

Ethics, Economics & Liberty

-An Austrian School Perspective

Course code: ECO 351/551

Semester and year: Summer 1

Day and time: 17:30 - 21:15 days shown course schedule below.

Instructor: Dan Ravick Fiala, MBA, PMP, PMI-RMP

Instructor contact: Phone: Mobile: +420-739-946-254 (if you text me, include your name and class) Skype: danfiala, MS TEAMS

Consultation hours: One hour after the lesson or by appointment

Credits US/ECTS	3	Level	Intermediate
Length	10 sessions	Pre-requisite	ECO 105 (for BA students)
Contact hours	42 hours	Course type	Elective

1. Course Description

This interdisciplinary course deals with the issues related to ethics, economics and liberty from the Austrian School perspective. All students are warmly welcomed, the course will not only focus on investigating why free market principles and liberty lead to prosperity but why they are good, just, and moral. We will investigate the roots of most ethical dilemmas and discuss why seemingly moral populist/progressive solutions that by their nature do not account for scarcity and human motivation can only ever lead to misery and horror. Together we will chart a new ethical path forward that links individual liberty and free market principles.

The goal of this course is for students to realize that it is not enough to want to be good, just, and moral but that they need to understand and act in accordance with the immutable laws of cause and effect. Further, students will learn that there is no such thing as cost-less solutions to society's challenges -that all solutions have benefits as well as costs. Therefore, it is important to focus not only on the short-term visible benefits of some action upon some identified group but on the long-term and unintended consequences of those actions upon everyone else. Lastly, students will learn that value is subjective, and that people have different value scales. Thus, value cannot easily added or subtracted to arrive at "one size fits all, cookie cutter" solutions which is the common political utilitarian approach of today.

Students will develop their systematic thinking rooted in understanding fundamental principles of human action and causality. This new way of thinking will help students to better navigate the complex and often conflicting goals that will be thrust upon them as future leaders.

Ultimately, the aim of this class is to help students to be truly informed, critical, and wise leaders who will help to promulgate policies that will bring about more societal harmony, peace, and prosperity.

2. Student Learning Outcomes

Upon completion of this course, students should be able to:

- Understand the connection between free markets and free societies.
- Critically assess the common popular ideas of prosperity, profits, and economic intervention
- Understand the moral and coordinating role of profit.
- Understand the role of property in a free society.
- Understand the role of money in a free society.
- Understand the real origins of poverty in a modern society.

3. Reading Material

Required Materials

*These books are free and will be made available in our course portal. I highly recommend you begin your journey with these fantastic books!

- "Economics in One Lesson" by Henry Hazlitt
- "Profit and Loss" by Ludwig von Mises
- "The Essential von Mises" by Ludwig von Mises
- "Economic Calculation in the Socialist Commonwealth" by Ludwig von Mises
- "Liberty and Property" Ludwig von Mises
- "The Ethics of Liberty" by Murray Rothbard
- "Economic Depressions Their Cause & Cure" by Murray Rothbard
- "The Conquest of Poverty" by Henry Hazlitt
- "Anatomy of the State" by Murray Rothbard
- "On the Origins of Money" by Carl Menger
- "What Has Government Done to Our Money?" by Murray Rothbard
- "Road to Serfdom" by F.A. Hayek

****Recommended Materials -I would highly recommend bookmarking these great portals to check back daily if possible to keep you informed and wise 😊**

- <https://www.youtube.com/user/TomWoodsTV>
- <https://mises.org/>
- <https://www.lewrockwell.com/>
- <https://www.youtube.com/c/misesmedia/videos>

4. Teaching methodology

The course is divided into 10 sessions, during which a variety of student participation methods are used, (as detailed below). Classes will be organized principally – but not exclusively – around presentations based on the books, (see above). Discussions will be used to demonstrate students' analytical thinking, creative problem-solving skills and information acquisition. Before each class each student should, therefore, be prepared to discuss the session topics, (see Course Schedule, below).

- Slide presentations and discussions on the topics new to most students, encouraging interaction during the presentations with examples.
- Each chapter will be discussed in terms of practical application with usage of case studies.
- Final review and class/peer evaluation of each team's final presentation to practice understanding in various business environments, or cases.

