

PPE 160  
Freedom, Markets, and Well-Being  
TR 2:45–4, Pearsons 202

Fall 2018  
E. Brown and M. Green

#### Office hours

Brown: Wednesdays 1:30-4:30, and by appt., Carnegie 216, 607-2810.

Green: Tuesdays and Thursdays 1-2, and by appt., Pearsons 207, 607-0906.

## Overview

In this course, we bring together scholarship from philosophy, politics and economics to study the philosophical underpinnings and social institutions of contemporary American society and the world in which it operates. Working across disciplinary boundaries, we examine scholarship that seeks to describe the liberties, freedoms and safeguards that promote human flourishing and that looks carefully at the roles played by market economies and political institutions in the construction of contemporary society.

One goal for the course is to prepare PPE majors to write their senior theses in the spring. Concrete work on the thesis is required at regular intervals throughout the term and the final project is a thesis prospectus. Another goal is to synthesize work in the three disciplines of philosophy, politics, and economics. This year, our focus will be on inequality. We will ask what economists, philosophers, and political scientists have to say about inequality and how work in one area is related to that in the others.

## Coursework and grading

All students enrolled in this course are expected to do the assigned reading, to attend class regularly, and to participate thoughtfully in class discussions. There will be a writing assignment due roughly every other week. Four of these writing assignments are essays based in the reading for the course or on sources relevant to the thesis project. In particular, the fourth will be about some material for your thesis that you will find, read, and report on. All essays are due electronically at midnight, in MSWord or pdf format. The lowest essay grade is disregarded and there is a mild penalty of 0.25 points per day for late work. The written prospectus is due at midnight on Wednesday, December 12.

Grades will be based primarily on written work with participation in the seminar being taken into account. More specifically, the grading algorithm (1) tosses out the lowest essay grade and averages the remaining three; (2) compares this average with the professors' perceptions of the student's contributions to class discussion, allowing adjustment as indicated by no more than one Pomona grade point on a 12-point scale; (3) evaluates the thesis prospectus grade in light of the work on the thesis throughout the semester and adjusts the prospectus grade accordingly by no more than one Pomona grade point; and (4) averages the adjusted aggregate essay grade and the prospectus grade with weights 3:1.

## Materials

The readings, assignments, paper topics, and notes on class sessions will be posted on the Sakai site for this course: <https://sakai.claremont.edu/>.

## Outline

This outline constitutes a plan rather than a binding contract. If we get off track, we will let you know at the end of each class period what we will be covering in the next couple of classes. It is your responsibility to keep track of divergences from the schedule presented here.

*Tue, Sep 4* In addition to the standard Reading of the Syllabus, we will do some real work. The question we will ask is: what do you think your thesis might be about? You can look at the titles in “PPE Theses 2007–2017” for inspiration.

*Thu, Sep 6* PPE students will write a thesis in the spring. Today’s reading is an example of a successful PPE thesis. What could have been better? (As every author knows, there is always *something*.) Does the thesis successfully integrate at least two of PPE’s constituent disciplines? How much do you think the author’s opinions changed during the course of working on it? What features of this thesis would you like to see in your thesis? In what ways would you like your thesis to be different? Also, at the end of *this* term, PPE students will write a prospectus. We have provided several examples of those as well (see “Prospectus Samples”). You should ask similar questions about them: what works well, what could be better, in what ways do you want your prospectus to be similar, and so on. **Reading:** Rose Ehler, “Technology, Ethics, and Regulation: A Case Study of the Market for Gestational Surrogacy” (2006).

*Tue, Sep 11* Today’s reading is the fifth chapter of John Locke’s *Two Treatises of Civil Government*. Philosophers tend to read Locke as a proto-libertarian. They read him as telling a story about how labor is used to acquire property rights that the state cannot invade. Prof. Brown, reading Locke from an economist’s perspective, finds the discussion of the origin of wealth more interesting. What happens when a philosopher teaches with an economist? He comes to think that Locke is more interested in inequality than he is in libertarianism! Why? Because the discussion of the origin of money is irrelevant to libertarianism but it is very useful for someone concerned about inequality. So if Locke is saying a lot about the origin of wealth .... **Reading:** John Locke, *Second Treatise*, ch. 5.

