

# PHILOSOPHY 205/ECONOMICS 205

## THE ETHICS AND ECONOMICS OF WEALTH CREATION

Tuesday 6:00 pm – 8:30 pm, Chavez 104

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**Note: Phil/Econ 205 is not an introduction to the Principles of Economics and is not a substitute for Econ 200, Econ 201a, or Econ 201b. The Eller College has agreed that the course will fulfill the Eller ethics requirement.**

### 1. Overview

This course explores ideas in the history of economics and philosophy about the division of labor, the basis of social cooperation, view about wealth (what is it?), how it is created and distributed, and its relation to value and justice. We begin with Ancient Philosophers Plato and Aristotle and move through history to Thomas Aquinas, John Locke, Francois Quesnay, Bernard Mandeville, David Hume, Adam Smith, David Ricardo, Nassau Senior, J.S. Mill, Robert Owen, Karl Marx, W. S. Jevons, J. M. Keynes, F. A. Hayek and many more.

### 2. Books

Our readings derive from three sources:

*The History of Economic Thought: A Reader*,  
eds. Steven G. Medema and Warren J. Samuels.

*Social Welfare and Individual Responsibility*  
David Schmidtz and Robert Goodin

*The Growth of Economic Thought*, 3<sup>rd</sup> ed., by  
Henry William Spiegel.

Internet Readings Posted on the D2L.

Most of the required reading will be from the Medema and Samuels so you really need to buy that book. It contains primary sources, many of which will require more than one reading to completely understand. The Schmidtz/Goodin book is a philosophical debate that deals with many of the issues we will be concerned with here, you are also encouraged to buy this book as well. There will also be readings posted on the D2L site.

I've also included the Spiegel on this list, though it is not required. It contains summaries and explanations of some of the work we will be reading in the Medema and Samuels. If you are having trouble with the primary sources, I highly recommend reading the Spiegel. Relevant chapters will be on eReserve and there is a copy in the library.

I expect you to do all the readings and come to class prepared to discuss them. I know that the primary sources can be difficult, but if you read them diligently, ask questions during class, and read the Spiegel when necessary, you should be fine.

### 3. Policies

#### 3.1 Holidays and Absences

I honor all holidays and special events observed by organized religious who show affiliation with that religion. Also, absences pre-approved by the UA Dean of Students (or Dean's designee) will be honored.

#### 3.2 Classroom Behavior

A significant portion of your grade will be based on classroom participation. We only have one class a week so it is important that we make it as useful as possible. Economics and Philosophy deal with some of the most important and hotly contested issues in human history, so there is no doubt that some of the material will be controversial. To engage with this material properly, we are going to need to respect each other and realize that, even though you may believe your point of view is correct, it is important to listen to and engage with respectfully differing points of view. So that means we might argue. Part of what it means to be an educated person is to be able to civilly and respectfully debate important issues.

We don't have much time together every week so I won't tolerate any side conversations, newspaper reading, texting, surfing, etc. that will be distracting and waste everyone's time. If you are bored, get involved in the discussion. If you are confused, let me know. You probably aren't the only one. In general, remember that we are all adults here voluntarily to learn, teach, and discuss. If you don't want to be involved in that process, don't come. If you do come, though, I will expect you to be an active, respectful, and civil participant.

Being late is very disruptive and wastes precious time. If you're more than 10 minutes late, I'll count it against your participation grade.

#### 3.3 Students with Disabilities

Students with psychological, physical or learning disabilities who anticipate needing accommodations in this course are encouraged to register with the S.A.L.T. Center or the Disability Resource Center. Students with special needs, who are registered with the S.A.L.T. Center or the Disability Resource Center, please give me all relevant documentation ASAP if you need special accommodations.

#### 3.4 Cheating

If you cheat, fabricate or plagiarize, you will fail the course and I may suggest further punitive actions be taken by the University including expulsion. Cheating undermines and goes against everything we are trying to do at this University, if you are cheating you should seriously reconsider the time you are spending at the university.

