

McCombs Knowledge To Go



December 14, 2010

Business as Sport



by Professor Eli Cox

Webinar Format

- **Pretend we are in a small classroom having a conversation.**
 - Dialogue with Jeff & Allison serving as the medium channeling the discussion of the audience. Enter your comments and questions in the note pod to participate in the discussion.

Sport Analogy

- **Bill Powers doesn't like it.**
- **Works for Smith, Friedman & me.**
- **Both equated individual and firm.**
- **Is adversary customer or competitor?**
- **Runners, boxers or gladiators?**
 - **Relative skill levels.**
 - **Choice to play.**

Milton Friedman

In both games and society, also, no set of rules can prevail unless most participants most of the time conform to them without external sanctions; unless that is, there is a broad underlying social consensus.

Capitalism and Freedom (2002)

Adam Smith

“In the race for wealth, and honors, and preferments, he may run as hard as he can, and strain every nerve and every muscle, in order to outstrip all his competitors. But if he should jostle, or throw down any of them, the indulgence of the spectators is entirely at an end. It is a violation of fair play, which they cannot admit of.”

Theory of Moral Sentiments (1759)

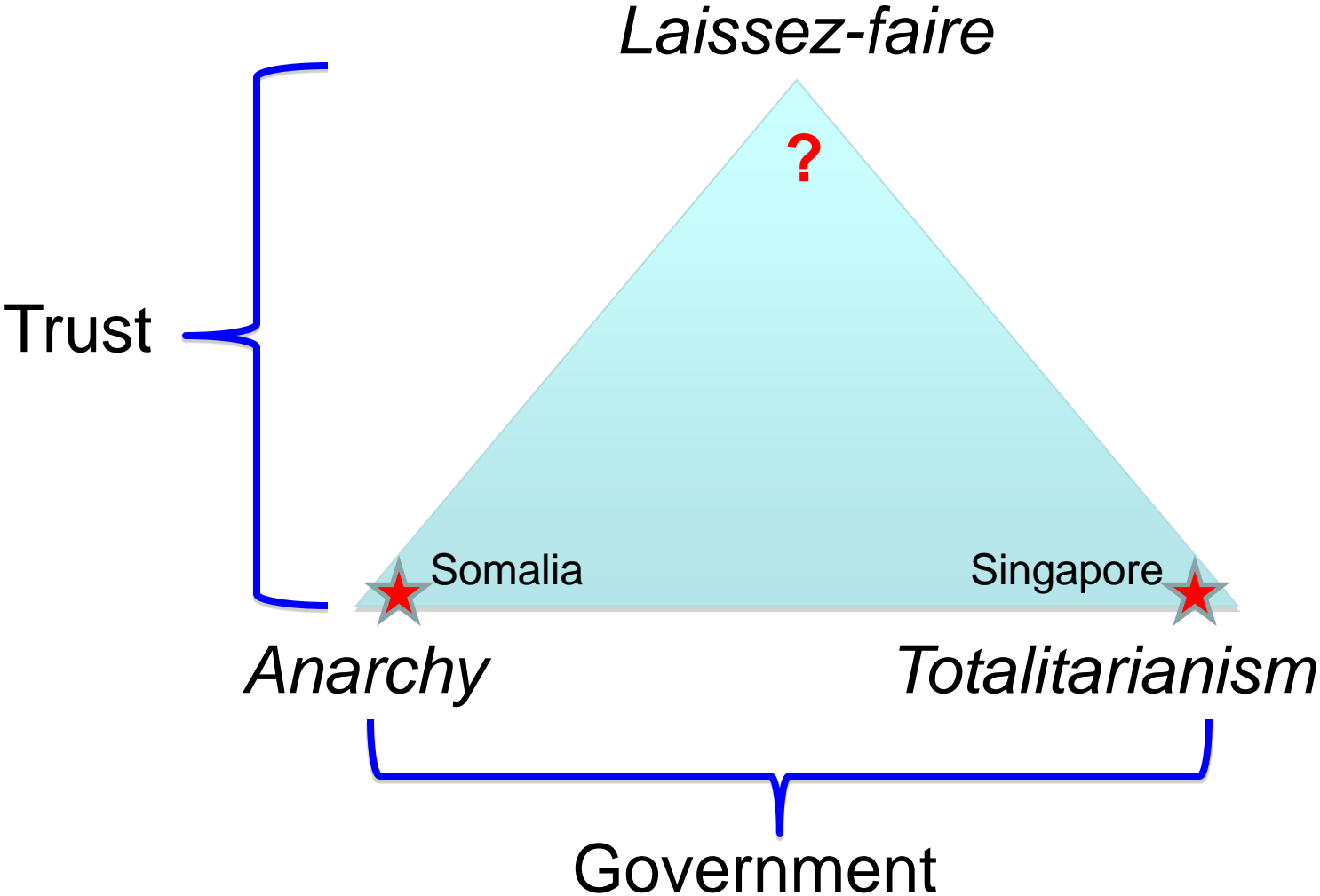
Which is the best professional sport for exemplifying the ideal conditions for laissez-faire government?

Brian Davis
Verizon Hermitage
Hilton Head
April 18, 2010

Which is the worst professional sport for exemplifying the ideal conditions for laissez-faire government?

Zack Nash
13-14 Year Old Bracket
Milwaukee County Parks Invitational
August 11, 2010

Government and Trust



Adam Smith

Society, however, cannot subsist among those who are at all times ready to hurt and injure one another. The moment that injury begins, the moment that mutual resentment and animosity take place, all the bands of it are broke asunder, and the different members of which it consisted are, as it were, dissipated and scattered abroad by the violence and opposition of their discordant affections.

The Theory of Moral Sentiments (1759)

Every act of injustice alarms us, and we work to stop the thing which, if allowed to go on, would destroy everything dear to us. If we cannot restrain it by gentle and fair means, we must beat it down by force and violence and must stop its further progress.

The Theory of Moral Sentiments (1759)

Thus, we often approve of the enforcement of the laws of justice even by capital punishment. The disturber of the public peace is hereby removed from the world, and others are terrified by his fate from imitating his example.

The Theory of Moral Sentiments (1759)

If there is any society among robbers and murderers, they must at least, according to the trite observation, abstain from robbing and murdering one another. Beneficence, therefore, is less essential to the existence of society than justice. Society may subsist, though not in the most comfortable state, without beneficence; but the prevalence of injustice must utterly destroy it.

The Theory of Moral Sentiments (1759)

Milton Friedman

Natural history of government intervention
“real or fancied evils” led to public outrage.
the political process took over
the public was appeased
resulting law written by special interests

Free to Choose (1980)

Recent Examples

Massey Energy Coal mine – 29 deaths

Wright County Egg – 1,600 illnesses

Deepwater Horizon – 13 deaths

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