

Chapter 3: It's Not About Selfishness

Is it really true that political self-interest is nobler somehow than economic self-interest?

-Milton Friedman

Some people believe that the basic motivation operating in a free market economy is selfishness. At least on the surface, this would seem to be supported by the observation that those who have been most successful at providing goods and services for others are also the wealthiest.

But note that in order for someone to grow wealthy in a free market economy, they must be providing something that others value *more* than the money the wealthy person receives as payment from the buyer. Otherwise, consumers would not willingly trade their money for the product or service the wealthy person is selling. When you multiply this by millions of similar transactions by consumers you find that:

Persons and businesses in a competitive free market become wealthy only by providing much greater wealth to society as a whole.

True selfishness would instead be taking things away from someone else against their will. The free market, if you think about it, operates in the opposite manner. It provides much more wealth to willing buyers than any executive in any corporation ever received in return.

Sure, the person selling a product is operating in their own *self interest* since they anticipate being paid for their efforts. But they know their self interest will only be realized if others receive something perceived to be of even *greater* value in return. Otherwise, the selling-buying transaction would never have taken place.