

Money, Markets, and Morals

Harvard Extension School

Spring semester 2021

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Course Description

What should be the role of money and markets in our society? Are there some things that money should not be able to buy? Should people be permitted to buy sex, votes, babies, citizenship, or college admission? What about buying and selling the right to pollute, procreate, immigrate, discriminate, or to hunt endangered species? Should we use markets to govern health care, education, privacy, or criminal law?

The course will consider what moral limits, if any, the law should impose on market exchanges. Drawing upon classical philosophical works and contemporary moral and political controversies, we will attempt to determine what goods and social practices should not be up for sale.

IMPORTANT LINKS

Section Access Links	ZoomLinks to an external site. download
How to sign-up for sections	https://community.canvaslms.com/t5/Student-Guide/How-do-I-join-a-group-as-a-student/ta-p/468 (Links to an external site.)
Section Participation Rubric	https://canvas.harvard.edu/courses/81772/pages/section-participation-rubric download

[Frequently Asked Questions: Money, Markets, and Morals](#)

[Moral Dilemma Grading Rubric](#) _download

Section Times

1. Tuesday 12:30 PM
2. Tuesday 3 PM
3. Tuesday 7 PM
4. Thursday 12:30 PM
5. Thursday 3 PM
6. Friday 5:30 PM

Course Requirements

- 5 Quizzes (25 %)

The quizzes are conducted online. Each quiz consists of 5 questions (including multiple choice, identification questions etc.) that focus on one class topic (such as Utilitarianism, Kant, Aristotle, etc.).

- 5 Moral Dilemmas (25 %)

The Moral Dilemmas encourage students to take a stance on a difficult moral choice and provide a rationale to defend their position. There are no correct answers to the moral dilemmas. Instead, students are encouraged to engage in fruitful moral debates with their peers, and to consider and provide alternative rationales for different courses of action.

- Section participation (25 %)

Sections meet online on a weekly basis and offer students an opportunity to engage with the course material to enhance their learning. Students must complete all weekly assignments on a regular basis and come to section prepared to discuss the weekly videos, readings and moral dilemmas.

Sections start on the third week of class (February 8) and section times will be posted on February 1.

- Final Exam, Undergraduate students (25 %)

The Undergraduate final exam consists of an online quiz conducted on May 13. The final quiz contains 15 questions (including multiple, choice, identification questions etc.) that focus on class topics covered in Modules 12 to 14.

Undergraduate students have the option of writing a 1000-words philosophical essay in lieu of taking the final quiz. The essay is due on May 13 by 10 PM.

- Final Exam, Graduate students (25 %)

The graduate final exam is a short oral debate with the teaching staff. The debate is 7/10 minutes and the students can pick a topic of their choice from the course syllabus. Graduate Students are required to schedule a time for their final exam by April 15. The oral debates are conducted online from May 7 to May 13.

Graduate students have the option of writing a 2000-words philosophical essay (or 2 1000-words essays) in lieu of taking the oral exam. The essay is due on May 13 by 10 PM.

Course policies

The course depends on informed participation and discussion; students who enroll should be prepared to keep up with the course readings and assignments, on a weekly basis. Course videos and assignments, weekly participation and attendance to sections are required and count toward the course grade.

Students are expected to submit all assignments on time. Extensions can only be granted by the Head TF and will be given only for the most compelling reasons (e.g. a family emergency, religious exemptions, or a documented major illness). A heavy workload is not sufficient.

Grading policies

The grades assigned by the teaching staff are final. Grade changes are admitted only in case of a documented computational or clerical error. Students who fail to complete the course will be given a failing grade. No incomplete grades will be given as a final course grade. Please, make sure to review the grading policies set by Harvard Extension School, available here: <https://www.extension.harvard.edu/resources-policies/exams-grades-transcripts/grades>Links to an external site..

And the student expectations listed here: <https://www.extension.harvard.edu/resources-policies/student-conduct/expectations>Links to an external site..

Collaboration policy

Students are strongly encouraged to discuss the moral dilemmas and readings with one another. This is a good way of testing your arguments and anticipating possible objections. The best arguments typically result from sustained discussion with classmates and others. You should make sure, however, that your written work is your own. Please indicate, informally in the text, or in a separate acknowledgement statement, the names of those with whom you have discussed any ideas, arguments, or insights that figure prominently in your paper.

