
The Free Market

Videos:

“Richard Wolff on the Free Market”

<https://www.youtube.com/watch?v=6v-7ZMSY6bQ> (5:09 minutes)

“Milton Friedman - Free Market Exchange”

<https://www.youtube.com/watch?v=eWrImRnH6bw> (4:54 minutes)

Guide:

The questions below will help students achieve a better understanding of the arguments made on either side of a contentious topic. Because these questions often touch upon statements made briefly in the videos, we recommend reading the questions before watching each video.

Students are encouraged to take notes during the videos, and it may be helpful for students to break into groups, each taking responsibility for only a few questions, before coming together for discussion.

Analysis Questions:

1. What are the opposing ideas in these two videos?
2. Milton Friedman said that in its pure form, capitalism is “a system of cooperation without compulsion, of voluntary exchange.” What did he mean by this?
3. Richard Wolff said the free market “has never existed.” What did he mean by this?
4. Milton Friedman acknowledged that we don’t actually have a free market, saying that “in the actual world, you always have impediments and interferences to voluntary exchange.” What did he mean by this? If a free market does not actually exist, can we still learn from the theory behind it? Why/Why not?
5. Richard Wolff described the free market as a “wildly utopian image.” What does “utopian” mean?
6. Milton Friedman said the idea behind the free market is that “individuals each separately pursuing their own self-interest could promote the social interest.” Can society be improved by people pursuing their own self-interest? Why/Why not?
7. Richard Wolff says a “capitalist pays as little as he can get away with.” Is this true? Do businesses pay as little as they can get away with? Other than regulations, is there anything that determines what they can “get away with”?
8. Milton Friedman explained that the concepts behind the free market don’t just apply to the economy, they also impact areas like language, common law, and science. What are some other areas where voluntary exchange have a positive impact?

9. Richard Wolff said that utility companies don't have competition, so without regulations, they'd be able to raise their prices. In a free market, could there be competition for utility companies? Why/Why not?
10. Milton Friedman said, "What most people are objecting to is that the market gives people what the people want, instead of what the person talking thinks the people ought to want." What did he mean by this?
11. Richard Wolff mentioned supply and demand. In basic terms, what is the law of supply and demand?
12. Milton Friedman said that it's hard to do good in a market society, because you have to persuade people instead of coerce them, but it's also hard to do harm for the same reason. Is this a worthy trade-off? Why/Why not?
13. Richard Wolff said "those with the most money can keep raising the price, because they can afford to pay, but as the price goes up, the poorer people have to drop out of the race because they can't afford [to pay]." Is this reflected in our society? Are many products too expensive because wealthy people are willing to pay more for them? Why/Why not?
14. Milton Friedman said the danger of centralized power is that while those in power might be able to do good in their eyes, some people might view it as bad. What are some examples of this?
15. Richard Wolff said that in the market, "the most money wins." What did he mean by this?
16. Richard Wolff's argument against the free market is that it concentrates power among the wealthy. Milton Friedman's argument for the free market is that it prevents the concentration of power among a small group of people. What are the conflicts between these two arguments? What is the common ground?
17. Should one of the arguments we heard carry more weight than the other? If so, which one? Why?
18. Did you have an opinion of the free market before watching these videos? If so, what was it? Has your opinion changed? If so, how? What did you learn from either video that affects your views of the free market?
19. What could you learn about the free market that might affect your view of this debate?
20. What else would you like to learn about the free market?