

Master Syllabus

- I. College: Raj Soin College of Business
Department: Economics

- II. Course Information
Course Title: The Economics of State and Society
Course Abbreviation and Number: EC 2100
Course Credit Hours: 3
Course Cross Listing(s):
Check ("x") all applicable:
General Education Course Writing Intensive Course Service
Learning Course Laboratory Course Ohio TAG Course
Ohio Transfer Module Course Others (specify) (Honors)

- III. Course Information
Prerequisites: PHL 2100 with concurrency
Co-requisites:
Description:

This is a course about you, your fellow citizens, and the role of government in a free society. It is a course about the economics of government – in particular, its scope and the resulting consequences. You will be asked to consider powerful questions raised over the centuries by economic thinkers about the nature of the state, its relation to the individual, and the ethical consequences of government. As part of this journey you will learn how government decisions affect economic choices and outcomes, but only as a starting point to engage profound ethical questions. We will think about what the government is likely to do in a particular circumstance, and what it should do. The course is about questions rather than answers. In sum, you are all citizens of a democratic republic governed by law. It is important that you be prepared to participate in the conversation of such a society, and so this course uses the insights of economics to help you think through the kinds of questions such citizens should ask.

This course is a companion to Philosophy 2100, which explores the philosophical and ethical issues of the relation between state and citizen. Here, the immediate emphasis is on economics, but the links to the work you do in that course will be obvious.

IV. Student Learning Outcomes

The course contributes to achievement of the Wright State Core outcomes from Element 3. In particular, students will be able to:

- a. Critically describe some of the political, social or economic systems; historical, cultural or spiritual traditions; and/or technological innovations around the world
- b. Demonstrate an awareness of the diversity of people or traditions in our world in ways that promote effective engagement, both locally and globally

- c. Use political, social, economic, historical, cultural, spiritual or technological knowledge to evaluate contemporary issues

The course also contributes to achievement of the Wright State Core outcomes from Element 5. In particular, students will be able to:

- a. Critically apply knowledge of social science theory and methods of inquiry to personal decisions, current issues, or global concerns
- b. Explain and critique the methods of inquiry of social science disciplines
- c. Demonstrate an understanding of the ethical issues involved in the acquisition or application of social science knowledge
- d. Demonstrate, from a social science perspective, an understanding of the responsibilities of an informed and engaged citizen to the success of democratic society

V. Course Materials

There is a text, *Basic Economics* by Thomas Sowell. There are also other readings as noted below. These are required, and will be available through library course reserves.

VI. Method of Instruction – lecture, Socratic questioning, in-class discussion.

VII. Evaluation and Policy

In each unit, a key economic idea is developed. After the introductory unit, at least one case study is then used each unit to help students think through the ethical and economic consequences of using (or not using) government to address a particular problem. At first glance, these cases seem to be mostly about economics or dreary politics, but each one contains ethical problems, the resolution of which is essential for the people of a free society. For each of these cases, students will be required to write an analysis of these ethical and economic issues. They will be asked to consider whether the ethical issues in a particular problem are more complex than first appear, whether what economics has to say exhausts the possibilities for deciding on the right thing to do, and the extent to which a particular piece of economic reasoning is helpful or correct. Students will be evaluated via their performance on their write-ups of these particular problems, on their participation in class discussion, and on essay exams (a midterm and a final), where they will be asked to perform similar exercises in a more compressed timeframe.

VIII. Course schedule and outline

1. Introduction (week 1) – scarcity, the fundamental economic problem. The role of property rights when resources are scarce.

2. How markets decide; what prices do – a general framework (weeks 2-4). Supply and demand and the determination of prices when resources have competing uses. The ethics of pricing and business practices.

Case study – wartime famine.

Case study – a market for organs.

3. Market failures (weeks 5-6). Externalities and public goods.

Case study – public education.

4. The economics and ethics of social justice (weeks 7-9). Do people have a right to a minimum standard of living? What are the effects of state attempts to enable such a right?

Case study – Health care around the world.

Case study – Progressive taxation around the world.

Midterm exam

5. What does government maximize (weeks 10-11)? Political versus market competition. The economics of democracy. The economics of regulation.

Case study – Public Pensions.

Case study – Campaign finance.

Case Study – Climate Change

5. Equality, but of what (weeks 12-13)? Equality before the law, what it means, and what it might not. Some economics of human diversity, ethnic cooperation and conflict around the world.

Case study – Discrimination

Case study - affirmative action

6. Information – what states know, what markets know (week 14). The economics of dispersed information, and the incentives to make use of it. Are markets (especially financial markets) efficient, and if not what should be done about it?

Case study – the financial crisis.

Final exam