

PSC 292 ETHICS IN MARKETS AND IN PUBLIC POLICY

Time: TR 12:30 – 1:45pm

Location: Morey 205

Office hours: Thursday 2-3pm
and by email appointment**SPRING 2017**

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COURSE DESCRIPTION AND OBJECTIVES:

This course provides an introduction to the ethical issues arising in business and in public policy. It is organized into four parts. It begins by looking at the place of ethics in a competitive economy and in public policy. Next, it addresses ethical issues faced by decision-makers in complex institutions, including the nature of managerial and political responsibilities, and the ethical status of cost-benefit analysis and nudges. We will then look at questions of distributive justice in relation to global trade, labor protection, executive and employee compensation and health policy. Finally, we will consider applications to a range of issues including markets in bodily organs, climate change, migration policy, professional obligations in medicine, insider trading and pricing policies.

The course has the following objectives:

- To make you familiar with a range of recurrent ethical problems arising in business;
- To improve your skills in identifying and analyzing ethical issues that managers and employees face;
- To articulate and reflect on the values you bring to complex business decisions raising ethical issues.

COURSE MATERIALS:

There is no textbook for the course. Required readings will be available online on the course website or on two-hour reserve in the Rush-Rhees Library. The following books are recommended as background readings for the topics discussed in class:

John Rawls, *A Theory of Justice*, rev. ed. (1999)

Will Kymlicka, *Contemporary Political Philosophy: An Introduction* (2nd ed. 2002)

Jean Hampton, *Political Philosophy* (1996)

REQUIREMENTS AND GRADING

The course is conducted on the assumption that students attend each class. Classes will consist of some combination of lecture and discussion, depending on the nature of the materials, but in all cases student preparation and participation are essential.

Class participation: The course is intended to allow you to analyze and manage real-life ethical challenges. Many of these challenges will involve justifying your position to those who disagree

with it. The course therefore emphasizes the articulation of reasoned arguments with respect to the ethical problems discussed. Class participation is an important part of this exercise. Accordingly, you are expected to attend each class, to do the relevant readings, and to be prepared to discuss the readings and share your recommendations. If you must miss a class, please let me know in advance. Absences without adequate reason will result in lower participation grades.

Reading write-ups: Each student should submit five short (2-4 double spaced pages) summaries of assigned readings. These should summarize the main argument of the assigned reading. These summaries are to be submitted, on paper, at the beginning of the class in which the reading is discussed.

Exam: A mid-term examination will test your comprehension of lectures, readings, and in-class discussions. More details about the exam will be made available during the term.

Term paper: A 10-12 page paper analyzing an ethical issue in public policy or business in greater depth. You may choose the topic, contingent on approval by me, but they must be submitted to me to be approved. Finding a good topic takes time. You should start looking for one early on in the quarter. You should submit to me a brief proposal describing the ethical issue you have chosen to discuss in your term paper by April 4. The deadline for submitting your term paper is our last class (May 2). To avoid plagiarism, all of your work must be original. When you use outside sources, these must be properly referenced. Please contact me when you are unsure about the appropriate use of source materials.

Term paper presentation: The goal is to give you practice in communicating your ethical analysis and recommendations to your peers. You will have to give a brief (7-8 minutes) presentation of your analysis of the ethical issue you have chosen to discuss in your term paper. Your classmates should be able to get an idea of the issue you discuss as well the position you are defending.

Assessment of student performance:

1. Mid-term examination (25%)
2. Reading write-ups (15%)
3. Class participation (20%)
4. Term paper (25%)
5. Term paper presentation (15%)

ACADEMIC HONESTY

Academic honesty is expected with regard to individual and group work. Incidents of academic dishonesty will not be tolerated. Such incidents will be handled in accordance with the School's regulations. Academic honesty also requires that you do not pass along your assignments to students who are taking the course in a later quarter, or discuss your assignments with students who took the class in a previous quarter.

CONTACT

Should you have any questions or concerns about the class, please do not hesitate to see me. The best way to do so is to email me to make an appointment.