The basic premise is that we REALLY learn by doing. First, we need to know what we don't know (knowledge transfer). Then we need to see how what we don't know is being applied (association). THEN, we need to practice together how we apply creatively in our own project how these concepts and capabilities can be applied (deep learning) to solve business problems or to capture an opportunity – collectively, these create competitive advantages. The final grade is based on the student's and their team's ability to apply what they have learned to create a competitive advantage.

To maximize the value for the students, it is STRONGLY encouraged for students to complete the reading BEFORE the lesson, allowing maximum discussion on current applications of the topics. The student's ability to interact in real time during the course discussion is a critical skill in business and is, therefore, a critical success factor in the learning process.

5. Course Schedule

Date	Class Agenda
May 31, 2021	<p>Topic 1: Class Kick-off!!!</p> <p>Description:</p> <ul style="list-style-type: none"> • Quick introduction to the course. • Objectives for the course. • Quick introduction to the instructor, his background and work experiences. • Student introductions. • Expectations, course flow & grading. <p>Topic 2: The Ethical Landscape Today & Myth Busting</p> <p>Description:</p> <ul style="list-style-type: none"> • Setting the Context – Macro “helicopter view”, investigating ethical principles today -where do they come from? What are they based on? What are their common assumptions? • Common destructive myths regarding for example: business, profits, government, war, poverty, and capitalism. • Approaches to the acquisition of knowledge. <p>Reading: Course syllabus (on NEO)</p> <p>Assignments/deadlines: Students will briefly introduce themselves to the class.</p>
June 1, 2021	<p>Topic 1: The Axiom of Action</p> <p>Description: – Student will be introduced to the idea that humans engage in purposeful action to accomplish their individual goals.</p> <ul style="list-style-type: none"> • Understanding this key a priori law is core to studying human action. • Purposeful action does not mean that everyone agrees that the action is purposeful, but rather that it helps the individual person accomplish their highly unique and personal goal.

	<p>Topic 2: Understanding the Subjective Nature of Value</p> <p>Description: Students will learn that value is subjective from the perspective of the individual.</p> <ul style="list-style-type: none"> • Understanding that value is subjective – “One man’s garbage is another man’s gold.” • Value must be assessed from an individual perspective using ordinal scales. • Aggregating peoples individual value scales is therefore not possible since people have different value scales with different weights. <p>Reading: TBA</p>
June 4, 2021	<p>Topic: Why Socialism Fails?</p> <p>Description: Socialism is immoral system as it breaches natural rights; however, it also is a completely ineffective and inefficient system that can never work, so let’s explore why.</p> <ul style="list-style-type: none"> • Explaining the key difference between socialism and communism and how those systems are different from systems based on free markets / voluntarism or individualism. • The consequence of the state owning the means of production. • Socialism’s fatal flaw -The impossibility of economic calculation. <p>Reading: TBA</p> <p>Assignments/deadlines: Due: Reflection # 1</p>
June 7, 2021	<p>Topic: Egalitarianism as a Revolt Against Nature</p> <p>Description: We will discuss the common moral reasoning that is often offered to explain egalitarian philosophies and policies.</p> <ul style="list-style-type: none"> • Egalitarianism in a nutshell • Why egalitarianism is so popular. • Why egalitarianism leads to a loss of liberty. • The fatal flaw with egalitarianism • Understanding the freedom and egalitarian trade-off <p>Reading: TBA</p> <p>Assignments/deadlines:</p>

<p>June 8, 2021</p>	<p>Topic: Understanding the Origins of Wealth -in a Free and Modern Society.</p> <p>Description: Students will learn what the real origins of wealth are in a modern and free society.</p> <ul style="list-style-type: none"> • The amazing work of entrepreneurs. • How entrepreneurs create value for society. • Profit -Where they come from, what they indicate and how they help people make decisions and cooperate peacefully. • Why profit are not just an economic indicator but a moral one too. • Understanding that value must be created first before it can be usurped "looted." • The fatal flaw with redistribution policies that seek to capture entrepreneurial wealth. <p>Reading: TBA</p> <p>Assignments/deadlines: Reflection # 2</p>
<p>June 10, 2021</p>	<p>Mid-term Exam.</p> <p>Students will have the opportunity to answer theoretical and practical questions based on the topics that are delineated in this syllabus and that were discussed or assigned in class lectures, articles (provided on NEO), various assignments that were given as well as to understand the mechanics and major points of case studies analyzed.</p> <p>Please, also note that class slides are only meant to refresh your memory and complement your own note taking as class discussions and the whiteboard will be used throughout the course to introduce, explain and discuss key points.</p> <p>Topic: Understanding Money in a Free Society</p> <p>Description: The importance of money in a free society will be discussed.</p> <ul style="list-style-type: none"> • Barter – Primitive society before the invention of money • Money - The greatest innovation of all time • The origins of money • What money is and what money is not. • Money versus currency • Government meddling with money. <p>Reading: TBA</p> <p>Assignments/deadlines: Reflection # 3</p>

