



# Seminar “SoCoLab”, Winter Term 2010/2011

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## **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. To prepare for the sessions, students are obliged to read the provided reading (to be found on CampusOnline).

### **1.3. Assignments**

After each session, students are obliged to complete an assignment. Each assignment comprises several questions on the topics and contents of the past session and has to be handed in latest at the beginning of the following session (e.g. the assignment on session 3 has to be finished and handed in latest until the beginning of session 4). The purpose of these assignments is not to make the seminar look like high-school, but it is indispensable for a successful experiment session that all students have a certain minimum, optimally identical 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. Critical Report

The last element of assessment is a critical report on one of the topics of the seminar (see also “Content” for further information). The concerning formalities will be announced. Remark: The report **is not** a seminar paper, but a shorter document focusing on students’ critical perspective.

## 1.6. Assessment

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

Report: 40%

Assignments: 40%

Class Participation: 20%

You will receive 4 ECTS credit points upon successful completion of the seminar.

## 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 January 22, 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 critical report 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	Topic	Readings
1	Tue, Nov 9	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	Tue, Nov 16	Justice and Economics, Economic Theory 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	Tue, Nov 23	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> , 31/10/2010] <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 (unpublished). <i>An Intergenerational Social Contract for Common Resource Usage: A Reality-Check for Harsanyi and Rawls</i> . Unpublished Working Paper presented on the International Society for Ecological Economics Conference in Oldenburg, August 2010. Pp. 1-9.
4	Tue, Nov 30	Rawls and His Critics	<b>4a. Mueller</b> , Dennis (2003). "Chapter 25. The Just Social Contract." In: <i>Public Choice III</i> . Cambridge University Press. Pp. 597-614. <b>4b. Rawls</b> , John (1971). <i>A Theory of Justice</i> . Harvard University Press, Cambridge. Chapters 1 to 4, pp. 3-22. <b>4c. 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>4d. Kukathas</b> , Chandra; <b>Pettit</b> , Philip (1990). "Chapter 5. The Libertarian Critique." In: <i>Rawls. A Theory of Justice and its Critics</i> . Polity Press, Cambridge. Pp. 74-91. <i>Not mandatory, but helpful:</i> <b>4e. Kukathas</b> , Chandra; <b>Pettit</b> , Philip (1990). "Chapter 1. A New Departure." and "Chapter 2. A Contractarian Theory." In: <i>Rawls. A Theory of Justice and its Critics</i> . Polity Press, Cambridge.
5	Tue, Dec 7	Introduction to Experimental Economics	<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.

**5b. Sudgen**, Robert (2008). "The Changing Relationship between Theory and Experiment in Economics". In: *Philosophy of Science*, Vol. 75. Pp. 621-32.

*Not mandatory, but helpful:*

**5c. Binmore**, Ken (1999). "Why Experiment in Economics." In: *The Economic Journal*, Vol. 109, pp. 16-24.

**5d. Smith**, Vernon L. (1994). "Economics in the Laboratory." In: *The Journal of Economic Perspectives*, Vol 8 (1), pp. 113-31 (here: 113-118).

6	Tue, Dec 14	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, Jan 22	Experiment	None.
8	Tue, Jan 25	Critical View on the Experiment	None.
9	Tue, Feb 1	Criticizing Social Contract Theory	<b>9. Müller</b> , Christian (2002). "The Methodology of Contractarianism in Economics." In: <i>Public Choice</i> , Vol. 113:3/4. Pp. 465-83.