

University of Waterloo
Department of Philosophy
PHIL 205/ECON 261
Philosophy of Economics
Winter 2019
Wednesday 6:30-9:20 PAS 1229

*****Unofficial syllabus -- get the official syllabus on Learn when the course starts*****

Territorial Acknowledgement

We acknowledge that we are living and working on the traditional territory of the Attawandaron (also known as Neutral), Anishinaabe and Haudenosaunee peoples. The University of Waterloo is situated on the Haldimand Tract, the land promised to the Six Nations that includes six miles on each side of the Grand River.

Instructor Information

Instructor: Patricia Marino
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Office Hours: Tuesdays 1:30 to 3:30 and by appointment
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Course Description

The philosophy of economics is concerned with conceptual, methodological, foundational and ethical issues in economic theory and practice. In this course, we'll consider questions such as:

- What can philosophy of science teach us about economic methodology?
- What makes a particular conclusion in economics justified or true?
- How do economic models work?
- Is economics a science?
- What are implications of modeling people as self-interested utility maximizers of utility?
- Does economic methodology reflect gendered presuppositions?
- What is at stake in the debate over classical versus behavioral economics?
- How do value-based considerations play a role in economic reasoning and policy?
- What are the ethical implications of using efficiency-based reasoning?
- What are alternatives to efficiency-based reasoning?
- How do conceptual matters impact applications, e. g. in environmental economics?

This course does not endorse any particular conclusion about these matters; rather, the idea is for you to both understand what others have had to say, and to develop, possibly change, and learn how to intelligently defend, your own opinions.

You should read the texts listed for a given date before class and be ready to discuss them. I will post study questions on LEARN ahead of time for each reading and you should come to class having given some thought to these. Course announcements and information will be on the LEARN page so please check it daily. There is more information about this course on the "Further Course Information" document posted on LEARN. Be sure to read it. If you experience

difficulties of any kind during the term, please come talk to me. Also, information about contacting mental health resources is included below. If you have questions about the syllabus, the course, the requirements, the assignments, or anything else to do with this course, please do not hesitate to ask!

Course Objectives

This course should help you be able to:

- analyze and critically evaluate divergent views over conceptual issues in economics;
- understand some ways that values play a role in economic thought and policy making;
- develop your own ideas concerning economic justification and objectivity;
- develop your own opinions about contentious practical economic issues in society;
- effectively communicate your ideas orally and in written work.

Readings

All readings will be posted on LEARN as pdfs you can download.

Course Requirements and Assessment

- Paper 1, due Feb 6 20%
- In-class test, Feb 13, 25%
- Paper 2, due Mar 20, 25%
- In class test, Apr 3, 25%
- Attendance and participation, 5%

Papers

Both papers should be 900-1200 words and topics will be handed out. For the first paper, you have the option of handing in a rewrite based on my comments. If you choose to do this your new paper grade will be an average of the original and the rewrite; your grade will not go down if the new draft is worse, but improved grades require significant changes and not just small edits. For the second paper, I will write fewer comments; if you would like more feedback, don't hesitate to ask. Paper assignments will ask you to write about your own ideas about a philosophical problem while engaging the texts and ideas we've encountered in class. The focus is on presenting an original argument. Of course, this means the ideas in your papers must be your own; we will talk more in class about how to ensure that the ideas you present as your own really are, and how to cite any outside sources you do use appropriately. If you have any questions at any time about academic honesty and what it requires, do not hesitate to ask. Just raise your hand or approach me after class. For help with writing, check out [The Writing Centre](#).

Tests

Tests will be a mix of multiple choice, short answer and short essay. Test 1 covers the first half of the course and test 2 the second half.

Attendance and Participation

Attendance is required and everyone should participate in class discussion. There are several ways to participate in this class: you can participate in class discussion, or by contributing to the discussion on LEARN, or by emailing or speaking with me personally. If you have to miss class, you are responsible for finding out what content you missed. If you come to class regularly without participating, your attendance and participation grade will be 70 percent (you may miss up to two classes for any reason with no penalty). If you participate regularly that will increase your participation grade; if you attend less frequently that will lower it. Contributing several questions and comments during each week will earn a grade at least in the 80s range. I will post attendance and participation grades on LEARN at the end of term; if you don't agree with yours please email me and we can discuss it. If for some reason coming to class is a problem for you, let me know and we can discuss.

Course Outline

Week 1 (Jan 9): Introduction, Smith's "invisible hand," and the historical roots of efficiency

- Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, Book 1, Chapter 2 ("Of the Principle which Gives Occasion to the Division of Labor," and Book 4 Chapter 2 ("Of Restraints Upon Importation from Foreign Countries of Such Goods as Can Be Produced at Home") (see posted pdf, or text available [online](#)).
- William Grampp, "What Did Smith Mean by the Invisible Hand?" *Journal of Political Economy*, 108(3) (2000), 441-465, **read only** Introduction to end of Section 2 (pages 441-446).
- David Hume, *Enquiry Concerning Principles of Morals*, Section 1, Section 2, and Section 3 part 1(text available [online](#)).