<p>June 11, 2021</p>	<p>Topic: Understanding the Real Causes of the Business Cycle</p> <p>Description: The common reasons for the business cycle will be debunked. Namely that business cycles are caused by greedy capitalists and the failure of capitalism to manage itself.</p> <ul style="list-style-type: none"> • Private versus public debt • Credit expansion -The good, the bad and the ugly • How central banks expand credit. • The effect of unsupported credit expansion upon interest rates • How lower interest rates cause an improper signaling to investor "capitalists" (en masse) to invest in long-term capital projects that are not supported by real customer savings and interests. • Understanding that the bust of the business cycle is the painful but needed process of unwinding unsound investments. <p>Reading: TBA students will be asked to read an article that will be used for class</p> <p>Assignments/deadlines:</p>
<p>June 14, 2021</p>	<p>Topic: Global Peace Through Free Trade and Non-Interventionism</p> <p>Description: Discuss the new multipolar world and that it is no longer possible for one country to continually exert its will on the rest of the world.</p> <ul style="list-style-type: none"> • How free trade and peace are related • How wars are financed • The Federal Reserve System • The implications of USD as the world's reserve currency • International Monetary Fund <p>Reading: TBA</p> <p>Assignments/deadlines:</p>
<p>June 15, 2021</p>	<p>Topic: Understanding the Causes and Cures of Poverty</p> <p>Description: The real cause of poverty will be explored.</p> <ul style="list-style-type: none"> • Understanding the first principle "Whatever you subsidize, you will get more of". • The Cantillon effect of credit expansion • How an increasing "infantilization" of society brought about by taxing the productive, government growth and social subsidizes led to a fundamental change in people's time preference to be much more present orientated. • The destruction of first principles, science and immutable laws that laid the foundation for civilization -Society cannot prosper by making up its own laws that are not reflective of reality and reason. • A novel cure for poverty.

	<p>Reading: TBA</p> <p>Assignments/deadlines:</p>
June 18, 2021	<p>Topic: Student Presentations</p> <p>Description:</p> <p>Reading: TBA</p> <p>Assignments/deadlines:</p> <p>Topic: Anarcho-Capitalism</p> <p>Description: Anarcho-capitalism or Voluntarism will be discussed.</p> <ul style="list-style-type: none"> • Economic / Political systems through time • Democracy vs Liberty • Problems with Democracy • Common misconceptions about Anarcho-Capitalism. <p>Reading: None</p> <p>Assignments/deadlines: Due: Final Deliverable Report</p>

6. Course Requirements and Assessment (with estimated workloads)

Assignment	Workload (average)	Weight in Final Grade	Evaluated Course Specific Learning Outcomes	Evaluated Institutional Learning Outcomes*
Participation Professionalism Preparedness	42 hrs.	10%	<p>Ability to read, think, and express ideas analytically, critically, and creatively.</p> <p>Ability to ask and answer questions relating to subject knowledge.</p> <p>Ability to communicate effectively in oral English.</p> <p>Ability to identify and summarize key points relating to a topic.</p> <p><i>Demonstrate nothing less than a level of professionalism,</i></p>	1, 2, 3

			<i>preparedness and tact that you would expect of those whose services you would employ.</i>	
Project Deliverable Written Report	25 hrs.	15%	Final Project Written Deliverable Students will provide a complete written analysis of their project design, analysis and findings. Including the following: <ul style="list-style-type: none"> • Professional Formatting • Well structured • Data collection methodology used • Well-structured and in-depth data analysis • Key Recommendations based on Analysis • Major Challenges 	1, 2, 3
Project Deliverable Project Presentation In-class presentation of about 20 minutes + Q/A	15 hrs.	15%	Final Project Presentation Students will present their findings in a clear and crisp presentation to the client. (Presentation plus Speakers' Notes) Students will be graded based on the level of analysis as well as in presentation format, style and delivery. Students should approach their project presentation not solely as an analyst but as a business manager and, thus, should focus on recommendations – what are the risks and how they would implement their recommendations to be most effective. (Business report format.)	1, 2, 3