*Thu, Sep 13* Locke has inspired so-called historical accounts of property rights according to which what people are entitled to do depends on the historical process of acquisition, exchange, and inheritance. According to this way of thinking, made popular by Robert Nozick, the only way to tell whether a distribution of goods and opportunities is just or unjust is to see whether they were acquired and transferred properly in the past. If not, the injustice has to be rectified. Bernard Boxill uses a historical conception of justice to argue that the United States owes reparations to the descendants of slaves. More specifically, he argues for two different conclusions: first, individuals owe reparations for any ill-gotten gains they have received from their ancestors and second, the collective of white Americans owes reparations for slavery. David Frum argues that putting reparations into practice would be worse than not doing so; he advocates a more symbolic kind of reparations for historical injustice. **Reading:** Bernard Boxill, “The Morality of Reparation,” *Social Theory and Practice* 2 (1972): 113–23 and David Frum, “The Impossibility of Reparations,” *The Atlantic Monthly* (June 2014).

*Tue, Sep 18* Today we’re reading a part of the hottest book on economics and society of the decade: Thomas Piketty’s *Capital in the Twenty-First Century*. Piketty does two things. First, he painstakingly constructs long data series that allow us to follow wealth and inequality across the centuries since Locke’s defense of private ownership of the means of production and of inequality in holdings. Second, he worries about the societal implications of concentrations of wealth at the top of the income distribution. In particular, he is concerned that the relatively egalitarian 20<sup>th</sup> century may become a historical anomaly if we don’t do more to constrain the super-wealthy. **Reading:** Thomas

Piketty, *Capital in the Twenty-First Century* (Cambridge: Harvard University Press, 2014), Introduction.

*Thu, Sep 20* Piketty's data show that inequality is increasing. But, so far, this has not been due to the return on capital being greater than the growth of the economy ( $r > g$ ). The observed inequality comes from inequalities in how much people are paid for their work. In this chapter, Piketty looks at inherited wealth, projects that inherited wealth will become more important, and claims that this will have undesirable social consequences. We will talk about how Piketty makes these projections and also about his implicit views about what makes a good society and what is necessary for democracy to work. **Reading:** Piketty, *Capital in the Twenty-First Century*, ch. 11.

\*\*\*\*\* Essay 1 due electronically by midnight Saturday, September 22 \*\*\*\*\*

*Tue, Sep 25* Piketty is very worried about the strain on the social fabric that comes with marked income inequality. Hamilton and Darity are concerned with the sources of financial inequality in a society in which the playing field has been decidedly unlevel. **Reading:** Darrick Hamilton and William A. Darity, "The Political Economy of Education, Financial Literacy, and the Racial Wealth Gap," *Federal Reserve Bank of St. Louis Review* 99 (2017): 59–76.

*Thu, Sep 27* Do most arguments that see income inequality as problematic lose some of their force when inequality is coupled with extensive economic mobility, such as the proto-typical rags-to-riches story Americans are fond of? Corak explores the relationship between income inequality and intergenerational mobility within the income distribution in the United States. Does this research by economists have implications for democratic institutions and notions of fairness of concern to students of politics and philosophy? **Reading:** Miles Corak, "Income Inequality, Equality of Opportunity, and Intergenerational Mobility," *Journal of Economic Perspectives* 27 (2013): 79–102.

*Tue, Oct 2* Last week we considered research on the extent of wealth inequality and on the links between unequal wealth and opportunities for social mobility. As we look for causal mechanisms that link wealth inequality to life prospects, Currie urges us not to overlook life experiences before we are even born. Does the sort of evidence Currie presents expand the set of social circumstances we might object to if we got to design a social contract? **Reading:** Janet Currie, "Inequality at Birth: Some Causes and Consequences," *American Economic Review* 101 (2011): 1–22.

