

Final Exam Review

PPE 101: Morality, Markets, and Government

Exam Format

The exam will be administered over Blackboard.

The structure of the final will be similar to the midterm:

- 20 multiple choice questions
- 5 short answer questions (3-4 sentences)
- 1 essay question (3-4 paragraphs)

The exam will be released on Monday. It is due by 4pm Friday.

The exam is open notes, but the answers should be your own.

Exam Review (part 1)

Individual Strategies vs. Collective Outcomes

Weak and Strict dominance

Common Knowledge

Pareto-dominance

Nash Equilibria

The State of Nature for Hobbes & Hume & Locke

Hobbes' argument justifying the authority of the sovereign

Locke's Argument for Property Rights:

Labor Mixing Argument,

Argument against consent,

Value Added Argument

Hume's Account of Property Rights

Hume's view of justice as convention

Lockean Proviso

Marx's critique of private property

Marx's Theory of Value

Marx's Theory of Exploitation

Tragedy of the Commons

Schmidtz's Argument in favor of Property

"Evolution of Trust" (in Game Theory) / Social norms

Smith's Division of Labor

Marx's Alienation Critique

Marx and Smith on what to do about the workers

Graeber on "Bullshit Jobs"

Hayek's Price as a Signal

Hayek's Argument against Government Interference

Smith on the Invisible Hand

Hayek on Spontaneous Orders

Segregation Model ("Parable of the Polygons")

Price Gouging

Questions?

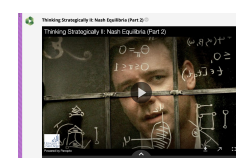
Prisoners' Dilemmas & Game Theory



Game Theory 1: Dominance & The Prisoner's Dilemma

Game Theory 4: Dominance & The Prisoner's Dilemma

		Them	
		A	B
You	A	0, 0	2, -1
	B	-1, 2	1, 1

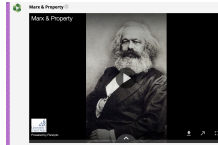
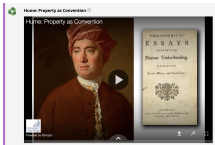


Theories of Property

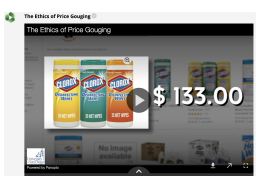
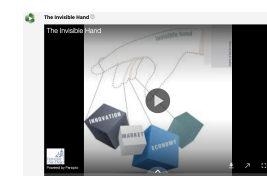
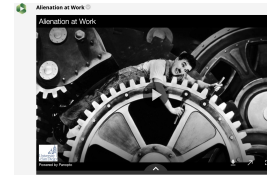


Activity: The Evolution of Trust

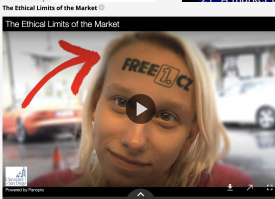
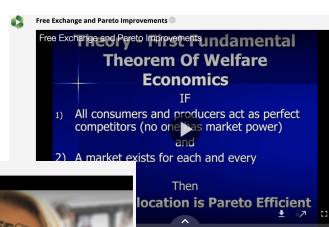
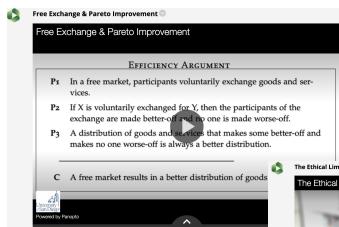
Here's a link to today's activity. Play around v



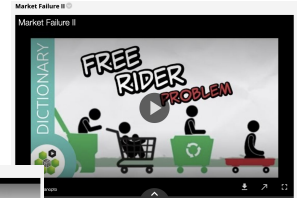
Markets



Markets, continued



Market Failures



The Fundamental Theorems of Welfare Economics

Pareto Improvement

Competitive market equilibrium

Ethical Limits of the Market

Satz's worry about noxious markets

Brennan & Jaworski's position (If you can do it for free, you can do it for money)

Market Failures

Public Goods

Non-excludable & non-rival

Free Rider vs Forced Rider problem

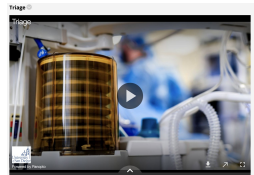
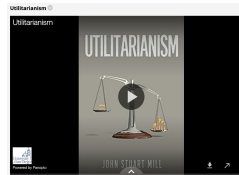
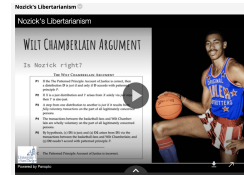
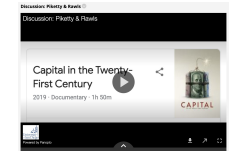
Informational asymmetries, Adverse Selection, and Death Spirals (Used Car Sales & Health Insurance Markets)