Reflection Memos	5 hrs.	30%	Ability to reflect, think holistically (from a wider view) and critically analyze specific issues.	1, 2, 3
Mid-term Exam	20 hrs.	30%	Ability to analyze and answer both theoretical and practical questions	
TOTAL	150	100%		

*1 = Critical Thinking; 2 = Effective Communication; 3 = Effective and Responsible Action

7. Detailed description of the assignments

Detailed description of the course participation and assignment grading

Participation, Professionalism & Preparedness: • *Demonstrate* nothing less than a level of professionalism, preparedness, and tact that you would expect of those whose services you would employ.

Participation assessment breakdown

Assessed area	Percentage
Punctuality	10%
Preparedness	45%
Professionalism	45%
Total	100%

Reflection Memos: • Demonstrate an understanding and ability to critically analyze the topic/article specified.

Assessment breakdown

Assessed area	Percentage
Structure / Grammar	20%
Clarity and description of the issue	50%
Critical Analysis	30%
Total	100%
PENALTY FOR ERRORS IN SPELLING, USAGE, MECHANICS	Up to -5%

Project Deliverables Demonstrate an ability to analyze and convey information in written form that delivers a message that is clear, concise and insightful.

Assessment breakdown

Assessed area	Percentage
ORGANIZATION AND DEVELOPMENT: Structure of the paper, logical coherence (including title, table of contents executive summary, introduction, conclusion, and recommendations)	10%
CONTENT / QUALITY OF IDEAS: Includes: use of supportive material (e.g. charts, diagrams, illustrations, maps, and tables) Knowledge of methodology, its application: 15 - Own contribution, originality of ideas: 55	55%

QUALITY OF RESEARCH Work with sources and literature	10%
CLARITY, FORMAT, READABILITY, AND QUALITY: Writing style, level of English: 5 Formal quality and format of Int. Mktg. project report: 5	10%
Verbal Delivery	10%
Management of Q/A	5%
Total	100%
PENALTY FOR ERRORS IN SPELLING, USAGE, MECHANICS	Up to -5%

Unless otherwise specified, for ALL assignments, as per university regulations, five academically respectable correctly cited sources is the *minimum* expected. Any assignments NOT meeting this standard will NOT be graded.

Mid-term Exam • Comprehensive assessment of knowledge acquired in the first half of the class.

Assessment breakdown

Assessed area	Percentage
Understanding of international marketing fundamentals	50%
Critical analysis	30%
Articulation and development of well-structured responses	20%
Total	100%
PENALTY FOR ERRORS IN SPELLING, USAGE, MECHANICS	Up to -5%

8. General Requirements and School Policies

General requirements

All coursework is governed by AAU's academic rules. Students are expected to be familiar with the academic rules available in the Codex and Student Handbook and to maintain the highest standards of honesty and academic integrity in their work.

Electronic communication and submission

Communication: The university and instructors shall *only* use students' university email address for communication. It is strongly recommended that any email communication between students and instructors take place in NEO LMS.

Email Protocol: Each e-mail sent to an instructor that is about a new topic (meaning not a reply to an original email) shall have a new and clearly stated subject and shall have the course code in the subject, for example: "MKT318 Mid-term Exam. Question".

Document Submission & Naming: All electronic submissions are carried out through NEO LMS. No substantial pieces of writing (especially take home exams and essays) can be submitted outside of NEO LMS.

For any documents submitted electronically the file name must include the following:

- Number of Assignment, Project or Presentation
- Course Number
- Your Last Name

Example: **MKT318_CW1_Smith.doc**

Student Name, Course# and Assignment No. should be clearly visible on the first page of all assignments. (Use the **SBA Assignment Template**, provided.)

Attendance

Attendance, i.e., presence in class in real-time, is expected and encouraged. However, the requirement that students miss not more than 35% of real-time classes is temporarily suspended due to the COVID-19 pandemic

Absence excuse and make-up options

Should a student be absent from classes for relevant reasons (illness, serious family matters), s/he must submit to the Dean of Students an Absence Excuse Request Form supplemented with documents providing reasons for the absence. The form and documents must be submitted within one week of the absence. If possible, it is recommended the instructor be informed of the absence in advance. Should a student be absent during the add/drop period due to a change in registration this will be an excused absence if s/he submits an Absence Excuse Request Form along with the finalized add/drop form.