*Thu, Oct 4* Today's reading is about John Rawls's famous difference principle. This holds that that inequalities should work for the greatest advantage of the worst off class. Rawls begins with libertarianism, which he finds morally deficient because it allows for inequalities stemming from either natural or social causes. He then argues that attempts to correct for either the natural or the social causes of inequality are inadequate even by their own lights. Roughly, once you have decided to correct the one you should also correct the other. The result is Rawls's favored principles of justice. Rawls's purpose was to explain what the difference principle involves and we will spend a fair amount of our time on exactly that. In particular, we will want to make sure we are clear about his graphs. We will also talk about the substance of his argument. For instance, can we really think of all our distinguishing features as "morally arbitrary?" And why does Rawls think equal opportunity is important, given the other things he claimed? **Reading:** John Rawls, *A Theory of Justice* (Cambridge: Harvard University Press, 1999), 52–73.

*Tue, Oct 9* Ronald Dworkin presents an interesting variant on familiar themes from the social contract tradition. Instead of imagining a social contract, he thinks it is more relevant to consider a social insurance scheme. In the course of doing so, he comes up with a novel rationale for markets. Instead of claiming that markets follow from a proper respect for individual liberty, Dworkin thinks they are needed to realize the value of equality. Today we will talk about the basic elements of

Dworkin's theory: the so-called envy test, the idea that an equal distribution of resources could be settled in an auction, and how he proposes to deal with the problem posed by people with severe handicaps. **Reading:** Ronald Dworkin, "What is Equality?" *Philosophy and Public Affairs* 10 (1981): 283–304.

*Thu, Oct 11* We will continue our discussion of Dworkin today (it's a long article). Specifically, we will discuss his underemployment insurance scheme and the comparison he draws between his theory and Rawls's. **Reading:** Ronald Dworkin, "What is Equality?" 304–334. Note: skip section VII.

\*\*\*\*\* Essay 2 due electronically by midnight Saturday, October 13 \*\*\*\*\*

*Tue, Oct 16* Members of the seminar will briefly present their ideas for their theses and the group will offer helpful suggestions.

*Thu, Oct 18* More discussion of thesis ideas.

*Tue, Oct 23* Fall recess, no class.

*Thu, Oct 25* As Dworkin understands it, equality involves the mitigation of bad *brute* luck by converting it, as far as possible, into *option* luck. This basic idea has come to be called "luck egalitarianism." Anderson argues that this is a fundamentally mistaken understanding of the point of equality in political life. As she sees it, what is important is that people treat one another as equals. Whether they have equal shares of material goods is only important as a means to that end; it is not important by itself. **Reading:** Elizabeth Anderson, "What is the Point of Equality?" *Ethics* 109 (1999): 287–337. Note: see the "Read Me First" document on Sakai for the pages to read.

\*\*\*\*\* Thesis action plan due by midnight Saturday, October 27 \*\*\*\*\*

*Tue, Oct 30* Economists are used to thinking about market allocations of resources in terms of efficiency. Williams starts from an entirely different point of view. He argues that some kinds of inequality are irrational because they fail to reflect the factual equality of human beings. His claim is that the nature of goods like health care and education determines their proper distribution and that the proper distribution could be considerably different from what a free market would produce. What does that mean? Do goods have natures and, if they do, why should we care about them? Robert Nozick criticizes Williams for failing to establish his point and for reaching conclusions that objectionably limit liberty. Nozick asks some good questions about Williams's argument and, by extension, a lot of commonsense thinking about how the economy should work. **Reading:** Bernard Williams, "The Idea of Equality," in *Problems of the Self* (Cambridge: Cambridge University Press, 1973), 230–49 and Robert Nozick, *Anarchy, State, and Utopia* (New York: Basic Books, 1974), 232–39. Note: the Read Me First document on Sakai outlines Williams's argument.

