



# Seminar “SoCoLab”, Summer Term 2012

Prof. Dr. K.J. Bernhard Neumärker; Stephan Wolf, M.A.

## **1. General Information**

### **1.1 Organizational Form**

This seminar deviates in its organization significantly from “usual seminars” offered by most departments. Unlike there, where students are requested to read and present papers, this seminar will combine both group work involving all students, and elements of presentation by Prof. Neumärker and Stephan Wolf, during which students are strongly invited to involve themselves in discussion.

### **1.2 Sessions and Experiment**

The seminar comprises 8 weekly meetings plus one whole day experiment with student participation. In the first 6 sessions, the theoretical foundations are laid, and after the experiment, 2 sessions with critical discussion follow (see 3.)

### **1.3 Assignments**

To prepare for the sessions, students are obliged to study the provided readings (to be found on CampusOnline). Additionally, before each session students are obliged to complete an assignment. Each assignment comprises several questions on the topics and contents of the mandatory readings and has to be handed in latest at the beginning of the respective session. The purpose of these assignments is not to make the seminar look like high-school, but it is indispensable for a successful experiment session and well-informed in-class discussions that all students have a sufficient knowledge level.

### **1.4 Presence and Participation in Class**

A second component of the seminar and hence of the grade is active participation in class discussions, especially during the presentations by Prof. Neumärker and Stephan Wolf. The participants are obliged to attend all sessions.

## 1.5 Seminar Paper

The last element of assessment is a seminar paper on one of the topics of the seminar. In the paper, the students should go beyond a simple summary of the provided literature; they are expected to critically reflect on one of the issues/aspects tackled in the seminar. The paper formalities and more specific information on the content of the text are provided to all participants.

## 1.6 Assessment

The overall grade is the weighted sum of all three above elements with the following weights:

Seminar Paper: 40%

Assignments: 40%

Class Participation: 20%

Students will receive 6 ECTS credit points upon successful completion of the seminar. The Seminar can be recognized as “Topics in the Economics of Social Justice” for students enrolled in the “M.Sc. Economics” or “M.Sc. VWL” program.

## 1.7 Registration

For registration, students are requested to send an e-mail to [stephan.wolf@vwl.uni-freiburg.de](mailto:stephan.wolf@vwl.uni-freiburg.de) no later than February 28. The mail must include a 300 to 500 words statement of motivation to be attached as pdf file. Additionally needed information: surname, name, matriculation code, course of study, semester.

## 2. Content

As shown in the below table, the first part comprises the theoretical foundations, which contain three subareas:

- 1) Justice in general, distributional justice as one part of justice theory, the economic approach to distributive justice.
- 2) Endogenous theories of distributive justice, social contract theory, and constitutional economics; Rawlsian and Utilitarian theory as specific approaches to distributive justice.
- 3) Introduction to Experimental Economics and to the Frohlich/Oppenheimer experiment, which was conducted as an empirical test for Rawlsian and Utilitarian theory.

On June 16, the students will participate in an experiment which is organized like the one conducted by Frohlich/Oppenheimer.

The last sessions are dedicated to critical reflections a) on how far experiments are useful for economics and for the derivation of normative theories of justice, and b) on the limits and problems of social contract theory.

Students must write their paper on one of the three theoretical parts, using arguments developed in the last two sessions and their own ones. For example, a student may write about what are the pros and cons of using experiments in normative theory, or what are the pro and con arguments concerning the contractarian paradigm.