TENTATIVE SCHEDULE AND READING ASSIGNMENTS:

- Session 1: January 19
Introduction to course
- Readings:
Optional: D. Hausman – M. McPherson, *Economic Analysis, Moral Philosophy, and Public Policy* pp.4-10 (Cambridge: Cambridge University Press, 2006)
- Session 2: January 24
Doing Good by Doing Well
- Readings:
Peter Singer: 'The Logic of Effective Altruism', *Boston Review* (July 2015), available at <http://bostonreview.net/forum/peter-singer-logic-effective-altruism>
Sendhil Mullainathan, 'Why a Harvard Professor Has Mixed Feelings When Students Take Jobs in Finance' *New York Times* 4/10/2015
- Session 3: January 26
Ethics in Competitive Markets
- Readings:
Milton Friedman, 'The Social Responsibility of Business is to Increase Its Profits,' *New York Times Magazine*, September 13, 1970
Are Companies Responsible for Creating Jobs? *Wall Street Journal* 10/28/2011
- Session 4: January 31
The Ethics of Roles
- Readings:
Arthur Applbaum: 'Ethics in Equilibrium,' in *Ethics for Adversaries* (Princeton, NJ: Princeton University Press, 1999)
Michael Hardimon: 'Role Obligations,' *Journal of Philosophy* (1994) 91(7) pp.333-363
- Session 5: February 2
Ethical Theories: Consequentialism
- Readings:
Dan W. Brock, 'Utilitarianism,' T. Regan and D. VanDeVeer eds. *And Justice for All: New Introductory Essays in Ethics and Public Policy*, Totowa NJ: Rowman and Littlefield, 1982 pp.217-240.
- Session 6: February 7
Ethical Theories: Nonconsequentialism

Readings:

D. Hausman – M. McPherson, *Economic Analysis, Moral Philosophy, and Public Policy* pp.12-23 (Cambridge: Cambridge University Press, 2006)

F. M. Kamm, 'Nonconsequentialism,' in LaFollette – Persson ed. *The Blackwell Guide to Ethical Theory* 2nd ed, Malden MA, Blackwell 2013, pp 261-286

Session 7: February 9
Cost-benefit Analysis

Readings:

Donald Hubin: 'The Moral Justification of Benefit/Cost Analysis,' *Economics and Philosophy* 1994, 169-194

David Schmidtz: 'A Place for Cost-Benefit Analysis,' *Philosophical Issues* 2001, 148-171

Kip Viscusi, 'A Price on Your Head' *Forbes* 01/07/2008

Session 8: February 14
Nudges

Readings:

Daniel Hausman and Bryn Welch, 'Debate: To Nudge or Not to Nudge,' *Journal of Political Philosophy* (18)1 2010: 123-136

Session 9: February 16
Global Justice: Protectionism

Readings:

'The Great Catfish War,' *New York Times* (July 22, 2003)

Thomas Pogge, 'Are We Violating the Human Rights of the World's Poor?' *Yale Human Rights and Development Law Journal* 14:2 (2011) pp.1-33

Session 10: February 21
Global Justice: Sweatshops and Exploitation

Readings:

Risse, Mathias. 2005. 'How Does the Global Order Harm the Poor?' *Philosophy and Public Affairs* 33 (2005) 349-376

Thomas Nagel, 'The Problem of Global Justice' *Philosophy and Public Affairs* 33:2 (2005) pp.113-147

Session 10: February 23
Global Justice: Sweatshops and Exploitation

Readings:

Ian Maitland, 'The Great Non-Debate Over International Sweatshops.' In Beauchamp et.al *Ethical Theory and Business*, 8th ed. pp.597-608

Matt Zwolinski, 'Sweatshops, Choice and Exploitation,' *Business Ethics Quarterly* 2007 17(4), 689-727.

