

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

Fall 2019  
E. Brown and M. Green

#### Office hours

Brown: Tuesdays 4:00-5:30 PM, Wednesdays 10:00-11:30 AM, and by appt. Carnegie 216, 607-2810.

Green: Mondays 1-3, Tuesdays 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, in MSWord or pdf format. The lowest essay grade is disregarded and there is a mild penalty of 0.25 point per day for late work. The written prospectus is due on Wednesday, December 11, before midnight.

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. In computing the final grade, we round to the nearer integer, with .5 being rounded down. For example, 10.5 earns a grade of B+ because it is rounded down to 10 and 10.75 earns a grade of A- because it is rounded up to 11.

## 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 3* 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? For inspiration, you can look at the titles in “PPE Theses 2007–2018.”

*Thu, Sep 5* 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 the PPE 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); prospectus samples.

*Tue, Sep 10* Today’s reading is the fifth chapter of John Locke’s *Two Treatises of Civil Government*. You have probably read Locke in a political philosophy or political theory course where he was probably presented as a libertarian, with a story about how labor is used to acquire property rights that the state cannot invade. We are going to read Locke through the lens of economics. How would an economist analyze the last half of the chapter, about the different kinds of goods and the invention of money? **Reading:** John Locke, *Second Treatise*, ch. 5.

*Thu, Sep 12* 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. Historical accounts of justice are used to argue for reparations for historical wrongs such as slavery or theft of land. Darby and Branscombe use social science to argue that this backwards looking approach is unlikely to succeed and moral philosophy to argue for a forwards looking approach to racial inequality. **Reading:** Derrick Darby and Nyla Branscombe, “Beyond the Sins of the Fathers: Responsibility for Inequality,” *Midwest Studies in Philosophy* 38 (2014): 121-137.

*Tue, Sep 17* 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 19* 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 21 \*\*\*\*\*

*Tue, Sep 24* Piketty is worried about societies dominated by inherited wealth. Hamilton and Darity are concerned with the sources of financial inequality in a society in which the playing field has been decidedly unlevel. They argue that the gap in wealth across racial groups is a substantial and consequential result of racially exclusionary policies. They call for a direct transfer of wealth through what they call baby bonds. **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 26* 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 1* 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 3* 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 natural and social causes. He then argues that justice requires that society address both these sources of inequality. The result is Rawls’s favored principles of justice, which he calls “fair equality of opportunity” and “the difference principle.” Rawls uses concepts derived from economics in order to explain what the difference principle means. Professor Brown will explain how resource distributions based on the difference principle differ from those deriving from utilitarianism. **Reading:** John Rawls, *A Theory of Justice* (Cambridge: Harvard University Press, 1999), 52–73.

*Tue, Oct 8* 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 10* 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 12 \*\*\*\*\*

*Tue, Oct 15* Members of the seminar will briefly present their ideas for their theses and the group will offer helpful suggestions.

*Thu, Oct 17* More discussion of thesis ideas.

*Tue, Oct 22* Fall recess, no class.

*Thu, Oct 24* More discussion of thesis ideas.

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

*Tue, Oct 29* Dworkin's view of persons is of rational and responsible persons who differ in their tastes and their talents. Nussbaum and Sen take a deeper dive into the essential nature of human beings. They abandon the pursuit of equality and instead push for the opportunity for 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 "Poverty as Capability Deprivation," chapter 4 in *Development as Freedom* (New York: Anchor Books, 1999), 31–66 and Martha Nussbaum, *Creating Capabilities* (Cambridge: Harvard University Press, 2011), 17–45, abridged.

*Thu, Oct 31* How would you build institutions to pursue, across national boundaries, human flourishing? Today's reading chronicles the inception and development of the United Nations. **Reading:** Jussi M. Hanhimäki, *The United Nations* (Oxford: Oxford University Press, 2015), chapters 1,2,5,6.

*Tue, Nov 5* Joint class with Professor Haddad's Intro to IR class featuring distinguished guest Isobel Coleman, who had extensive experience with both the United Nations, an institution she helped to reform, and with fighting poverty through the provision of unconditional cash transfers.

*Thu, Nov 7* Brian Barry describes a humanitarian case for transferring wealth to poor countries, based on Peter Singer's famous analogy between giving aid to relieve famine relief and rescuing a drowning child. He also argues that such transfers are required by justice, assuming that the earth's resources are shared by all people in common. At the end of the essay, he compares the two kinds of arguments. This kind of distinction is interesting in its own right and useful for many theses. One thing to think about is how it might be applied to the case of global warming. **Reading:** Brian Barry, "Humanity and Justice in Global Perspective," *NOMOS XXIV: Ethics, Economics, and the Law* (New York: New York University Press, 1982): 219-252. Note: you may safely skip pages 227-235; pick it up again at "In this essay I want ..." on page 235.

\*\*\*\*\* Essay 3 due by midnight Saturday, November 9 \*\*\*\*\*

*Tue, Nov 12* Sen and Nussbaum argue from the essential nature of human beings to a call for a basic level of access to rights and goods that allow human flourishing. Williams recognizes that certain goods have special importance to human beings and, in contrast to Nussbaum and Sen, return to the notion of equality and what it might require of the production and distribution of goods such health care and

education that are central to human flourishing. 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 complicated argument.

*Thu, Nov 14* So far, we have concerned ourselves with the question of access to good that are important to human flourishing. But what about goods that compromise human flourishing? What about institutions, such as markets, that may compromise human flourishing, either directly or indirectly? 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.

*Tue, Nov 19* 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 21* 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.

\*\*\*\*\* Essay 4 due by midnight Saturday, November 23 \*\*\*\*\*

*Tue, Nov 26* Today is a working day. Bring a laptop to work on your prospectus.

*Thu, Nov 28* Thanksgiving break. No class.

*Tue, Dec 3* Presentations

*Thu, Dec 5* Presentations. Signed reader sheets due in class.

*Tue, Dec 10* Presentations