



Stetson School of Business and Economics

SPRING 2019

Course Number: ECN 450.001 (STN 241)

Course Name: Econ and Moral Found of Capitalism

Course Term: Jan 7 – Apr 30

Course Times: T R 9:25 – 10:40 am

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Office Hours:

T R: 8:25 to 9:25 am and 1:00 to 2:00 pm

Mission Statement

The Stetson School of Business and Economics of Mercer University delivers career focused business education to develop entrepreneurial leaders and responsible global citizens.

Course Description

The course examines the interrelationship between economics and ethics. It sheds light on how an understanding of economics can lead to more ethical choices, and it also looks at how ethical ideas shape economic life. The course examines a number of topics, including justifications for property rights, the controversy over income inequality, the role of profits in an economic system, self-interest versus selfishness, social entrepreneurship, public aid and welfare, and many other topics.

Prerequisites

ECN 150 and ECN 151.

Required Textbook

Rand, Ayn, 1957. *Atlas Shrugged*, Signet, Mass Market Paperback 1996.

Online Resources

Main online platform: <https://bb-mercer.blackboard.com>

Final grades: <https://my.mercer.edu>

Grading Policy

Your grade will be based on a term paper (40 percentage points), a short presentation on economic freedom (10 percentage points) and the quizzes and participation in the “workshops” held during the semester (50 percentage points).

Term paper

A well-written term paper is one of the crucial goals of this class. Students will work on the term papers in groups of two. Papers must be 7 pages long without including appendices and references. The paper should explore the relationship (cause and/or effects) between measures of economic freedom and/or its subcomponents and other economic, political or social variables of interest in general (at a global scale) or for a particular region or country. The paper must address the following sections:

1. Introduction (1 page)

1.1. The research question

Clearly state the question that you will try to answer in the paper.

1.2. Why is the research question important?

Motivate the paper by providing clear reasons why you think the question deserves to be analyzed.

2. Literature review (2 pages)

What have other researchers said about the question you chose to analyze? Review the literature and comment on at least three other researcher/papers that have tackled your question or a question closely related. You want to know if the question has been already answered and if so, what can your paper add to the discussion.

3. Analysis (3 pages)

Here is where you develop your idea or original approach to the question you chose. In many cases this section will involve the collection of data and its analysis to find patterns or correlations between variables that support your argument. For example, many economists argue for drug legalization. According to these economists the benefits largely outweigh any possible costs. If you agree with that view, your research paper could consist on providing additional theoretical arguments, historical review or empirical evidence supporting that view for the general case or for specific countries. If you don't agree with that view, your research paper could consist on providing counter arguments, historical review or empirical evidence for the general case or for specific countries. In both cases you will likely use data to develop the argument. This is also the section where you will get your results. For example, you may find that drug legalization in drug producing countries in South America will reduce exports by, say, \$30 million because drug legalization will trigger trade sanctions from the US.

4. Conclusion and future research (1 page)

Re-state the question in part one. Describe what you learned about the question by writing the paper and what additional questions have popped up in the process (a good paper generates more questions than answers).

Students must submit a two-page proposal for the term paper by February 27th. The term paper proposal should include short versions of sections 1 and 3 above. I will provide feedback on the proposals by March 13th.

The term paper is due via e-mail on April 30th by Noon.

The term paper will be graded as follows:

- Proposal: 15 points
- Final paper: 25 points

I expect the proposal and final paper to be typewritten. Use 1.5 spacing. **Late proposals or papers will not be accepted.**

Follow these rules of thumb to improve your writing:

- a. Sentences should state ideas as directly as possible and include as few words as possible.
- b. Sentences should contain fewer than 20 words.
- c. Write in the active voice (avoid weak verbs).
Examples:
active - Write your paper in the active voice.
passive - Your paper should be written in the active voice.
- d. The proposal and paper should be well organized. Use numerous headings to help organize your write-up and help readers follow the thought processes behind your organization.
- e. Paragraphs should include a topic sentence and should discuss only one general topic.
- f. Paragraphs should typically include at least 3 sentences.

Papers that frequently violate these rules of thumb will lose points. Also, please be aware that any form of plagiarism will be penalized with a grade of F for the class. I will be very strict with this rule.

Short presentation on economic freedom

Students will work on this presentation in groups of two (ideally you would work with the same partner for the term paper). The idea is to pick a country and present the evolution of its index of economic freedom over time. The suggested structure is as follows (presentations should not last more than 5 minutes):

Slide(s) 1: Choice of country and main characteristics (e.g. location map, population, notable historical pointers, etc.)

