

Economic Analysis Moral Philosophy And Public Policy

Schultz argues that markets are not moral-free zones, and that achieving the economic common good does indeed require morality.

Economics and ethics are both valuable tools for analyzing the behavior and actions of human beings and institutions. Adam Smith, the father of modern economics, considered them two sides of the same coin, but since economics was formalized and mathematicised in the late 1800s and early 1900s, the fields have largely followed separate paths. The Oxford Handbook of Ethics and Economics provides a timely and thorough survey of the various ways ethics can, does, and should inform economic theory and practice. The first part of the book, Foundations, explores how the most prominent schools of moral philosophy relate to economics; asks how morals relevant to economic behavior may have evolved; and explains how various approaches to economics incorporate ethics into their work. The second part, Applications, looks at the ethics of commerce, finance, and markets; uncovers the moral dilemmas involved with making decisions regarding social welfare, risk, and harm to others; and explores how ethics is relevant to major topics within economics, such as health care and the environment. With esteemed contributors from economics and philosophy, The Oxford Handbook of Ethics and Economics is a resource for scholars in both disciplines and those in related fields. It highlights the close relationship between ethics and economics in the past while and lays a foundation for further integration going forward.

An updated and expanded edition of the classic introduction to PPE—philosophy, politics, and economics—coauthored by one of the field's pioneers Philosophy, Politics, and Economics offers a complete introduction to the fundamental tools and concepts of analysis that PPE students need to study social and political issues. This fully updated and expanded edition examines the core methodologies of rational choice, strategic analysis, norms, and collective choice that serve as the bedrocks of political philosophy and the social sciences. The textbook is ideal for advanced undergraduates, graduate students, and nonspecialists looking to familiarize themselves with PPE's approaches. Starting with individual choice, the book develops an account of rationality to introduce readers to decision theory, utility theory, and concepts of welfare economics and consumer choice theory. It moves to strategic choice in game theory to explore such issues as bargaining theory, repeated games, and evolutionary game theory. The text also considers how social norms can be understood, observed, and measured. Concluding chapters address collective choice, social choice theory and democracy, and public choice theory's connections to voters, representatives, and institutions. Rigorous and comprehensive, Philosophy, Politics, and Economics continues to be an essential text for this popular and burgeoning field. The only book that covers the entirety of PPE methods A rigorous, nontechnical introduction to decision theory, game theory, and positive political theory A philosophical introduction to rational choice theory in the social sciences In Valuing Health Daniel M. Hausman provides a philosophically sophisticated overview of generic health measurement that suggests improvements in standard methods and proposes a radical alternative. He shows how to avoid relying on surveys and instead evaluate health states directly. Hausman goes on to tackle the deep problems of evaluation, offering an account of fundamental evaluation that does not presuppose the assignment of values to the properties and consequences of alternatives. After discussing the purposes of generic health measurement, Hausman defends a naturalistic concept of health and its relations to measures such as quality-adjusted life-years (QALYs) and disability-adjusted life years (DALYs). In examining current health-measurement systems, Valuing Health clarifies their value commitments and the objections to relying on preference surveys to assign values to health states. Relying on an interpretation of liberal political philosophy, Hausman argues that the public value of health states should be understood in terms of the activity limits and suffering that health states impose. Hausman also addresses the moral conundrums that arise when policy-makers attempt to employ the values of health states to estimate the health benefits of alternative policies and to adopt the most cost-effective. He concludes with a general discussion of the difficulties of combining consequentialist and non-consequentialist moral considerations in policy-making.

The world has seen several financial and economic crises in the past few years. Psychological, ethical and philosophical levels of causal analysis have been discussed, and in this context, an interest in classical thinkers has emerged. The work of Aristotle has influenced writers from Marx and Menger to Amartya Sen. This book introduces us to Aristotle's thought on 'the economic' and on its influences on economists. First, it focuses on Aristotle's ideas, situating Aristotle in his historical context, describing his positions on the economic and analysing what kind of reality the economic is, its relation with ethics and with politics. Then, it determines what kind of science is concerned with the economic. Later, it analyses related topics and shows the influence of Aristotle's ideas on contemporary economists. It concludes by highlighting the Aristotelian contributions to today's economy. This scholarly volume offers important new insights into the Aristotelian approach to the economy itself, as well as to the idea of economics as a science, bringing Aristotle's views to bear on the modern economy.