Session 11: February 28
Social Justice: Executive Pay

- Readings:
 Jeffrey Moriarty, 'Do CEOs Get Paid Too Much?' *Business Ethics Quarterly* 15 (2005) pp.257-281
- Session 12: March 2
 Social Justice: Rawls
- Readings:
 John Rawls, 'Distributive Justice,' in Donaldson-Werhane, *Ethical Issues in Business* pp.222-232
- Session 13: March 7
 Social Justice: Nozick
- Readings:
 Robert Nozick, 'The Entitlement Theory,' in Donaldson-Werhane, *Ethical Issues in Business* pp.232-238
- Session 14: March 9
Mid-term exam
- Session 15: March 21
 Justice and Pharmaceutical Markets
- Readings:
 Thomas Pogge, 'The Health Impact Fund: Better Pharmaceutical Innovations at Much Lower Prices,' in T. Pogge, M. Rimmer, K. Rubenstein eds *Incentives for Global Public Health: Patent Law and Access to Medicines* (Cambridge: Cambridge University Press, 2010)
- Session 16: March 23
 Ethical Issues in Health Care Resource Allocation
- Readings:
 D. Brock-D. Wikler, 'Ethical Issues in Resource Allocation, Research, and New Product Development,' in D. Jamison et al. *Disease Control Priorities in Developing Countries*. Oxford University Press 2006 pp.259-270
- Session 17: March 28
 Separate Spheres of Justice?
- Readings:
 Dan W. Brock 'Separate Spheres and Indirect Benefits', *Cost Effectiveness and Resource Allocation* 2003 January
- Session 18: March 30
 Immoral Markets
- Readings:
 Debra Satz, 'The Moral Limits of Markets: The Case of Human Kidneys' *Proceedings of the Aristotelian Society* 108 (2008): 269-288

Sarah McGrath, 'Organ Procurement, Altruism and Autonomy', *The Journal of Value Inquiry* 2007 40(2): 297-309

Session 19: April 4
Climate Change and Moral Responsibility

Readings:
Stephen Gardiner, 'Ethics and Global Climate Change,' *Ethics* 114(3) 2004: 555-600
Dennis Thompson, 'The Moral Responsibility of Public Officials: The Problem of Many Hands,' *The American Political Science Review* 74(4) 1980: 905-916

Session 20: April 6
The Ethics of Immigration

Readings:
Joseph Carens, 'Aliens and Citizens: The Case for Open Borders,' *Review of Politics* 49 (1987), pp 251-73
David Miller, Chapter 8 of *National Responsibility and Global Justice* (Oxford: Oxford University Press, 2008)

Session 21: April 11
Professional Obligations in Health Care: Medical Migration

Readings:
N. Eyal- S. Hurst, 'Physician Brain Drain: Can Nothing Be Done?' *Public Health Ethics* 2008,
N. Eyal- T. Barnigshausen, 'Precommitting to Serve the Underserved,' *The American Journal of Bioethics* 2012 (12)5: 23-34

Session 22: April 13
Professional Obligations in Health Care: The Duty to Treat

Readings:
Norman Daniels, 'Medical Professionalism and the Care We Should Get' in *Just Health* (Cambridge: Cambridge University Press 2007) Ch.8

Session 23: April 18
Professional Obligations in Business: Insider Trading

Readings:
Robert W. McGee, 'Applying Ethics to Insider Trading,' *Journal of Business Ethics* (2008)
Donald Boudreaux, 'Learning to Love Insider Trading' *Wall Street Journal* 10/24/2009

Session 24: April 20
Professional Obligations in Business: Pricing

Readings:

Matt Zwolinski, 'The Ethics of Price Gouging,' *Business Ethics Quarterly* (18)3
2008: 347-378

Jeremy Snyder, 'What's the Matter With Price Gouging?' *Business Ethics
Quarterly* (19)2 2009: 275-293

S. Vacani-N. Craig Smith, 'Socially Responsible Pricing,' *California
Management Review*1 (2004)

Session 25: April 25
Student presentations

Session 26: April 27
Student presentations

Session 27: May 2
Course wrap-up