

# Both Sides of the Issue

## Is Capitalism Freedom?

A MiniGuide for Teachers

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## Objectives

Students will be able to:

- summarize what each speaker means by freedom and where each one locates the most serious threat to it.
- illustrate each speaker's argument with a current example of economic power, whether held by a business or by a government.
- differentiate the evidence each video offers from the assertions each video makes about competition, work, and government control.
- justify a position on whether economic choices deserve the same protection as speech or religion, answering the strongest objection from the other video.

## About This Pairing

This pairing sets *Does Capitalism Mean Freedom?*, a video from The Gravel Institute, against *The Case for Economic Freedom*, a talk from the Oslo Freedom Forum. The Gravel Institute was a progressive nonprofit that produced short educational videos for YouTube. The Oslo Freedom Forum is an annual human rights conference organized by the Human Rights Foundation. In the first video, Zephyr Teachout, who teaches at Fordham Law School, argues that corporate monopolies and employer power leave most Americans with little real freedom. In the second, Donald Boudreaux, a professor of economics at George Mason University, argues that economic freedom cannot be separated from other freedoms, and that government control of the economy puts every other liberty at risk.

Two things are worth pointing out to students before they watch.

First, the two speakers agree on more than students may expect. Both treat economic life as part of freedom rather than something apart from it. Teachout says that at work, "the freedoms we associate with democracy don't exist." Boudreaux says economic and non-economic freedom "are really inseparable." The argument is about who holds the power that threatens freedom, large corporations or government, and what should check that power.

Second, neither video is a debate. Teachout's is a scripted, narrated video with graphics, produced by an advocacy organization. Boudreaux's is a short talk opening a conference panel, delivered to a live audience. In neither case does the speaker take questions or face an opponent able to push back. Students should notice that.

Boudreaux's talk was posted in June 2013, and Teachout's video in October 2020. Each speaker draws on the examples and figures available that year, and neither could account for anything that has happened since. That makes the pairing a good place to teach students to check the date on a claim before repeating it.

## Concepts & Key Terms

The following terms appear across both videos in this pairing, or in the activities that follow. Understanding them will help students follow the arguments and engage in discussion.

**Antitrust Law:** A law that prohibits business practices that unfairly limit competition, and that allows the government to block mergers or break up companies.

**At-Will Employment:** An arrangement under which an employer may fire a worker, and a worker may quit, at any time and for any reason that is not illegal.

**Capitalism:** An economic system in which individuals and businesses own property and decide what to produce, with prices set mainly by voluntary exchange in markets.

**Central Planning:** An economic system in which government officials, rather than consumers and competing businesses, decide what is produced, how, how much, and for whom.

**Competition:** Rivalry among businesses for customers, which pushes sellers to improve quality, lower prices, or offer something new.

**Conglomerate:** A large corporation made up of many companies, often selling under different brand names or in different industries.

**Due Process:** The fair procedures the Constitution requires government to follow before taking away a person's life, liberty, or property.

**Economic Freedom:** The degree to which people may own property, choose their work, start businesses, trade, and keep what they earn without heavy restriction.

**Labor Union:** An organization of workers that bargains as a group with an employer over wages, benefits, and working conditions.

**Market Share:** The percentage of all sales in an industry that one company makes.

**Monopoly:** A market in which a single seller supplies all or nearly all of a product that has no close substitute.

**Newsprint:** The inexpensive paper newspapers are printed on, and an input no printed newspaper can operate without.

**Oligopoly:** A market dominated by a small number of large sellers.

**Primary Source:** An original record of an event or a finding, such as a government survey, a court ruling, or an official report, rather than an article describing it.

**Regulation:** A rule issued by government that controls how businesses or individuals may act.

**Voluntary Exchange:** A trade in which both sides choose to take part because each expects to be better off.

## Discussion Questions

Before watching, have students read through the questions below. After viewing both videos, use the questions to guide discussion—in small groups, as a whole class, or in writing. Encourage students to weigh the evidence on both sides before forming a view.