More than any previous single book, this volume is a comprehensive overview of the work of James M. Buchanan, 1986 Nobel Laureate in economic science. The twenty-six contributions in it are particularly informative of Buchanan's work from the early 1950s to the mid-1980s.

Ethics Out of Economics is the collected essays of John Broome on economics and ethical theory.

This book offers a comprehensive overview of the structure, strategy and methods of assessment of orthodox theoretical economics.

Should we pay children to read books or to get good grades? Should we allow corporations to pay for the right to pollute the atmosphere? Is it ethical to pay people to test risky new drugs or to donate their organs? What about hiring mercenaries to fight our wars? Auctioning admission to elite universities? Selling citizenship to immigrants willing to pay? In What Money Can't Buy, Michael J. Sandel takes on one of the biggest ethical questions of our time: Is there something wrong with a world in which everything is for sale? If so, how can we prevent market values from reaching into spheres of life where they don't belong? What are the moral limits of markets? In recent decades, market values have crowded out nonmarket norms in almost every aspect of life—medicine, education, government, law, art, sports, even family life and personal relations. Without quite realizing it, Sandel argues, we have drifted from having a market economy to being a market society. Is this where we want to be? In his New York Times bestseller Justice, Sandel showed himself to be a master at illuminating, with clarity and verve, the hard moral questions we confront in our everyday lives. Now, in What Money Can't Buy, he provokes an essential discussion that we, in our market-driven age, need to have: What is the proper role of markets in a democratic society—and how can we protect the moral and civic goods that markets don't honor and that money can't buy?

This is the sixth edition of a textbook that has been instrumental in introducing a generation of students to the history of economic thought. It charts the development of economics from its establishment as an analytical discipline in the eighteenth century through to the late twentieth century. The book discusses the work of, amongst others: Ricardo, Malthus, Marx, Walras, Marshall and Keynes as well as the institutionalists, the Chicago School and the emergence of econometrics. This edition has been fully revised and updated and includes: * chronologies of the key dates in the development of economics * extracts from original texts * an examination of how the study of the history of economic thought impinges upon modern thinking.

Free trade enjoys an intellectual status unrivaled by any other doctrine in the field of economics. A professor of economics explains how free trade achieved this position and has endured

against the tide of abundant criticisms and theoretical challenges from Adam Smith's day through the present. "Full of new insights and unexpected delights. . . . A work that is not only interesting and inspiring but of great practical use".--Paul Krugman, "Journal of Economic Literature". 14 photos. Copyright © Libri GmbH. All rights reserved.

Adam Smith and the Philosophy of Law and Economics is a unique book. Malloy and Evensky bring together a team of international and interdisciplinary scholars to address the work of Adam Smith as it relates to law and economics. In addition to their own contributions, the book includes works by Dr. John W. Cairns of the University of Edinburgh, Dr. J. Ralph Lindgren of Lehigh University, Professor Kenneth A.B. Mackinnon of the University of Waikato, and the Honorable Richard A. Posner of the United States Circuit Court of Appeals. Together these authors bring expertise from the areas of law, philosophy, history, economics, and law and economics to a new study of Adam Smith and his work. Part One of the book presents new and important observations on Smith's views on community, ethics, the court system, criminal law, and delictual or tort law liability. In this part of the book Smith's work is also examined from the perspective of his use as persuasive authority in the works of modern legal economists. In Part Two the 'living Smith' is explored by way of a debate between two major contributors in the field of law and economics. The debate and its analysis create a unique and contemporary opportunity to study Smith as a foundational source in the midst of a current academic and social policy dispute. The understanding of Adam Smith that emerges from this book is new and complex. It will challenge the one-dimensional portrayals of Smith as a promoter of self-interest and it will correct many of the misinterpretations of Smith that are currently fashionable in the worlds of law and economics and the philosophy of law.

