

Teaching Free Markets To Students
(Capitalism is a Dirty Word)

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In order to be effective advocates and teachers of the Free Market, in addition to understanding our own bias, we need to understand where our students are coming from, as well. Each student brings into the classroom his own beliefs about how the world works. Many of these beliefs are so entrenched in his own psyche, that any perceived attack on these beliefs will also be interpreted as an attack on his person. We need to get past the biases our students bring with them, without being perceived as threatening, or making the student feel “wrong” about what he may have believed (and been reinforced to believe) perhaps throughout his entire life. Similarly, we as teachers need to know our own internal bias, especially as to *why* we see Free Market as we do. When our own opinions are very different from one or more of our students’, very often this is because of a clash of bias. “*Because I told you so*” works just about as well with the students we teach as it did with us from our own parents as we were growing up.

The subtitle of this paper is “Capitalism is a Dirty Word”. I truly believe this statement is true for the vast percentage of the students with whom we interact. I try not to use the word “Capitalism” at all with my students, at first, and only use it after they know exactly what I wish to convey when using it. I teach my students the attributes of the “Free Market”, and use the words “Free Market” rather than the word “Capitalism”. The reason for my choice in wording is very simple. “Capitalism” has been, and still is in many cases, a pejorative. First coined by Karl Marx, Marx wrote that Capitalism is a “dictatorship of the bourgeoisie”. He believed a capitalist society was to be run by the wealthy classes for their own benefit. Socialism, according to Marx, was “the working class conquest of political power in the form of a dictatorship of the proletariat and eventual establishment of a classless society, Socialism or Communism, a society

governed by a free association of producers.” These definitions are exactly the opposite of what Free Market thinkers would apply to the words “Capitalism”, “Socialism” and “Communism”. We teachers, who think that the Free Market is a good thing and who use the word “Capitalism”, usually assume students understand the word as we do. So, without prior explanation, we may confuse, or worse, turn off our students, who believe, for whatever reason, that “Capitalism” is a bad thing. We will get a little more into the confusing world of definitions later, and how the same word can have so many different meanings depending upon the person with whom we are speaking.

One must ask, then, just how powerful are the biases our students bring into the classroom? How deep do they go? From where do they come? To illustrate, allow me to recall a story I once heard when I was a teacher in the K-12 public school system. The story goes something like this. Little Johnny was four years old and was to go to school for the first time in about six months. In order to give their son a head start on kindergarten, Johnny’s parents bought a package of printed flash cards. Some of these cards had letters of the alphabet printed on them, some had shapes, and some had colors. On one side of the cards was the letter, shape, or color, and the flip side had the actual word printed out. Johnny’s parents practiced with their son often with the cards in order to give him a good start for next year. Johnny went to kindergarten, and amazed his teacher with his knowledge. He knew the numbers, shapes and colors perfectly, with one small exception. You see, Johnny’s parents were colorblind. Two of the cards had a misprint. Blue and green were reversed. Johnny thought that green was blue and vice versa. No matter what the teacher said or did, Johnny would insist on this fact. No amount of explanation would convince him. When asked as to why he didn’t believe the

teacher, Johnny told them, “My mom and dad told me, and they don’t lie”. The teacher thought, “this is simple, I’ll just call the parents in for a conference and straighten all of this out”. The parents were called in, realized their mistake (they had brought the cards in with them), and told Johnny they made a mistake. Johnny believed them, and that was that, or so thought the teacher. The thing is, Johnny now had an internal bias, and even though he now knew what he believed before was wrong, he still had a very difficult time seeing “green” and thinking “blue”. To this day, as an adult, Johnny still cannot look at the color “green” and not think blue. To be sure, he uses the correct word when describing the colors to others, but when he sees a green color but he still thinks “blue”. This deep-seated bias of Johnny’s seems to have been hard wired into his brain, and no amount of logic would shake his “feeling” that “green” is actually “blue”. This came about with less than six months of training by his parents.

Let us assume that the reader of this paper is a college professor, teaching students for a fifteen-week term, four hours per week, about Capitalism. These students have been on this planet for at least eighteen years, possibly more. During this entire time, they have been raised by their parents, gone to school, interacted with friends and family, practiced their faith, and consumed countless hours of television, Internet, and pop culture. Whatever bias a particular student brings to class is his own bias, and belongs to him personally. It is not often that logic even comes into the picture. A bias is a “belief”, and as such is never examined by the “believer” unless directed to by an outside force. Therefore, we need to provide the student with a pathway of logically following thoughts and actions to their logical conclusions. “Capitalism” is a belief. “Free Market” carries a bias too, as does every word and phrase, but I suspect not so much as

“Capitalism”. Somehow we must convey to our students that “Free Market” *IS*

“Capitalism”, once we thoroughly describe what the Free Market really is. Before we get

to that, please consider the following list of ‘isms.

