

**DEMOCRATIC CAPITALISM  
2012 SUMMER FELLOWSHIP**  
Instructors: Yuval Levin and James Otteson  
Washington, DC

This intense two-week course will explore the foundations, forms, and consequences of our economic system, and its deep connections to our political system and to the philosophical tradition of the West. Among other questions, we will consider the origins of our ideas of money, property, and commerce; the tension between wealth and virtue; the original case for capitalism and the critiques of it offered by communism, socialism, and progressivism; the nature of social obligations in a free-market economy; the role of economic ideas in the contemporary left/right divide; and the origins, condition, and future prospects of our welfare state.

In each session, we will closely and carefully consider a few relatively short readings, generally from important original sources. Students will also be offered optional additional readings, and each student will be required to write a short paper on a subject drawn from one of the optional readings (determined in consultation with the instructors).

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**Monday, July 23, 2012**

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**WEEK — 1**

**9:00 am to 12:00 pm: MONEY, PROPERTY AND PROSPERITY**

- Aristotle, *Politics*, I: 8-10
- John Locke, *Second Treatise of Civil Government*, Chapter V
- Garrett Hardin, "Tragedy of the Commons"
- (Optional: David Schmidtz, "The Institution of Property")

**Questions:**

1. What role does property play in human prosperity?
2. Is there a connection between human nature and property?
3. Should government generally, and policies regarding property particularly, conform to human nature--or should they try to mold human nature?
4. What circumstances might justify different schemes of property?
5. If we think of property as a tool (or set of tools) to solve problems, what problems does it solve, and how does it solve them?

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**Tuesday, July 24, 2012**

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**9:00 am to 12:00 pm: COMMERCE AND CHARACTER**

- David Hume, selections from *Essays Moral, Political, and Literary* ("Of the rise and progress of the arts and sciences," "Of Commerce," "Of Money," and "Of refinement in the Arts").
- Montesquieu, selection from *Spirit of the Laws*.
- (Optional: Voltaire, "The Worldling,")

**Questions:**

1. What effect does commerce have on human nature? What kind of soul is created in a commercial society?
2. What are the "bourgeois virtues," and what, if anything, can be said on their behalf?
3. If we want to our society to encourage both liberty and virtue, what kind of economic policy should we have?
4. Is there a danger of becoming too "worldly"? Is there a danger that a commercial society will encourage a "race to the bottom" of taste?

**12:30 pm to 2:30 pm: Bi-weekly group lunch**

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**Wednesday, July 25, 2012**

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**9:00 am to Noon: DECADENCE AND DISCIPLINE**

- Rousseau, "Luxury, Commerce, and the Arts."
- Adam Smith, selections from *Theory of Moral Sentiments* and *Wealth of Nations*.
- (Optional: Voltaire, "On Commerce and Luxury.")

**Questions:**

1. From where do our moral judgments come? What effect do social institutions have on our moral judgments, and on our moral character?
2. Should we strive for equality? What kind of equality? What dangers might inequality pose?
3. Is there a danger of becoming too wealthy? What risks might "luxury" pose? What are the alternatives?
4. What lesson should we draw from Smith's parable about the "poor man's son"?

**2:00pm to 4:30 pm: Speaker – Matthew Continetti, Editor in Chief, *The Washington Free Beacon***

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**Thursday, July 26, 2012**

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**9:00 am to Noon: THE COMMERCIAL SOCIETY**

- Adam Smith, selections from *Wealth of Nations*.
- (Optional: Selection from Samuel Smiles, *Self-Help*)

**Questions:**

1. Why does Smith think the division of labor is such a good thing? Is it always a good thing?
2. Does commerce presuppose selfishness? Does it encourage selfishness? What bearing on our moral character does, or might, capitalism have?

3. Is the interdependence Smith celebrates a good thing? Is the kind of equality he describes the right kind of equality?
4. Is there something "natural" about trade and exchange--that is, about capitalism? Are there ways capitalism might be unnatural?
5. What role does Smith believe government should play in our lives? Should it play no role in charity? Does Samuel Smiles agree?

**12:30 pm to 2:30 pm: Bi-weekly group lunch**

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**Friday, July 27, 2012**

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**9:00 am to Noon: COMMERCE AND THE POOR**

- Edmund Burke, "Thoughts and Details on Scarcity."
- Thomas Paine, "Agrarian Justice."
- (Optional: Andrew Carnegie, "The Gospel of Wealth.")