Slide(s) 2: Economic characteristics – trends over time (e.g. GDP, GDP per capita, main productive activities, main exports, main imports, exchange rate, etc.)

Slide(s) 3: Evolution of main (summary) index of economic freedom over time (Are there important or drastic changes in particular years?)

Slides 4 and 5: Evolution of at least 4 sub-indices of economic freedom

Slide(s) 6: Graph of main summary index (horizontal axis) against GDP per capita (vertical axis). Is there a clear positive correlation? Other general comments.

The index of economic freedom published by the Fraser Institute can be found here:

<https://www.fraserinstitute.org/economic-freedom/map?geozone=world&page=map&year=2016>

The index of economic freedom published by The Heritage Foundation can be found here: <https://www.heritage.org/index/>

Data on GDP, GDP per capita, population, etc. can be found on the websites of The World Bank, The IMF, etc.

Ideally, the work you would do for this presentation (i.e. data gathering, analysis, etc.) should provide good background material for the term paper.

Workshops

We will hold 25 workshops during the semester in which we will discuss *Atlas Shrugged* and other assigned readings as a group (see course outline). This is a “seminar” class and students are expected to participate actively in each of the workshops. Your grade for each workshop will be based on a short quiz at the beginning of the class and your participation during the workshop. During each workshop, quizzes will be worth 1 percentage point and your participation another percentage point. Altogether, therefore, the workshops will account for 50 percentage points.

Grading Scale

To guarantee yourself a particular course grade you must obtain at least the following number of points:

<u>Grade</u>	<u>Points</u>
A	90 – 100
B+	85 – 89
B	80 – 84
C+	75 – 79
C	70 – 74
D	60 – 69
F	59 or below

Absence-Final (ABX) grade will be given to the student because of illness or any other valid and compelling reason at the discretion of the professor. Incomplete (IC) grade means that some relatively small part of the semester’s work remains incomplete because of illness or other reasons satisfactory to the professor. The IC grade will not be given to the student whose work is below passing. Failure of a student to attend class or complete a substantial amount of course assignments is not reason to assign an IC. Students who are assigned an incomplete grade may only complete the assignment that was “incomplete.”

A student may withdraw from a course with a grade of W after the course change period and on or before the last day for withdrawals as shown in the course calendar. If the official withdrawal is not completed within the time limits described, a grade of F will be assigned. A grade of F will also be assigned to the student if he/she is found to have engaged in academic dishonesty.

Final grades will be submitted to the Registrar's office no later than one week after the final exam. Grades will not be sent via email due to privacy concern. Students can go to Blackboard or to <https://my.mercer.edu> to check their grades. For more information concerning rules and regulations, please refer to Mercer University's latest bulletin.

Course Outline¹

Date	Topic
Jan 8	Syllabus, Introduction
Jan 10	The Importance of Economic Freedom
Jan 15	Workshop 1: The Ethics of Self Interest I Readings <ol style="list-style-type: none"> 1. Brad Keywell "A book that changes lives" https://bradkeywell.com/latest/blog/a-book-that-changes-lives 2. Rand, A. Atlas Shrugged. P1 Chapter 1 3. Listen to John Allison on Strategy, Profits and Self-Interest at http://www.econtalk.org/archives/2007/05/allison_on_stra.html
Jan 17	Workshop 2: The Ethics of Self Interest II Readings <ol style="list-style-type: none"> 1. Rand, A. Atlas Shrugged. P1 Chapter 2. 2. Radford, R. A. "The Economic Organization of a Prisoner of War Camp." <i>Economica</i>, November 1945.
Jan 22	Workshop 3: Institutions, Liberty and Growth I Readings <ol style="list-style-type: none"> 1. Rand, A. Atlas Shrugged. P1 Chapter 3 2. North, D. "Institutions." <i>J of Econ Perspectives</i>, Winter 91, Vol. 5 Issue 1.
Jan 24	Workshop 4: Institutions, Liberty and Growth II Readings <ol style="list-style-type: none"> 1. Rand, A. Atlas Shrugged. P1 Chapter 4 2. Barro, R. J. "Democracy and Growth." <i>J of Economic Growth</i>, 1 (1), 1-27. 3. Listen to Romer on "Growth" at http://www.econtalk.org/archives/2007/08/romer_on_growth.html
Jan 29	Workshop 5: Historical Foundations of Economic Freedom I Readings <ol style="list-style-type: none"> 1. Rand, A. Atlas Srugged. P1 Chapter 5 2. Buchanan, J. M. "The Bases for Economic Freedom in Society." http://www.econlib.org/library/Buchanan/buchCv7c2.html#Ch.%202,%20The%20Bases%20for%20Freedom%20in%20Society
Jan 31	Workshop 6: Historical Foundations of Economic Freedom II Readings <ol style="list-style-type: none"> 1. Rand, A. Atlas Srugged. P1 Chapter 6 2. Mill, J. S. On Liberty, Ch. 1 http://www.econlib.org/library/Mill/mlLbty1.html#Chapter%201
Feb 5	Workshop 7: Measuring Economic Freedom Readings

