

MARKETS, STATE, AND SOCIAL OPPORTUNITY

ONCE WE HAVE THE FREEDOM TO CHOOSE, WHAT CAN WE ACTUALLY CHOOSE TO DO? ...ANYTHING?

AAAH!... ONE OF THE PLACES WHERE THAT IS RESOLVED IS IN THE MARKET PLACE! MARKETS HAVE AN ANCIENT HISTORY...

“We have good reasons to buy and sell, to exchange, and to seek lives that can flourish on the basis of transactions. To deny that freedom in general would be a major failing of a society.”

Amartya Sen, *Development as Freedom*, 1999, p.112.



PEOPLE NEED TO TRANSACT WITH EACH OTHER, AND WE OFTEN LIKE TO DO SO! GOING TO MARKET IS PART OF BEING A FREE PERSON!

THIS COMES BEFORE ANY THEORY ABOUT WHAT THE GOOD ECONOMIC OUTCOMES OF MARKETS ARE, LIKE INCOMES, OR UTILITIES AND SO ON.

RIGHT! AND IN MARKETS WE TAKE IT FOR GRANTED THAT PEOPLE WILL RESPOND IN A RECIPROCAL WAY!

BASIC BUSINESS ... ETHICS!



YES! BUT WHEN THAT DOESN'T HAPPEN... THE PROBLEMS START! ONES YOU MIGHT NOT THINK OF...

LIKE IN THE LABOUR MARKET? FREEDOM TO CHOOSE WHERE AND WHO YOU WORK FOR, FOR EXAMPLE!

YES! NO MORE SLAVERY, AND BONDAGE! EH? IT STILL GOES ON, Y'KNOW!

YES, OR EVEN THINGS LIKE THE FREEDOM OF WOMEN TO WORK OUTSIDE OF THE HOME, IN SOME SOCIETIES!



SO, EVERYTHING DEPENDS ON WHETHER THE MARKET WORKS FREELY, FAIRLY, AND... VERY EFFICIENTLY, ON ALL SIDES!



WHETHER IT IS COMPETITIVE OR MONOPOLISTIC? IT NEEDS TO BE COMPETITIVE?



YES! AND EVEN IF ALL THE NEEDED MARKETS ARE THERE, AND HAVE ENOUGH INFORMATION...



! BUT... WHY?

BECAUSE IT IS NOT EASY TO IMPROVE SOMEBODY'S OPPORTUNITIES WITHOUT REDUCING SOMEBODY ELSE'S IN THE MARKET! RIGHT?



SURE! YOU KNOW, SOME PEOPLE ARE SHARPER TRADERS THAN OTHERS! BUT, THE TRANSACTIONS HAVE TO BE FAIR! HEH!



BUT, THE FREEDOM-EFFICIENCY OF THE MARKET MUST OPERATE AT THE SAME TIME, TO TACKLE THE FREEDOM-INEQUALITY ASPECTS. ... IT'S NOT JUST THE TRADING!



THINGS LIKE 'UNEMPLOYMENT BENEFIT' AND OPPORTUNITIES TO LEARN?



KEEPING IT FAIR?

EXACTLY! THE ROLE THAT THE MARKET PLAYS DEPENDS NOT ONLY ON WHAT YOU CAN DO, BUT ALSO ON WHAT YOU ARE NOT ALLOWED TO DO!



! IT'S NOT A JUNGLE? THE MARKET... IT HAS RULES AND REGULATIONS?



CERTAINLY! A MARKET WITHOUT RULES WILL ALLOW SOME, OR ONE GROUP, TO GET SO POWERFUL THAT THEY TAKE OVER EVERYTHING!



... AND FORM A MONOPOLY! JUST LIKE IN THE GAME 'MONOPOLY'...



THEN THEY CAN KEEP OTHERS OUT OF THE MARKET, TO PROTECT THEIR OWN PROFITS, AND EVEN OBTAIN ADVANTAGES FOR THEMSELVES!



