

# EC318 Philosophy of Economics

Seminar Leader: Stephan Müller  
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Office Hours: Wednesdays, 2pm-3pm or by appointment

This course offers an introduction to the theoretical, methodological and ethical foundation of economics. The first part examines the foundations of rational-choice theory. We assess its underlying axioms and principles from a normative and a descriptive perspective. We examine the interpretation of economic models and the metaphysical underpinnings of economics. The second part focuses on methods employed by economists in testing theories and establishing facts, laws and causal relations. We examine how and under what conditions these methods work, and what kind of questions they can answer. In the third part we examine the ethical foundations of welfare economics. Topics will include the moral limits of markets, theories of well-being, inequality and distributive justice, and the evaluation of economic outcomes and policies.

## Requirements

Microeconomics

### Academic Integrity

Bard College Berlin maintains the highest standards of academic integrity and expects students to adhere to these standards at all times. Instances in which students fail to meet the expected standards of academic integrity will be dealt with under the Code of Student Conduct, Section 14.3 (Academic Misconduct) in the Student Handbook.

### Attendance

Attendance at all classes is a crucial part of the education offered by Bard College Berlin. To account for minor circumstances, two absences from twice-per-week courses or the equivalent (e.g. one absence from a once-per-week course) should not affect the participation grade or require documentation.

Bard College Berlin may not offer credit for any course in which a student has missed more than 30% of classes, regardless of the reasons for the absences. The full Bard College Berlin attendance policy can be found in the Student Handbook, Section 2.8.

### Assessment

Assessment will be based on attendance, preparation for classes, regular and active participation, professionalism (see below), presentations of answers to “Questions for Study and Discussion” from the main text, and final examination (90 minutes).

### Policy on Late Submission of Papers

Essays that are up to 24 hours late can be downgraded up to one full grade (from B+ to C+, for example). Instructors are not obliged to accept essays that are more than 24 hours late. Where a

professor agrees to accept a late assignment, it should be submitted by the new deadline agreed upon by both parties. Thereafter, the student will receive a failing grade for the assignment. Grades and comments will be returned to students in a timely fashion. Students are also entitled to make an appointment to discuss essay assignments and feedback during instructors' office hours.

Students receive mid- and end-of-semester grades for their seminar work. Students are entitled to make an appointment with an instructor to discuss seminar participation, or may be asked to meet with the instructor at any stage in the semester regarding class progress.

## Grade Breakdown

Seminar preparation, professionalism and participation 20%

Presentations 30%

Final examination 50%

## Schedule

The required main text for this course is:

- Hausman, D. M. and M. S. McPherson (2006). *Economic Analysis, Moral Philosophy, and Public Policy*. New York: Cambridge University Press.

Additional readings for this course are:

- *The Philosophy of Economics: An Anthology*, Edited by Daniel M. Hausman, Cambridge University Press, 2007
- Reiss, J. (2013). *Philosophy of Economics: A Contemporary Introduction*. Routledge.

### Monday and Wednesday, 15:45-17:15

	Topic	Readings
Week 1 29.01. & 31.02.	Introduction I	Chs. 1
Week 2 05.02. & 07.02.	Introduction II	Chs 2-3
	Part I - Rationality, Morality, and Markets	
Week 3 12.02. & 14.02.	Rationality and Utility Theory	Ch 4
Week 4 19.02. & 21.02.	Rationality and Morality in Positive Economics	Ch 5
Week 5 26.02. & 28.02.	The Ethical Limits to Markets	Ch. 6
	Part II – Welfare and Consequences	
Week 6 04.03. & 06.03.	Utilitarianism, Consequentialism, and Justice	Ch. 7
Week 7 11.03. & 13.03.	Welfare	Ch. 8
Week 8 18.03. & 20.03.	Welfare Economics	Ch. 9
	Spring Break	
	Part III – Liberty, Rights, Equality, and Justice	
Week 9	Liberty, Rights, and Libertarianism	Ch. 10

01.04. & 03.04.		
Week 10 08.04. & 10.04.	Equality and Egalitarianism	Ch. 11
Week 11 15.04. & 17.04.	Justice and Contractualism	Ch. 12
	Part IV – Moral Mathematics	
Week 12 22.04. & 24.04.	Social Choice Theory	Ch. 13
Week 13 29.04. & 01.05.	Game Theory	Ch. 14
	Part V - Conclusions	
Week 14 06.05. & 08.05.	Putting Economics and Ethics to Work; Economics and Ethics, Hand in Hand	Chs. 15-16
	Completion Week	

The Spring semester runs from Monday, January 29th and runs until Friday, May 17th, with the Spring break planned from Monday, March 25th, - Monday, April 1st, 2024.

- Regular course sessions end on Friday, May 10th.
- Completion week is from Monday, May 13th through Friday, May 17th.
  - Make-up classes and final exams can take place in completion week.
  - Students are required to be on campus during completion week.

Scheduled class times will be available online under the relevant course heading:

<https://berlin.bard.edu/academics/courses/>

*Classes missed due to federal holidays will not be rescheduled.* Classes missed due to conferences or due to illness (of the professor) are rescheduled.