

Morals and Markets

It is easy to notice that markets encroach on more and more social interactions. Things and services that one can legally buy and sell today on the market include:

- a healthy kidney (Iran);
- surrogate motherhood, i.e., carrying out a pregnancy in another woman's body (India);
- the right to emit a certain amount of greenhouse gas into the atmosphere (European Union).

Economists argue that since the buyer and the seller interact voluntarily, they must both be better off as a result of the exchange. However, not only our gut reactions suggest that something might be wrong with these kinds of markets. Many sociologists and philosophers argue that such exchanges corrupt us in some way, and create hidden costs by eroding non-market values.

The main goal of this course is to present the debates surrounding the moral (normative) evaluation of markets. We will also discuss ways in which markets shape our conception of morality. In the first segment of the course we will investigate classical perspectives on the market as either a beneficial or destructive force. Next, we will focus on the moral obligations of economic institutions towards society. Is there such a thing as a corporate social responsibility? In the third part, we will try to understand the effects of market mechanisms within specific institutions. For example, is effort in the workplace primarily motivated by financial incentives? Finally, we will analyze how the moral limits of markets are constructed. What are acceptable items for market exchange? Should a child, an organ, or the right to pollute be allowed for trade? We will also try to understand historical and geographical variation in the moral limits of markets.

Assessment Methods

Assessment Items	Percentage	Period
Quizzes	20%	Throughout the term
Presentation	20%	Throughout the term
Discussion (movie)	10%	Throughout the term
Essay	30%	Week 13
Final Exam	20%	Week 14

Instructional Methods and Expectations

1 x 60-minute lecture and 1 x 120-minute seminar.

Lectures will follow lecture slides, prepared in advance, and available for download to students.

Seminars will include extensive discussion of the topics. Students are expected to have read all compulsory reading in advance.

Movie projections (optional): Every Sunday evenings at 7pm the instructors will organize a projection of the movie assigned each week. Attendance is optional.

Policies

Attendance: Students participating missing more than 3 classes will fail the course.

Quizzes: Five random quizzes will take place at the beginning of the lecture (meaning that students have to be on time). Most questions will address major concepts and/or ideas presented in the lectures. Missed quizzes receive a score of 0. The grade for quizzes is calculated as the average of all individual quiz grades, except the lowest one.

Presentation: Students will prepare presentations on the topic of every week, with the exception of Week 1. Presentations will last ~15 minutes. The presenter should choose an excerpt from the news and discuss it using the readings of the corresponding week.

Discussion: Students will discuss how the readings of the week can be applied to the movie of the week. Discussions will last ~10 minutes.

Essay: For this assignment, students will write an essay on a subject matter suitable to the course. This assignment should start with the identification of a problem, followed by a discussion and analysis of supporting and illustrative materials. It needs to utilize the concepts, ideas, and arguments presented in class. Students need to critically discuss the material. The paper should have ~3000 (+/- 10%) words (excluding the bibliography).

The essays will have a non-negotiable late-policy. They are due before the seminar of week 13, and must be submitted via email *and* in print. Grade deductions will apply for each 12-hour period they are late. Students not submitting a paper by the end of the term will receive a failing grade.

By the seminar of week 6, students are required to submit a ~400-word (+/- 10%) *abstract* of their project, presenting the principal question, research design, and theoretical approach. Students submitting an abstract after the deadline will receive a penalty of 10% to their essay. The instructor will read the abstracts, and suggest modifications as necessary.

Final: The students will present their essay with a power point. The presentation will last 10 minutes, followed by a 5 minutes Q&A. The class will be divided in two subgroups. Uncertified absences from the final exam will result in a failing grade.

Consultation

Personal consultations with the instructors are per prior appointment only. Professor Meder is available on Wednesday from 4pm to 5pm. Professor Nicol is available on Thursday from 5pm to 6pm. For their presentations, students should go and see the professor who is in charge of the corresponding sessions.

Required or Recommended Text and Readings

Required readings

Abend, Gabriel (2014). *The moral background. An inquiry into the history of business ethics*. Princeton University Press. (Chapter 2).

Anderson, Elizabeth (1995). *Value in ethics and economics*. Harvard University Press. (Chapter 1, pp. 1-16)

Banerjee, Subhabrata (2008). *Corporate social responsibility: The good, the bad and the ugly*. *Critical Sociology*, 34(1), 51-79.

Becker, Gary S., & Elias, Julio J. (2007). *Introducing incentives in the market for live and cadaveric organ donations*. *The Journal of Economic Perspectives*, 21(3), 3-24.

