

Philosophy 131: Economic Justice

Spring 2017

Tuesdays and Thursdays 5-6:15pm

Walsh 391

Course overview: In the United States today, the top 0.1% of households owns the same wealth as the bottom 90%. Members of the top 1% inherit, on average, \$3 million from their parents. And since 1980, workers' pay has stagnated despite a steady increase in their productivity. These facts about our economy are well known, and they stoke a great deal of public outrage. But what, exactly, is morally troubling about our economy, if anything? Is it simply that some people have more than others? Or is the problem that, despite our prosperity, some remain deeply in want? Could the real injustice be that high incomes are undeserved—results of cronyism, family influence, and racial and gender discrimination?

This course is devoted to answering these questions; that is, to studying justice in economic distribution. In addition to the distribution of income and wealth, we will also consider jobs and similar social goods. Sometimes these goods are given to less-qualified women and racial minorities on the basis of their gender or race. This is true, sometimes, even if these women and racial minorities come from privileged backgrounds. Is that just? Do we, perhaps, have a moral imperative to promote diversity which justifies passing over the best-qualified applicant? Or does justice require that we choose the best-qualified applicant, regardless of race or gender?

The course is organized into three parts. We begin with traditional accounts of the justification of political authority and the value of collective economic life. After examining the spectacular way in which markets produce wealth, we examine how they fail: how government can improve economic outcomes by, for example, solving collective action problems and providing public goods. In the second part of the course, we turn from questions of efficiency to questions of justice, surveying the major theories of economic justice: utilitarianism, liberal egalitarianism, libertarianism, and desertism. In the final part of the course, we consider the moral aspects of salient public policy debates, including taxation and affirmative action. We study formal models of discrimination.

The course readings are taken from historical and contemporary work in economics and philosophy.

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Office hours: Wednesdays, 12-2pm, or by appointment. Although face-to-face meetings are best, I'm also available via Skype and e-mail.

Attendance policy: Attendance at lectures is required. The occasional absence, taken for good reason, will not be penalized—but please clear these with me beforehand if possible.

Grading: Your grade is computed as follows:

(1) There will be an in-class quiz on 16 Feb., covering the foundations of economics and basic microeconomic theory. This is worth 15% of your grade.

(2) You will, as part of a 4- or 5-person group, give a 30-minute presentation (see the course schedule for details). The presentation is worth 20% of your grade.

(3) Class participation is worth 25% of your grade. Class participation consists in regularly attending class and participating in class discussions.

(4) You will write a final paper (8,000 words *maximum*), which is due by 5pm on 10 May. It will respond to a writing prompt which I will pass out several weeks before the deadline. You may also write on a topic of your own choosing—but you must clear this topic, and your thesis, with me before you begin to write. Papers should be submitted through the course Blackboard page. The paper is worth 40% of your grade.

(5) I reserve the right to elevate individual students' grades up a notch (*e.g.* from B- to B) for effort and improvement over the course.

Guidance for writing papers: Some excellent advice on writing philosophy papers is given by Jim Pryor, here: <http://www.jimpryor.net/teaching/guidelines/writing.html> .

Academic honesty: I take violations of academic honesty seriously and will report apparent academic dishonesty to the Honor Council. All students should be aware of their responsibilities under the Honor System.

Changes to syllabus: I reserve the right to make changes to the syllabus at any time. Any changes will be announced in class or via e-mail.

Where to get the readings: There is one required (tiny) book, Cohen's *Why Not Socialism?* All other readings will be found on the course Blackboard page.

Course Schedule

- 12 Jan. INTRODUCTION
- 17: Excerpts from Hobbes' *Leviathan*
- 19, 24, 26: --Hayek, F. A. 1945. The use of knowledge in society. *American Economic Review* 35: 519-30.
--Leonard Read, "I, Pencil"
--Excerpts from Adam Smith's *Wealth of Nations*
- 31, 2 Feb.: Chapter 18, "Market Failures", from David Friedman's *Price Theory: An Intermediate Text*
[this is available online, at http://www.daviddfriedman.com/Academic/Price_Theory/PThy_Chapter_18/PThy_Chap_18.html]
- 7: G. A. Cohen, *Why Not Socialism?*
- 9: Marx's *Communist Manifesto*
- 14: Mankiw, N. G. 2013. Defending the one percent. *Journal of Economic Perspectives* 27: 21-34.
- 16: **QUIZ**
- 21, 23: **CLASS PRESENTATION (21 FEB.), GROUP #1 [ON UTILITARIANISM]**

--Bentham's *Introduction to the Principles of Morals and Legislation*, Chapters I and IV
--J. S. Mill's *Utilitarianism*, 2.1-2.10, 2.15-2.19, 5.1-5.15 [2.1, e.g., means Chapter 2, Paragraph 1]
- 28, 2 Mar.: **CLASS PRESENTATION (28 FEB.), GROUP #2 [ON RAWLS'S THEORY]**

--Excerpts from Rawls's *A Theory of Justice*
--Amartya Sen's "Equality of What?"
- 7, 9: SPRING BREAK
- 14: Frankfurt, H. 1987. Equality as a moral ideal. *Ethics* 98: 21-43.
- 16: NO CLASS

- 21, 23 **CLASS PRESENTATION (21 MAR.), GROUP #3 [ON NOZICK'S THEORY]**
- Excerpts from Hayek's *Law, Legislation, and Liberty*
--Excerpts from Robert Nozick's *Anarchy, State, and Utopia*
- 28, 30: **CLASS PRESENTATION (28 MAR.), GROUP #4 [ON ARISTOTLE'S THEORY]**
- Excerpts from Aristotle's *Nicomachean Ethics & Politics*
--Excerpts from my *Justice and the Meritocratic State*
- 4 Apr., 6: **CLASS PRESENTATION (4 APR.), GROUP #5 [ON THE MORALITY OF MARKETS]**
- Excerpts from Brennan, J. and Jaworski, P. M. 2016. *Markets without Limits: Moral Virtues and Commercial Interests*. New York: Routledge.
--Sandel, M. J. 2003. What money shouldn't buy. *Hedgehog Review* 5: 77-97.
- 11 Apr.: NO CLASS
- 13 Apr.: EASTER BREAK
- 18, 20: **CLASS PRESENTATION (18 APR.), GROUP #6 [ON THE MORALITY OF DISCRIMINATION]**
- Arneson, R. J. 2006. What is wrongful discrimination? *San Diego Law Review* 43: 775-808.
- Optional: Fang, H. and Moro, A. 2011. Theories of statistical discrimination and affirmative action: a survey. In the *Handbook of Social Economics, Volume 1A*, eds. J. Benhabib, A. Bisin, and M. O. Jackson, 133-200. San Diego: North-Holland.
- 25, 27: Jon Bakija's "Social Welfare, Income Inequality, and Tax Progressivity: A Primer on Modern Economic Theory and Evidence"
- Optional: Mankiw, N. G., Weinzierl, M., and Yagan, D. 2009. Optimal taxation in theory and practice. *Journal of Economic Perspectives* 23: 147-74.
- 10 May: FINAL PAPER DUE, 5PM