While this is a course that encourages active discussion amongst students, you are expected to do all graded material alone. You are not allowed to look up answers to the quizzes, assignments or final exam before submitting your responses unless the item is explicitly designated as open book, and you can not ask others for help; please do not post any questions about the quizzes or final exam in the discussion forum.

Academic integrity

You are responsible for understanding Harvard Extension School policies on academic integrity (www.extension.harvard.edu/resources-policies/student-conduct/academic-integrityLinks to an external site.) and how to use sources responsibly. Not knowing the rules, misunderstanding the rules, running out of time, submitting the wrong draft, or being overwhelmed with multiple demands are not acceptable excuses. There are no excuses for failure to uphold academic integrity. To support your learning about academic citation rules, please visit the Harvard Extension School Tips to Avoid Plagiarism (www.extension.harvard.edu/resources-policies/resources/tips-avoid-plagiarismLinks to an external site.), where you will find links to the Harvard Guide to Using Sources and two free online 15-minute tutorials to test your knowledge of academic citation policy. The tutorials are anonymous open-learning tools.

Accessible Education Policies

The Extension School is committed to providing an accessible academic community. The Accessibility Office offers a variety of accommodations and services to students with documented disabilities. Please visit <https://www.extension.harvard.edu/resources-policies/resources/disability-services-accessibility>. Links to an external site. for more information.

Course website

The website contains the course videos, discussion forum, and all the course readings, assignments, and exams. Please, check the website for updates and announcements, on a daily basis.

Books recommended for purchase

John Stuart Mill, *Utilitarianism*

Immanuel Kant, *Grounding for the Metaphysics of Morals*

Aristotle, *The Politics*

Michael Sandel, *What Money Can't Buy: The Moral Limits of Markets*

Course Topics

1. Introduction: Markets and morals
2. The ethics of supply and demand I: Price gouging
3. The ethics of supply and demand II: Ticket scalping and auctioning public parking spots
4. Utilitarianism and economic reasoning
5. Consenting adults I: Organ sales, hard jobs
6. Consenting adults II: The ethics of surrogacy
7. Kant's critique of utilitarianism: Price versus dignity
8. The death pool
9. Citizenship: Voting and immigration
10. Employment discrimination

11. Aristotle: Cultivating virtue, reasoning about goods
12. Environmental protection
13. Markets, incentives, and moral norms
14. Conclusion: Ethics, economics, and the public good

Course Schedule

The course videos, readings, and assignments are available in the

["Modules _download"](#) section of the course website.

MODULES	ASSIGNMENTS
<p>Module 1 – Week of January 25</p> <p>Introduction: Markets and Morals</p>	<ol style="list-style-type: none"> 1. N. Gregory Mankiw, <i>Principles of Economics</i>, 7th ed. (2015), ch. 4 (“The Market Forces of Supply and Demand”), including a brief discussion of price gouging at pp. 83-85. 2. Sandel, <i>What Money Can’t Buy</i>, Introduction (“Markets and Morals”). <p><i>QUIZ 1: The Law of Supply and Demand</i></p>
<p>Module 2 – Week of February 1</p> <p>The ethics of supply and demand I:</p> <p>Price gouging</p>	<p><u><i>Video Lecture 1: Price Gouging</i></u></p> <ol style="list-style-type: none"> 1. Bart Jansen, “DOT Investigates Airlines for Gouging after Amtrak Crash,” <i>USA Today</i>, July 25, 1015. 2. Joseph B. Treaster, “With Storm Gone, Floridians are Hit with Price Gouging,” <i>New York Times</i>, August 18, 2004.