Bernstein, Elizabeth. 2007: *Temporarily Yours* (Chapter 4).

Debord, Guy. *Society of the spectacle*. (Chapters 1 and 2).

Fourcade, Marion & Healy, Kieran (2007). *Moral views of market society*. *Annual Review of Sociology*, 33(1), 285-311.

Freeman, R. Edward (1999). *Divergent stakeholder theory*. *Academy of Management Review*, 24(2), 233-236.

Friedman, Milton (1962). *Capitalism and freedom*. (Introduction and Chapters 1, 2, and 10).

Friedman, Milton (1970). *The social responsibility of business is to increase its profits*. *The New York Times Magazine*, September 13, 1970.

Geis, Gilbert (1995). *White collar crime: The heavy electrical equipment antitrust case of 1961*. In *Contemporary Masters in Criminology* (pp. 139-156). Springer US.

Gneezy, Uri; Meier, Stephan and Rey-Biel, Pedro (2011). *When and why incentives (don't) work to modify behavior*. *The Journal of Economic Perspectives*, 25(4), 191-209.

Graafland, Johan (2007). *Economics, Ethics and the Market*. (Chapter 2.1-2).

Healy, Kieran. (2006). *Last Best Gifts: Altruism and the market for human blood organs*. (Chapters 1 and 2).

Hirschman, Albert O. (1997). *The passions and the interests: Political arguments for capitalism before its*

triumph. Princeton University Press. (Part 1 and 2, pp. 9-113).

Jackall, Robert. (1988). *Moral mazes: The world of corporate managers*. Oxford University Press. (Introduction, chapter 1).

Livne, Roi (2014). Economies of dying the moralization of economic scarcity in US hospice care. *American Sociological Review*, 79(5), 888-911.

Marcuse, Herbert. *One-dimensional man*.

Mizruchi, Mark (2010). The American corporate elite and the historical roots of the financial crisis of 2008 in: Lounsbury, Michael, and Hirsch, Paul Morris (eds.) *Markets on trial: The economic sociology of the 2008 financial crisis*. Emerald Group Publishing.

Parreñas, Rhacel. S. (2000). Migrant Filipina domestic workers and the international division of reproductive labor. *Gender & Society*, 14(4), 560-580.

Piff, Paul K.; Stancato, Daniel. M.; Côté, Stéphane; Mendoza-Denton, Rodolfo and Keltner, Dacher (2012). Higher social class predicts increased unethical behavior. *Proceedings of the National Academy of Sciences*, 109(11), 4086-4091.

Roth, Alvin (2007). Repugnance as a constraint on markets. *The Journal of Economic Perspectives*, 21(3), 37-58.

Sandel, Michael J. (2012). *What money can't buy: The moral limits of markets*. Macmillan. (Chapter 4.)

Satz, Debra (2010). *Why some things should not be for sale*. Oxford University Press. (Chapters 1, 3 and 4)

Sutherland, Edwin H. (1940). White-collar criminality. *American sociological review*, 5(1), 1-12.

Zelizer, Viviana A. (1978). Human values and the market: The case of life insurance and death in 19th-century America. *American journal of sociology*, 83(3), 591-610.

Suggested readings:

Almeling, Rene (2011). *Sex cells: the medical market for eggs and sperm*. University of California Press. (chapter 4).

Anderson, Eizabeth. (1995). *Value in ethics and economics*. Harvard University Press. (chapter 8)

Anteby, Michel (2010). Markets, morals, and practices of trade: Jurisdictional disputes in the U.S. commerce in cadavers. *Administrative Science Quarterly*, 55(4): 606-638.

Frey, Bruno S. (1997). On the relationship between intrinsic and extrinsic work motivation. *International journal of industrial organization*, 15(4), 427-439.

Hayek, Friedrich (1988). *The fatal conceit*. (Chapters 2, 3, 4, and 5).

Jackall, Robert. (1988). *Moral mazes: The world of corporate managers*. Oxford University Press. (Chapter 2).

Orlitzky, Marc, Schmidt, Frank L., & Rynes, Sara L. (2003). Corporate social and financial performance: A meta-analysis. *Organization studies*, 24(3), 403-441.

Polanyi, Karl (1944). The great transformation. (Chapter 4, “Societies and Economic Systems”).

Quinn, Sarah. (2008). The Transformation of Morals in Markets: Death, Benefits, and the Exchange of Life Insurance Policies. *American Journal of Sociology*, 114(3), 738-780.