### 3. Topics and Readings List

Ses.	Date/Place	Topic	Readings
1	Wed, May 9 14.15-15.45 HS 1009	Introduction to the Seminar (Organization, Structure, Content, Assignments, Grading)	<b>1. Buchanan</b> , Allan; <b>Mathieu</b> , Deborah (1986). "Chapter 2: Philosophy and Justice". In: Cohan, Ronald L. (ed.). <i>Justice. Views from the Social Sciences</i> . Plenum Press, New York.
2	Wed, May 16 14.15-15.45 HS 1009	Justice and Economics, Economic Theories of Justice	<b>2a. Worland</b> , Stephen T. (1986). "Chapter 3: Economics and Justice". In: Cohan, Ronald L. (ed.). <i>Justice. Views from the Social Sciences</i> . Plenum Press, New York.  <b>2b. Schotter</b> , Andrew (1990). "Chapter 7. Blame Free Justice". In: <i>Free Market Economics</i> . Cambridge University Press. Pp. 121-24.
3	Wed, May 23 14.15-15.45 HS 1009	Constitutional Economics and Social Contract Theory	<b>3a. Buchanan</b> , James M. (1985). "Chapter 2. The Contractarian Vision." In: <i>The Reason of Rules: Constitutional Political Economy</i> . [ <a href="http://oll.libertyfund.org">http:// oll.libertyfund.org</a> ]  <b>3b. Vanberg</b> , Viktor (2002). "Democracy, Citizen Sovereignty and Constitutional Economics" In: <i>Constitutional Political Economy</i> , Vol. 11:1. Pp. 87-112.  <b>3c. Sandel</b> , Michael (1982). "Chapter 3. Contract Theory and Justification." In: <i>Liberalism and the Limits to Justice</i> . Cambridge University Press. Pp. 104-32.  <i>Not mandatory, but helpful:</i>  <b>3d. Wolf</b> , Stephan (2010). <i>An Intergenerational Social Contract for Common Resource Usage: A Reality-Check for Harsanyi and Rawls</i> . Constitutional Economics Working Paper. Pp. 1-9.
4	Wed, June 6 14.15-15.45 HS 1009	Rawls and His Critics	<b>4a. Rawls</b> , John (1971). <i>A Theory of Justice</i> . Harvard University Press, Cambridge. Chapters 1 to 4, pp. 3-22.  <b>4b. Harsanyi</b> , John (1975). "Can the Maximin Principle Serve as a Basis for Morality? A Critique of John Rawls's Theory." In: <i>The American Political Science Review</i> , Vol. 69(2), pp. 594-606.  <b>4c. Nozick</b> , Robert (1974). <i>Anarchy, State, and Utopia</i> . Basil Blackwell, Oxford. Pp. 10-25, 149-183.  <i>Not mandatory, but helpful:</i>  <b>4d. Mueller</b> , Dennis (2003). "Chapter 25. The Just Social Contract." In: <i>Public Choice III</i> . Cambridge University Press. Pp. 597-614.  <b>4e. Kukathas</b> , Chandra; <b>Pettit</b> , Philip (1990). "Chapter 1. A New Departure.", "Chapter 2. A Contractarian Theory.", and "Chapter 5. The Libertarian Critique." In: <i>Rawls. A Theory of Justice and its Critics</i> . Polity Press, Cambridge. PP. 1-16, 17-35, 74-91.

5	Wed, June 13 14.15-15.45 HS 1009	Introduction to Experimental Economics	<p><b>5a. Croson</b>, Rachel; <b>Gächter</b>, Simon (2010). "The science of experimental economics." In: <i>Journal of Economic Behavior &amp; Organization</i>, Vol. 73, pp. 122-31.</p> <p><b>5b. Sudgen</b>, Robert (2008). "The Changing Relationship between Theory and Experiment in Economics". In: <i>Philosophy of Science</i>, Vol. 75. Pp. 621-32.</p> <p><i>Not mandatory, but helpful:</i></p> <p><b>5c. Binmore</b>, Ken (1999). "Why Experiment in Economics." In: <i>The Economic Journal</i>, Vol. 109, pp. 16-24.</p> <p><b>5d. Smith</b>, Vernon L. (1994). "Economics in the Laboratory." In: <i>The Journal of Economic Perspectives</i>, Vol 8 (1), pp. 113-31 (here: 113-118).</p>
6	Wed, June 20 14.15-15.45 HS 1009	The Frohlich / Oppenheimer Experiment	<b>6. Frohlich</b> , Norman; <b>Oppenheimer</b> , Joe A. (1992). <i>Choosing Justice. An Experimental Approach to Ethical Theory</i> . University of California Press, Berkeley. Pp. 1-51.
7	Sat, June 23 CIP Pool KG II or HS 1140 10.00-16.00	Experiment	<i>None.</i>
8	Wed, June 27 14.15-15.45 HS 1009	Critical View on the Experiment	<i>None.</i>
9	Wed, July 4 14.15-15.45 HS 1009	Criticizing Social Contract Theory	<p><b>9a. Sen</b>, Amartya (2009). <i>The Idea of Justice</i>. Harvard UP. Pp 62-71.</p> <p><b>9b. Müller</b>, Christian (2002). "The Methodology of Contractarianism in Economics." In: <i>Public Choice</i>, Vol. 113:3/4. Pp. 465-83.</p> <p><b>9c. Olson</b>, Mancur (2000). <i>Power and Prosperity</i>. Basic Books, New York. Pp. 1-43.</p>