

ECON 480: Seminar in Microeconomics

Winter 2020

Philosophical Issues in Economics

This seminar seeks to examine the philosophical issues raised by standard economic analysis, as well as the nature of the discipline itself. The seminar will cover three broad areas.

First, what image of the human person emerges from standard economic premises? Does that comport with how people actually act, or, perhaps more provocatively, should act? Concepts such as rationality, scarcity and utility-maximization will be looked at. Are standard economic arguments for free exchanges rooted only in efficiency grounds, or is there also implied a certain desirable compatibility with human liberty?

Second, economics seeks to measure various phenomenon - an aspect of the discipline recently given a higher profile by the commercial success of Steven Levitt's *Freakonomics*, for example. Does the desire for quantitative results influence what economists choose to study? What is left out of the human picture by the need for measurement? Part of what is measured in economics is value. What is something worth? Only what a buyer is willing to pay to a willing seller? Is there inherent value in some things, or in people? How well does the subjective value principle work in other fields - aesthetics, academia, music, sports, philosophy? What might be the consequences for a culture that adopts the subjective value principle across society?

Third, what role does economics play in telling us about what constitutes the good life - for nations, or for individuals? For example, how do we measure development? Is it economic growth alone? If not, isn't economic growth at least the most important factor? What is added by the "capabilities" approach, or the work of say, Amartya Sen, in defining development as freedom? On the individual level, how does our standard economic model contribute to, or reward virtuous behaviour? Or does it? What about family life - can economics help understand what makes for successful families?

The first half of the course will consist of lectures and tutorials by the instructor. The lectures are intended to introduce students to the issues and to provide an example of how one might think about philosophical issues in economics. The second half of the course will be devoted to student seminar presentations and their discussion. Students will be graded on their major paper, seminar presentation and class participation.

Attendance in all classes, meetings and presentations is **mandatory**.