Week 2 (Jan 16): Introduction to economic and economic methodology; Mill on a priori reasoning in economics

- Daniel Hausman, Introduction to *The Philosophy of Economics 3rd ed.* (Cambridge University Press, 2008), pp. 22-25 ("An Introduction to Economics" and "An Introduction to Economic Methodology).
- J. S. Mill, John Stuart Mill, "On the Definition of Political Economy and the Method of Investigation Proper to It" (read only from "What is now commonly understood by the term 'Political Economy' is not..." to the end of the essay). This is Essay V of *Essays on Some Unsettled Questions of Political Economy*, text [online](#) and as a kindle download).

Week 3 (Jan 23): Methodology and justification 1: Friedman and his critics

- Milton Friedman, "The Methodology of Positive Economics," in *Essays in Positive Economics*, University of Chicago Press 1953, 3-43. Text available [online](#).
- Bruce Caldwell, "Critique of Friedman's Methodological Instrumentalism," *Southern Economic Journal* (1980), 366-374.

Week 4 (Jan 30): Methodology and justification 2: economic models and methods

- Robert Sugden, "Credible Worlds: The Status of Theoretical Models in Economics." *Journal of Economic Methodology* 7.1 (2000): 1-31.

- TBA

Week 5 (Feb 6): Methodology and justification 3: is economics a science?

- Alfred Eichner, "Why Economics Is Not Yet a Science," *Journal of Economic Issues* (1983): 507-520.
- Raj Chetty, "[Yes Economics is a Science.](#)"
- Eric Schliesser, "[Economics as a Science.](#)"
- Alex Rosenberg, "If Economics Is a Science, what Kind of a Science Is It?" *The Oxford Handbook of Philosophy of Economics*, 2009.
- **FIRST PAPER DUE**

Week 6 (Feb 13)

TEST 1 and paper rewrite workshop

Week 7 (Feb 27): Feminist economics and perspectives on rational choice theory

- Paula England, "A Feminist Critique of Rational-Choice Theories: Implications for Sociology," *The American Sociologist*, 20(1) (1989), 14-28.
- Ann Cudd, "Rational Choice Theory and the Lessons of Feminism" in Antony, Witt, and Atherton eds., *A Mind of One's Own: Feminist Essays on Reason and Objectivity* (Westview Press, 2001), 398-417.

Week 8 (Mar 6): Behavioral economics and its critics

- Christine Jolls, Richard Thaler, and Cass Sunstein, "A Behavioral Approach to Law and Economics," *Stanford Law Review* 1998, 1471-1550.
- Richard Posner, "Rational Choice, Behavioral Economics, and the Law" *Stanford Law Review* (1998): 1551-1575.

Week 9 (Mar 13): Ethics, values, and economics 1: the limits of self-interest and challenges to consequentialism

- Amartya Sen, "Rational Fools: A Critique of the Behavioral Foundations of Economic Theory," *Philosophy and Public Affairs*, 6(4) (1977), 317-344.
- John Harsanyi, "Morality and the Theory of Rational Behavior." *Social research* (1977): 623-656.
- E. F. Carritt, "Criticisms of Utilitarianism," from Bratman and Perry eds., *Introduction to Philosophy*, 477-479.

Week 10 (Mar 20): Ethics, values, and economics 2: Pareto efficiency, alternatives to consequentialism, and the challenge of inequality

- Mark White, (2009). "Pareto, Consent, and Respect for Dignity: a Kantian Perspective." *Review of Social Economy* 67 (2009), 49-70.
- John Rawls, selection from *A Theory of Justice* (first published 1971), reprinted in Russ Shafer-Landau, *Ethical Theory* (Wiley, 2013) 581-591.
- T. M. Scanlon, "[Libertarianism and Liberty](#)," *Boston Review*, October 16, 2011.
- **SECOND PAPER DUE**

Week 11 (Mar 27): Ethics, values, and economics 3: Cost-benefit analysis and its critics

Mark Sagoff, "At the Shrine of Our Lady of Fatima, or Why Political Questions Are Not All Economic," *Arizona Law Review* Vol. 23 (1981), pp. 1283-1298

Mar 15: Robert Frank, "Why is Cost-Benefit Analysis So Controversial?" *The Journal of Legal Studies*, 29(S2) (2000), 913-930.

Choy, Yee Keong. "Cost-benefit Analysis, Values, Wellbeing and Ethics: An Indigenous Worldview Analysis." *Ecological Economics* 145, no. C (2018): 1-9.

Week 12 (Apr 3)**SECOND TEST****Late work**

Please submit your papers to LEARN before the deadline on the day they are due. Obviously, you should hand in your papers on time, but if you must be late, I will subtract three percentage points from your paper grade per day of lateness. If you experience unexpected difficulties like illness or personal difficulties, please let me know; if you expect to miss a deadline or test, please let me know by email as soon as possible and preferably beforehand.

Information on Plagiarism Detection

No formal or technological plagiarism detection mechanisms will be used in this class.