1. What does Zephyr Teachout say most Americans have heard about capitalism?
2. According to Donald Boudreaux, who directs resources in an economy that is truly free?
3. What share of people does Teachout say cannot cover a \$400 emergency?
4. What two examples does Boudreaux give of how a government could silence newspapers?
5. Which company does Teachout say can make a book vanish?
6. Boudreaux gives four reasons liberty cannot be divided. Name two of them.
7. What does it mean to be free?
8. What makes a choice truly voluntary?
9. Is having the freedom to choose the same as having good choices?
10. If government officials decide what gets produced, and how much, how will they know what people want or need?
11. If one company sells nearly everything you buy, is that a problem? What if it treats you badly? What can you do about it?
12. You can quit a job you dislike. Can you quit a government you dislike? What makes each harder than it sounds?
13. Should an employer be allowed to monitor what you post online on your own time? Why or why not?
14. Does a company grow large by serving customers well, by shutting out competitors, or both? How could you tell the difference?
15. Nothing is free. When government runs a service, who pays for it, and who decides how the money is spent?
16. Teachout calls workplaces "private governments." How is an employer's power like a government's power? How is it different?
17. Boudreaux warns against people who would "play God." Could that warning apply to corporate executives as well as officials?

18. Boudreaux asks why we trust people to choose a lifestyle but not to make economic choices. Should those two kinds of choices be treated differently? Why or why not?
19. Teachout wants more decisions made democratically. Boudreaux says an official does not become "Godlike and perfect" when regulating the economy. What evidence would show which one is right?
20. What is the strongest argument on the side you disagree with?

## **Related Both Sides Pairings**

Teachers looking to extend this discussion may want to pair it with these installments from the Both Sides of the Issue archive:

- [\*Big Government and Big Business\*](#)
- [\*Democratic Socialism Revisited\*](#)
- [\*Monopolies Revisited\*](#)
- [\*Does Capitalism Exploit Workers?\*](#)

## **Activities**

The activities below may be used in any order. Each one requires students to engage with both videos. Worksheets begin on their own pages so they may be printed separately.

### **Activity 1: Common Ground Finder**

These two speakers reach opposite conclusions, and students tend to assume they share nothing. They share a great deal, including the premise most people would expect them to dispute. Distribute the worksheet after both videos have been viewed, and allow about twenty minutes.

Students work in pairs to find three points both speakers accept, record how each speaker expresses the point, and then locate the exact place where the two part ways. The Teacher Notes that follow the worksheet list the strongest points of agreement.

Name \_\_\_\_\_

Date \_\_\_\_\_

Class \_\_\_\_\_ Period \_\_\_\_\_

Teacher \_\_\_\_\_

### **Common Ground Finder: Is Capitalism Freedom?**

Find three points both speakers accept. For each one, write how Teachout puts it and how Boudreaux puts it.

| <b>Point both accept</b> | <b>How Teachout puts it</b> | <b>How Boudreaux puts it</b> |
|--------------------------|-----------------------------|------------------------------|
|                          |                             |                              |
|                          |                             |                              |
|                          |                             |                              |

If the two speakers agree on these points, where exactly does their disagreement begin?

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Which point of agreement surprised you most? Why?

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## **Activity 1: Common Ground Finder—Teacher Notes**

Students will find different wording, but the strongest shared ground usually falls into four areas.

### **Economic life is part of freedom.**

This is the point students are least likely to expect. Boudreaux argues that economic and non-economic freedom are "inseparable" and that liberty "is a whole." Teachout measures the economy against the "freedom to choose" and says that at work, "the freedoms we associate with democracy don't exist." Neither speaker treats a paycheck, a purchase, or a job as something separate from freedom.

### **Concentrated power is dangerous.**

Teachout warns of "incredible, dictatorial power for a few people at the very top." Boudreaux warns against people who would "play God" over others' lives. Both distrust anyone who can make decisions for millions of people without their consent.

### **Control of information matters.**

Both speakers reach for the press and books. Boudreaux describes a government that controls paper mills denying newspapers what they need to print. Teachout describes Amazon making a book "vanish from the place most everyone buys books." Both see control over the supply of ideas as a test of freedom.

