
Monopolies

Videos:

“Why the US must break the grip of huge monopolies | Ganesh Sitaraman | Big Think”

<https://www.youtube.com/watch?v=eWCc4RGMVpk> (5:08 minutes)

“Is Monopoly a Justification for Government Regulation? - Learn Liberty”

<https://www.youtube.com/watch?v=fujeSSEqj74> (3:44 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. Should one of the arguments we heard carry more weight than the other? If so, which one? Why?
3. What is a monopoly?
4. Can you name any monopolies that exist today?
5. Ganesh Sitaraman said that monopolies can lead to higher prices and less innovation. Why is this?
6. What were the two things Lynne Kiesling said discipline a monopoly’s ability to charge high prices?
7. Ganesh Sitaraman said that monopolies can lobby the government to pass policies and regulations that benefit the monopolies at the expense of others. Can you think of any examples of those policies and regulations? What policies and regulations benefit large corporations at the expense of smaller businesses and consumers?
8. Lynne Kiesling said one of the challenges of regulating monopolies is that “any regulation that is going to reduce the profits of a monopoly is going to reduce the motivation, the lure, the incentive to the innovator to come in and enter that market and compete against the monopolist.” What did she mean by this?

9. Ganesh Sitaraman said that early antitrust laws were based on the idea that “democracy should be able to control significant economic power, rather than economic power controlling democracy.” What did he mean by this?
10. Lynne Kiesling said, “What really keeps monopolies from persisting over time is entry.” What did she mean by “entry”?
11. How did Ganesh Sitaraman describe “an economic democracy”?
12. Lynne Kiesling argued that when governments try to regulate monopolies, those regulations sometimes protect the monopolies by making competition more difficult. This is an example of unintended consequences. Can you think of any other examples?
13. Ganesh Sitaraman said that polling shows people commonly don’t trust the government and think the economy is rigged. Do you share these sentiments? Why/Why not?
14. What common ground is shared by Ganesh Sitaraman and Lynne Kiesling? Where do they differ? Is the common ground more important than their differences? Why/Why not?
15. Did you have an opinion of monopolies 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 on this topic?
16. What could you learn about monopolies that might affect your view of this debate?
17. What else would you like to learn about monopolies?