Electronic Device Policy

Laptops or mobile devices can support your learning in this class, but they can also be a source of distraction for you and other students around you. Please turn off all sound notifications before you enter the classroom. You are welcome to use your devices for course-related activities such as taking notes, researching lecture topics, collaborating on group projects, viewing documents in LEARN, and communicating with other students about the course material. You are not permitted to use these devices for any non-course-related activities. Students who wish to use laptops or mobile devices are asked to sit in the laptop-designated area of the class. During activities that do not require these devices, such as group discussions, you may be asked to close or put them away. Please ask the instructor if you wish to make an audio recording of class lecture material. If you have concerns or comments about how the use of laptops or mobile devices is affecting your learning during the course, please make an appointment to talk with the instructor.

Attendance Policy

Attendance is required. See "Attendance and participation" section above.

Cross-listed course

Please note that a cross-listed course will count in all respective averages no matter under which rubric it has been taken. For example, a PHIL/PSCI cross-list will count in a Philosophy major average, even if the course was taken under the Political Science rubric.

Academic Integrity and Discipline

Academic Integrity: In order to maintain a culture of academic integrity, members of the University of Waterloo are expected to promote honesty, trust, fairness, respect and responsibility. See the [Office of Academic Integrity webpage](#) for more information.

Discipline: A student is expected to know what constitutes academic integrity, to avoid committing academic offences, and to take responsibility for his/her actions. Check [the Office of Academic Integrity](#) for more information. A student who is unsure whether an action constitutes an offence, or who needs help in learning how to avoid offences (e.g., plagiarism, cheating) or about “rules” for group work/collaboration should seek guidance from the course professor, academic advisor, or the Undergraduate Associate Dean. When misconduct has been found to have occurred, disciplinary penalties will be imposed under Policy 71 – Student Discipline. For information on categories of offenses and types of penalties, students should refer to [Policy 71 - Student Discipline](#). For typical penalties check [Guidelines for the Assessment of Penalties](#).

Grievances and Appeals

Grievance: A student who believes that a decision affecting some aspect of his/her university life has been unfair or unreasonable may have grounds for initiating a grievance. Read [Policy 70 - Student Petitions and Grievances](#), Section 4. When in doubt, please be certain to contact the department’s administrative assistant who will provide further assistance.

Appeals: A decision made or penalty imposed under Policy 70 - Student Petitions and Grievances (other than a petition) or Policy 71 - Student Discipline may be appealed if there is a ground. A student who believes he/she has a ground for an appeal should refer to [Policy 72 - Student Appeals](#).

Accommodation for Students with Disabilities

Note for students with disabilities: The [AccessAbility Services](#) office, located on the first floor of the Needles Hall extension (1401), collaborates with all academic departments to arrange appropriate accommodations for students with disabilities without compromising the academic integrity of the curriculum. If you require academic accommodations to lessen the impact of your disability, please register with the AS office at the beginning of each academic term.

If you are using Turnitin® in your course

Turnitin.com: Text matching software (Turnitin®) will be used to screen assignments in this course. This is being done to verify that use of all material and sources in assignments is documented. Students will be given an option if they do not want to have their assignment screened by Turnitin®. In the first week of the term, details will be provided about arrangements and alternatives for the use of Turnitin® in this course.

Note: students must be given a reasonable option if they do not want to have their assignment screened by Turnitin®. See [guidelines for instructors](#) for more information.

Mental Health Support

All of us need a support system. The faculty and staff in Arts encourage students to seek out mental health supports if they are needed.

On Campus

- Counselling Services: counselling.services@uwaterloo.ca / 519-888-4567 ext 32655
- [MATES](#): one-to-one peer support program offered by Federation of Students (FEDS) and Counselling Services
- Health Services Emergency service: located across the creek from Student Life Centre

Off campus, 24/7

- [Good2Talk](#): Free confidential help line for post-secondary students. Phone: 1-866-925-5454
- Grand River Hospital: Emergency care for mental health crisis. Phone: 519-749-433 ext. 6880
- [Here 24/7](#): Mental Health and Crisis Service Team. Phone: 1-844-437-3247
- [OK2BME](#): set of support services for lesbian, gay, bisexual, transgender or questioning teens in Waterloo. Phone: 519-884-0000 extension 213

Full details can be found online at the Faculty of ARTS [website](#)

Download [UWaterloo and regional mental health resources \(PDF\)](#)

Download the [WatSafe app](#) to your phone to quickly access mental health support information

Academic freedom at the University of Waterloo

[Policy 33, Ethical Behaviour](#) states, as one of its general principles (Section 1), “The University supports academic freedom for all members of the University community. Academic freedom carries with it the duty to use that freedom in a manner consistent with the scholarly obligation to base teaching and research on an honest and ethical quest for knowledge. In the context of this policy, 'academic freedom' refers to academic activities, including teaching and scholarship, as is articulated in the principles set out in the Memorandum of Agreement between the FAUW and the University of Waterloo, 1998 (Article 6). The academic environment which fosters free debate may from time to time include the presentation or discussion of unpopular opinions or controversial material. Such material shall be dealt with as openly, respectfully and sensitively as possible.” This definition is repeated in Policies 70 and 71, and in the Memorandum of Agreement, Section 6.