### **Individuals are capable of choosing.**

Boudreaux says liberty "respects the competence of the individual." Teachout's complaint is that ordinary people are denied real choices, which assumes they would choose well if they had them.

### **Where the disagreement begins**

The speakers disagree about who holds the power that threatens freedom and what can check it. Teachout locates the threat in large corporations and employers, and looks to anti-monopoly law and unions to restrain them. Boudreaux locates the threat in political elites, and argues that a government strong enough to direct the economy is strong enough to reach speech, worship, and private life. Ask the class which check each speaker would rely on if he or she turned out to be wrong about the other side.

## **Activity 2: Timeline of the Debate**

Neither speaker invented this argument. Both draw on a debate that runs back to 1776, the year of the Declaration of Independence and of *The Wealth of Nations*. In this activity, students put fourteen events in order and decide which speaker's argument each one supports. Plan on one class period with device access.

Students look up the year of each event, number the events from earliest to latest, and mark whether each event supports Teachout's argument, Boudreaux's, or both. Require a one-sentence reason, written on the back of the worksheet, for every "Both." The answer key follows the worksheet.

Name \_\_\_\_\_ Date \_\_\_\_\_

Class \_\_\_\_\_ Period \_\_\_\_\_ Teacher \_\_\_\_\_

### Timeline of the Debate: Is Capitalism Freedom?

Look up the year of each event. Number the events from earliest (1) to latest (14). Mark T if the event supports Teachout's argument, B if it supports Boudreaux's, or Both. Explain each Both on the back.

|   | Event                                                                                                                                         | Year | Order | T / B / Both |
|---|-----------------------------------------------------------------------------------------------------------------------------------------------|------|-------|--------------|
| A | A federal judge rules that Google illegally kept a monopoly in internet search.                                                               |      |       |              |
| B | F. A. Hayek publishes <i>The Road to Serfdom</i> , arguing that central economic planning leads to the loss of political freedom.             |      |       |              |
| C | President Benjamin Harrison signs the Sherman Antitrust Act, the first federal law against monopolies.                                        |      |       |              |
| D | Crowds begin tearing down the Berlin Wall, which divided communist East Berlin from West Berlin.                                              |      |       |              |
| E | Adam Smith publishes <i>The Wealth of Nations</i> , a study of how markets, trade, and the division of labor create wealth.                   |      |       |              |
| F | The Supreme Court orders Standard Oil broken up for illegally monopolizing the oil industry.                                                  |      |       |              |
| G | Philosopher Elizabeth Anderson publishes <i>Private Government</i> , arguing that employers govern workers' lives the way a government would. |      |       |              |
| H | China's Communist Party begins moving away from collective farming and central planning toward market reforms.                                |      |       |              |
| I | President Franklin Roosevelt signs the Wagner Act, protecting workers' right to join unions and requiring employers to bargain with them.     |      |       |              |
| J | Milton Friedman publishes <i>Capitalism and Freedom</i> , arguing that economic freedom is necessary for political freedom.                   |      |       |              |
| K | The Federal Trade Commission (FTC) and seventeen states sue Amazon, accusing it of illegally maintaining monopoly power.                      |      |       |              |
| L | Hayek gathers free-market scholars, including Milton Friedman, in Switzerland to found the Mont Pelerin Society.                              |      |       |              |
| M | The Fraser Institute publishes its first <i>Economic Freedom of the World</i> report, ranking countries by economic freedom.                  |      |       |              |
| N | Louis Brandeis publishes <i>Other People's Money</i> , arguing that a few big banks controlled major industries and blocked competition.      |      |       |              |