**Questions:**

1. What are our obligations toward the poor? What are the government's obligations?
2. 3. What lessons should we draw, if any, from the unprecedented growth of wealth beginning in the late eighteenth century?
3. Are there moral obligations that being wealthy imposes on the people who are wealthy? What are they? What are their limits?
4. Does commercial society place any special burdens on, or give any special opportunities to, the poor? Are poor people better off in commercial societies, or in other kinds of society?

**2:00pm to 4:30 pm: Speaker – Anne-Marie Slaughter, former director of policy planning for the United States Department of State**

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**Monday, July 30, 2012**

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**WEEK — 2**

**9:00 pm to Noon: THE GREAT ALTERNATIVE**

- Marx and Engels, selections from *The Communist Manifesto*.
- (Optional: G. A. Cohen, selections from, *Why Not Socialism?*)

**Questions:**

1. What is the problem to which Marx and Engels want to offer a solution?
2. Do Marx and Engels agree with Locke about the nature of property?
3. Does their description of the problems of capitalism ring true? How might Adam Smith respond?

4. Are people's moral and philosophical views shaped by their place in society? Do rich and poor think differently?

**2:00 pm to 4:30 pm:** Speaker – **Michael Barone**, senior political analyst, *The Washington Examiner*

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## Tuesday, July 31, 2012

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### 9:00 am to Noon: THE WELFARE STATE

- Herbert Croly, selections from *The Promise of American Life*.
- Friedrich Hayek, selections from *The Constitution of Liberty*.
- (Optional: Friedrich Hayek, *The Road to Serfdom*.)

#### Questions:

1. What is government's role in overseeing a modern economy?
2. How does Croly's notion of the government's obligation to protect the most vulnerable differ from Thomas Paine's?
3. Should the government represent the people's expressed views or serve the people's deepest interests?
4. What are the benefits and drawbacks of centralized management of the economy?
5. Are markets democratic?

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## Wednesday, August 1, 2012

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### 9:00 am to Noon: FREEDOM AND VIRTUE

- Milton Friedman, selections from *Capitalism and Freedom*.
- Students for a Democratic Society, "The Port Huron Statement."
- Irving Kristol, "When Virtue Loses All Her Loveliness."
- (Optional: George Carey, selections from *Freedom and Virtue*.)

#### Questions:

1. What is economic freedom? How does it relate to freedom more generally?
2. What kind of relationship exists between a society's economic order and the moral lives of its people?
3. What is Milton Friedman worried about? Does his conception of freedom appeal to you?
4. What are the Students for a Democratic Society trying to achieve? Are their complaints valid?
5. How does Irving Kristol understand virtue? Do you share his worries?

**2:00 pm to 4:30 pm:** Speaker – **Sam Tadros**, Researcher, Center for Religious Freedom, Hudson Institute

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## Thursday, August 2, 2012

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### 9:00 am to Noon: CRISIS OF THE WELFARE STATE

- Donald Marron, “American in the Red.”
- National Commission on Fiscal Responsibility and Reform, *The Moment of Truth*, introduction.
- William Graham Sumner, “The Forgotten Man.”
- (Optional: National Commission on Fiscal Responsibility and Reform, *The Moment of Truth*, member statements.)

#### Questions:

1. Why is our country facing a fiscal crisis? Are the primary causes political, economic, or moral? How are these connected?
2. What economic obligations does one generation have to the next?
3. Is economic growth a moral good?
4. Is the American dream still achievable? How should we understand it today?
5. What is Sumner’s view of social reform and its relation to democracy? Is he right?

**12:30 pm to 2:30 pm:** Bi-weekly group lunch

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## Friday, August 3, 2012

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### 9:00 am to Noon: GETTING AHEAD AND STAYING AHEAD

- Jim Manzi, “Keeping America’s Edge.”
- Ron Haskins, “Getting Ahead in America.”
- Congressional Budget Office, “Trends in the Distribution of Household Income between 1979 and 2007.”
- (Optional: House Budget Committee, “A Deeper Look at Income Inequality.”)

#### Questions:

1. What is the relationship between economic growth and social cohesion? Are they necessarily in tension? Which should we prefer?
2. Is it important for America to be a global economic leader? Why should we worry about “competitiveness”?
3. Is social mobility essential to American life? Should we never be satisfied with our position in society?
4. Does growing income inequality signal a failure of our economic system? If so, is inequality a symptom or a cause?

**5:00 pm to 8:00 pm:** Closing reception and dinner