*Thu, Nov 1* The classical notion of utility is excess of pleasure over pain, experienced through time. Kahneman and Krueger describe research on how this theoretical idea translates into happiness or life satisfaction. What does modern evidence suggest? And does money make us happy? **Reading:** Daniel Kahneman and Alan B. Krueger, "Developments in the Measurement of Subjective Well-Being," *Journal of Economic Perspectives* 20 (2006): 3–24.

*Tue, Nov 6* Williams's argument is about the essential nature of human beings and the goods that provide for human needs. Sen and Nussbaum push this idea further. They abandon the idea of equality and instead push for a level of human flourishing, which in their view depends on access to adequate supplies of material and other goods. Is their notion of human flourishing hegemonically

Western? Is it politically motivated? Is the emphasis on acceptable minimum levels rather than equality a purely pragmatic move? **Reading:** Amartya Sen, excerpt from “Freedom and the Foundations of Justice,” chapter 3 in *Development as Freedom* (New York: Anchor Books, 1999), 31–66 and Martha Nussbaum, *Creating Capabilities* (Cambridge: Harvard University Press, 2011), 17–45.

*Thu, Nov 8* Nussbaum’s list is controversial. Ingrid Robeyns tackles the question of how to construct a proper list within the capabilities framework, arguing that different contexts will call for different lists. This article has many of the attributes of a lovely PPE thesis: it gives a lucid summary of its theoretical starting point (Sen’s capability approach), outlines the work needed to be done to extend the framework to address the question of interest to the author, and situates that work in the context of the existing literature. **Reading:** Ingrid Robeyns, “Sen’s Capability Approach and Gender Inequality,” *Feminist Economics* 9 (2003): 61-92.

\*\*\*\*\* Essay 3 due by midnight Saturday, November 10 \*\*\*\*\*

*Tue, Nov 13* Most discussions of inequality concern inequality within societies rather than inequality across them. On the face of it, this fits poorly with the reasons for thinking that inequality matters at all. Thomas Nagel tries to make sense of this. Pay special attention to pp. 128f; that is where the argument is. **Reading:** Thomas Nagel, “The Problem of Global Justice,” *Philosophy and Public Affairs* 33 (2005): 113–47. Note: skip sections 7-9 (pp. 134-43).

*Thu, Nov 15* Professor Dobbs from the Politics Department will lead a discussion of immigration. **Reading:** TBA.

*Tue, Nov 20* Most of the philosophers we have read come from the social contract tradition. Peter Singer represents the utilitarian tradition that is the more natural intellectual starting point for economists. Today’s readings concern what Singer calls “effective altruism.” It is based on the idea that it is better to take more effective steps to help others than less effective ones. This apparently innocuous idea leads to surprising conclusions about politics and personal morality that Singer’s critics find objectionable. **Reading:** Peter Singer, et. al. “Forum: The Logic of Effective Altruism.” *Boston Review* July 6, 2015 and Dylan Matthews, “You Have 80,000 Hours in Your Career. Here’s How to Do the Most Good With Them.” *Vox* August 3, 2015.

*Thu, Nov 22* Thanksgiving break. No class.

*Tue, Nov 27* Satz’s essay is concerned with a so-called repugnant market: the market for human organs. She is also good about distinguishing different arguments from one another and offering a measured assessment of them. Satz’s favored argument is that allowing some people the choice of selling their organs changes the choices that others face. **Reading:** Debra Satz, “The Moral Limits of Markets: The Case of Human Kidneys” *Proceedings of the Aristotelian Society* 108 (2008): 269–88.

*Thu, Nov 29* Presentations. Signed Thesis Reader Sheet due in class.

\*\*\*\*\* Essay 4 due by midnight Saturday, November 31 \*\*\*\*\*

*Tue, Dec 4* Presentations

*Thu, Dec 6* Presentations

*Tue, Dec 11* Presentations.