Salzinger, Leslie. (2003). Genders in production: Making workers in Mexico's global factories. Univ of California Press. (Chapter 2)

Sandel, Michael J. (2012). What money can't buy: The moral limits of markets. Macmillan. (Chapters 2 and 3).

Shleifer, Andrei (2004). Does competition destroy ethical behavior? *American Economic Review*, 94(2), 414-418.

Veblen, Thorstein (1899). The theory of the leisure class. (Chapter 1, “Introductory” and Chapter 4, “Conspicuous consumption”).

von Mises, Ludwig (2008). Human action. (Chapter 15.1-12).

Movies:

Tucker: The Man and His Dream (1988)

Food, Inc. (2008)

There will be blood (2007)

The Corporation (2003)

The Insider (1999)

Citizen Kane (1941) / Up in the air (2009)

Rogue trader (1999)

On our own terms : Moyers on dying (2000)

Human harvest (2016)

Al-Jazeera Documentary (2016), Maid in Singapore + Ilo Ilo (2013)

The Godfather (1972)

Novels (non-required readings)

Ayn Rand (1957). Atlas Shrugged.

Emile Zola (1885). *Germinal*.

Detailed Outline of the Subject

Week 1: Introduction. [Professor Nicol]

Fourcade, Marion & Healy, Kieran (2007). Moral views of market society. *Annual Review of Sociology*, 33(1), 285-311.

Satz, Debra (2010). *Why some things should not be for sale*. Oxford University Press. (Chapter 1).

Anderson, E. (1995). *Value in ethics and economics*. Harvard University Press. (Chapter 1)

Movie: Dogville (2003)

PART 1: Moral Views of Markets Societies.

Week 2: The market as a beneficial and civilizing force. [Professor Meder]

Required readings:

Graafland, Johan (2007). *Economics, Ethics and the Market*. (Chapter 2.1-2).

Friedman, Milton (1962). *Capitalism and freedom*. (Introduction and Chapters 1, 2, and 10).

Suggested readings:

von Mises, Ludwig (2008). *Human action*. (Chapter 15.1-12).

Hayek, Friedrich (1988). *The fatal conceit*. (Chapters 2, 3, 4, and 5).

Movie: Tucker: The Man and His Dream (1988)

Novel (non-required reading): Ayn Rand (1957). *Atlas Shrugged*.

Week 3: The market as a wicked and destructive force. [Professor Nicol]

Required readings:

Marx, Karl. *The Marx-Engels Reader*. Edited by Robert C. Tucker. 2nd ed. W. W. Norton & Company, 1978. "Estranged labor", p. 70-81

Marcuse, Herbert. *One-dimensional man*. (Chapter 2)

Suggested readings:

Debord, Guy. *Society of the spectacle*. (Chapters 1 and 2).

Veblen, Thorstein (1899). *The theory of the leisure class*. (Chapter 1, "Introductory" and Chapter 4, "Conspicuous consumption").

Polanyi, Karl (1944). *The great transformation*. (Chapter 4, "Societies and Economic Systems").

Movie: Food, Inc. (2008)

Novel (non-required reading): Emile Zola (1885). *Germinal*.

Week 4: Divergent views of the market: a historical perspective. [Professor Meder]

Required reading

Hirschman, Albert O. (1997). *The passions and the interests: Political arguments for capitalism before its triumph*. Princeton University Press. (Part 1 and 2).

Movie: There will be blood (2007)

PART 2: Moral views of economic institutions

Week 5: Is there such a thing as "corporate social responsibility?". [Professor Nicol]

Required readings:

Friedman, Milton (1970). The social responsibility of business is to increase its profits. *The New York Times Magazine*, September 13, 1970.

Freeman, R. Edward (1999). Divergent stakeholder theory. *Academy of Management Review*, 24(2), 233-236.

Banerjee, Subhabrata (2008). Corporate social responsibility: The good, the bad and the ugly. *Critical Sociology*, 34(1), 51-79.

Suggested reading:

Orlitzky, Marc, Schmidt, Frank L., & Rynes, Sara L. (2003). Corporate social and financial performance: A meta-analysis. *Organization studies*, 24(3), 403-441.

Movie: The Corporation (2003)

Week 6: Divergent views of corporate social responsibility: a historical perspective. [Professor Nicol]

Required readings:

Abend, Gabriel (2014). *The moral background. An inquiry into the history of business ethics*. Princeton

University Press. (Chapter 2).

Mizruchi, Mark (2010). The American corporate elite and the historical roots of the financial crisis of 2008 in: Lounsbury, Michael, and Hirsch, Paul Morris (eds.) *Markets on trial: The economic sociology of the 2008 financial crisis*. Emerald Group Publishing.

