

PPPEL 101: ETHICS, ECONOMY AND ENTREPRENEURSHIP TEXT REVIEW
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COURSE OBJECTIVES:

Identify and evaluate ethical, economic and entrepreneurial concepts now, as they relate to personal finance, the economy and political systems, and years later apply them in situations relevant to their lives at the time.

COURSE OUTCOMES:

The student will be better equipped to make sound personal and professional choices and manage personal resources to meet goals and minimize obstacles.
The student will experience a college related course and receive university credit.

COURSE ESSENTIAL QUESTIONS:

Why do some societies grow rich while others remain poor?
What must a person do to succeed in market society?
What must a person do to deserve to succeed?
What does it mean to create value for others?
What does it mean to respect and care for others?
How do entrepreneurs think and act, start and sustain a business?
How do entrepreneurs learn to acknowledge and correct flaws in a business model?

1. DOES THE TEXT SUPPORT THE OBJECTIVES OF THE COURSE?

NO. To the extent that the course syllabus is simply a restatement of the book's table of contents, there is alignment. However, the text does not fully develop the concepts of ethics, economics or entrepreneurship for adequate evaluation by the student, and thus makes it difficult for the student to relate them to the broader economy and political systems. In addition, internally, more often than not, one or more of the objectives listed at the beginning of each section are not met within that section.

2. DOES THE TEXT SUPPORT THE ESSENTIAL QUESTIONS OF THE COURSE?

NO. The essential questions, listed above, are dealt with simplistically or hardly at all. For example, the questions "what does it mean to deserve to succeed, create value for others or respect and care for others" are never satisfyingly answered. The question of "why some societies grow rich" is the grand question of the history of western civilization, but is reduced by this text to one element: trade. Indeed, the subheading of the first chapter, Trade, "we thrive as human beings because we learn to make deals with strangers," is grandiose and unsupported.

3. DOES THE TEXT SUPPORT THE OUTCOMES OF THE COURSE?

NO. That the student will be better equipped to make sound personal and professional choices or better manage resources to meet goals after reading this text it is doubtful.

4. IS THE STYLE OF WRITING INTERESTING, CLEAR AND APPROPRIATE FOR STUDENTS AT THIS GRADE LEVEL?

NO. There is a lack of editing and the writing is at times chaotic. The style varies from sophomoric to pseudo-academic word choices. For example, terms such as "prepositional

knowledge” are used, but not adequately defined or integrated meaningfully into the discussion. They seem to be gratuitously placed. This creates needless confusion for the student. (See below).

Some sections of the text, particularly those devoted to basic microeconomic concepts such as comparative advantage and economic surplus, are clear, concise and well done, but these are few and quite the exception.

5. ARE VISUALS (GRAPHS, CHARTS, DIAGRAMS, ETC.) USED EFFECTIVELY TO SUPPORT STUDENT’S INTERPRETATION OF, AND ACCESS TO, THE CONTENT?

NO. The text is comprised of 309 pages. The first table appears on page 84. Those 84 pages include the Introduction, Part One with sections on trade, resources, costs, institutions and value, and the first half of Part Two, Understanding Trade. Although the text is broken up into bite-size pieces, there is no visual relief from, or amplification of, the words which are themselves often confusing to the reader.

The use of standard graphs, such as supply and demand, are usually well-done and explained by the text. Occasionally, however, a graph (e.g., figure 4.1, p. 234) will appear purporting to make some point which it doesn't make.

6. IS THE TEXT FREE FROM BIASES BASED ON RACE, COLOR, RELIGION, NATIONAL ORIGIN, MARITAL STATUS, SEXUAL ORIENTATION, GENDER OR DISABILITY?

These legally defined biases, notably gender, are seemingly never violated in the book. However, bias IS developed at virtually every opportunity, subtly and not so subtly, to promote a theme denigrating societal management of resources and governmental participation in the economy. (See below).

7. DOES THE TEXT PROVIDE A BACKGROUND OF INFORMATION THAT WILL MOTIVATE STUDENTS TO EXAMINE THEIR OWN ATTITUDES AND BEHAVIOR, RESPONSIBILITIES, RIGHTS AND PRIVILEGES AS CITIZENS IN OUR SOCIETY, AND TO MAKE INTELLIGENT JUDGMENTS IN THEIR DAILY LIVES?