Undergraduate economics students begin and end their study of economics with the simple claim that economics is value free. Only in a policy role will values and beliefs enter into economic work; there can be little meaningful dialogue by economists about such personal views and opinions. This view, now well over 200 years old, has been challenged by heterodox thinkers in economics, and philosophers and social scientists outside the discipline all along the way. However, much of the debate in modern times has been narrowly focused on philosophical methodological issues on one hand or theological/sectarian concerns on the other. None of this filters down to the typical undergraduate even in advanced courses on the history of economic thought. This book presents the notion that economic thinking cannot escape value judgments at any level and that this understanding has been the dominant view throughout most of history. It shows how, from ancient times, people who thought about economic matters integrated moral reflection into their thinking. Reflecting on the Enlightenment and the birth of economics as a science, Halteman and Noell illustrate the process by which values and beliefs were excluded from economics proper. They also appraise the reader with relevant developments over the last half-century which offer promise of re-integrating moral reflection in economic research. With the advent of interdependency concepts and game theory, behavioral economics and the infusion of other social sciences, especially psychology, into economic considerations, the door is once again open to moral reflection. It is a sensitive subject that can be divisive for many and there is little if any assessable literature on the topic at the undergraduate level. One way to approach the subject is to follow the path of the great thinkers of the past and observe how they worked through economic issues from a set of values that was foundational to their thinking. This places moral thinking in a context illuminating the complexity and importance of moral reflection and illustrating its impact on the culture of the times. *Reckoning with Markets* follows this method with a deliberate effort to cast the material in terms that will engage the undergraduate student. A number of vignettes which apply the perspectives of key figures in the history of economic thought to modern values and policy questions are provided.

An anthology of works on the philosophy of economics, including classic texts and essays exploring specific branches and schools of economics. Completely revamped, this edition contains new selections, a revised introduction and a bibliography. The volume contains 26 chapters organized into five parts: (I) Classic Discussions, (II) Positivist and Popperian Views, (III) Ideology and Normative Economics, (IV) Branches and Schools of Economics and Their Methodological Problems and (V) New Directions in Economic Methodology. It includes crucial historical contributions by figures such as Mill, Marx, Weber, Robbins, Knight, and Veblen and works by most of the leading contemporary figures writing on economic methodology, including five Nobel Laureates in Economics.

By what criteria should public policy be evaluated? Fairness and justice? Or the welfare of individuals? Debate over this fundamental question has spanned the ages. Fairness versus Welfare poses a bold challenge to contemporary moral philosophy by showing that most moral principles conflict more sharply with welfare than is generally recognized. Fairness versus Welfare has profound implications for the theory and practice of policy analysis and has already generated considerable debate in academia.

Discusses how standard economics may be improved by an understanding of moral philosophy.

This book shows how careful attention to moral reasoning can enrich economic understanding and clarify the importance and the limits of an economic analysis of policy problems.

In *Ethics in Economics*, Jonathan B. Wight provides an overview of the role that ethical considerations play in economic debates. Whereas much of the field tends to focus on welfare outcomes, Wight calls for a deeper examination of the origin and evolution of our moral norms. He argues that economic life relies on three interrelated ethical systems: outcome-based, duty- and rule-based, and virtue-based. Integrating contemporary theoretical and applied research on ethics within a historical framework, Wight provides a thorough and accessible outline of all three schools, explaining how they fit or contrast with the economic welfare model. The book then uses these conceptual underpinnings to examine a range of contemporary topics, such as the 2008 financial crisis, the moral limits to markets, the findings of experimental economics, and the nature of economic justice. Wight's analysis is guided by the innovative concept of ethical pluralism—the recognition that each system has appropriate applications, and that no one prevails. He makes the case that considering a wider moral framework, rather than concentrating on utility maximization, can lead to a richer understanding of human behavior and better policy decisions. An incisive overview in a blossoming area of interest within Economics, this book is ideal for undergraduates or uninitiated readers who seek an introduction to this topic.

Economic Analysis, Moral Philosophy, and Public Policy Cambridge University Press

In *Why Some Things Should Not Be for Sale*, philosopher Debra Satz takes a penetrating look at those commodity exchanges that strike most of us as problematic.