Information as a Public Good

Uncertainty & Medical Care (Obamacare's individual mandate)

Moral Hazards

Economic Justice



Distributive Justice

Rawls' Two Principles of Justice

Basic Liberties, Fair Equality of Opportunity, the Difference Principle

Original Position (Veil of Ignorance)

Nozick's Entitlement Theory of Justice in Holdings

Historical vs End-state & Patterned vs Non-patterned views of justice

Wilt Chamberlain Argument

Minimal State

Utilitarianism

Hedonism (pleasure/pain = well-being)

Mill's distinction between Higher & Lower Pleasures

Utilitarianism

Take the action that maximizes the net sum of overall well-being.

Hedonism:

Well-being = pleasure/pain

John Stuart Mill:

Higher vs Lower pleasures



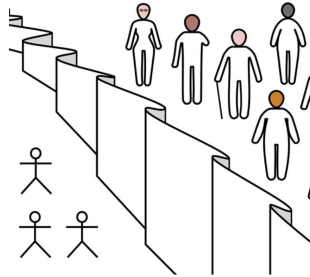
Rawls

Veil of Ignorance

Original Position

Two Principles of Justice

1. Basic Liberties
2. Difference Principle: Inequalities are only justified if they benefit the least advantaged and positions are open to all under a principle of fair equality of opportunity.



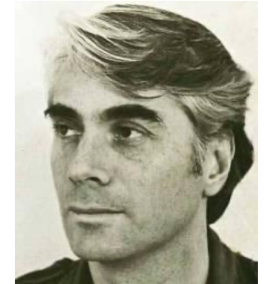
Nozick's Libertarianism

Argues against *patterned* principles of justice (Wilt Chamberlain Example)

Argues for *historical* (as opposed to *end-state*) principles.

The Entitlement Theory of Justice in Holdings:

- (1) Justice in Acquisition (Lockean Proviso)
- (2) Justice in Transfer
- (3) Repeated applications of (1) and (2)
- [(4) Principle of Rectification of Injustice]



Public Choice Theory

Introduction to Public Choice Theory

Production to Public Choice Theory

AN ECONOMIC THEORY OF DEMOCRACY

Anthony Downs

Political Disagreement & Rational Irrationality

Political Disagreement & Rational Irrationality

Rational Irrationality & Echo Chambers

Rational Irrationality & Echo Chambers

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Breaking News

It fact that support all your opinions!

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C. Thi Nguyen - The Gamification of Public Discourse

C. Thi Nguyen - The Gamification of Public Discourse

Duration: 40:36

User: n/a Added: 12/5/19

Watch Video

Is There a Moral Duty to Vote?

Zoom Meeting ID: 91436731301 • Host: Ryan Doody

2:21 PM • Recording Start: 11/04/2020 @ 2:21 PM

Settings Share Edit Stats

Public Choice Theory

Voters as economic agents

Politicians as economic agents

Persuasion

Ideology

The Median Voter Theorem

Is it rational to vote?

Polarization

Epistemic Bubbles vs Echo Chambers

Is there a moral duty to vote?

Voting as an expressive act

Public Choice Theory

Applying an economic model of rational self-interest to politics under less than full information.

Not all voters matter equally--some play a bigger role in persuading others

Median voter theorem

The rational uninformed voter



Public Choice Theory

Voters as economic agents

Politicians as economic agents

Persuasion

Ideology

The Median Voter Theorem

Is it rational to vote?

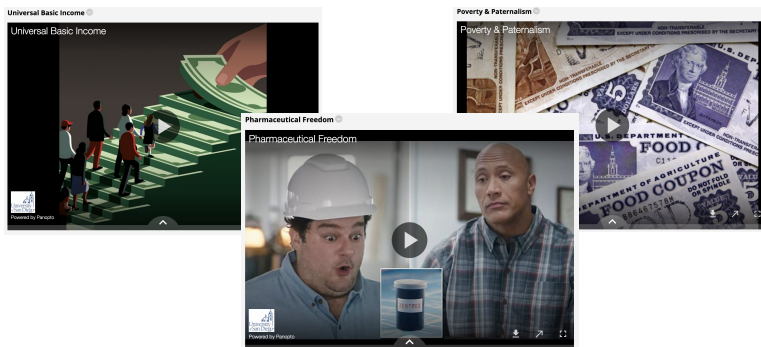
Polarization

Epistemic Bubbles vs Echo Chambers

Is there a moral duty to vote?

