Scarcity and Exchange

Hardin – people are self-interested and will exploit open access resources. What are institutions that channel self-interest for societal good? What features do they have?

Ridley – prosperity is on the rise primarily due to collective intelligence created by exchange

Ridley 2 – trade is built on trust, not in family/friends, but in strangers. Distinctly human.

Read – even things as simple as pencils are beyond the grasp of any one mastermind (collective intelligence)

Smith – it’s not from the benevolence of the butcher,….but their own self-interest that people serve one another

Position Statement 1 – specialization or breadth of education

Price, Information, and Coordination

Hayek – prices are a means of communicating information, the price response is a decentralized coordinating mechanism that eliminates the need for a “mastermind.” Price changes are not necessarily perfect/instanteous.

Triple Bottom Line (Cunanan and Youtube) – what counts as profit is an important but normative question

Sunder – accounting rules that depend on strict procedural compliance crowd out judgement and open the door for fraud (apply that to the triple bottom line, is this info already contained in stock prices?)

Position Statement 2 – price controls during natural disasters

Competition, Fairness, Equality

Krugman v. Friedman – good economic arguments on both sides about the mutual exclusivity of equality and efficiency

Bergeron – equality of outcome inherently limits exceptionalism

Marx – but consider the unfairness of the initial starting point and the potential that creates for systemic, persistent exploitation

Schumpeter – capitalism, market economies are not static, they are constantly evolving, often with acute harms to some members of the economy, but generally for the betterment of society

Position Statement 3 – executive compensation caps

Capital and Entrepreneurship

de Soto – the rules of the game also determine whether assets can play a larger role in economic growth, becoming “capital” that can spur investment and economic growth, e.g., against which people can borrow money to grow businesses

Baumol – the rules of the game determine the allocation of entrepreneurial effort between productive/unproductive/destructive; the stock of entrepreneurial effort/talent does not wax and wane randomly

Krugman – markets don’t function perfectly, fall in demand can cause recession, people are not completely rational, and the use of assets as leverage against which to borrow can go too far (stock market crashes, economic recession)

Position Statement 4 – should Congress limit banks ability to bet with depositors money

Product and Promotion

Marx – no gratification in another person’s products, therefore all exchange and marketing is necessarily exploitation and fraud

Tylenol v. BP – brands are symbols of trust, earning customer trust is not free but may have long-term value

HBR product – not all demand is conscious, influenced by peers, brain chemistry, and brand loyalties. When does marketing cross the line into exploitation? When do companies have a duty to warn (when dangers are latent, non-obvious)

Sinek – the why matters more than the what, especially for marketing and leadership purposes

Position Statement 5 – should direct to consumer advertising be banned for pharma?

Leadership and Ethics

Collins – level 5 leadership combines personal humility and professional will

STAR ethics framework – be able to apply this to a business case

Quimby – values, vision, mission

Why NOT Business?

Cohen – the rules that make for a good camping trip don’t work at the society level, why? Different levels of “equality of opportunity” needed to correct for unfair advantages in a capitalist society. What are those levels?

Brownstein – people are less selfish under capitalism because trust and empathy are required to succeed in capitalist system

Thomas G. Clemson’s gift to create Clemson was motivated to spur business in the state

Deaths of despair articles – despite continued economic growth, life expectancy in the US is declining (suicide/opioid)