. . . Roth's book is useful and valuable. Using modern secular thought as his starting point, he reaches roughly the same conclusions that one would reach reasoning from the older Christian tradition. There is certainly much to like about that effort. Paul A. Cleveland, *Markets & Morality* This book is one of the best discussions of welfare economics since Murray Rothbard's classic paper of 1956 *Toward a Reconstruction of Utility and Welfare Economics*. David Gordon, *The Mises Review* Timothy Roth shows that social welfare theory, as currently defended by welfare economists and policymakers, is based on a confused and untenable moral theory, is incompatible with a rights-based legal order and is bound to promote unjust and arbitrary redistributions. By advocating a return to the Kantian conception of the moral agent, Roth shows the way to a normative economics that harmonizes with both intuitive morality and the American legal and constitutional tradition. Roger Scruton, *Writer and Philosopher*, formerly University Professor and Professor of Philosophy at Boston University, US The moral imperative of individual autonomy, embodied in the Kantian Rawlsian perspective on social order, cannot be reconciled with the utilitarian presuppositions that inform normative applications of modern economics. This book exposes the contradictions that are present when the basic philosophical foundations are ignored, a stance that is, unfortunately, characteristic of much modern discourse as well as political practice. James M. Buchanan, *George Mason University, US* and a Nobel Laureate At a time when technical economics dominates the thinking of much of the profession, it is important to be reminded that economics has roots in moral philosophy. Certainly this book, which deftly explores the ethical prior commitments underlying economic analysis, succeeds in bringing philosophical issues to the forefront. But it does more. Roth's closely reasoned study provides a clear exposition of the Kantian Rawlsian approach to public policy, and thus is able to establish a convincing critique of orthodox welfare theory. In general, the book offers a valuable change of perspective on social questions. Eirik G. Furubotn, *Texas A&M University, US* Because it is technically flawed and morally bankrupt, the author argues, the economist's consequence-based, procedurally detached theory of the state has contributed to the growth of government. As part of the Kantian Rawlsian contractarian project, this book seeks to return economics to its foundations in moral philosophy. Given the moral equivalence of persons, the greatest possible equal participation must be promoted, persons must be impartially treated and, because it is grounded in consequentialist social welfare theory (SWT), the economist's theory of the state must be rejected. Ad hoc deployment of SWT has facilitated discriminatory rent seeking and contributed to larger government. In contrast, this book argues that equal political participation and a constitutional impartiality constraint minimize rent seeking, respect individual perceptions of the public good and underwrite the legitimacy of government. Economists, moral philosophers and political scientists will find this book a unique contribution to the literature.

This book is about preferences, principally as they figure in economics. It also explores their uses in everyday language and action, how they are understood in psychology, and how they figure in philosophical reflection on action and morality. The book clarifies and for the most part defends the way in which economists invoke preferences to explain, predict, and assess behavior and outcomes. Hausman argues, however, that the predictions and explanations economists offer rely on theories of preference formation that are in need of further development, and he criticizes attempts to define welfare in terms of preferences and to define preferences in terms of choices or self-interest. The analysis clarifies the relations between rational choice theory and philosophical accounts of human action. The book also assembles the materials out of which models of preference formation and modification can be constructed, and it comments on how reason and emotion shape preferences.

Proposes new links between the moral theories and the economics of the first articulator of capitalism, arguing that moral questions lie at the heart of positive and normative economic analysis. Examines the methodology and philosophy of Smith's (1723-90) work, questions whether economics can or should be a value-free science, and shows how economics can be a useful tool in solving moral problems. Considers the concept of self-interest, the formation of moral values by individuals and society, the ethical effects of commercial society on the quality of life, justice, fairness, natural liberty, distributive equity, and the common good. Addressed to economists and philosophers. Much of the material has been previously published. Annotation copyrighted by Book News, Inc., Portland, OR

Cultures and moral expectations differ around the globe, and so the management of corporate responsibilities has become increasingly complex. Is there, however, a humanistic consensus that can bridge cultural and ethnic divides and reconcile the diverse and contrary interests of stakeholders world-wide? This book seeks to answer that question.

In *Cents and Sensibility*, an eminent literary critic and a leading economist make the case that the humanities—especially the study of literature—offer economists ways to make their models more realistic, their predictions more accurate, and their policies more effective and just. Arguing that Adam Smith's heirs include Austen, Chekhov, and Tolstoy as much as Keynes and Friedman, Gary Saul Morson and Morton Schapiro trace the connection between Adam Smith's great classic, *The Wealth of Nations*, and his less celebrated book on ethics, *The Theory of Moral Sentiments*. The authors contend that a few decades later, Jane Austen invented her groundbreaking method of novelistic narration in order to give life to the empathy that Smith believed essential to humanity. More than anyone, the great writers can offer economists something they need—a richer appreciation of behavior, ethics, culture, and narrative. Original, provocative, and inspiring, *Cents and Sensibility* demonstrates the benefits of a dialogue between economics and the humanities and also shows how looking at real-world problems can revitalize the study of literature itself. Featuring a new preface, this book brings economics back to its place in the human conversation.

