

April 14, 2011

### **Always Curb the Market System**

In our modern day society, our 'Gesellschaft' perhaps, we allow for a system to govern itself with very a varying amount of oversight. We call this system the Market System due to its reliance on the economic forces that influence the growth and development of the State and the surrounding areas of the State. Unlike that of the fallen Soviet Union, where the Command Economy had 'strong thumbs and no fingers,' the Capitalistic society has quite the opposite if left unchecked (Lindblom). This is the reason for curbing the market system. There is a need to create, if the image is not too odd, a prosthetic thumb. It is something that would allow a direction for the metaphorical fingers to find. Wisely, and with extreme diligence and prudence, and only in those circumstances, is it a good idea to curb the market system. I argue that without a balance mechanism to control, what is highly chaotic, and what affects the overall society, which is the market system, the market system would in turn devour itself.

First, a certain realization must occur. In every discipline, a precise moral ethic reflects the members of that field. This moral ethic might supersede the traditional ethic of the 'Gesellschaft,' and because of this many may feel the pains and joys of the society in different ways. A researcher would protect a colleague from losing the credit he has achieved in his field, a business person boundlessly refers to the common jargon of 'it's just business,' and many other disciplines have certain ethics that would not work well with each other (Lindblom). An entrepreneur would define his moral ethic as the only one because it is what governs the market system. The entrepreneur may fall back into

the mantra of every transaction and exchange as business, but if that were the case, then many different subgroups of the market system would be taken advantage of and discarded for later usage. Our society agrees that basic morals should be agreed elsewhere, although the specifics of that place are a discussion for another argument. At least, one could say that they do not belong in the market system, and as a result the political structure creates laws to balance the pitfall of exploitation. Of course, it makes sense not to destroy a labor class before it begins, and to in fact educate them.

Second, before certain procurements were made to protect children from dangerous factory conditions and other harmful jobs, many of the youth in America were being, literally, destroyed before their prime. It is common knowledge that the market system was allowing children to die in a factory simply because that was their specialty. Honestly speaking, it is sad to think that without any guidance or oversight, the market system could allow many of its own workers such a fate. A child could climb into the machine to fix a problem, and after fixing the machine, the child would be destroyed by it. The irony of the situation is that in a market system without any curb, many of the players themselves are actually ‘cogs in a machine,’ which makes one only wonder to who is running it. The cogs, which are people in some cases, could actually be replaced like the metal cogs of a machine. Perhaps in this example, there is no operator but only players, and in fact the society is dictated by the mechanism it runs.

Thirdly, education reform in the past few hundred years, which may not actually be reform but instead a natural progression, actually is the opposite of the scenario of child labor. It takes stock in the future potential, and attempts to harness that potential so that it meets its fruition. Without a governmental offering of this service, and without it

being provided as a public good, this would not be possible. In other States outside of the boundaries of America, education is provided not simply on a secondary level, but on the university level as well. This allows for a higher education of the populous, but also lowers the levels of appreciation of that education.

Of course if the access to this education is more evenly distributed, those that need education will be able to receive it. In fact, the result is a highly skilled work force where many of the specializations that the society needs are met. For example, the education system in Germany, which is of course unperfected like any other education system, allows for every career. Three tracks of education are presented between a University, Vocation, or Trade School. The members of this system are funneled into these different tracks based upon their interests at a young age. I understand that this system values the importance of each career from the mechanic to the doctor, and I also understand that valuing every career is a good thing and a step in the best direction.

Unfortunately, the appreciation of that education appears to be taken for granted. At the moments increase in tuition in a German university, the amount of unhappiness is raised, from what appears to be a dramatic increase compared to the level in America. The specific data to support this claim always varies, but roughly the government subsidies to education in Germany and other European countries allows for a standard of lower prices for this education. I, too, would be upset and am upset when I must pay for more for the same education. Likewise, I am upset when I must pay the more for the same good or service, e.g. milk, gasoline, a movie ticket, a dentist visit, etc, but I understand that inflationary forces often have a role in the increase in, at least, tuition.

This shows that education is still partially controlled by the fingers of the market system instead of the thumbs of the political structure.

Child labor laws are now written in policy, whereas education is only partially so. In fact, I suggest that child labor laws are controlled strictly by the thumbs of our society, which of course does not dictate the entire umbrella of labor laws, in general. In fact, if enough support forms similar to that of protecting children, I would predict that all the labor laws were controlled by the governing institutions. Likewise, if educational institutions were to become better, then first enough support would need to form to make them, at least the public ones, completely out of the control of market forces. This means that tuition would not be a factor, and would actually be a memory of the past. Of course, this means, that education reform would take a drastic turn, but according to precedent in insofar as child labor laws and education on a secondary school level, our American society seems to have appreciated the overall outcome.

Lastly, this leads to counterarguments that could be presented about the dangers of such a change. Some would argue that it would create a problem similar to that of the Health Care Reform. At first glance, it is a mess; however, after reexamination it shows that the private good is being reshaped as a club good, where it maintains its exclusive factor, but becomes less rivalrous (Lindblom). No longer would inequality occur from a specialization because, like health care, it is available to everyone. It is shown in the German education system that every career is needed, and in fact their levels of productivity are among the highest in Europe. Also, it eliminates any social constraints about the quality of being such a career, and the only representation of that career is of the amount of effort. It is a true reflection of ability.

The first impulse of this change is always to blame. I believe that everyone is selfish, and this is supported by Olson. “It is in the interest of the homogeneous group to stay small,” and because of this, the group will attempt to keep the good as a rivalrous and excludable good (Olson). This change that I propose will be fought against if acted upon. Many will dislike this, but many more will accept that it is right and proper.

Examples such as a moral ethic, where extra fingers exist, and child labor laws and education benefits where more important fingers are being used in its place, are examples of the positive structure of a curb on the market system. Whether in its absence or a direct influence, a curb on the market system can drastically affect the society it controls. In the instance of providing procurement for individuals in the sense of education, it has provided the prosthetic thumb that guides the many fingers. Without that thumb, the fingers exist in both an eccentric and chaotic sphere where the arena is fair game due to a moral ethic that allows for an increase in the bending of rules.

This is detrimental to the growth of the society. Without a proper balance, allocative efficiency is hindered, and an overall incentive is not provided to members of a community or the larger ‘Gesellschaft.’ The overall curbing mechanisms, like reform in different sections, and the proper balance between economic and political forces allows for, in turn, a better and more proper sense of societal control. As an end result, if what I suggest is accepted, and action is taken, then an even stronger sense of this ‘Gesellschaft’ will be formed.

**Work Cited**

Lindblom, Charles. *Politics and Markets*. New York: Basic Books, Inc., 1977. Print.

Lindblom, Charles. *Market Systems*. Connecticut: Yale University Press., 2001. Print.

Olson, Mancur. *The Rise and Decline of Nations*. New York: Yale University Press,  
1982. Print.