Movie: The Insider (1999)

Week 7: Recess. (no readings)

Part 3: Moral views within institutions

Week 8: Intrinsic and extrinsic motivation. [Professor Meder]

Required readings:

Gneezy, Uri; Meier, Stephan and Rey-Biel, Pedro (2011). When and why incentives (don't) work to modify behavior. *The Journal of Economic Perspectives*, 25(4), 191-209.

Jackall, Robert. (1988). *Moral mazes: The world of corporate managers*. Oxford University Press. (Introduction, chapter 1).

Suggested reading:

Frey, Bruno S. (1997). On the relationship between intrinsic and extrinsic work motivation. *International journal of industrial organization*, 15(4), 427-439.

Jackall, Robert. (1988). *Moral mazes: The world of corporate managers*. Oxford University Press. (Chapter 2).

Movie: Citizen Kane (1941) / Up in the air (2009) (TBD)

Week 9: White-collar criminality. [Professor Nicol]

Required readings:

Piff, Paul K.; Stancato, Daniel. M.; Côté, Stéphane; Mendoza-Denton, Rodolfo and Keltner, Dacher (2012). Higher social class predicts increased unethical behavior. *Proceedings of the National Academy of Sciences*, 109(11), 4086-4091.

Sutherland, Edwin H. (1940). White-collar criminality. *American sociological review*, 5(1), 1-12.

Geis, Gilbert (1995). White collar crime: The heavy electrical equipment antitrust case of 1961. In *Contemporary Masters in Criminology* (pp. 139-156). Springer US.

Suggested reading:

Shleifer, Andrei (2004). Does competition destroy ethical behavior? *American Economic Review*, 94(2), 414-418.

Movie: Rogue trader (1999)

PART 4: Moral views of commodities

Week 10: Life and death. [Professor Meder]

Required readings:

Sandel, Michael J. (2012). What money can't buy: The moral limits of markets. Macmillan. (Chapter 4.)

Livne, Roi (2014). Economies of dying the moralization of economic scarcity in US hospice care. *American Sociological Review*, 79(5), 888-911.

Zelizer, Viviana A. (1978). Human values and the market: The case of life insurance and death in 19th-century America. *American journal of sociology*, 83(3), 591-610.

Suggested readings:

Quinn, Sarah. (2008). The Transformation of Morals in Markets: Death, Benefits, and the Exchange of Life Insurance Policies. *American Journal of Sociology*, 114(3), 738-780.

Movie: On our own terms : Moyers on dying (2000)

Week 11: The body. [Professor Meder]

Required readings:

Healy, Kieran. (2006). *Last Best Gifts: Altruism and the market for human blood organs*. (Chapters 1 and 2).

Becker, Gary. S., & Elias, Julio J. (2007). Introducing incentives in the market for live and cadaveric organ donations. *The Journal of Economic Perspectives*, 21(3), 3-24.

Suggested readings:

Almeling, Rene (2011). *Sex cells: the medical market for eggs and sperm*. University of California Press. (chapter 4).

Anteby, Michel (2010). Markets, morals, and practices of trade: Jurisdictional disputes in the U.S. commerce in cadavers. *Administrative Science Quarterly*, 55(4): 606-638.

Movie: Human harvest (2016)

Week 12: Women's work [Professor Nicol]

Required readings:

Bernstein, Elizabeth. 2007. *Temporarily Yours* (Chapter 4).

Parreñas, Rhacel. S. (2000). Migrant Filipina domestic workers and the international division of reproductive labor. *Gender & Society*, 14(4), 560-580.

Suggested readings:

Salzinger, Leslie. (2003). *Genders in production: Making workers in Mexico's global factories*. Univ of California Press. (chapter 2)

Anderson, Eizabeth. (1995). *Value in ethics and economics*. Harvard University Press. (chapter 8)

Movie: A 1-Jazeera Documentary (2016), Maid in Singapore + Ilo Ilo (2013)

Week 13: Overview [Professor Meder]

Required readings:

Satz, Debra (2010). *Why some things should not be for sale*. Oxford University Press. (Chapters 3 and 4)

Roth, Alvin (2007). Repugnance as a constraint on markets. *The Journal of Economic Perspectives*, 21(3), 37-58.

Suggested readings:

Sandel, Michael J. (2012). *What money can't buy: The moral limits of markets*. Macmillan. (Chapters 2 and 3).

Movie: The Godfather (1972)