How the Occupy movement has challenged the gap between American principles and American practice—and how we can realize our most cherished ideals. The Occupy Wall Street movement has ignited new questions about the relationship between democracy and equality in the United States. Are we also entering a moment in history in which the disjuncture between our principles and our institutions is cast into especially sharp relief? Do new developments—most notably the rise of extreme inequality—offer new threats to the realization of our most cherished principles? Can we build an open, democratic, and successful movement to realize our ideals? *Occupy the Future* offers informed and opinionated essays that address these

questions. The writers—including Nobel Laureate in Economics Kenneth Arrow and bestselling authors Paul and Anne Ehrlich—lay out what our country's principles are, whether we're living up to them, and what can be done to bring our institutions into better alignment with them. Contributors: David Grusky, Doug McAdam, Rob Reich, Erin Cumberworth, Debra Satz, Kenneth J. Arrow, Kim A. Weeden, Sean F. Reardon, Prudence L. Carter, Shelley J. Correll, Gary Segura, David D. Laitin, Cristobal Young, Charles Varner, Doug McAdam, Paul R. Ehrlich, Anne H. Ehrlich, Paul R. Ehrlich and Anne H. Ehrlich, Donald A. Barr, Michele Elam, Jennifer DeVere Brody, H. Samy Alim and David Palumbo-Liu.

This book integrates the moral philosophy of Immanuel Kant—particularly the concepts of autonomy, dignity, and character—into economic theory, enriching models of individual choice and policymaking, while contributing to our understanding of how the economic individual fits into society.

Economic analysis of law is an interesting and challenging attempt to employ the concepts and reasoning methods of modern economic theory so as to gain a deeper understanding of legal problems. According to Richard A. Posner it is the role of the law to encourage market competition and, where the market fails because transaction costs are too high, to simulate the result of competitive markets. This would maximize economic efficiency and social wealth. In this work, the lawyer and economist Klaus Mathis critically appraises Posner's normative justification of the efficiency paradigm from the perspective of the philosophy of law. Posner acknowledges the influences of Adam Smith and Jeremy Bentham, whom he views as the founders of normative economics. He subscribes to Smith's faith in the market as an ideal allocation model, and to Bentham's ethical consequentialism. Finally, aligning himself with John Rawls's contract theory, he seeks to legitimize his concept of wealth maximization with a consensus theory approach. In his interdisciplinary study, the author points out the possibilities as well as the limits of economic analysis of law. It provides a method of analysing the law which, while very helpful, is also rather specific. The efficiency arguments therefore need to be incorporated into a process for resolving value conflicts. In a democracy this must take place within the political decision-making process. In this clearly written work, Klaus Mathis succeeds in making even non-economists more aware of the economic aspects of the law.

Like nature itself, modern economic life is driven by relentless competition and unbridled selfishness. Or is it? Drawing on converging evidence from neuroscience, social science, biology, law, and philosophy, *Moral Markets* makes the case that modern market exchange works only because most people, most of the time, act virtuously. Competition and greed are certainly part of economics, but *Moral Markets* shows how the rules of market exchange have evolved to promote moral behavior and how exchange itself may make us more virtuous. Examining the biological basis of economic morality, tracing the connections between morality and markets, and exploring the profound implications of both, *Moral Markets* provides a surprising and fundamentally new view of economics—one that also reconnects the field to Adam Smith's position that morality has a biological basis. *Moral Markets*, the result of an extensive collaboration between leading social and natural scientists, includes contributions by neuroeconomist Paul Zak; economists Robert H. Frank, Herbert Gintis, Vernon Smith (winner of the 2002 Nobel Prize in economics), and Bart Wilson; law professors Oliver Goodenough, Erin O'Hara, and Lynn Stout; philosophers William Casebeer and Robert Solomon; primatologists Sarah Brosnan and Frans de Waal; biologists Carl Bergstrom, Ben Kerr, and Peter Richerson; anthropologists Robert Boyd and Michael Lachmann; political scientists Elinor Ostrom and David Schwab; management professor Rakesh Khurana; computational science and informatics doctoral candidate Erik Kimbrough; and business writer Charles Handy.

Philosophy of Economics: A Contemporary Introduction is the first systematic textbook in the philosophy of economics. It introduces the epistemological, metaphysical and ethical problems that arise in economics, and presents detailed discussions of the solutions that have been offered. Throughout, philosophical issues are illustrated by and analysed in the context of concrete cases drawn from contemporary economics, the history of economic ideas, and actual economic events. This demonstrates the relevance of philosophy of economics both for the science of economics and for the economy. This text will provide an excellent introduction to the philosophy of economics for students and interested general readers alike.