Voting as an expressive act

Paternalism



Paternalism

UBI

Welfare cliffs

Poverty Traps

Esther Duflo's view on Paternalism

Negative vs Positive Freedom

Jessica Flanigan's Pharmaceutical Freedom

The right to refuse care vs the right to self-medicate

Universal Basic Income

A government grant paid at regular intervals, which is:

- (1) not work-tested,
- (2) not means-tested,
- (3) irrespective of household
- (4) irrespective of location

Pros: efficient, lower admin costs, avoids poverty trap, non- paternalistic

Cons: unfair, wasteful, discourages work



Paternalism & Poverty

Paternalism: an action or policy that interferes with a person's freedom for that person's own good.

Duflo's Argument for Paternalism:

The poor must make choices about basic life-or-death decisions whereas others have those decisions made for them.

In virtue of having to make so many choices, the poor are less free to make choices that promote their own good.

So, making those choices for the poor is a way of expanding their freedom, not limiting it.

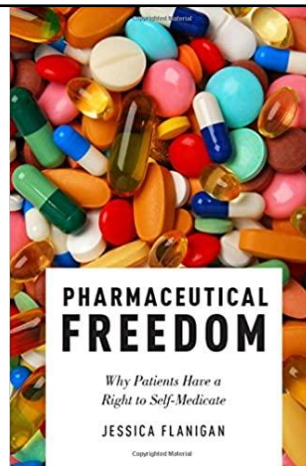
Pharmaceutical Freedom

Patients have a right to *self-medicate*.

Argument:

If you have the right to refuse treatment (against expert advice), you have right to self-medicate.
We do have the right to refuse treatment.
So, we have the right to self-medicate.

Support better health outcomes (on balance),
Better overall outcomes (because people know their own interests), non-paternalistic.



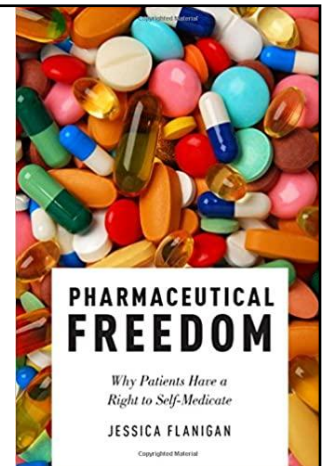
Pharmaceutical Freedom

Patients have a right to *self-medicate*.

Argument:

If you have the right to refuse treatment (against expert advice), you have right to self-medicate.
We do have the right to refuse treatment.
So, we have the right to self-medicate.

Not: Anything goes!
(e.g., antibiotics affect others)



PPE Minor

Website:

<https://www.sandiego.edu/cas/philosophy-politics-economics/>

If you enjoyed this class, consider pursuing the PPE minor!

UNIVERSITY OF SAN DIEGO / PHILOSOPHY, POLITICS AND ECONOMICS MINOR



Philosophy, Politics and Economics

About the Minor

Philosophy, politics and economics (PPE) is an interdisciplinary field of inquiry that originated at Oxford University almost a hundred years ago. PPE aims to provide students with the intellectual tools necessary to understand the big ideas behind our most important social questions. Many of these questions have to do with how we think about environmental regulation and social welfare policy—two inherently interdisciplinary. As a minor, they involve economic questions about the way in which markets work or fail to work in certain contexts, philosophical questions about the nature of fairness, liberty and equality and political questions about the meaning of various forms of regulatory control. PPE helps students to think critically about these questions and thus prepares them well for careers in a variety of fields such as law, public policy, journalism, academia and government.

Program

The PPE minor has four pathways, each of which has between 18 and 27 required units. Students in each pathway must complete a set of 4-6 foundational courses (listed below), as well as 6 units of electives and a Capstone course. See the course catalog for more details.

Pathway 1: Philosophy Majors (16 units)

Foundational Requirements (9 units)

- 1. **PHIL 100** - Introduction to Philosophy
- 2. **PHIL 101** - Introduction to Ethics
- 3. **PHIL 102** - Introduction to Logic
- 4. **PHIL 103** - Introduction to Political Philosophy
- 5. **PHIL 104** - Introduction to Economic Philosophy
- 6. **PHIL 105** - Introduction to Environmental Philosophy
- 7. **PHIL 106** - Introduction to Social Philosophy
- 8. **PHIL 107** - Introduction to Law and Philosophy
- 9. **PHIL 108** - Introduction to Public Policy and Philosophy

Elective Requirements (7 units)