NO. In terms of basic financial literacy, there are sections on savings, borrowing, compound interest, insurance, accounting basics, and budgeting, all of which provide the student with the fundamental tools for better personal financial decision making, much the way home economics courses used to do. On the other hand, in terms of rights, responsibilities and privileges as citizens in society, the book has numerous opportunities to provide contemporary examples of ethical and unethical behaviors in business, but fails to do so. (See below).

8. DOES THE TEXT PROVIDE AUTHENTIC PROBLEMS, ISSUES OR SCENARIOS FOR STUDENTS TO EVALUATE?

NO. Unfortunately, most of the examples or problems cited in this textbook date from the 16th through early 20th centuries. The text cites a 1707 case before the Queen's Bench of England as an example of an externality and the common-law. Such examples are not atypical in this book. Rarely are they contemporary. The suspicion is that contemporary examples would necessitate confronting current ethical or market failures, and are thus avoided. Personal connections students can make to the material are minimal and access is thereby truncated. (See below).

9. DOES THE TEXT SUPPORT INTERDISCIPLINARY CONNECTIONS AND EXPLORATIONS?

NO. The most obvious interdisciplinary connection to be made is that between the scientific method and bringing an entrepreneurial idea to reality. Exactly one paragraph (p. 241-2) is devoted to this topic. Unfortunately, the subsequent five paragraphs describe stimulus-response learning, stopping short of Pavlov. This is an opportunity squandered. While there are fleeting (and incorrect) references to anthropology (Neanderthal extinction), true connections to the social sciences in the modern context are never established. Because ethics and economics are so intricately intertwined with all fields of endeavor, this is another example of an opportunity squandered.

10. DOES THE TEXT REINFORCE CRITICAL THINKING, PROBLEM SOLVING AND HIGHER ORDER THINKING SKILLS?

NO. The topics of this book offer enormous opportunities to foster thoughtful deliberation on critical issues before us today. Unfortunately, the scenarios presented do not request the student to think critically about alternatives. Rather, most scenarios are presented as fact, not as a dialectic of opposing ideas.

FIRST IMPRESSIONS:

There is no index which makes moving through the book difficult, and is an egregious omission.

Although there are scattered references or web sites noted from place to place, there is no list of references to source material for each section, giving the impression the book was written from memory, off the top of the head, rather than an attempt at scholarship. It is hard to imagine a teacher accepting such shoddy work from a student. This is a poor example for them.

The text appears to be self-published (Sagent Labs). As such, it suffers from the lack of the services of a qualified editor. This is evident from the often rambling paragraphs or whole paragraphs which don't fit into the flow of the section. Take, for example, the introductory paragraph of the section "Freedom To Criticize", p. 73, which states:

"Jean-Jacques Rousseau criticized commercial society for teaching people to be vain, stupid, manipulative, and preoccupied with trinkets. The economist of culture Tyler Cowen would say: yes, the market produces Britney Spears – but also Mozart, Beethoven, and your 10 favorite artists, whoever these may be. Unquestionably, our economy is more commercial than Rousseau's yet a child born to working class parents is more likely to read Rousseau in our day than at Rousseau's."

First, Rousseau and Cowen are never properly introduced to the reader, which is common throughout the book, but randomly thrown into the mix. Second, the concluding idea of the section is that commercial societies tend also to be tolerant societies, a large leap. And further, what does a child today reading Rousseau have anything to do with it?

The book is replete with such examples. See also "How To Save The Whales" (in the section on Trust, p. 187), which follows a discussion on interpersonal and institutional trust as necessary components facilitating business transaction. The whale piece admonishes the

reader to avoid subsidizing whale oil as a means to saving whales from extinction, but has nothing to do with “trust.”

Some sentences are nonsensical (“Thus, when the chair is invented, other innovations become possible: a horse drawn carriage, an automobile, a space shuttle.” p. 295), or seem to be included for word count or as a free-flowing first draft and should have been edited out as superfluous.

The general organization of the book is confusing. Logically, Knowledge Discovery (p. 240) would be combined with Innovation (p. 245) and Creative Destruction, (p. 256) and form the introduction to Part Seven: The Entrepreneur (p. 291). Nonsensically, they just dangle “out there” without connection. Likewise, rather than concentrate a section on defining and explaining ethics which can then be applied from place to place throughout the text, ethics is found scattered in “Why Ethics” (p. 7-13), “Trust” (p. 187-192), and “What Should Not Be For Sale (p. 208-210), but interestingly NOT in the section on Value” (p. 42).

TYPE OF RESEARCH/INFORMATION SOURCES ON WHICH THE BOOK IS BASED:

GENERAL:

The information sources for this book are dubious. There is no bibliography and scant references are scattered throughout the text, usually in the form of a website such as www.Fed.gov.

