

**Course Syllabus**  
**Business Ethics: The Ethics and Economics of Wealth Creation**  
**PHIL 332, Spring, 2015**

**Instructor:** Dr. Matt Zwolinski

**Office Hours:** 10:45 – 1:15, Tuesdays and Thursdays

**Office:** F167A

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

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**Required Books:**

David Schmidtz, *Creating Wealth: Ethical and Economic Perspectives*, 2<sup>nd</sup> edition (Cognella)

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

Other readings on Electronic Reserve at Copley Library

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

**Content:**

One of the main tasks of business is the creation of wealth. But what exactly *is* wealth? How, and from what, is it created? What role do markets play? And what is the role of government in guiding and constraining those markets?

This course will explore various ethical and economic issues involved in the creation of wealth. Our readings will be drawn from classical economists such as Adam Smith, Frederic Bastiat, and Karl Marx, and from contemporary philosophers such as David Schmidtz, Peter Singer, and Richard Anreson. These readings will explore issues involving the origin and justification of private property, the role of prices and opportunity cost in market exchange, the ethics of voting and political regulation, the philosophical nature of freedom and equality, and questions about how society should best deal with the problems of poverty and exploitation.

**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 three in-class exams – two 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 third of the course. ***All 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.***
- **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 & 2 @ 30 points each	60
Final Exam	50
Participation	10
Total Points:	145-170

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 ethical theories such as utilitarianism and deontology.
- 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**  
**Spring, 2015**  
**Professor Zwolinski**

**KEY DATES AT A GLANCE**

Feb 10	-	Guest Lecture by David Schmidtz
Feb 24	-	First Exam
Feb 26	-	No class: instructor away
Mar 5	-	No class: instructor away
Mar 26	-	Second Exam
Mar 30 – Apr 3	-	No class: Spring Break
May 19	-	Final Exam at 8:00 AM

**Schedule of Readings**

**Note:**

[ER] = Electronic Reserves

[CW] = *Creating Wealth*

[RO] = *Rational Optimist*

**Week 1 (Jan 27-29) – Introduction to Philosophical Ethics**

**Jan 29:**

- Mark Timmons, “An Introduction to Moral Theory” [ER]

**Week 2 (Feb 3-5) – From Anarchy to Affluence**

**Feb 3:**

- Thomas Hobbes, *Leviathan*, chapter 13, “Of the Natural Condition of Mankind as Concerning Their Felicity and Misery” [ER]
- Matt Ridley, *The Rational Optimist*, Chapter 1, “A Better Today, The Unprecedented Present,” pp. 11-28. [RO]

**Feb 5:**

- John Locke, “Two Treatises of Government” [CW]

**Week 3 (Feb 10-12) – Property Rights, Tragedy of the Commons, and the Division of Labor**

*Guest lecture by David Schmidtz, February 10<sup>th</sup>*

**Feb 10:**

- David Schmidtz, “The Institution of Property” [CW]

**Feb 12:**

- Adam Smith, “Wealth of Nations: Book I” [CW]
- Matt Ridley, *The Rational Optimist*, Chapter 1, “A Better Today, The Unprecedented Present,” pp. 32-46. [RO]

**Week 4 (Feb 17-19) – The Division of Labor and the Development of Trust**

**Feb 17**

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

**Feb 19**

- Robert Axelrod, “The Evolution of Cooperation” [ER]
- Matt Ridley, *The Rational Optimist*, Chapter 3, “The Manufacture of Virtue: Barter, Trust, and Rules after 50,000 Years Ago,” pp. 85-119. [RO]

**Week 5 (Feb 24) – First Exam**

**February 24: First Exam**

**February 26: No class, Instructor Away**

- **But read!** Matt Ridley, *The Rational Optimist*, Chapter 6, “Escaping Malthus’ Trap: Population After 1200,” pp. 191-212. [RO]

**Week 6 (Mar 3) – Markets and Knowledge**

**March 5<sup>th</sup>: No class, Instructor Away**

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

**Week 7 (Mar 10-12) – Market Failures and Market Solutions**

**Mar 10:**

- Charles Wolf, “Market Failure” [ER]

**Mar 12:**

- Ronald Coase, “The Problem of Social Cost” [ER]

**Week 8 (Mar 17-19) – Market Failures and Government Failures**

**Mar 17:**

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

**Mar 19:**

- Randy Simmons, “Pathological Politics” [ER]

**Week 9 (Mar 24-26) – Voting**

**March 26: Second Exam**

**Mar 24:**

- Geoffrey Brennan and Loren Lomasky, “Is there a Duty to Vote?” [ER]

**Mar 30 – Apr 3 – No class, Spring Break**

**Week 10 (Apr 7-9) – Freedom and Paternalism**

**Apr 7:**

- John Stuart Mill, “On Liberty” [ER]

**Apr 9:**

- Gerald Dworkin, “Paternalism” [ER]

**Week 11 (Apr 14-16) – Equality and Sufficiency**

**Apr 14:**

- Harry Frankfurt, “Equality as a Moral Ideal” [ER]

**Apr 16:**

- David Schmidtz, “Equal Respect and Equal Shares” [CW]

**Week 12 (Apr 21-23) – A Limit to Growth?**

**Apr 21:**

- John Stuart Mill, “Of the Stationary State” [ER]
- John Maynard Keynes, “Economic Possibilities for Our Grandchildren” [ER]

**Apr 23:**

- Matt Ridley, *The Rational Optimist*, Chapter 8, “The Invention of Invention: Increasing Returns After 1800,” pp. 247-277. [RO]

**Week 12 (Apr 28-30) – What About the Poor?**

**Apr 28:**

- T.M. Wilkinson, “The Ethics and Economics of the Minimum Wage” [ER]

**Apr 30:**

- Charles Murray, *In Our Hands: A Plan to Replace the Welfare State* [ER]
- Matt Ridley, *The Rational Optimist*, Chapter 10, “The Two Great Pessimisms of Today: Africa and Climate After 2010,” pp. 313-328. [RO]

**Week 14 (May 5-7) – Exploitation and the Market**

**May 5:**

- Matt Zwolinski: “The Ethics of Price Gouging” [CW]

**May 7:**

- Janet Radcliffe-Richards, “Nephrarious Goings-On: Kidney Sales and Moral Arguments,” [ER]

**Tuesday, May 19<sup>th</sup>, 8:00 AM: Final Exam**