## Activity 2: Timeline of the Debate—Answer Key

| Order | Letter | Year | Event                                             | Supports  |
|-------|--------|------|---------------------------------------------------|-----------|
| 1     | E      | 1776 | <i>The Wealth of Nations</i>                      | Both      |
| 2     | C      | 1890 | Sherman Antitrust Act                             | Teachout  |
| 3     | F      | 1911 | Standard Oil broken up                            | Teachout  |
| 4     | N      | 1914 | <i>Other People's Money</i>                       | Teachout  |
| 5     | I      | 1935 | Wagner Act                                        | Teachout  |
| 6     | B      | 1944 | <i>The Road to Serfdom</i>                        | Boudreaux |
| 7     | L      | 1947 | Mont Pelerin Society founded                      | Boudreaux |
| 8     | J      | 1962 | <i>Capitalism and Freedom</i>                     | Boudreaux |
| 9     | H      | 1978 | China begins market reforms                       | Boudreaux |
| 10    | D      | 1989 | Berlin Wall falls                                 | Boudreaux |
| 11    | M      | 1996 | First <i>Economic Freedom of the World</i> report | Boudreaux |
| 12    | G      | 2017 | <i>Private Government</i>                         | Teachout  |
| 13    | K      | 2023 | FTC sues Amazon                                   | Teachout  |
| 14    | A      | 2024 | Google search ruling                              | Teachout  |

### Where more than one answer is acceptable

E (*The Wealth of Nations*). Smith is usually cited in defense of free markets, and Boudreaux's argument rests on the same ground. But Smith also warned that businesspeople in the same trade tend to conspire against the public to raise prices, a concern much closer to Teachout's. Either speaker could claim him.

H (China's market reforms). China opened much of its economy to markets but did not become politically free. A student may argue that this complicates Boudreaux's claim that liberty "is indivisible." Another may argue that the Communist Party's continued control over major parts of the economy supports it. Accept either placement if the student explains the reasoning.

A and K (Google and Amazon). Teachout would cite both cases as evidence of monopoly power. A student may also point out that both are examples of antitrust law being enforced, which leaves open whether the law as written is enough. Credit a student who sees either case can be read more than one way.

### Teacher Notes

Seven events fall on Teachout's side, six on Boudreaux's, and one on both. If a class sorts nearly everything to one side, ask students whether they sorted by the evidence or by the side they already favored.

Two of these cases were still moving when this guide was written. As of September 2026, the FTC's 2023 lawsuit against Amazon was still pending in federal court, and Google had appealed the search ruling. Have students check the current status of

each. In August 2026 the FTC filed a separate lawsuit against Amazon over advertising charges, so students searching for the 2023 case may find the newer one first. Make sure they record the right one.

### **Activity 3: Devil's Advocate Round**

Students take a position, then argue against it using the other video's best material. The goal is not to change anyone's mind. It is to make sure every student can state the opposing case well enough that a supporter of that case would accept the summary. Plan on one class period.

#### **How to run it**

- Write this statement on the board: "Economic choices deserve the same protection as freedom of speech."
- Have each student write "agree" or "disagree" on an index card, with one sentence of explanation. Collect the cards.
- Pair students who chose the same answer. Hand each pair a challenge card from the list below that argues against their position.
- Each pair has ten minutes to build the strongest version of the challenge, using at least one specific example from the video it comes from.
- Pairs present the challenge in two minutes. The class decides whether a supporter of that view would accept the presentation as fair.
- Return the index cards. Each student writes a new sentence stating whether his or her position changed, held, or became more qualified.

#### **Challenge cards for students who agree with the statement (drawn from Teachout)**

- If "you either work or you starve," taking a job is not a free choice. Protecting that choice protects the employer's power, not the worker's freedom.
- When two companies control a whole market, the "choice" between them is not much of a choice.
- Employers monitor workers' social media and regulate their breaks in ways that "would be unconstitutional for any democratic government."
- Amazon can make a book disappear from the store where most people buy books. Private power can silence speech, too.

#### **Challenge cards for students who disagree with the statement (drawn from Boudreaux)**

- A government that controls the paper mills can deny newspapers the paper they need to print.
- A government that controls the banks can deny financing to anyone who would start a newspaper that criticizes it.
- If people are competent to choose how to live and how to worship, why are they less competent to choose how to save for retirement?
- An official who makes mistakes when regulating speech does not become "Godlike and perfect" when regulating the economy.

