. Most paperwork will list us either by our full first names, or by our middle initials – I am Schmidt, S.J., and he is Schmidt, S.S. I hope there will not be too much confusion, but if you have to do paperwork with the Registrar or some other arm of the college, please make sure they know which of the two S. Schmidts is the one you are dealing with.

**Syllabus**

1. Economics and philosophy – right and wrong in allocation of resources  
   H&McP, chapters 1-2, Sandel, chapter 1, Friedman
2. The unspoken economic position: rationality and liberalism  
   H&McP, chapter 4, section 5.2, Sandel, chapter 5,
3. The philosophical roots of the neoclassical position and its problems  
   H&McP, chapters 7-9, Sandel, chapter 2, Mill, Sen
4. Liberalism and libertarianism  
   H&McP, chapter 10, Locke, chapter 3, 9, 11
5. Egalitarianism  
   H&McP, chapter 11, Cohen, Roemer, Dworkin
6. Contractual Justice  
   H&McP, chapter 12, chapters 4, 7, 8, Rousseau, Gauthier
7. Alternative perspectives:  
   a) Communitarianism – Sandel ch. 12  
   b) Feminist economics – Barker and Feiner, Dawson   
   c) Economics of exploitation – Westheimer  
   d) Islamic economics – Naqvi  
   e) Humanist economics – Lutz  
   f) Environmental economics – Singer, H&McP, chapter 16