### 4 Grades

#### 4.1 General Grading Policy

Of course, grades range from A to E but I'm going to use the +/- system to give you a better feel for how you're doing. The following table will be used to translate letter grades to numeric scores:

A+	12
A	11
A-	10
B+	9
B	8
B-	7
C+	6
C	5
C-	4
D	3
D	2
D-	1

I'll figure out your grade with the following formula:

Exam 1 Score \* (.2) + Exam 2 Score \* (.2) +  
Final Exam \* (.4) + Participation Grade \* (.2) =  
Final Grade.

#### 4.2 Exams

We'll have three Exams. The first two are worth 20% of your grade and will occur 1/3<sup>rd</sup> and 2/3<sup>ds</sup> of the way through the semester. The final is worth 40% of your grade. The first two exams will consist of one essay question each. The final will consist of two essay questions.

The essay questions will require you to explain certain core economic concepts and the related ethical issues. For the first two exams I will give you a list of three essay questions in advance and I will choose one of those questions on the day of the exam. For the final exam, I will give you a list of six possible questions and I will choose two on the day of the exam. The final exam will include one question from the last third of class and one question that covers the breadth of the class.

Although office hours are by appointment, before each exam I will have regular office hours.

#### 4.3 Attendance and Participation

The last 20% of your grade is determined by participation and attendance. Since we will only meet once a week it is important that you attend class and participate. To encourage attendance, I will take attendance every class. You are allowed to miss one class without penalty. After that, each missed class will result in a one point reduction in your overall participation grade. For example, a student with a participation grade of an A+ (12) who missed two classes total would have a final participation grade of an A (11), three classes would lead to a grade of A- (10), etc. Your actual participation grade before

attendance deductions will be determined by how often you participate in class.

#### 5. Lectures and Lecture Schedule

Every class will consist of a combination of lectures, discussion, and other activities. Please do the reading *before* each class. I will put the lecture notes online, after each class. The lecture notes are only meant to help you organize and clarify your own notes. They won't help you answer the exam questions if you haven't taken good notes in class and done the readings.

Here's our class and reading schedule:

**August 25<sup>th</sup>:** *Introduction, early history, and important themes*

Readings: none

**September 1<sup>st</sup>:** *Just Price and Usury*

Readings: Thomas Aquinas M&S 16-30; S&G 80-96

**September 8<sup>th</sup>:** *National Economies: Mercantilism and Physiocracy*

Readings: Thomas Mun M&S 30-44; Francois Quesnay M&S 95-102; Turgot M&S 103-118

**September 15<sup>th</sup>:** *Origin of Property*

Readings: Locke M&S 57-62; S&G 24-36

**September 22<sup>th</sup>:** *Smith and the Division of Labor*

Readings: Adam Smith M&S 153-165

**September 29<sup>th</sup> :** *Exam 1*

**October 6<sup>th</sup>:** *International Trade*

Readings: Adam Smith M&S 165-179; David Ricardo M&S 256-257, 282-290; Bastiat Selections (online)

**October 13<sup>th</sup>:** *Population and Poverty*

Readings: Malthus M&S 193-207; S&G 14-23

**October 20<sup>th</sup>:** *Labor Theory of Value and Rent*

Readings: David Ricardo M&S 256-270, 272-

**October 27<sup>th</sup>:** *Karl Marx and Marxism*

Readings: Karl Marx M&S 368-407

**November 3<sup>rd</sup>:** *John Stuart Mill*

Readings: JS Mill M&S 350-367

**November 10<sup>th</sup>:** *Exam 2*

**November 17<sup>th</sup>:** *The Marginal Revolution and Subjective Value*

Readings: Karl Menger M&S 443-455; Eugen von Böhm-Bawerk “The Nature and Origin of Subjective Value” (online); William Stanley Jevons M&S 415-431

**November 24<sup>th</sup>:** *John Maynard Keynes and the Welfare State*

Readings: Keynes M&S 588-608

**December 1<sup>st</sup>:** *Friedrich Hayek*

Readings: “The Use of Knowledge in Society” (online); Watch John O'Sullivan 1985 interview with Hayek (online)

**December 8<sup>th</sup>:** *Public Choice*

Readings: James Buchanan “Politics Without Romance” (online); Gordon Tullock “People are People: The Elements of Public Choice”

December 16<sup>th</sup>: **Final Exam**