¹ Subject to change as the term progresses.

	<ol style="list-style-type: none"> Rand, A. Atlas Shrugged. P1 Chapter 7 Gwartney, J., Hall, J. and Lawson, R. 2014. Economic Freedom of the World 2015 Annual Report Chapter 1
Feb 7	Short presentation on economic freedom
Feb 12	Short presentation on economic freedom
Feb 14	Workshop 8: Historical Foundations of Economic Freedom I Readings <ol style="list-style-type: none"> Rand, A. Atlas Shrugged. P1 Chapter 8 Hayek, F. "The Use of Knowledge in Society." Am Eco Rev, 35 (4). https://www.econlib.org/library/Essays/hykKnw.html?chapter_num=1#book-reader
Feb 19	Workshop 9: Historical Foundations of Economic Freedom II Readings <ol style="list-style-type: none"> Rand, A. Atlas Shrugged. P1 Chapter 9 Read, L. "I Pencil." http://www.econlib.org/library/Essays/rdPncl1.html
Feb 21	Workshop 10: Historical Foundations of Economic Freedom III Readings <ol style="list-style-type: none"> Rand, A. Atlas Shrugged. P1 Chapter 10 Smith, A. The Wealth of Nations. Chapters 1 - 4. http://www.econlib.org/library/Smith/smWN1.html#B.I,%20Ch.1,%20Of%20the%20Division%20of%20Labor
Feb 26	Workshop 11: Historical Foundations of Economic Freedom IV Readings <ol style="list-style-type: none"> Rand, A. Atlas Shrugged. P2 Chapter 1 Bastiat, F. The Law. http://www.econlib.org/library/Bastiat/basLaw1.html#firstpage-bar Watch https://www.youtube.com/watch?v=uxRSkM8C8z4
Feb 28	Workshop 12: Critics of Capitalism I Readings <ol style="list-style-type: none"> Rand, A. Atlas Shrugged. P2 Chapter 2 Keynes, J. The Gen Theory of Employ, Interest and Money. Chapter 24 Paper proposals due
Mar 12	Workshop 13: Critics of Capitalism II Readings <ol style="list-style-type: none"> Rand, A. Atlas Shrugged. P2 Chapter 3 Engels, F. Industrial Manchester, 1844 http://legacy.fordham.edu/halsall/mod/1844engels.asp
Mar 14	Workshop 14: Critics of Capitalism III Readings <ol style="list-style-type: none"> Rand, A. Atlas Shrugged. P2 Chapter 4 Marx, K. Manifesto of the Communist Party. Pages 14-57
Mar 19	Workshop 15: Critics of Capitalism IV Readings <ol style="list-style-type: none"> Rand, A. Atlas Shrugged. P2 Chapter 5 Watch G. A. Cohen "Against Capitalism Parts 1 and 2" https://www.youtube.com/watch?v=yA9WPQeow9c https://www.youtube.com/watch?v=oD1YEzd6QzQ

