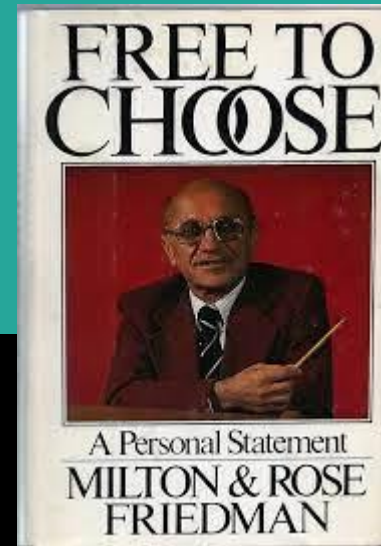


Free to Choose

By: Milton Friedman



Lecturer: Hannah Hasselius

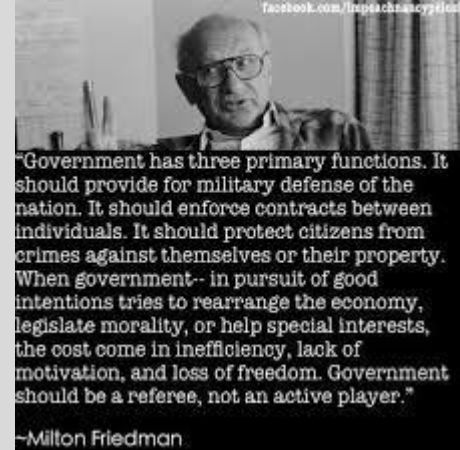
Chapter 1: The Power of the Market



- In favor of free-market capitalism: private property, market forces, limited government intervention, and profit motive
- Importance of individual freedom/responsibility
- Remarks on the birth/creation of America, no restrictions on the people were placed which allowed most people to thrive. “Land of Free” true
- Historical examples: United States VS Soviet Union, post WWII Japan, etc.
- “If what people get is not going to be determined on what they produce, how they produce it, on how successfully they work, what incentive is there for them to act in accordance with the information that is transmitted?”

Chapter 2: The Tyranny of Control

- Skepticism of extensive Government intervention in the market
- Argues that it will lead to negative consequences, erosion of individual freedom
- Provides examples of locations central planning in practice; Ex. India's population driven to "misery and poverty"
- Primary role of Govt: protecting individual rights
- Supports government enforcing contracts, ensures legal obligations are met between two willing parties
- Favors decentralized decision-making
- Criticizes central planning: Government control, resource allocation, production targets, limited market forces, lack of competition
- "Government never learns"



Chapter 3: Anatomy of a Crisis & Chapter 4: Cradle to Grave

- Chapter 3:

https://www.youtube.com/watch?v=oyFDD0G-_jo&list=PLTpIBPPoWdX2FY2YJUTseTljaPKhMKW06&index=4

Chapter 4:

- “Cradle to Grave system”= government or a social institution provides support, services, and assistance to individuals from birth (the cradle) until death (the grave).
- Includes: Social services, housing and welfare programs, long-term care, employment support, healthcare, education, etc.
- Minimizes incentive for individual responsibility to take care of their well-being
- Typically, negative self-image, less rights “treated more as children rather than adults”
- No correlation between effort and reward
- Friedman rather suggested reduced government intervention, and encouraging citizens to put forth the effort that best exemplify their ambitions/purpose



Chapter 5: Created Equal

- Equality of opportunity rather than equality of outcome
- Suggested Government policies should ensure fairness (contracts), but not limit market dynamics
- In reality, equal redistribution of income is unjust
- Argued income inequality was natural outcome of individual's knowledge, decision-making skills, and talents.
- Emphasis on individual freedom and responsibility to invest in opportunities that best align their interests -> Promoting free-market system!
- "The society that puts equality before freedom ends up with neither."



"SOCIALISM"

Chapter 6: What's Wrong with our Schools?

- Critique of traditional education system
- Advocacy for a market-oriented approach
- Criticizes bureaucratic nature and lack of competition
- Proposes a voucher system:
- Parents use government-issued vouchers
- Allows choice in selecting schools
- Introduces competition to improve education quality
- Aligned with Friedman's broader economic philosophy of promoting free-market principles for efficiency and innovation.
- “A centralized [education] system cannot possibly have that degree of personal concern for each individual child that we have as parents.”



Chapter 7: Who Protects the Consumer?

- Advocates for market-driven approaches to consumer protection
- Competitive market enforces business to respond to consumer demands/expectations, naturally providing protection, serves in best interest of consumers
- Free markets equip consumers with information to make informed decisions, emphasis on *transparency*
- Freely operation of businesses also leads to market discipline, high quality standards= high quality consumers
- **Consumer responsibility !!!!**
- “What we have today is not a wise and frugal government, but a spendthrift and snooping government.”



“Consumer responsibility”

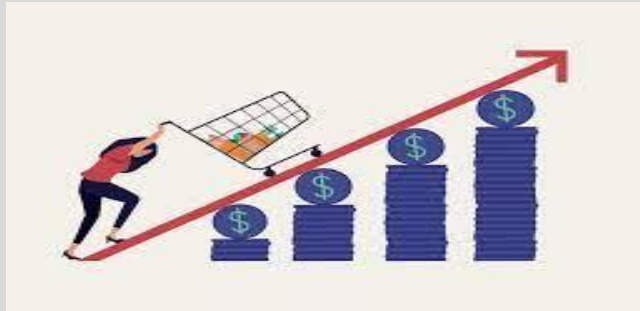
Chapter 8: Who Protects the Worker?

- Advocates for workers' right to choose their employment arrangements, opposes government interference
- Highlights the role of market mechanisms (supply and demand) in determining wages and working conditions
- Policies may reduce employment opportunities (ex. Strict licensing, minimum wage laws, mandated benefits, etc.)
- Belief that union power leads to monopolistic practices
- Encourages individuals to have the freedom to move between jobs and industries
- **Emphasis on worker mobility** (occupational, skill, geographical, job-job mobility)
- Overall supports dynamic and flexible labor market



Chapter 9: The Cure for Inflation

- Challenges the idea that other factors, such as external shocks, are the primary drivers of inflation
- proposes the adoption of a fixed rule governing the growth of the money supply, such as a constant percentage increase (provides stability and predictability)
- Against discretionary government policies (wage and price controls, exchange rate policies, etc.)
- “Every country that has had the courage to persist in a policy of slow monetary growth has been able to cure inflation and at the same time achieve a healthy economy.”
- <https://www.youtube.com/watch?v=BHtQSddGb3g&list=PLTpIBPPoWdX2FY2YJUTseTljaPKhMKW06&index=10>



Chapter 10: How to Stay Free



- Serves as a call to action to preserve and promote individual freedom, ongoing effort needed to preserve individual freedom.
- Informed and engaged citizenry is essential for maintaining a free society, especially younger generations
- Importance of limiting the scope of government to prevent abuses of power
- Emphasis on the positive impact of free-market principles on economic prosperity
- Focus on communicating the benefits of individual liberty and free-market economics
- “Freedom is not the natural state of mankind. It is a rare and wonderful achievement.”