## **Activity 4: Real-World Connection**

Both videos are several years old, and the questions they raise are in the news right now. In this activity, each student finds one recent story and tests both speakers' arguments against it. Assign as homework, and use the next class to compare findings.

Find a news article published within the past twelve months that fits one of the categories below. Then answer the four questions in writing.

### **Story categories**

- A government lawsuit or ruling about a company accused of having too much market power
- A proposed merger between two large companies, whether approved or blocked
- A dispute over what an employer may require of workers, monitor, or punish
- A government limiting a news outlet, a book, or a platform, anywhere in the world
- A survey of how young Americans view capitalism, socialism, or economic freedom

### **Questions**

- Summarize the story in three to five sentences, and name the publication and the date.
- How would Zephyr Teachout likely respond to this situation? Point to a specific claim from her video.
- How would Donald Boudreaux likely respond? Point to a specific claim from his talk.
- Which speaker's argument better explains what happened in the story? Defend your answer with evidence from the article and both videos.

## **Activity 5: Socratic Seminar Prep**

Use the prep sheet the day before a seminar so students arrive with evidence rather than impressions. Collect the sheets at the door; a student who has not logged evidence from both videos is not ready to speak.

Open the seminar with one of the questions below, and hold the last five minutes for each student to read the final line of his or her sheet aloud.

- Is being able to quit a job the same as being free at work?
- If a book disappears from Amazon, has anyone's freedom been limited? What if a government bans it?
- Can a person be economically free but politically unfree? Can the reverse happen?
- Who checks the power of a large company? Who checks the power of a government?

Name \_\_\_\_\_ Date \_\_\_\_\_

Class \_\_\_\_\_ Period \_\_\_\_\_ Teacher \_\_\_\_\_

### **Socratic Seminar Preparation**

Evidence log. Record two specific quotations, figures, or examples from each video.  
A general memory of the argument does not count.

| <b>Video</b> | <b>Evidence</b> | <b>Why it matters</b> |
|--------------|-----------------|-----------------------|
| Teachout     |                 |                       |
| Teachout     |                 |                       |
| Boudreaux    |                 |                       |
| Boudreaux    |                 |                       |

A question I want the group to wrestle with:

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The strongest point on the side I disagree with:

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One thing that could change my mind:

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## **Activity 6: Trace the Claim**

This pairing leans on two kinds of evidence, numbers and history, and both can be checked. In this activity, students take a claim back to the survey, the market data, or the historical record behind it and report what the original source actually says. Plan on one class period with device access, or assign it over two nights.

Assign each student or pair one claim, or divide the four among groups and have each group report out. Point students to the description field under each video on YouTube. The Gravel Institute lists citations under Teachout's video for some of her claims but not others, which makes it a fair test of whether each claim has a source attached. The Oslo Freedom Forum lists no sources under Boudreaux's talk, which is typical of a recorded conference talk and is itself worth recording.

Students may begin with a search engine or an artificial intelligence (AI) assistant, but a claim counts as traced only when the student reaches the original source and records what it says.

Name \_\_\_\_\_ Date \_\_\_\_\_

Class \_\_\_\_\_ Period \_\_\_\_\_ Teacher \_\_\_\_\_

### Trace the Claim: Is Capitalism Freedom?

Take your assigned claim back to the source that produced it. Fill in every row. If you cannot find an original source, write that down. It counts as a result.

| # | The Claim                                                                                                                                            | Video     |
|---|------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| 1 | "40 percent of people can't scrape together \$400 in an emergency."                                                                                  | Teachout  |
| 2 | "One corporation dominates books."                                                                                                                   | Teachout  |
| 3 | A government that controls the paper mills can deny newspapers an input they cannot operate without.                                                 | Boudreaux |
| 4 | Scholars such as F. A. Hayek and Milton Friedman showed that control of the economy brings potential control over "the things we call non-economic." | Boudreaux |

My claim number:

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The survey, report, book, or event the claim appears to come from:

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What that source actually says, in its own words:

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Who collected the information, and when:

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Does the video's wording match the source? Explain any gap.

