

# *Business & Economic Ethics*

Philosophy 325

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Of all the endeavors that have contributed to the quality of human life, business ranks with science, art, and education. Yet like all human endeavors, business raises its share of difficult ethical questions and problems. Our task this semester will be to explore those questions and problems.

We will divide our time equally between theory and practice. We will discuss the debates over egoism and altruism, and over capitalism and socialism; competing accounts of rights, justice, profits, and competition; and the nature of employer-employee and business-consumer relations. And we will discuss the practical implications of those debates through numerous real-life case studies.

## Course Readings

- David R. Henderson, editor. *The Concise Encyclopedia of Economics*. Available free online at <http://www.econlib.org/LIBRARY/CEE.html>. Also available in hardcover and paperback from Amazon.com and other sources.
- Burton Folsom, *The Myth of the Robber Barons* (YAF)
- Henry Hazlitt, *Economics in One Lesson* (Three Rivers Press)
- Stephen Hicks, *Cases and Readings in Business Ethics*. Available online at <http://www.stephenhicks.org>
- Charles Koch, *The Science of Success* (John Wiley)
- Ayn Rand, *Atlas Shrugged* (Signet)
- *Kaizen* interviews with Ed Snider, Jerry Reinsdorf, Reena Kapoor, Judy Estrin, and others.

## Assignments and Grading

- Essay on *Economics in One Lesson* (October 4) ..... 15
- Midterm test (October 13) ..... 20
- Essay on *The Science of Success* and *Kaizen* (November 22) ..... 25
- Participation ..... 10
- Exam (December 14) ..... 30
- Bonus points for one-page write-ups on the guest speakers.

## On the first [essay](#)

- Topic: What, in your judgment, are the most important lessons from Hazlitt's *Economics in One Lesson*?
- 1500 words.
- Submission: email Word document to [SHicks@Rockford.edu](mailto:SHicks@Rockford.edu). Put your last name in the Word document name—e.g., Hicks-PHIL325-essay.doc.
- Due: Monday, October 4, 11 a.m.

## On the second [essay](#)

- Topic: “How do individuals and organizations achieve success?” More information to come. Koch's *The Science of Success* and several *Kaizen* interviews of your choice.
- 2000 words.
- Submission: email Word document to [SHicks@Rockford.edu](mailto:SHicks@Rockford.edu). Put your last name in the Word document name—e.g., Hicks-PHIL325-essay.doc.
- Due: Monday, November 22.
- Center for Ethics and Entrepreneurship prizes for the best essays in Philosophy 325: \$300 for First Place. \$100 each for two Honorable Mentions.

A copy of this syllabus and schedule can also be found online at [www.StephenHicks.org](http://www.StephenHicks.org).  
For Honor Code and Disability issues, consult the College's website.

## Schedule and Readings

[CEE] = *Concise Encyclopedia of Economics*

[SH] = *Cases and Readings in Business Ethics*

Week	Lecture Topics	Readings
1 Aug 25	Introduction: Business, wealth, and modern ethical debates	Friday discussion: Folsom on Cornelius Vanderbilt
2 Aug 30	Ethical principles: egoism, altruism, or predation?	Stephen Hicks, "What Business Ethics Can Learn from Entrepreneurship" [offprint] Russ Sobel, " <a href="#">Entrepreneurship</a> " [CEE] Friday discussion: Folsom on J. D. Rockefeller
3 Sep 8	The ethics of free markets versus socialism	Robert Hessen, "Capitalism" [CEE] Robert Heilbroner, "Socialism" [CEE] Friday discussion: Folsom on James J. Hill
4 Sep 13	The economics and politics of free markets versus socialism	Robert A. Lawson, "Economic Freedom" [CEE] Rob Norton, "Unintended Consequences" [CEE] Friday discussion: Folsom on the Scrantons
5 Sep 20	Minimum wages Rent control	Linda Gorman, "Minimum Wages" [CEE] Walter Block, "Rent Control" [CEE] Friday discussion: Folsom on Charles Schwab
6 Sep 27	The tragedy of the commons	Garrett Hardin, "The Tragedy of the Commons" [CEE] Friday discussion: Folsom on Andrew Mellon
7 Oct 4	First essay due: Monday, October 4 Ethics in mixed social systems	<a href="#">Quotations on politicized business</a> [SH] Friday discussion: Rand, <i>Atlas Shrugged</i> , I:1-3
8 Oct 11	Ethics in mixed social systems, continued Midterm test: Wednesday, October 13	Friday discussion: Rand, <i>Atlas</i> I:4-6
9 Oct 18	Ethics in mixed social systems, continued Fall break: No class on October 20 or 22	Friday discussion: Rand, <i>Atlas</i> I:7-10
10 Oct 25	Eminent domain and property rights Case: <i>Kelo v. New London</i>	Armen Alchian, "Property Rights" [CEE] Institute for Justice & Supreme Court on <i>Kelo v. New London</i> [SH]

		<p>“Zoning: Examples” [SH]</p> <p>Friday discussion: Rand, <i>Atlas</i> II:1-2</p>
<p><b>11</b> Nov 1</p>	<p>Product safety and personal responsibility</p> <p>Case: Laetrile</p> <p>Contemporary debate: Should medical marijuana be legal?</p>	<p>Charles Hooper, “<a href="#">Pharmaceuticals</a>” [CEE]</p> <p>“Manufacture &amp; Regulation of Laetrile” [SH]</p> <p>Friday discussion: Rand, <i>Atlas</i> II:3-4</p>
<p><b>12</b> Nov 8</p>	<p>Competition and intellectual property</p> <p>Case: The FCC’s ‘Fairness Doctrine’</p> <p>Contemporary debate: Should there be a ‘Fairness Doctrine’ for the Internet?</p>	<p>John Haring, “<a href="#">Telecommunications</a>” [CEE]</p> <p>“The FCC’s ‘Fairness Doctrine’” [SH]</p> <p>Friday discussion: Rand, <i>Atlas</i> II:5-6</p>
<p><b>13</b> Nov 15</p>	<p>The ethics of money</p>	<p>“Quotations on Money” [SH]</p> <p>Tara Smith, “<i>Money Can Buy Happiness</i>” [monograph]</p> <p>Friday discussion: Rand, <i>Atlas</i> II:7-8</p>
<p><b>14</b> Nov 22</p>	<p>Second essay due November 22</p> <p>Thanksgiving break: No class on November 24 or 26</p>	
<p><b>15</b> Nov 29</p>	<p>Money, information, &amp; financial markets</p>	<p>Anna J. Schwartz, “<a href="#">Money Supply</a>” [CEE]</p> <p>Friday discussion: Rand, <i>Atlas</i> II:9-10</p>
<p><b>16</b> Dec 6</p>	<p>Case: Ethics and the subprime mortgage crisis</p> <p>Conclusions</p>	<p>Benjamin Powell and Edward Stringham, “Housing” [CEE]</p> <p>Subprime Mortgage Crisis Flowchart and <i>New York Times</i> journalism [SH]</p>
<p><b>17</b> Dec 14</p>	<p>Final exam: Tuesday, December 14, 8 a.m.</p>	

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