

Freedom to choose. As individualistic freedom increases with the number of participants in the market, individualistic markets thrive on new entrants. As more individualistic participants enter the market, the number of potential producers and consumers increases, which broadens an individual's freedom of choice.

Freedom in random market order. On account of the individual's limited knowledge, outcomes in competitive markets may appear to be random or accidental. The "randomness" is actually a part of the automatic realignment of the market that is beyond any individual's ken. However, it is the freedom of market participants to respond that permits them to make prompt adjustments to market changes. Consequently, the possibility of commercial exchanges provides freedom by allowing the market to re-order itself.⁵

● Information

Individualists tend to process those bits of information that they consider having a direct effect on their interests. Market prices are central to the individualistic self-interest calculus. Prices allow each individualist to evaluate quickly the worth to themselves of exchange with others. The central question is:

- Can capitalist markets costlessly supply information for short as well as long-term decisions?

If they can, then individualistic markets will be **efficient** and can achieve social optimum. However, capitalist markets in general may not do a complete job. The discipline of the competitive model can optimize aggregate income only when the acquisition of information and the bargaining among individuals are costless. Costless information and enforcement of remedies are necessary for market participants to punish deviants. However, individualists incur resource costs **and** possess incomplete information in their market dealings.

⁵Von Hayek, *op.cit.*, 1947, pp. 80-1.