

# The Morality of Capitalism

Professor Muirhead

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12 M W F

Office hours: Wed: 1 – 2:30

When my great teacher, Samuel H. Beer—who died at age 97 in 2009—came of age in the 1930's, he had a choice to make: whether to identify with fascism or communism. The third great alternative, liberalism—which stood for democracy in politics and a capitalist economy—was wholly discredited by political incapacity coupled with boom-bust cycles culminating in mass unemployment. Today liberalism is everything. Aside from a few rogue regimes like North Korea and theocratic stirrings in the Middle East, few today dispute that democracy in politics and free markets in the economy are the best way human beings can structure their politics and economy.

Yet amid rising inequality in capitalist economies and a growing sense, especially in the U.S., that political power has been bought by wealthy interests, one might question how satisfying the formula for the “end of history” actually is. As more question whether capitalism can be harnessed to the common good, it is an appropriate moment to inquire about its fundamental political and moral purposes. Only with a full understanding of what capitalism is meant to do can we assess it; cultivating such an understanding is the purpose of this course.

Requirements:

Short papers

An interesting and smart one-or-two-page paper due on Monday in each of the first five weeks on some aspect of the week's reading. Papers that are smart but boring, or interesting but unlearned will earn half-credit. Please do not ask what makes a paper interesting: if it bores you, it's boring. Please do not ask what makes a paper smart: if it does not teach you something worthwhile, it's not smart.

Longer paper

A 10-page paper on some aspect of ONE of the readings from Part II, due on the last day of class. Because I will be leaving town immediately after the final class meeting, *late papers cannot be accepted*. Don't even ask.

NOTE: If you send me a paper as an attachment in an email, I may or may not read it. If I don't read it—say, because I am checking my email on my phone from the library (far from my printer) and cannot open the attachment; and by the time I get to my desk six thousand other emails have arrived from people with nothing better to do,

thereby burying your masterpiece forever in the regions of my inbox never again to be seen—you will not get credit for turning it in. Take the risk.

Or come to class with a beautiful, paginated, stapled and spell-checked hard copy in your favorite font, and forego the risk. Be proud.

Presentations:

Everyone will be expected to make a couple presentations to the class. Presentations should be informative. Don't be afraid to be witty. It keeps people's attention. We'll laugh even if you miss the mark. This is where you should take risks. Let it rip.

Attendance etc.:

I don't sweat it if you need to miss a class here or there. I know you will have interviews, games, and so on. But I hope you will come to class most or all of the time. And when you come, raise your hand and talk. It's you or me—and I'd rather listen to you than me. Besides, I'll have plenty to say either way. So come. Talk. Make it fun.

Readings:

The following books have been ordered for purchase at Wheelock.:=

*Matthew B. Crawford: Shopclass as Soulcraft: An Inquiry into the Value of Work*, (Penguin 2010) isbn13: 978-0143117469

and

Michael J Sandel, *What Money Can't Buy: The Moral Limits to Markets*, (Farrar Straus Giroux 2012) isbn 13 978-0374203030

The following books would be good to buy if you don't want to use the links in the syllabus (order online):

Machiavelli, *The Prince*, University Of Chicago Press; 2nd edition **ISBN-13:** 978-0226500447 (\$9.20)

Smith, *Wealth of Nations*, Liberty Fund, **ISBN-13:** 978-0865970083 (\$13.79)

Locke Second Treatise, Hackett, **ISBN-13:** 978-0915144860 (\$7.49)

Rousseau, First and Second Discourses, St Martin, **ISBN-13:** 978-0312694401 (\$15.59)

Marx-Engels Reader, Norton, **ISBN-13:** 978-0393090406 (\$25.42)

Rawls, *A Theory of Justice*, **ISBN-13:** 978-0674017726 (\$25.83)

Hayek, *Constitution of Liberty*, Chicago (\$15.86)

Hirschman, *Passions and Interests*, Princeton, **ISBN-13:** 978-0691015989 (\$23.72)

Total: \$137.80 (8 books)

Do the readings. I would recommend doing most of the reading by the Monday class, and all of the reading by the Wednesday class. *The reading* is what counts. Go where the action is.

The various requirements will be weighted reasonably when I calculate the final grade.

Background:

It will be very helpful if you have taken Government 6, and are not coming to these books for the first time. That said, if you are willing to invest enough time, mind, and heart in the course, you will be able to do well even without Gov 6 in your background.

## Schedule of Readings

### Part I: Foundations

#### Week 1 (3/25, 27, 29): Economic Man

Reading:

"homo economicus" at [http://en.wikipedia.org/wiki/Homo\\_economicus](http://en.wikipedia.org/wiki/Homo_economicus)

Robert Frank, "If Homo Economicus Could Choose His Own Utility Function, Would He Choose a Conscience?" (blackboard)

Paul Heyne, "Are Economists Basically Evil" (blackboard)

And, "Can Homo Economicus Be Christian?" (blackboard)

Ruth Grant, "Passions and Interests Revisited: The Psychological Foundations of Economics and Politics" (blackboard)

Questions: What are the defining features of homo economicus according to rational-choice theory? According to Adam Smith? John Stuart Mill? Keynes? What are some central lines of criticism that have arisen in recent years (has homo economicus evolved)? Do the criticisms matter? What's the difference between passions and interests?