- Socialism**
- Communism**
- Nationalism**
- Fascism**
- Nazism**
- Capitalism**
- Conservatism**
- Liberalism**
- Libertarianism**
- Anarchism**
- Cronyism**
- Corporatism**
- Imperialism**
- Militarism**

What is the definition for each of these words? A simple search on the Internet will tell us everything we need to know. There is NOT a consensus. It seems that there are multiple definitions for each one of them. If all of these words have different definitions, just imagine all the different biases.

Words are what we use to convey thought. In grade school, once we learn what a word’s definition is, we form our feelings about it; we put that word into a little black box in our memory bank and assume everyone else will know what we mean and feel when using that word from now on. This is not necessarily so. I say the word “cat”, and you think some sort of feline. If you are a cat lover, you may have positive feelings. If you are a dog person, you may feel more negatively. I say “broccoli”; you think of the vegetable. Depending on if you like the taste of broccoli, you will have either a positive or negative reaction. If I say “Cronyism”, “Corporatism”, “Imperialism”, “Fascism”, or “Militarism”, what would our students think, and what would they feel? In the earlier

examples of the cat and broccoli, most people would think of the same thing when hearing those words. These are just simple objects. In the latter case, upon hearing the words “Cronyism”, “Corporatism”, “Imperialism”, “Fascism”, or “Militarism”, many students would unfortunately say that some or all of these words actually describe “Capitalism”. How in the world can we even get into what they feel about Capitalism, if they don’t even know what the word means, or at least what *we* mean by it? Remember where I mentioned that I like to begin with a group of students by teaching them about the “Free Market”, and not “Capitalism”, at least at first? Now you know why. We must take them back to square one, beginning with describing what a free market economy really is.

We must be able to describe what a truly free market is, and what it would look like before we can even offer to the students the alternatives, which I describe as “Command and Control” economies. In my universe there are only two theoretical economies. “Free” and “Command and Control”. (There is also something called “Anarchy”, but that is not an economy. That is merely lack of any government.) Certainly every economy on Earth is somewhere in-between these two extremes, none being totally free nor any being totally controlled. (Even in the most oppressive political situation, there is still something called the “Black Market”.)

But to get past the students’ biases and describe what a truly free market is, *and* have our students not shunt the idea aside without analyzing it, we need to take a page from the Socialists. What do I mean by this? We need to “idealize” the Free Market. We must allow our students to understand what a true free economy would look like if ever allowed to happen. One of the main reasons our students don’t understand a free

economy, is because they have never lived in one. They may live in a relatively free economy compared to the rest of the world, but certainly not one that is totally free. Conversely, our students may not understand what it is like to live in a Command and Control economy because they have not lived in one so extreme they would take notice. The freedoms they don't have now, for the most part, have already been lost by the time they were born.

The Socialists speak of in terms of "ideals". You know the "ideals" of which I speak; fairness, equality, lack of class, rich people not stealing from the poor, everyone getting an equal shot, etc. Socialists speak of their ideals, never mind that none of that stuff has ever, nor can ever, be achieved in the system they propose. That's not the point. They believe they are on the moral high ground. What more noble idea is there than to be your brother's keeper? The fact that some must be stolen from, and some must receive these stolen goods, in order to make this system work doesn't matter to them. At least they care, correct? Also, it doesn't matter what the final outcome might turn out to be in the end. It is the "good intention" that matters to the Socialist.

When we advocate the virtues and benefits of the free market system, we tend to use facts and figures, math and graphs, all the while leaving out the emotional component that our students really need to feel. We tend to leave out the fact that a free market *IS* moral because it's totally based on a value-for-value trade; trade without coercion or force; trade without taking anyone's liberty away from them. But, that thinking is *not* self-evident to everyone. We need to explain to our students that the reason the free market is moral is because it is *FREE*. Not taking away an individual's freedom is the *MORAL* thing to do. Before we can even get into the various Command and Control

systems, our students must see for themselves that the Free Market is actually the true moral choice, because it celebrates and enhances individual free choice. Taking away free choice is *NOT* moral, no matter if you think that person is doing something he shouldn't be doing, in your own view. Making others live by *OUR* moral code is not moral. (If it doesn't break my leg or pick my pocket, why should I care?) We may even need to point out that theft is *NOT* moral. Every economic system that is not totally free necessarily steals from one group in order to give to another (with the government acting as the middleman, taking its cut). The citizens have no choice in the matter. We need to break the two theoretical systems down to their most basic components. I.e. → Free Market = individual freedom; Command and Control = slavery.

These are just a few of the characteristics of a Free Market economy:

- 1. Free, cooperative, and peaceful process.**
- 2. Free to set prices.**
- 3. Free to buy, own, use, and sell private property.**
- 4. Free to compete.**
- 5. Free to earn profits.**
- 6. Free to create capital formation.**
- 7. Free to be an entrepreneur.**
- 8. Free to be an investor.**
- 9. Free to choose your work.**

The first word in each of these descriptions is “free”. This is not coincidence. Our students need this concept pointed out to them time and time again. They need to know all about what a free market economy *should* look like, and not necessarily what they may see going on all around them, or in their own country, which is certainly not totally free. Remember our two theoretical systems, Free Market and Command and Control? Every economic system on Earth falls between these two extremes, and as such, the problems our students see around them, the ones they often blame on the free market, are

in fact created by the restrictions placed on it. When my students bring up a point that “the free market doesn’t work because of _____”, we can always go back and find the root of the problem, which always relates to some sort of restriction placed on the market. Once our students understand what a true Free Market is, now is the time to let them in on the secret that the synonym of “Free Market” is “Capitalism”. I let them know, from here on out, when we use the word “Capitalism” in class, we are talking about a theoretically totally free market (while a free market economy does not actually exist in the real world, this is our bench mark, and is something to strive for).

Now would be an appropriate time to speak about the theoretical total “Command and Control” type system, where every single aspect of economic activity is chosen for every individual by a governing body. The significant part of this observation is that the individual is *not* the one doing the choosing. These include, but are not limited to; goods allowed to be sold, the prices of which these goods must be sold, what and when you are allowed to buy, what and when you are allowed to sell, what sort of job you must have, the times you must work this job, etc. We make it clear that every aspect of your life is controlled in this system. This system can also be described as the interaction between master(s) and slaves. There absolutely no free choice in any aspect of your life. Once this is made quite clear, it is now time to talk about the “actual” economic systems that now, or have ever, existed on Earth.

I like to draw on the chalkboard a horizontal line, with 0 on the left, and 10 on the right. I write “Free Market” on the 0 and “Command and Control” on the 10. I then go through my list of ‘isms, and ask the students where that particular ‘ism belongs.

- Socialism**
- Communism**

- Nationalism
- Fascism
- Nazism
- Capitalism
- Conservatism
- Liberalism
- Libertarianism
- Anarchism
- Cronyism
- Corporatism
- Imperialism
- Militarism

Beforehand, I make sure to give them my working definition for each word, since their own definitions may not be my own. This is where I really get a feel for my students' bias. If you wish, you can do this exercise without defining the word first, and then do it once again after. This could be very instructive indeed.

Before too long, a majority of students begin to see that *ALL* systems, except for Capitalism, employ some sort of Command and Control structure. By the way, the first time through this exercise, you may get a sizable amount of your class claiming that Capitalism is not totally free, but somewhere else on the continuum. We must make it clear, once again, that Capitalism *IS* the Free Market, and not just some form of it. (There is no such thing as “Crony Capitalism”, for example. These two words just do not go together.) Capitalism belongs at 0. Now we have gone through some of the economic systems that exist in the world. However, as we all know, economic systems do not occur in a vacuum. There is always some sort of political structure people live under, so we would be remiss in not mentioning which political systems allow for the free market, and which ones do not.

As we all know, no economic system can exist for too long without some sort of government. When there is anarchy, society itself breaks down, and cooperation between

parties simply cannot exist. What happens instead is a survival of the fittest. This normally means that the biggest and most terrifying gang gets what it wants. There is no “rule of law”. Anarchy is the step below “democracy”. (Democracy being defined as two wolves and a sheep voting on what to have for dinner.) This of course does not lend itself to a free market, where the individual rights of the weak are trampled on by the strong. This is of course theft, not only theft of property, but of life and liberty. This is not government-sanctioned theft, since there is no government, but this is theft nonetheless. This is where things get a little sticky for our students. They often will say, “See, we need government because we can’t be trusted to do for ourselves. We need government to tell us what to do or we will do the wrong thing, and hurt others. We need to be protected from ourselves.”

So, if society cannot survive without some sort of government, what should that government’s function be? Should there be limits to government power? If so, what are these limits? The Golden Rule is a good place to start. (Do unto others as you would have done unto you.) The Constitution of the United States as originally written and ratified, is all about the Golden Rule. If pressed on the matter, I would have to say that the Constitution, the Declaration of Independence, the Magna Carter, the Ten Commandments, and all of the other documents which point to the individual as the highest ideal are all derived from the Golden Rule. But, I would like to simplify things a little more.

A government must follow the spirit of the Golden Rule in the following way. The government’s only job, in my opinion, is to protect our individual rights. This means that your rights cannot infringe upon my rights, and vice versa. My life, liberty, and

property are to be protected from all others wanting to take them away from me, and I am to be prevented from doing the same to others. All of the other “rights” we say we must have must be able to be boiled down to “life, liberty or property”, or it is not actually a “right”. It is not a “right”, if something must be taken from another person in order for you to get it. We do not have a “right” to other people’s stuff, their time, their work, their beliefs, or their life. A government’s job is to enforce the “rule of law” that protects these rights. Any other use of the government is an infringement on the person, and therefore, an infringement on the Free Market. In this sense, the Free Market is the sum total of every person cooperating, competing, buying, or selling under the rule of law. The Free Market is the only outlet where people can be themselves, and allow their talents to come to the forefront. The individual knows where his talents lie, and if he doesn’t, he will figure that out very soon, if he wishes to be successful in this system. The Free Market is self-regulating. There are no lies or cheating in the free market, at least not for long. Eventually cheating and lying come to the surface. The “market” will know if you are lying about a particular product or service. The “market” will know if you are cheating the customer. The “market” knows all. This is what Adam Smith meant when writing about the “invisible hand”.

It really comes down to two choices when deciding on the type of economy / government we want: the Free Market or some sort of Command and Control structure. What do humans value more, freedom or security? That depends on the person, doesn’t it? Freedom doesn’t come easily, and is not very seductive to those who feel like a “victim”. The Free Market is for the adventurous, the risk takers, the self-aware and the courageous. It is in the Free Market where one has any real control over his life. But

freedom also means taking responsibility for one's actions. This is scary to a lot of people. Many just want to be taken care of, which is why Socialism sounds so good to so many people. It is also seductive to think that a little redistribution is a good and moral thing; completely forgetting that involuntary redistribution is really just theft. What they really don't see, of course, is where Socialism always ends in the long term: a financially and morally bankrupt society where there always are more moochers than producers. As stated by Margaret Thatcher, "Eventually you run out of other people's money". Where it all ends in the long term is not part of that emotional component, which only exists in the present moment, in the Socialist's heart. To look at probable future outcomes requires logic. "At least we care" "We're just trying to make a better world" "It *should* work" replaces logic, and does not answer the basic questions. The basic questions do not include, "Will it work?", "Will people be helped?", and "Will the greatest good come from this?". For many students, this is almost beside the point. They *believe* these things to be true. Even with dozens of examples of how it didn't work, how it didn't help anyone but the elites, and the fact that everyone else just got poorer in the past will not sway them. "It wasn't the right time then, but people are ready for it now", may be a typical response.

Here are the basic questions that must be answered. Is it *MORAL* to not allow people to make their own decisions? Is it *MORAL* to steal other people's property? Is it *MORAL* to infringe upon other people's liberties? Are we our brother's keeper in the sense that we are responsible for the decisions he makes, or are we really responsible to make sure he *CAN* make his own decisions, without having to do what he is told by others?

There are also those who just like to control people, which is the other side of the Socialist (Command and Control) coin. There are those who are attracted to Command and Control because they think it is a “fair” system, and then there are those who know better than that. They know it is not “fair”. They know it won’t “help” anyone but the elite. These are the people who want to impose their will upon others. That is the seductive part of Socialism, Communism, or some other sort of Command and Control system for them. These are the people that eventually rise to the top of these systems, and *become* the elite. Then *THEY* will decide what is good for everyone else. This is another sticking point for a lot of students. They will often say, “People don’t want to control other people, they just want to do what is good for them”. All we need to do is to remind them that the very reason they did not trust the free market, is because they did not trust people to do the “right thing”. This works both ways. Leaders are not to be trusted to be benevolent just because they are leaders. They are human too, with all the failings of other humans, but with a whole lot more power. Remember that all people want to be free; they don’t necessarily want *you* to be free. That’s why we advocate the Free Market. Not only is the Free Market moral, it self regulates. We need not rely on the benevolence of a few to decide for everyone else. As history shows, there are few people that look beyond their own self-interests just because they become leaders.

Our students are not idiots, and when presented with that emotional and moral component as well as the facts and figures, there is a good chance they may broaden their minds when contemplating the Free Markets, in its true form, rather than through preconceived notions. At least they will begin thinking, not just emoting. Perhaps they will see the concepts of the Free Markets and Command and Control economies in a new

light, once their biases are met head on and analyzed honestly. I hope this short paper will help in our never-ending struggle to extol the virtues of Capitalism and the Free Market, and to show our students what is really at stake. Capitalism is freedom; Capitalism is moral; Capitalism is what allows the invisible hand to work through human kind to create the type of society, in reality, the Socialists can only dream of in fantasy. An ideal can never die. Freedom is just such an ideal. It is our charge to make sure that ideal continues to live within us, and is passed on to future generations.