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This is one of a series of posts that will ask what the most pertinent question raised by a prominent influencer of political economy might have been, and what the relevance of that question might be today. There is a list of all posts in the series at the end of each entry. The [origin of this series is noted here](#).

After the first two posts in this series, the topics have been chosen by me, and this is one of those. This series has been produced using what I describe as directed AI searches to establish positions with which I agree, followed by final editing before publication.

The Friedman Question

Milton Friedman was the great evangelist of free markets in the twentieth century. His book [Capitalism and Freedom \(1962\)](#) and his advocacy of monetarism turned him into the intellectual godfather of neoliberalism.

He [taught that the purpose of business is to maximise shareholder value](#), that markets should be left to allocate resources, and that governments should confine themselves to protecting property rights, enforcing contracts, and controlling the money supply.

In Friedman's vision, almost everything else was waste or distortion:

- * Regulation, welfare, and social safety nets were all painted as threats to liberty.*
- * Taxes were viewed not as an essential part of the fiscal cycle, supporting the process by which communities can build collective goods and well-being, but rather as a form of confiscation.*
- * Collective bargaining was recast as interference.*

In the Friedmanite worldview, markets alone could deliver prosperity, efficiency, and freedom.

And yet, half a century on, the results of Friedman's intellectual crusade are visible all around us:

- * *Inequality has soared.*
- * *Wages have stagnated.*
- * *Financial crises have multiplied.*
- * *Public services have been hollowed out.*
- * *Politics has been captured by wealth.*
- * *The promise of liberty has become a reality of insecurity.*

This leads us to the Friedman Question: if everything is reduced to markets and money, how can society survive when its values, obligations and collective purposes are all stripped away?

1. The cult of the market

Friedman insisted that markets are the only reliable mechanism for coordinating human activity. He believed prices transmit all the information required to allocate resources efficiently. If you trust the price system, you don't need messy politics. You don't need collective decisions. You don't need government "interference."

This cult of the market has become orthodoxy. From the 1980s onwards, governments were told their role was to "get out of the way." Privatisation, deregulation, liberalisation — these were the watchwords. Markets would provide, and society would thrive.

But markets are not neutral. They are shaped by power, wealth, and politics. The price of a medicine may not reflect its social importance, but the monopoly of the company that holds its patent. The wage of a worker may reflect not their contribution, but their lack of bargaining power. The cult of the market does not deliver justice. It delivers the outcomes of power relationships disguised as efficiency.

2. The hollowing of democracy

Friedman saw democracy and markets as complementary, but he feared that democracy could threaten markets by allowing people to vote for redistribution. His solution was to constrain democracy in the name of liberty. Independent central banks, fiscal rules, and global treaties that enshrined free trade were all required to tie the hands of elected governments.

The result has been a hollowing out of democracy itself. Citizens can still vote, but the range of options available to them has shrunk. Almost all politicians repeat that "the markets" demand austerity, deregulation, and fiscal restraint. Democratic choice is neutered by market veto. To use a term familiar to readers of this blog, politics has been reduced to choosing which part of the single transferable party should govern.

This is not liberty; it is subordination. It is the inversion of democracy; government of the markets, by the markets, for the markets.

3. The destruction of social obligation

For Friedman, the social responsibility of business was “to increase its profits.” This phrase, now repeated endlessly in boardrooms and business schools, has had devastating effects.

- * It has justified the extraction of short-term profit at the expense of workers, communities, and the environment.
- * It has redefined companies as machines for shareholder enrichment, not social institutions with widespread responsibilities.
- * It has been used to legitimise tax avoidance, attacks on trade union rights, and the erosion of job security.

By reducing everything to money, Friedman’s doctrine stripped business of moral obligation. What mattered was not whether a company treated its workers well, served its community, or protected the environment; all that mattered was whether it delivered high returns to its shareholders.

4. The rise of inequality and insecurity

The Friedmanite revolution promised prosperity. What it delivered was inequality.

- * The gains of growth since the 1980s have flowed overwhelmingly to the wealthy.
- * Real wages for most ordinary workers have stagnated.
- * Job security has been eroded by casualisation and the gig economy.
- * Whole regions have been hollowed out by deindustrialisation.

This is not accidental. It is the predictable result of an ideology that prioritised capital over labour, shareholders over workers, private wealth over public good.

5. The fragility of a market-only society

A society cannot survive if every value is reduced to a price tag. Markets cannot measure dignity, fairness, solidarity, or care. They cannot price the bonds between generations. They cannot substitute for trust or community.

When markets are allowed to decide everything, what is not profitable is neglected:

- * Care work is undervalued.
 - * Public health is underfunded.
 - * Education is starved.
 - * The environment is plundered.
- Society becomes brittle because its foundations are treated as “externalities.”

This is the core of the Friedman Question. By reducing everything to markets and money, we undermine the very conditions that make markets possible: a stable, cohesive, fair society.

6. What would answering Friedman require?

To answer the Friedman Question is to reject the fantasy that markets alone can sustain society. It requires:

- * Restoring democracy over markets. Policy must be guided by social purpose, not by what financial markets demand.
- * Reasserting social obligations. Business is a social institution. It must be taxed fairly, treat workers decently, and serve the public good.
- * Valuing what markets neglect. Care, education, health, and environmental stability are the foundations of prosperity. They require public investment, not marketisation.
- * Constraining capital. Wealth must be taxed, monopolies broken up, and finance directed into productive, sustainable uses.

Inference

The Friedman Question asks us to confront the consequences of an ideology that made a god of the market and a heresy of social obligation. For forty years, we have lived under its shadow: rising inequality, collapsing services, hollowed-out democracy, and an economy that works for the few while undermining the many.

Friedman told us that liberty would flourish when markets reigned. The truth is the reverse. Liberty, fairness, and democracy decline when society is reduced to a balance sheet.

The lesson is clear: a civilisation cannot be built on markets alone. It must rest on values beyond money, such as care, justice, solidarity, and the recognition that we are citizens before we are consumers.

Previous posts in this series

- * [***The economic questions***](#)
 - * [***Economic questions: The Henry Ford Question***](#)
 - * [***Economic questions: The Mark Carney Question***](#)
 - * [***Economics questions: The Keynes question***](#)
 - * [***Economics questions: The Karl Marx question***](#)
 - * [***Economic questions: The Hayek question***](#)
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