#### Week 2 (4/1, 3, 5): Glory

Reading:

Machiavelli, *The Prince* at <http://www.constitution.org/mac/prince00.htm>

Questions: What does a prince get out of being a prince?  
Does that—whatever a prince gets from being a prince—make the status of prince seem desirable?  
Why might some want to dominate others?  
What or who does the Prince dominate?  
Is it good to be ambitious? What should one be ambitious for?

Week 3 (4/8, 10, 12): Property

Readings: John Locke, *Second Treatise of Government*, Chapters 1-14, 19; at <http://www.constitution.org/jl/2ndtreat.htm>

Hirschman, *The Passions and the Interests*, Part I (on Blackboard)

Questions: What is the argument for a right to property? What is the argument for an inequality of property? Would people consent to inequality? Why? Is it rational to desire to acquire without limit? Why might someone desire to possess property beyond what is necessary? Who are the "quarrelsome and the contentious"? Where is *the Prince* in the second treatise? What is executive power? Is having it satisfying? Why might someone want arbitrary power over another? What should they want instead?

What is the difference between the passions and the interests? What is better for commercial society?

Week 4 (4/15, 17, 19): Luxury

Readings:

Hume, "Of Refinement in the Arts and Sciences" at <http://www.econlib.org/library/LFBooks/Hume/hmMPL25.html>  
Rousseau, "Discourse on the Origins of Inequality" at <http://etext.lib.virginia.edu/toc/modeng/public/RouMank.html>

Questions: What is luxury? Why does Hume like luxury—does he like all luxury? Does luxury require inequality? Does it make unlimited acquisition rational?

What are the stages in the development of modern man, according to Rousseau? Is this a story of decline rather than progress? Where is the break—when does our development go wrong? Can this be avoided? What would Rousseau say about the origin of luxury?

Is a luxurious life virtuous? Is it happy? What is the most desirable luxury you can imagine? Should we desire it?

Does capitalism depend on luxury?

## Week 5 (4/22, 24, 26): Self-Interest

Readings: Adam Smith, *Wealth of Nations* at  
<http://www.econlib.org/library/Smith/smWN.html>

A) Book 1 Chapters 1-5, 8 (I,i-v, viii)

What examples does Smith give of the division of labor? What is the natural propensity of mankind? Do people deserve their roles in the division of labor? Do differences in human talent impress Smith?

B) I, viii, i

What are the two parties the economy gives rise to? Which is more powerful? What is the subsistence wage? How to assess national wealth? Why are high wages for the working class a good sign?

C) II, ii

What is Smith's idea of what subsequently is called "homo economicus?"

D) III, i

What qualities of mind and character do commercial endeavors require? Why is slavery unproductive? Why do people like to possess slaves anyway?

E) III, iv, paragraphs 1-4

What qualities of mind and character do merchants possess?

F) IV, i paragraphs 1-5

What marks a country as rich?

G) IV, ii, paragraph 43

What political forces stand in the way of free trade?

H) IV, viii, paragraphs 1 & 49

Why might it have been controversial to assert that "consumption is the sole end and purpose of all production" Why might it seem tautological or obvious?

I) V, i, a, paragraphs 14-23, 41

What is Smith's defense of a standing army?

J) V, i, b, paragraphs 1-11

What are the causes of inequality? What are the most important causes?

K) V, i, c, paragraph 1

L) V, i, f, paragraphs 48-61

What effects does the division of labor have on human development?

M) V i i Conclusion

## Week 6 (4/29, 5/1, 3): The Logic of Capital

### Readings:

- A) Marx, *Economic and Philosophic Manuscripts of 1844*, on alienated labor at <http://www.marxists.org/archive/marx/works/1844/manuscripts/labour.htm>
- B) *The Communist Manifesto* at <http://www.marxists.org/archive/marx/works/1848/communist-manifesto/index.htm>
- C) Preface to the *Critique of Political Economy* at <http://www.marxists.org/archive/marx/works/1859/critique-pol-economy/preface-abs.htm>

- D) *Capital* Vol 1 ch 10 section 1, "On the Limits of the Working Day," at  
<http://www.marxists.org/archive/marx/works/1867-c1/ch10.htm#S1>

Questions: What are the ways in which labor under capitalism is alienating? What conception of human nature or human flourishing underlies this analysis? What explains history, according to Marx-Engels in the *Manifesto*? What social conditions will drive the Communist Revolution? Explain the following: "the working men have no country"; "the ruling ideas of each age have ever been the ideas of the ruling class"; "all that is solid melts into air"; "fetters."

## Part II: Contemporary Arguments

### Week 7 (5/6, 8, 10): Freedom and Utility

Readings:

Hayek, *The Constitution of Liberty*, chapters 5, 6, 15, 17 (on Blackboard)

Nozick, *Anarchy, State, and Utopia*, selections (on Blackboard)

Question: Should we evaluate the economy by whether it gives people what they deserve?

### Week 8 (5/13, 15, 17): Fairness

Readings:

Rawls, *A Theory of Justice*, (selections)

Stone, "The Struggle for the Soul of Health Insurance" (on blackboard)

Walzer, *Spheres of Justice*, selections (on blackboard)

### Week 9 (5/20, 22, 24): The Work Ethic

Readings:

Matt Crawford, "From Shopclass to Soulcraft"

Muirhead, "The Work Ethic"

Muirhead, "Meaningful Work"

(all on Blackboard)

## Week 10 (5/27): The Market Society

Readings:

Sandel, *What Money Can't Buy: The Moral Limits of Markets*