This 2006 book shows through accessible argument and numerous examples how understanding moral philosophy can improve economic analysis, how moral philosophy can benefit from economists' analytical tools, and how economic analysis and moral philosophy together can inform public policy. Part I explores rationality and its connections to morality. It argues that in defending their model of rationality, mainstream economists implicitly espouse contestable moral principles. Part II concerns welfare, utilitarianism and standard welfare economics, while Part III considers important moral notions that are left out of standard welfare economics, such as freedom, rights, equality, and justice. Part III also emphasizes the variety of moral considerations that are relevant to evaluating policies. Part IV then introduces technical work in social choice theory and game theory that is guided by ethical concepts and relevant to moral theorizing.

Chapters include recommended readings and the book includes a glossary of relevant terms.

The book juxtaposes economic analysis with moral philosophy, political theory, egalitarianism, and other methodological principles.

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Hausman argues, however, that the predictions and explanations economists offer rely on theories of preference formation that are in need of further development, and he criticizes attempts to define welfare in terms of preferences and to define preferences in terms of choices or self-interest. The analysis clarifies the relations between rational choice theory and philosophical accounts of human action. The book also assembles the materials out of which models of preference formation and modification can be constructed, and it comments on how reason and emotion shape preferences.

An urgent case for climate change action that forcefully sets out, in economic, ethical, and political terms, the dangers of delay and the benefits of action. The risks of climate change are potentially immense. The benefits of taking action are also clear: we can see that economic development, reduced emissions, and creative adaptation go hand in hand. A committed and strong low-carbon transition could trigger a new wave of economic and technological transformation and investment, a new era of global and sustainable prosperity. Why, then, are we waiting? In this book, Nicholas Stern explains why, notwithstanding the great attractions of a new path, it has been so difficult to tackle climate change effectively. He makes a compelling case for climate action now and sets out the forms that action should take. Stern argues that the risks and costs of climate change are worse than estimated in the landmark Stern Review in 2006—and far worse than implied by standard economic models. He reminds us that we have a choice. We can rely on past technologies, methods, and institutions—or we can embrace change, innovation, and international collaboration. The first might bring us some short-term growth but would lead eventually to chaos, conflict, and destruction. The second could bring about better lives for all and growth that is sustainable over the long term, and help win the battle against worldwide poverty. The science warns of the

dangers of neglect; the economics and technology show what we can do and the great benefits that will follow; an examination of the ethics points strongly to a moral imperative for action. Why are we waiting?

Adam Smith's *The Wealth of Nations* is regarded by many as the most important text in the history of economics. Jerry Evensky's analysis of this landmark book walks the reader through the five 'Books' of *The Wealth of Nations*, analyzing Smith's terms and assumptions and how they are developed into statements about economic processes in Book I, his representation of the dynamics of economics systems in Book II, and his empirical case for his model in Book III. With that framework in place, Evensky examines Smith's critique of alternative models, mercantilism and physiocracy, in Book IV, and Smith's presentation of the policy implications of his analysis presented in Book V. This guide highlights the nexus of Smith's economics and his work on ethics and jurisprudence, and in doing so Evensky sets his examination of *The Wealth of Nations* into a larger, holistic analysis of Smith's moral philosophy.

A comprehensive philosophically grounded argument for the use of social welfare functions as a framework for governmental policy analysis.

This book explains why moral beliefs can and likely do play an important role in the development and operation of market economies. It provides new arguments for why it is important that people genuinely trust others—even those whom they know don't particularly care about them—because in key circumstances institutions are incapable of combating opportunism. It then identifies specific characteristics that moral beliefs must have for the people who possess them to be regarded as trustworthy. When such moral beliefs are held with sufficient conviction by a sufficiently high proportion of the population, a high trust society emerges that supports maximum cooperation and creativity while permitting honest competition at the same time. Such moral beliefs are not tied to any particular religion and have nothing to do with moral earnestness or the set of moral values—what matters is how they affect the way people think about morality. Such moral beliefs are based on abstract ideas that must be learned so they are matters of culture, not genes, and are therefore able to explain differences in economic performance across societies.

The focus of this textbook is on the link between ethics and economic policy analysis. Basic philosophical concepts are systematically described, followed by conventional welfare economic theory and policy, and applications to some topical economic problems such as income distribution and sustainable development.

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