Mar 21	Workshop 16: In Defense of Capitalism I Readings 1. Rand, A. Atlas Shrugged. P2 Chapter 6 2. Friedman, M. Capitalism and Freedom. Chapters 1 and 2
Mar 26	Workshop 17: In Defense of Capitalism II Readings 1. Rand, A. Atlas Shrugged. P2 Chapter 7 2. Symmes, P. Thirty Days as a Cuban
Mar 28	Workshop 18: In Defense of Capitalism III Readings 1. Rand, A. Atlas Shrugged. P2 Chapter 8 2. Mises, L. The Anti-Capitalist Mentality. Chapters 1 and 2.
Apr 2	Workshop 19: The Morality of Capitalism 1. Rand, A. Atlas Shrugged. P2 Chapter 9 2. Palmer, Tom. The Morality of Capitalism . Pages 1-36, 43-62. http://www.atlasnetwork.org/assets/uploads/misc/The-Morality-of-Capitalism-PDF.pdf 3. Woiceshyn, J. Business is Moral. http://profitableandmoral.com/2013/04/20/business-is-moral/
Apr 4	Workshop 20: Atlas Shrugged I Readings 1. Rand, A. Atlas Shrugged. P2 Chapter 10 2. Rand, A. Atlas Shrugged. P3 Chapter 1
Apr 9	Workshop 21: Atlas Shrugged II Readings 1. Rand, A. Atlas Shrugged. P3 Chapter 2 2. Rand, A. Atlas Shrugged. P3 Chapter 3
Apr 16	Workshop 22: Atlas Shrugged III Readings 1. Rand, A. Atlas Shrugged. P3 Chapter 4 2. Rand, A. Atlas Shrugged. P3 Chapter 5
Apr 18	Workshop 23: Atlas Shrugged IV Readings 1. Rand, A. Atlas Shrugged. P3 Chapter 6 2. Rand, A. Atlas Shrugged. P3 Chapter 7
Apr 23	Workshop 24: Atlas Shrugged V Readings 1. Rand, A. Atlas Shrugged. P3 Chapter 8 2. Rand, A. Atlas Shrugged. P3 Chapter 9
Apr 25	Workshop 25: Atlas Shrugged VI Readings 1. Rand, A. Atlas Shrugged. P3 Chapter 10 Conclusion
Apr 30	Term Paper Due by Midnight

Course Objectives

Students completing this course should be able to:

- Understand the moral foundations of capitalism
- Understand the arguments for and against capitalism
- Be familiar with the historical development of economic thought
- Understand the relationship between economic freedom and economic growth and other political, economic and social variables
- Be able to discuss the effect of government market intervention on individual incentives
- Use the economic way of thinking to understand global economic problems and form a critical opinion.

Mercer University Honor Code

Refer to current Mercer University catalog, page 50

Mercer University Atlanta expects each and every student to maintain the highest principles of academic honesty and integrity. Violations of academic honesty represent a breach of the University's expectations and will be regarded as a serious matter.

Violations include, but are not limited to:

Plagiarism: The use of ideas, facts, phrases, or additional information such as charts or maps, from any sources, without giving proper credit to the original author. Using direct quotations, paraphrases, or reproductions, of any material that is not of the student's own authorship is also considered plagiarism. Failure to reference any such material used is both ethically and legally improper.

Cheating, Lying, Stealing: The use of unauthorized sources of information.

Disability Statement

Students requiring accommodations for a disability should inform the instructor at the close of the first class meeting or as soon as possible. The instructor will refer you to the ACCESS and Accommodation Office to document your disability, determine eligibility for accommodations under the ADA/Section 504 and to request a Faculty Accommodation Form.

Disability accommodations or status will not be indicated on academic transcripts. In order to receive accommodations in a class, students with sensory, learning, psychological, physical or medical disabilities must provide their instructor with a Faculty Accommodation Form to sign. Students must return the signed form to the ACCESS Coordinator. A new form must be requested each semester. Students with a history of a disability perceived as having a disability or with a current disability who do not wish to use academic accommodations are also strongly encouraged to register with the ACCESS and Accommodation Office and request a Faculty Accommodation Form each semester. For further information, please contact Carole Burrowbridge, Director

and ADA/504 Coordinator, at 301-2778 or visit the ACCESS and Accommodation Office website at <http://www.mercer.edu/disabilityservices>

Faculty Guide to Mercer University Services for Students with Disabilities

Mercer University is committed to the equal and excellent education of all students including students with disabilities. In compliance with ADA/Section 504, “otherwise qualified” students with disabilities are protected from discrimination and may be entitled to certain reasonable accommodations intended to ensure equal access to higher education.

Accommodations may include moving a class to a physically accessible room, modifying policies and procedures, providing alternative format materials, or providing testing accommodations.

All students requiring accommodations must register with Disability Support Services and provide appropriate documentation of their disability that supports the need for the requested accommodations. Faculty members have an important role in the process of accommodation. Their role is precise and includes specific responsibilities as outlined below.

Inclement Weather

If severe weather occurs, classes will be canceled in accordance with the Associate Provost’s decision of Mercer-Atlanta. Call the Mercer weather phone for information about class cancellations—(678) 547-6111 (Atlanta) or listen to WSB 750 AM.