- 1. **PHIL 109** - Introduction to Philosophy
- 2. **PHIL 110** - Introduction to Ethics
- 3. **PHIL 111** - Introduction to Logic
- 4. **PHIL 112** - Introduction to Political Philosophy
- 5. **PHIL 113** - Introduction to Economic Philosophy
- 6. **PHIL 114** - Introduction to Environmental Philosophy
- 7. **PHIL 115** - Introduction to Social Philosophy

Capstone Requirement (1 unit)

- 1. **PHIL 116** - Introduction to Philosophy

Pathway 2: Economics Majors (18 units)

Foundational Requirements (9 units)

- 1. **ECON 100** - Principles of Microeconomics
- 2. **ECON 101** - Principles of Macroeconomics
- 3. **ECON 102** - Introduction to International Trade
- 4. **ECON 103** - Introduction to Development Economics
- 5. **ECON 104** - Introduction to Environmental Economics
- 6. **ECON 105** - Introduction to Health Economics
- 7. **ECON 106** - Introduction to Labor Economics
- 8. **ECON 107** - Introduction to Public Policy and Economics
- 9. **ECON 108** - Introduction to Law and Economics

Elective Requirements (9 units)

- 1. **ECON 109** - Introduction to Philosophy
- 2. **ECON 110** - Introduction to Ethics
- 3. **ECON 111** - Introduction to Logic
- 4. **ECON 112** - Introduction to Political Philosophy
- 5. **ECON 113** - Introduction to Economic Philosophy
- 6. **ECON 114** - Introduction to Environmental Philosophy
- 7. **ECON 115** - Introduction to Social Philosophy
- 8. **ECON 116** - Introduction to Law and Economics
- 9. **ECON 117** - Introduction to Public Policy and Economics

Capstone Requirement (1 unit)

- 1. **ECON 118** - Introduction to Economics

Pathway 3: Political Science Majors (18 units)

Foundational Requirements (9 units)

- 1. **POL 100** - Introduction to Political Science
- 2. **POL 101** - Introduction to American Politics
- 3. **POL 102** - Introduction to Comparative Politics
- 4. **POL 103** - Introduction to International Relations
- 5. **POL 104** - Introduction to Environmental Politics
- 6. **POL 105** - Introduction to Health Politics
- 7. **POL 106** - Introduction to Labor Politics
- 8. **POL 107** - Introduction to Public Policy and Politics
- 9. **POL 108** - Introduction to Law and Politics

Elective Requirements (9 units)

- 1. **POL 109** - Introduction to Philosophy
- 2. **POL 110** - Introduction to Ethics
- 3. **POL 111** - Introduction to Logic
- 4. **POL 112** - Introduction to Political Philosophy
- 5. **POL 113** - Introduction to Economic Philosophy
- 6. **POL 114** - Introduction to Environmental Philosophy
- 7. **POL 115** - Introduction to Social Philosophy
- 8. **POL 116** - Introduction to Law and Politics
- 9. **POL 117** - Introduction to Public Policy and Politics

Capstone Requirement (1 unit)

- 1. **POL 118** - Introduction to Political Science

Pathway 4: Business Majors (18 units)

Foundational Requirements (9 units)

- 1. **BUS 100** - Introduction to Business
- 2. **BUS 101** - Introduction to Management
- 3. **BUS 102** - Introduction to Marketing
- 4. **BUS 103** - Introduction to Finance
- 5. **BUS 104** - Introduction to Operations
- 6. **BUS 105** - Introduction to International Business
- 7. **BUS 106** - Introduction to Environmental Business
- 8. **BUS 107** - Introduction to Health Business
- 9. **BUS 108** - Introduction to Labor Business

Elective Requirements (9 units)

- 1. **BUS 109** - Introduction to Philosophy
- 2. **BUS 110** - Introduction to Ethics
- 3. **BUS 111** - Introduction to Logic
- 4. **BUS 112** - Introduction to Political Philosophy
- 5. **BUS 113** - Introduction to Economic Philosophy
- 6. **BUS 114** - Introduction to Environmental Philosophy
- 7. **BUS 115** - Introduction to Social Philosophy
- 8. **BUS 116** - Introduction to Law and Business
- 9. **BUS 117** - Introduction to Public Policy and Business

Capstone Requirement (1 unit)

- 1. **BUS 118** - Introduction to Business

For More Information

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Director, Philosophy, Politics and Economics Program
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University of San Diego

Questions?

	Person A	Person B	Person C	Person D	Person E
Society 1	5	5	5	5	5
Society 2	10	7	6	8	7
Society 3	11	8	5	9	8
Society 4	0	1	4	22	16