Assignments missed due to unexcused absences cannot be made up which may result in a decreased or failing grade as specified in the syllabus.

Students whose absence has been excused by the Dean of Students are entitled to make up assignments and exams provided their nature allows for a make-up. Students are responsible for contacting their instructor within one week of the date the absence was excused to arrange for make-up options.

Late work: No late submissions will be accepted – please follow the deadlines.

Electronic devices

- **Mobile phones** must be turned off during classes and placed in a bag on the floor. No calling or texting during class meetings (wait until the break). Unauthorized usage of said devices will result in a **lowering of the class participation grade by 5%**.
- **Laptops and Tablets:** may NOT be used during class time unless approved by course leader. They must be placed in a case or bag on the floor. Unauthorized usage of said devices will result in a **lowering of the class participation grade by 5%**.

Eating is not allowed during classes.

Cheating and disruptive behavior

If a student engages in disruptive or other conduct unsuitable for a classroom environment of an institution of learning, the instructor may require the student to withdraw from the room for the duration of the activity or for the day and shall report the behavior to the Dean.

Students engaging in behavior which is suggestive of cheating (e.g. whispering or passing notes) will, at a minimum, be warned. In the case of continued misbehavior the student will be expelled from the exam and the exam will be marked as failed.

Plagiarism and Academic Tutoring Center

Plagiarism is "the unauthorized use or close imitation of the language and thoughts of another author and the representation of them as one's own original work." (Random House Unabridged Dictionary, 2nd Edition, Random House, New York, 1993)

Turnitin's White Paper 'The Plagiarism Spectrum' (available at <http://go.turnitin.com/paper/plagiarism-spectrum>) identifies 10 types of plagiarism ordered from most to least severe:

1. CLONE: An act of submitting another's work, word-for-word, as one's own.
2. CTRL-C: A written piece that contains significant portions of text from a single source without alterations.
3. FIND-REPLACE: The act of changing key words and phrases but retaining the essential content of the source in a paper.
4. REMIX: An act of paraphrasing from other sources and making the content fit together seamlessly.

5. RECYCLE: The act of borrowing generously from one's own previous work without citation; to self-plagiarize.
6. HYBRID: The act of combining perfectly cited sources with copied passages—without citation—in one paper.
7. MASHUP: A paper that represents a mix of copied material from several different sources without proper citation.
8. 404 ERROR: A written piece that includes citations to non-existent or inaccurate information about sources
9. AGGREGATOR: The "Aggregator" includes proper citation, but the paper contains almost no original work.
10. RE-TWEET: This paper includes proper citation, but relies too closely on the text's original wording and/or structure.

As the minimum policy, the types of plagiarism from 1 through 8 result in a failing grade for the assignment and must be reported to the Dean. The Dean may initiate a disciplinary procedure pursuant to the Academic Codex. Allegations of bought papers and intentional or consistent plagiarism always entail disciplinary hearing and may result in expulsion from AAU. If unsure about technical aspects of writing, students are encouraged to consult their papers with the tutors of the AAU Academic Tutoring Center (ATC). For more information and/or to book a tutor, please contact the ATC at: <http://atc.simplybook.me/sheduler/manage/event/1/>.

Students with disabilities

Students with disabilities are asked to contact their instructor as soon as possible to discuss reasonable accommodation.

9. Grading Scale

Letter Grade	Percentage*	Description
A	95 – 100	Excellent performance. The student has shown originality and displayed an exceptional grasp of the material and a deep analytical understanding of the subject.
A-	90 – 94	
B+	87 – 89	Good performance. The student has mastered the material, understands the subject well and has shown some originality of thought and/or considerable effort.
B	83 – 86	
B-	80 – 82	
C+	77 – 79	Fair performance. The student has acquired an acceptable understanding of the material and essential subject matter of the course, but has not succeeded in translating this understanding into consistently creative or original work.
C	73 – 76	
C-	70 – 72	
D+	65 – 69	Poor. The student has shown some understanding of the material and subject matter covered during the course. The student's work, however, has not shown enough effort or understanding to allow for a passing grade in School Required Courses. It does qualify as a passing mark for the General College Courses and Electives.
D	60 – 64	
F	0 – 59	Fail. The student has not succeeded in mastering the subject matter covered in the course.

* Decimals should be rounded to the nearest whole number.

Prepared by and when: Dan Fiala, Lecturer March 30, 2021.

Approved by: