



Ideas that Changed the World

Discussion Questions

1. Luigi Zingales said that if you feed wild animals they lose their ability to gather their own in times of need and so their survival is at risk. How does this relate to businesses?
 2. When the government officials are trying to help certain businesses, do they tell us that? What reasons might they give us for their actions?
 3. Why have the suburbs around Washington, D.C. become the wealthiest? What do those changes signify? Is that good news for us or bad news? Why?
 4. Luigi Zingales said that when businesses benefit from lobbying more than they do from research and development, businesses will invest more in lobbying and less in R&D. How might that affect consumers?
 5. How does the ethanol example relate to cronyism?
 6. What are some effects of using ethanol?
 7. What are some of the criticisms of forcing the use of ethanol?
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Additional Discussion Questions

Who chooses? Who benefits? Who pays? What's fair? These four questions can be a useful tool for evaluating any policy or system. Posing the questions is a great way to stimulate a lively discussion.

1. Who chooses morality in the marketplace?
2. Who chooses how staff will behave at a place of employment?
 - a. Is it strictly up to the owners/managers/bosses?
3. Who chooses which businesses to purchase from/deal with?
 - a. Is that choice different in a free market compared to a centralized economy?
4. Who benefits from moral, ethical businesses?
 - a. How do they benefit?
5. Who pays for morality in the marketplace?
 - a. Is there a cost associated with it?



- b. What kinds of costs?
- c. Are there costs associated with immorality in the marketplace?
- d. Who pays those costs?

6. What's fair?

- a. Businesses every year lose money because people steal from them – shoplifting is one example.

They must account for this by charging everyone higher prices to make up for the theft.

- i. Is this fair? Why/why not?
 - ii. What other solution(s) could you offer?
- b. Suppose a business has a reputation for cheating its customers or selling poor products.
 - i. Is that fair?
 - ii. How can customers protect themselves?

7. Who Chooses?

- a. Who chooses the values that people in society have?
- b. Who chooses what products businesses sells?

8. Who Benefits?

- a. Who benefits from these internal conversations, the impartial spectator that Adam Smith wrote about?
- b. Who benefits from the Whole Foods stakeholder philosophy that John Mackey discussed?
- c. Who benefits from creative and innovative employees?
- d. Who benefits from Whole Foods being on Fortune's "100 Best Companies to Work For" list?
- e. What choices do people have when they go food shopping?



- f. What is a fair way to:
 - i. run a business?
 - ii. deal with employees?
 - iii. deal with consumers?
- 9. Who has benefitted from the progress of the last 250 years?
- 10. What was Adam Smith's concept of the Invisible Hand?
- 11. What motivates people to trade?
- 12. What kinds of signals do prices send, and to whom?
- 13. What was Adam Smith's insight about complex, orderly systems?
- 14. What did Adam Smith mean by "the man of system"?
- 15. Why did Adam Smith want government to be pro-market, as opposed to pro-business?
- 16. In a free market, why don't we have shortages or surpluses?
- 17. How are prices determined on eBay?
- 18. Is it better to rely on other people's pursuit of their self-interest, or on their benevolence?