

Econ 101/Phil 101: Free People, Free Thought, and Free Markets Units: 4, spring 2025
Subject to Revision

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Course Description:

The course examines the philosophical foundations of political and economic thought today. The first half of the course examines evolution of our understanding of such key notions as *fact, value, happiness, purpose, welfare, morality, self-interest, utility, liberty, equality, justice, rationality in thought and action*, and the nature and limits of *law and political organization*. The second half of the course puts these concepts to work in understanding the foundations of modern economic theory.

The intellectual foundation of modern academic economics is built on the ideas (i) that individuals have their own conceptions of the "good life," which they use their resources and access to markets to pursue, (ii) that in doing so they respond to market incentives to maximize their well-being, and that (iii) suppliers innovate and experiment to satisfy consumers in order to profit themselves. The results are new products (e.g. iPhones), services (e.g. UBER), and ways of living (e.g., flex telecommunicating jobs from remote locations) that extend liberty. Critics complain that modern economics is too "pro-market;" they emphasize income inequality, concentration of wealth, and harmful externalities (e.g. pollution) associated with under-regulated markets. Academic economists and free-market philosophers warn against over centralization, recalling the catastrophic suffering caused by attempts at socialist collectivization over the past century. They also argue that continued prosperity, advances in medicine and technology, and the generation of new knowledge on which civilization depends on maximizing free thought and action in ways that bring us together with others in mutually beneficial practices based on reciprocal trust and respect.

The course revisits two key paradigms of today's economic thinking - neo-liberalism and behavioral economics – to understand how they understand the relationship between political and economic freedom. It then explores attempts to reconcile the two approaches.

Reading on Reserve:

Available online and some in print:

To learn how to access & navigate eBooks go to this link:

RLT #93: eBOOKS: HOW TO FIND & NAVIGATE eBOOKS

<https://mailchi.mp/4cea28c82ab4/research-learning-teaching-rlt-series>

Becker GS. Nobel lecture: *The economic way of looking at behavior*. Journal of political economy. 1993 Jun 1;101(3):385-409

- **Available Online, permalink:**
https://uosc.primo.exlibrisgroup.com/permalink/01USC_INST/273cgt/cdi_webofscience_primary_A1993LE30300001CitationCount

Friedman, M., *Capitalism and Freedom*, University of Chicago Press, 1962

- **Available in print** on reserve at Hoose: Call number: HB501 .F7

Friedman M, Friedman R. *Free to choose: A personal statement*. Houghton Mifflin Harcourt; 1990

- **Available in print** on reserve at Hoose: Call number: HB501 .F72

Hayek, F. *The Constitution of liberty*. University of Chicago, 1960.

- **Available in print** on reserve at Hoose: Call number: JC585 .H29 1972

Kahneman, D. *Thinking, Fast and Slow*, Penguin, 2012

- Doheny and Hoose print copies are currently checked out, book will need to be recalled in order to put on reserve.

Mullainathan S, Thaler RH. *Behavioral economics*. National Bureau of Economic Research; 2000

- **Available Online, permalink:**
https://uosc.primo.exlibrisgroup.com/permalink/01USC_INST/273cgt/cdi_proquest_journals_1689480681

Gaus, G. *The Tyranny of the Ideal*. Princeton 2016. TI

- Available in print at Philosophy Library: Call number: JA71 .G29 2016
- **Available Online, permalink:**
https://uosc.primo.exlibrisgroup.com/permalink/01USC_INST/273cgt/cdi_askewsholts_vlebooks_9781400881048

Nozick, R. *Anarchy, State, and Utopia*. Basic Books, 1974.

- **Available in print** on reserve at Hoose: Call number: JC571 N68

Rawls, J. *A theory of justice*. Harvard, 1971. TJ

- Available in print at Philosophy Library: Call number: JC578 .R38
- **Available Online, permalink:**
https://uosc.primo.exlibrisgroup.com/permalink/01USC_INST/hs9vaa/alma991043501242103731

Adam Smith *An inquiry into the nature and causes of the wealth of nations*. Рипол Классик; 1817.