Throughout the book names of purported authors, thinkers, leaders in the field or philosophers such as Adam Smith, Joseph Hayek or Bastiat are bandied about without proper introduction or reference. Examples are found on page 177: “an individual sheep eating grass in the pasture is what some theorists (following Robert Ellickson and Harold Demsetz) would call a smaller event, affecting only a small area relative to the prevailing parcel size.” and page 179: “Ellickson says there is no...”. Exactly who are Ellickson and Demsetz? What did they author? When? Where?

This textbook is not scholarly. It does not set an example for students writing research papers. Actually, is an example of what NOT to do.

In general, the book offers a biased, libertarian, viewpoint throughout. Throughout the book, virtually no economists or philosophers other than libertarians are quoted, decidedly unethical for a general education text. The book espouses free market economics without restraints, and offers no insight into market failures or the benefit of governmental intervention, with the exception of, say, traffic lights which lower transaction costs of transporting goods. Indeed, the final page of the book acknowledges support from the John Templeton Foundation, the Social Philosophy and Policy Foundation and the Center for for Philosophy of Freedom, all participants in the Koch donor network. In addition, the list of supplemental materials provided to us, which can comprise up to 30% of materials used, are generally derived from similar sources. Further examples follow in the sections on ethics, economics and entrepreneurship below.

ETHICS:

The section on ethics is woefully inadequate. Only 14 of the 309 pages of the book focus on the topic of ethics. The book defines ethics as the subject “of how people have to live in order for the world to be a better place with them than without them” (p. 10). Parables, such as the Trolley Problem or the Milgram experiment, while interesting, have little to do with modern reality and provide marginal insight into business ethics for the young mind. Essential ethical

concepts such as utilitarian ethics, rights-based ethics, duty-based ethics or virtue ethics found in most business ethics textbooks (e.g., DesJardins, An Introduction to Business Ethics) are not to be found in this book.

It is not an exaggeration to say that ethical failures have been responsible for some of the most dramatic business failures in the past decade, and that such major business failures in turn could jeopardize entire national economies, if not the entire global economy. The book does not provide a basic framework for examining the range of ethical issues that arise in the business context nor present contemporary, relevant problems or issues for students to ponder. Bribery of elected officials, predatory lending, issues of social responsibility, the sale of investment instruments known to be worthless, and campaign finance are but a few examples of countless issues which confront us today. No such examples are to be found in this book. None. A disgraceful lapse.

ECONOMICS:

The text is pro-market, but fails to recognize or acknowledge market failures. Furthermore, description of markets in this book mostly relates to the 16th, 17th, 18th and early 20th centuries, and offers no contemporary perspective. Glaringly, the discussion of externalities, both negative and positive, in the market is disgracefully lacking. For example, the negative externality forming the greatest existential threat to our existence is that of global warming as a result of carbon dioxide emissions from fossil fuel consumption of which there is NO MENTION. In this book, the example cited is the production of a noise maker which keeps people awake at night!

Also, the most illustrative examples of positive externality are the benefits to the broader economy of higher education and research. In the book, a convoluted reference to Edison's lightbulb is made. Again, disgraceful lapse.

Another point: the discussion of insurance. The section on insurance (p. 283) is one and a half pages and deals primarily with the importance of personal insurance. Nowhere is there a discussion of the historical importance of insurance for protecting assets in the context of facilitating business entrepreneurship. The pre-industrial global commercialization of trade was fundamentally dependent on the development of the institution of insurance. The book's "broken window" and subsequent "penny" parables focus on the consequences of dependence on government. More rationally, they would be used to foster a description of how insurance works for asset protection and risk-taking rather than a relentless diatribe against regulation. Again, a missed opportunity, particularly with regard to entrepreneurship.

ENTREPRENEURSHIP:

The process of free market entrepreneurship, the holy grail of this book, is, incredibly, never developed. There is considerable verbiage on the topic, but little actual insight into the process is offered. There is reference to entrepreneurship as an "effectuation process" of seven steps. Interestingly, this "process" is not referenced in other texts on the subject. In fact, the "effectuation process" was derived by a single author based on interviews with 27 entrepreneurs' analysis of cases without validity or reference.

As noted above, the sections on knowledge development, market comprehension, and technology innovation culminating in business creation are not contiguous nor cohesive. This book offers little guidance to the nascent young soul enthusiastically seeking an independent solution to an unrecognized or overlooked problem. Again, a disgraceful lapse.