<p><i>Should it be illegal to raise prices of essential goods (water, flashlights, gasoline, motel rooms) in the aftermath of a natural disaster? Is there a moral difference between “price gouging” (raising prices in the wake of an emergency) and “price surging” (raising prices during periods of peak demand)?</i></p>	<ol style="list-style-type: none"> 3. Donald J. Boudreaux, “Price Gouging’ after a Disaster is Good for the Public,” <i>Wall Street Journal</i>, October 4, 2017. 4. Annie Lowrey, “Is Uber’s Surge-Pricing an Example of High-Tech Gouging?” <i>N.Y. Times Magazine</i>, Jan. 10, 2014. 5. Douglas MacMillan, “Uber CEO: Surge Pricing is Here to Stay,” <i>Wall Street Journal</i>, Na. 7, 2014. 6. Jeff Jacoby, “When Demand Soars, Prices Should Too,” <i>The Boston Globe</i>, March 17, 2020 7. James Surowiecki, “In Praise of Efficient Price Gouging,” <i>MIT Review</i>, Aug. 19, 2014. 8. Michael Sandel, <i>Justice: What’s the Right Thing to Do?</i> (2009), pp. 3-10 (excerpt).
<p>Module 3 – Week of February 8</p> <p>The ethics of supply and demand II: Ticket scalping and auctioning public parking spots</p>	<p><u><i>Video Lecture 2: The waiting Game</i></u></p> <ol style="list-style-type: none"> 1. David Pierson, “In China, Shift to Privatized Healthcare Brings Long Lines and Frustration,” <i>L.A. Times</i>, Feb. 11, 2010. 2. Michael Sandel, <i>What Money Can’t Buy</i>, ch. 1 (“Jumping the Queue”).

<p><i>Is there anything wrong with scalping tickets for concerts or sporting events, such as the World Series or Super Bowl? What about ticket scalping for other scarce goods, such as doctors' appointments?</i></p> <p><i>Is there anything wrong with auctioning public parking spots? What about during a natural disaster?</i></p> <p><i>What is the meaning of economic efficiency? To what extent should goods be allocated to those most willing and able to pay for them?</i></p>	<p>3. Robert McMillan, "An App that Lets You Sell Your Killer Free Parking Spot," <i>Wired</i>, May 18, 2004.</p> <p>4. Kate Conger, "SF City Attorney Issues Cease-and-Desist to Mobile App Auctioning City Parking Spots," <i>S.F. Examiner</i>, June 23, 2014.</p> <p>5. Tim Hartford, "What Tech Jerks Can Teach Us," <i>Financial Times</i>, July 26, 2014.</p> <p><i>MORAL DILEMMA 1: Linstanding</i></p> <p><i>QUIZ 2: The Ethics of Supply and Demand</i></p>
<p>Module 4 – Week of February 15</p> <p>Utilitarianism and economic reasoning</p>	<p><u><i>Video Lecture 3: Utilitarianism: Jeremy Bentham (excerpt from Justice).</i></u></p> <p>- Jeremy Bentham, <i>An Introduction to the Principles of Morals and Legislation (1789)</i>, chapters I and IV.</p>

What is Bentham's argument for maximizing utility? How does John Stuart Mill's version of utilitarianism differ from Bentham's? On what basis does Mill distinguish higher pleasures from lower ones? Do you find his argument convincing? If not, do you reject the notion that some pleasures are qualitatively higher than others, or do you account for the distinction in some other way?

Apply the utilitarian theories of Bentham and Mill to the examples we have discussed in previous weeks. To what extent does economic reasoning rest on utilitarian assumptions?

Video Lecture 4: Utilitarianism: John Stuart Mill (excerpt from Justice)

- John Stuart Mill, *Utilitarianism* (1863).

QUIZ 3: Utilitarianism and Economic Reasoning

Module 5 – Week of February 22

Consenting Adults I: Organ sales, hard jobs

Video Lecture 5: The Kidney Market

1. Richard A. Epstein, "The Market Has a Heart," *Wall Street Journal*, Feb. 21, 2002.
2. N. Gregory Mankiw, "The Kidney Shortage," May 15, 2006.

Video Lecture 6: Sex Work

<p><i>Should it be legal to buy and sell human organs?</i></p> <p><i>Should people be free to accept whatever jobs they choose, or should the law prohibit certain risky or degrading forms of employment?</i></p>	<ol style="list-style-type: none"> 1. Carl Elliott, "Guinea-Pigging," <i>The New Yorker</i>, January 7, 2008. 2. Cari Romm, "The Life of a Professional Guinea Pig," <i>The Atlantic</i>, Sept. 23 2015 3. Robert G. McGee, "If Dwarf-Tossing is Outlawed, Only Outlaws Will Toss Dwarfs," <i>American Journal of Jurisprudence</i>, vol. 38, 1993.
<p>Module 6 – Week of March 1</p> <p>Consenting adults II: The ethics of surrogacy</p> <p><i>Should commercial surrogacy be permitted? Should surrogacy contracts be legally enforceable? Is surrogacy morally analogous to baby selling? What, if anything, is wrong with baby selling?</i></p>	<ol style="list-style-type: none"> 1. Cheryl Miller, "Outsourcing Childbirth," <i>Wall Street Journal</i>, April 25, 2008. 2. Chhavi Sachdev, "Once the place to go for surrogacy, India tightens control over its baby industry," <i>PRI</i>, April 7, 2018. 3. Elizabeth M. Landes and Richard A. Posner, "The Economics of the Baby Shortage," <i>7 Journal of Legal Studies</i> (1978), pp. 323-324, 339-346 only. 4. Margaret Jane Radin, "What, if Anything, Is Wrong with Baby Selling?" <i>26 Pacific Law Journal</i> (1995). 5. Elizabeth Anderson, "Is Women's Labor a Commodity?" <i>Philosophy and Public Affairs</i>, 19:1 (1990): pp. 71-92. 6. Michael J. Sandel, "The Baby Bazaar," <i>The New Republic</i>, October 20, 1997.

	<p>7. Matter of Baby M, 537 A.2d 1227 (N.J. 1988).</p> <p><i>MORAL DILEMMA 2: Surrogacy</i></p>
<p>Module 7 – Week of March 8</p> <p>Kant’s critique of utilitarianism: Price versus dignity</p> <p><i>On what grounds does Kant reject utilitarianism? Is his argument convincing? What does Kant mean by the “categorical imperative”? And what, according to Kant, is the difference between having a price and having dignity?</i></p> <p><i>Apply Kant’s moral theory to the examples we have discussed in previous weeks. Do organ sales, surrogacy, and prostitution violate the categorical imperative?</i></p>	<p><u><i>Video Lecture 7: The supreme principle of morality (excerpt from Justice)</i></u></p> <p>1. Immanuel Kant, <i>Grounding for the Metaphysics of Morals</i> (1785).</p> <p>2. Immanuel Kant, “Of Duties to the Body in Regard to Sexual Impulse,” <i>Lectures on Ethics</i> (Hackett or Cambridge University Press).</p> <p><i>QUIZ 4: Kant’s Critique of Utilitarianism</i></p>

<p>Module 8 – Week of March 22</p> <p>The death pool</p> <p><i>Is it objectionable to profit from death, or to bet on when someone will die? What is the moral status of death bonds, viatical contracts, internet death pools, life insurance, and terrorist futures markets?</i></p>	<p><u>Video Lecture 8: Clerks Insurances</u></p> <p>1. Michael Sandel, <i>What Money Can't Buy: The Moral Limits of Markets</i>, ch. 4.</p> <p><u>Video Lecture 9: Death Pools</u></p> <p>2. Ellen E. Schultz and Theo Francis, "Valued Employees--Worker Dies, Firm Profits," <i>Wall Street Journal</i>, April 19, 2000.</p> <p>3. Charles Duhigg, "Late in Life, Finding a Bonanza in Life Insurance," <i>New York Times</i>, December 17, 2006.</p>
<p>Module 9 – Week of March 29</p> <p>Citizenship: Voting and immigration</p> <p><i>Is it always wrong to buy or sell votes? If it is wrong to pay people to vote a certain way, is it also wrong to pay them to vote (however they cast their ballot) or not to vote? Is there a distinction between buying votes and making campaign promises that give voters an economic incentive to vote a certain way? What, if anything, is</i></p>	<p><u>Video Lecture 10: Casting Votes</u></p> <p>1. Timothy Eagan, "Hedging Bets on Democracy, Casinos Offer Cash to Voters," <i>New York Times</i>, August 18, 1995.</p> <p>2. Pamela Karlan, "Not by Money but by Virtue Won? Vote Trafficking and the Voting Rights System," 80 <i>Virginia Law Review</i>, October 1994, pp. 1455-1475.</p> <p>3. John Ferejohn, "It's Not Just Talk," 85 <i>Virginia Law Review</i>, Nov. 1999, sec. 1, 3, 5.</p>

<p><i>the difference between selling one's vote and voting according to one's economic interest?</i></p> <p><i>Is it wrong for countries to sell the right to immigrate? Is there a principled distinction between selling the right to immigrate and foreign investor visa programs ("Golden visas")? What are the best arguments for and against a system of tradable obligations to admit refugees?</i></p>	<p>4. Rousseau, <i>The Social Contract</i>, Book III, ch. 15, and Book IV, ch. 1</p> <p>5. Michael J. Sandel, "Votes for Sale," <i>The New Republic</i>, November 18, 1996.</p> <p>6. Greg Mankiw and Michael Sandel, "On Selling Votes," Greg Mankiw's Blog, November 21, 2007.</p> <p><u><i>Video Lecture 11: Buy American</i></u></p> <p>1. Gary Becker and Edward Lazear, "A Market Solution to Immigration Reform," <i>Wall Street Journal</i>, Mar. 2, 2013</p> <p>2. "The Price of Entry," <i>The Economist</i>, June 24, 2010.</p> <p>3. Teri Schultz, "'Golden visas': EU offers the rich bigger bang for the buck," <i>DW</i>, 17 March 2018.</p> <p>4. Ayelet Shachar, "Dangerous Liaisons: Money and Citizenship," in Ayelet Shachar and Rainer Bauböck, eds., <i>Should Citizenship be for Sale?</i> EUI Working Paper (2014).</p> <p><i>MORAL DILEMMA 3: Citizenship</i></p>
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<p>Module 10 – Week of April 5</p> <p>Employment discrimination</p> <p><i>Can employment discrimination be justified on grounds of satisfying the preferences of customers? If so, under what circumstances? Does it make a difference whether the discrimination involves race or gender? Are there some consumer preferences that are morally illegitimate for a business to serve? If so, how should the law respond?</i></p> <p><i>Is it possible to determine what constitutes unjust employment discrimination without inquiring into the essential nature or purpose of the business?</i></p>	<p><u>VIDEO LECTURE 12: Lookism</u></p> <ol style="list-style-type: none"> 1. Steven Greenhouse, “Going for the Look, but Risking Discrimination,” <i>New York Times</i>, July 1, 2003. 2. Robert Barro, “So You Want to Hire the Beautiful. Well, Why Not?,” <i>Business Week</i>, Mar. 16, 1998. 3. Diaz v. Pan American World Airways (1971). 4. Wilson v. Southwest Airlines (1981). 5. Robert Post, “Prejudicial Appearances: The Logic of American Discrimination Law,” <i>California Law Review</i>, Jan. 2000, Vol. 88. 6. Kimberly A. Yuracko, “Private Nurses and Playboy Bunnies: Explaining Permissible Sex Discrimination,” <i>California Law Review</i>, Jan. 2004, Vol. 92, pp.149-213. <p><i>MORAL DILEMMA 4: Lookism</i></p>
<p>Module 11 – Week of April 12</p>	<p><u>Video Lecture 13: Aristotle, Justice and virtue (excerpt from Justice)</u></p>

<p>Aristotle: Cultivating virtue, reasoning about goods</p> <p><i>What, according to Aristotle, is the purpose of political community? How does Aristotle’s view of politics differ from Downs’ “economic theory of democracy”? Whose view is more persuasive?</i></p> <p><i>Why, according to Aristotle, is it necessary to reason about the purposes and ends appropriate to social practices? What are the implications of Aristotle’s view for the just allocation of jobs and social roles? (Consider, for examples, the jobs we have discussed.)</i></p> <p><i>On what grounds does Aristotle distinguish between pleasure and happiness? What are the implications of this distinction for economic reasoning?</i></p>	<p>1. Aristotle, <i>The Politics</i>, Books I, III (ch. 1-13).</p> <p>2. Aristotle, <i>Nicomachean Ethics</i>, Books II (ch. 1-3), X (ch. 1-3)</p> <p>QUIZ 5: Aristotle: Cultivating Virtue</p>
<p>Module 12 – Week of April 19</p> <p>Environmental protection</p>	<p><u>Video Lecture 14 : <i>The Walrus Quota</i></u></p>

<p><i>Is it immoral to auction the right to shoot an endangered species, even if doing so will help fund conservation?</i></p> <p><i>Does putting a price on nature strengthen or weaken the case for protecting it? Should government create a market in pollution credits that can be bought and sold?</i></p> <p><i>Does the use of tradable pollutions permits and “carbon offsets” erode the norms that support environmental protection?</i></p> <p><i>Should policymakers employ cost-benefit analysis to determine the appropriate level of environmental protection?</i></p> <p><i>Is there any reason in principle why markets cannot capture the values associated with environmental protection?</i></p>	<ol style="list-style-type: none"> 1. Richard Conniff, “A Trophy Hunt That’s Good for Rhinos,” <i>N.Y. Times</i>, Jan. 20, 2014. 2. C.J. Chivers, “A Big Game,” <i>N.Y. Times Magazine</i>, August 25, 2002. 3. Don J. Melnick, et al., “Make Forests Pay: A Carbon Offset Market for Trees,” <i>NY Times</i>, Jan. 19, 2015. 4. Dieter Helm, “Failing to put a value on nature condemns it,” <i>The Guardian</i> (UK), 23 November 2015. 5. George Monbiot, “The UK government wants to put a price on nature, but that will destroy it,” <i>The Guardian</i> (UK), 15 May 2018. 6. Richard Conniff, “What’s Wrong with Putting a Price on Nature?,” <i>environment360</i>, Oct. 18, 2012. 7. Tim Smedley, “Is ‘Natural Capital’ the Next Generation of Corporate Social Responsibility?,” <i>Guardian Sustainable Business</i> blog, Nov. 7, 2013. 8. Pope Francis, <i>ENCYCLICAL LETTER LAUDATO SI’: ON CARE FOR OUR COMMON HOME</i>, 2015. [Only paragraphs 10-11, 20-22, 102-118, 139, 156-162, 170-172, 190-192, 203-215, 224-225.]
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	<p>9. Joseph Heath, "Pope Francis' Climate Error," <i>New York Times</i>, June 19, 2015.</p> <p>10. Daniel M. Hausman and Michael S. McPherson, <i>Economic Analysis and Moral Philosophy</i>, pp. 9-16, 197-208, 215-219.</p> <p>MORAL DILEMMA 5: Trophy Hunting</p>
<p>Module 13 – Week of April 26</p> <p>Markets, incentives, and moral norms</p> <p><i>Do market mechanisms change the value or meaning of the goods and social practices they regulate? What is the motivational "crowding out" effect, and can it override the "price effect"? Is there a moral difference between a fee and a fine? If so, is this difference relevant to public policy and law? Are altruism and solidarity like commodities that are depleted with use?</i></p>	<p><u>Video Lecture 15: Market incentives</u></p> <p>1. Michael Sandel, <i>What Money Can't Buy: The Moral Limits of Markets</i>, ch. 2, 3.</p> <p>2. Fred Hirsch, <i>The Social Limits to Growth</i> (Harvard University Press, 1976), ch. 6.</p> <p>3. Lior Jacob Strahilevitz, "How Changes in Property Regimes Influence Social Norms: Commodifying California's Carpool Lanes," 75 <i>Indiana Law Journal</i> (2000).</p> <p>4. Uri Gneezy and Aldo Rustichini, "A Fine is a Price," <i>Journal of Legal Studies</i> 29, January 2000, pp. 1-17.</p> <p>5. "Bruno S. Frey and Felix Oberholzer-Gee, "The Cost of Price Incentives" An Empirical Analysis of Motivation Crowding-Out," <i>American Economic Review</i>, vol. 87, Sept. 1997), pp. 746-755.</p>

	6. Lawrence H. Summers, Morning Prayers address, Memorial Church, Harvard, September 15, 2003.
Module 14 – Week of May 3 Conclusion: Ethics, economics, and the public good	<u>Video Lecture 16: Conclusive Remarks</u>
May 13	Final exam due