- **Available Online, permalink:**
https://uosc.primo.exlibrisgroup.com/permalink/01USC_INST/hs9vaa/alma991042668884703731

Adam Smith *The Theory of Moral Sentiments*, Penguin Books, 2009

- **Available Online, permalink:**
https://uosc.primo.exlibrisgroup.com/permalink/01USC_INST/hs9vaa/alma991043529384303731

Scott Soames *The World Philosophy Made*, Princeton, 2019. TWPM

- **Available Online, permalink:**
https://uosc.primo.exlibrisgroup.com/permalink/01USC_INST/273cgt/cdi_askewsholts_vlebooks_9780691197418

Gilles Saint Paul, *The Tyranny of Utility: Behavioral Social Science and the Rise of Paternalism*, Princeton, 2011. TU

- **Available Online, permalink:**
https://uosc.primo.exlibrisgroup.com/permalink/01USC_INST/hs9vaa/alma991042683764403731

Course Requirements and Grading

In addition to reading assignments, there will be a mid-term at the end of the 7th week making up 25% of the semester grade, a term paper of between 2,000 and 2,500 words making up 25% of the grade due at the end of the term, and 5 of the student's highest graded bi-weekly written assignments of roughly 1000 words, each making up 10% of the grade. These biweekly assignments will be essays in which students answer precisely focused questions requiring the student to state, analyze, critique, and independently evaluate one or more key aspects of the works read and discussed during the preceding two-week period. In each case, the students will have a range of choices for their critical essays.

Assignments due at the end of weeks 2,4,6,9,11, 13

Midterm Exam: 8th Week

Schedule of Topics and Readings

Weeks 1-2: *Self-Interest, the Invisible Hand, Moral Sentiments & The Foundations of Rational Decision Theory*

Soames, chapter 8 of *TWPM*

F.P. Ramsey, "Truth and Probability"

Weeks 3-4: *Philosophical Foundations of Political Economy; Facts, Values, Happiness, Welfare, Morality and Meaning*

Soames, chap 4: on Hobbes, Locke, Hume, Kant, chaps 13, 14 on Facts and Values, *TWPM*

Weeks 5-6: *Liberty, Innovation, Equality, and Justice*

F. Hayek chapters 2, 3, 4, and 6 of *The Constitution of Liberty*

Soames, section 1 of chapter 11 of *TWPM*

John Rawls *TJ*, chap 1, sections 3,4; chap 2 sections 11, 12, 13, chap 3, sections 24, 25, 29

Robert Nozick, *Anarchy, State, and Utopia*, pp. 149-64, 167-8

Soames, section 2 of chapter 11 of *TWPM*.

Andrew Grip, "Justifying Egalitarianism"

Weeks 7-8: *The Limits of Political Theory: Law, Constitutions and the Administrative State*

Gerald Gaus, Selections from chapters 1-4, *The Tyranny of the Ideal*

Soames, section 3 of chapter 11 plus chapter 12 of *TWPM*

Philip Hamburger, "The History and Danger of Administrative Law" from Instructor

Gary Lawson, "The Return of the King: The Unsavory Origins of Administrative Law," from Instructor

Shep Melnick, "The Strange Evolution of Title IX," from Instructor

Gail Hariot, "Disparate Impact Liability Makes Almost Everything Presumptively Illegal," From Instructor

Weeks 9-10: Rationality, Freedom and the Foundation of Neo-classical Economics Friedman,

Capitalism and Freedom, Chapter 1-3

Friedman, *Free to Choose*, Chapter 1-5

Week 11: The Foundations of Neo-Liberalism

Serge Audier, Jurgen Reinhoudt, *The Walter Lippmann Colloquium: The Birth of Neo-Liberalism*, Palgrave 2018

Weeks 12-13: The Behavioral Economics Revolution

Becker GS. Nobel lecture: *The economic way of looking at behavior*. *Journal of political economy*. 1993 Jun 1;101(3):385-409

Kahneman, D. "Thinking, Fast and Slow" Penguin

Mullainathan S, Thaler RH. *Behavioral economics. National Bureau of Economic Research; 2000*

Stefan Heidle, *Philosophical Problems of Behavioural Economics*, Routledge, 2016

Weeks: 14-15: Reconciling Freedom and Behavioral Economics

Gilles Saint Paul, *The Tyranny of Utility Behavioral Social Science and the Rise of Paternalism*