

Prisoner's Dilemma and Distributive Justice (Duke)
Introduction to Philosophy, Politics and Economics (UNC)



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Class: M,W: 5:00-5:50, Office Hours: M,W 4-5pm

Course description

This interdisciplinary course provides an overview of some core principles that help us think carefully about the moral and economic dimensions of wealth creation. It also serves as an introductory course for PPE. The goal is to explore how markets work, and under what conditions they create wealth and prosperity. We will also consider when markets *fail* to create wealth or allocate resources well. Along the way, we will think about the role of political institutions in structuring market exchange.

Books

Gerald Gaus, *On Philosophy, Politics, and Economics*. Palgrave Press, 2006.

Anomaly, Brennan, Munger et al, *Philosophy, Politics, and Economics*. Oxford University Press, 2015.

Grades

Game theory quiz worth 10% of your grade, and three non-cumulative essay exams, each worth 30% of your final grade. The essay exams will be taken at home, and will each involve about 5 pages of writing.

Attendance

Any more than three unexcused absences will lower your grade.

Reading Schedule

1. Property

What does private property have to do with wealth creation?

*Thomas Hobbes, *Leviathan*

*John Locke, *Of Property*

*David Hume, *Of Justice and Property*

*David Schmidtz, *The Institution of Property*

Planet Money podcast: How Private Property Transformed China ([click here](#) or subscribe on iTunes)

2. Markets

How do markets work, what do they do well, and when do they function poorly? What does it mean for resources to be allocated *efficiently*?

Market Success: specialization and exchange

*Adam Smith, *Of the Division of Labor*

*Friedrich Hayek, *The Use of Knowledge in Society*

*Leonard Read, *I, Pencil*

Matt Ridley, [When Ideas Have Sex](#) (TED talk)

Market Failure: externalities and public goods

*Tyler Cowen, *Public Goods*

*David Friedman, *Market Failures*

*Jonathan Anomaly, *Public Goods and Government Action*

Jerry Gaus, *PPE*, chapter 3: *Efficiency*

3. Justice

How should resources be allocated? Can we separate production and distribution? *Should* we? Are efficiency and justice different? Is distributive justice a function of setting up fair rules, or should it be about managing outcomes?

Utilitarianism

*J. S. Mill, *Utilitarianism*

Stanford Encyclopedia - [Consequentialism](#)

Contractualism

*John Rawls, *A Theory of Justice*

Stanford Encyclopedia – [Justice as Fairness](#)

Libertarianism

*Robert Nozick, *Anarchy, State and Utopia*

Stanford Encyclopedia - [Libertarianism](#)

4. Public Choice

Is it useful to think of politics as an institution for non-market exchange? Exchange between whom? Who are the principals and who are the agents? When markets fail to allocate resources efficiently, or justly, can we expect politicians to improve the outcome? Do we have a theory of government failure akin to the theory of market failure?

Economic principles and political processes

*James Buchanan, *Politics without Romance*

Jerry Gaus, *PPE*, chapter 6: *Public Choice*

Rationality, ignorance, and rational ignorance

*Anthony Downs, *An Economic Theory of Democracy*

*Michael Huemer, *Why People are Irrational about Politics*

Incentives of Voters and Policymakers

Frederic Bastiat, [That Which is Seen and Not Seen](#) (The Broken Window Fallacy)

*Geoff Brennan and Loren Lomasky, *Is There a Duty to Vote?*

4. Liberty and Paternalism

Do governments agents have the right to limit the self-regarding choices of their citizens? Are government agents likely to have better information and incentives than those whose choices they regulate? If so, under what conditions?

*J. S. Mill, *On Liberty*

*Gerald Dworkin, *Paternalism*

*Richard Thaler and Cass Sunstein, *Libertarian Paternalism is not an Oxymoron*

5. Exploitation and Exchange

Are there things that shouldn't be for sale, or things we shouldn't sell at a certain price? What are the consequences – moral and otherwise – of intervening in markets for which demand is inelastic? Are the problems associated with black markets decisive objections to laws that limit voluntary exchange, or might there be good reasons to have them anyway?

Drugs

*Michael Huemer, *America's Unjust Drug War*

*Peter DeMarneffe, *Against the Legalization of Drugs*

Body Parts

*Arthur Caplan, *Organ Transplantation*

*Gerald Dworkin, *Of Markets and Morals: The Case for Organ Sales*

Sweatshops

*Powell and Zwolinski, "The Ethical and Economic Case Against Sweatshops: A Reassessment"

*Coakley and Kates, "The Ethical and Economic Case for Sweatshop Regulation"

Price-Gouging

*Mike Munger, "Can Price-Gouging Laws Prohibit Scarcity?"

*Jeremy Snyder, "What's Wrong with Price Gouging?"

*Matt Zwolinski, "Price-Gouging, Non-Worseness, and Distributive Justice"