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## **Activity 6: Trace the Claim—Teacher Notes**

No answer key is possible in the usual sense, because what students find depends on which source they reach first. What follows is what a careful search turned up while this guide was being written.

### **Claim 1—40 percent and the \$400 emergency.**

The Gravel Institute cites the Federal Reserve's *Report on the Economic Well-Being of U.S. Households in 2018*, published in 2019. The survey asks adults how they would pay for an emergency expense of \$400. In that report, 61 percent said they would use cash or its equivalent, and 12 percent said they could not pay by any means. Most of the rest said they would pay another way, such as carrying a credit card balance, borrowing, or selling something. The Fed's own 2018 press release, on the previous year's survey, described four in ten adults as either unable to cover the expense or covering it by borrowing or selling something.

The gap between choosing not to pay in cash and being unable to "scrape together \$400" is the heart of this claim. The Fed's report published in May 2026, on 2025 data, found 63 percent would use cash and 12 percent could not pay. Ask students which figure best fits the words "can't scrape together," and why an advocate on either side of a debate might prefer one figure over the other.

### **Claim 2—one corporation dominates books.**

No citation is posted for this claim. The House Judiciary Committee's antitrust staff report, released in October 2020, states that Amazon has over half of all print book sales and over 80 percent of e-book sales, drawing on outside estimates listed in its footnotes. That supports "dominates." Push students on two points: whether "dominates" means the same thing as "monopoly," and whether a share of sales is the same as control over which books get written and published. No newer figure from a primary source turned up; a student who finds one should record its date and who produced it.

### **Claim 3—newsprint.**

Documented cases exist, some before the talk and some after it. In 2011, Argentina passed a law declaring newsprint production a matter of public interest, and two of the country's largest newspapers viewed the law as aimed at them. In Venezuela, after the government centralized newsprint imports, the Committee to Protect Journalists reported in December 2017 that 24 newspapers had stopped printing, with many editors saying the state supplier refused to sell them paper.

The Venezuela case came after Boudreaux's talk, so it could not have been what he had in mind. It does test his warning. Ask students whether an event that happens after a claim is made can count as evidence for it.

### **Claim 4—Hayek and Friedman.**

This claim holds up, and the trail is short. Hayek's *The Road to Serfdom* (1944) devotes chapter 7, "Economic Control and Totalitarianism," to the argument. Friedman's *Capitalism and Freedom* (1962) opens with a chapter titled "The Relation between Economic Freedom and Political Freedom." It names Hayek, uses the Hollywood blacklist as an example, and argues that in a socialist society, a person arguing for capitalism would have to raise money for the cause and even buy paper from a government-owned supplier.

One caution worth passing on: versions of Friedman's paper example quoted online do not all use the same words. A student who wants to quote the book should quote it from a print or library copy, not from a website that quotes it.

### **Two more worth tracing**

Teachout: "When Pfizer decides to raise insulin prices ahead of a shareholders' meeting, it's done." Nearly all insulin sold in the United States is made by Eli Lilly, Novo Nordisk, and Sanofi, and Pfizer does not sell insulin in the United States. Pfizer's price increases on other drugs are well documented, including increases in 2018 and January 2019. No report turned up that ties a Pfizer price increase to the timing of a shareholders' meeting.

Boudreaux: a government that controls the banks can deny financing to its critics. In October 2020, Nigeria's Central Bank froze the bank accounts of people connected to the #EndSARS protests against police abuse. Human Rights Watch reported that the bank froze the accounts before obtaining the court order the law appears to require, and a federal court ordered them unfrozen in February 2021. This case also came after the talk.

### **The payoff question**

Close by asking which claim was hardest to trace, and why. Claim 1 shows that a citation makes a claim checkable, not correct. Claim 4 shows that a claim delivered with no citation at all can still hold up. Tell students that finding a more recent figure counts as success, not as a failure to locate the original, and have them record the date beside every number they write down.