... THERE'S ONLY ONE WINNER!

IT NEED ONLY BE A LITTLE 'ADVANTAGE', BUT THE LOSS OF ONLY ONE DOLLAR TO EACH OF A THOUSAND PEOPLE...

... CAN MEAN THE SLY GAIN OF ONE THOUSAND DOLLARS TO AN INDIVIDUAL!

YES! AS ADAM SMITH ARGUED... THE VESTED INTERESTS TEND TO WIN BECAUSE OF THEIR BETTER KNOWLEDGE OF THEIR OWN INTEREST, RATHER THAN THE PUBLIC INTEREST!.. HEH! HEH! HEH!

THE POLITICALLY FAVOURED! EH?

THAT'S WHY ALL ARGUMENTS ABOUT MARKETS NEED TO BE UPFRONT AND TRANSPARENT! PUBLICALLY DISCUSSED!

RIGHT!

YOU SEE? FREEDOM OF PUBLIC DISCUSSION-OR POLITICAL FREEDOM-CAN HELP FREEDOM OF... OPPORTUNITY!

... OR COULD?

YES! AND WE EVEN NEED LEGAL RESTRICTIONS UPON THINGS LIKE 'LOAN INTEREST' TO AVOID WHAT USED TO BE CALLED 'USURY'!

SIMPLY TO SPECIFY THE BORDERS WITHIN WHICH THE MARKET CAN WORK FAIRLY!

SO, THIS APPROACH TO DEVELOPMENT IS MANY SIDED. MARKETS CONTRIBUTE A GREAT DEAL, BUT THEY CANNOT DO IT ALONE...

THE MARKET ALONE CAN'T DO IT? EH?

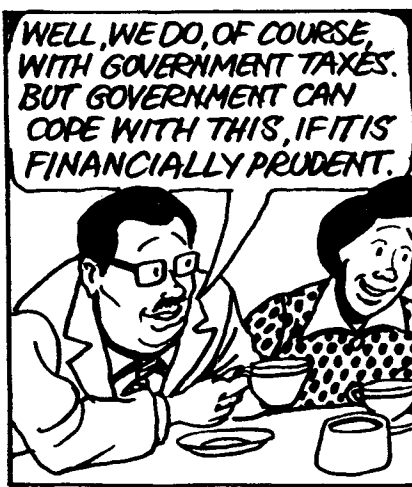
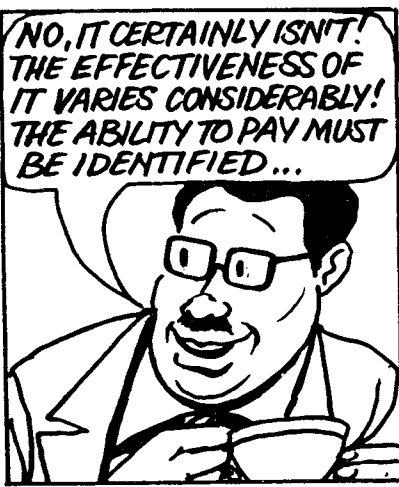
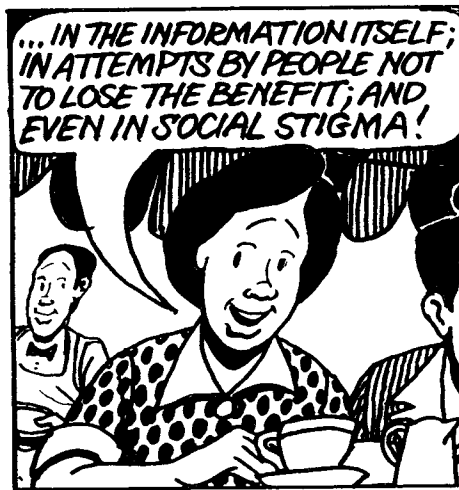
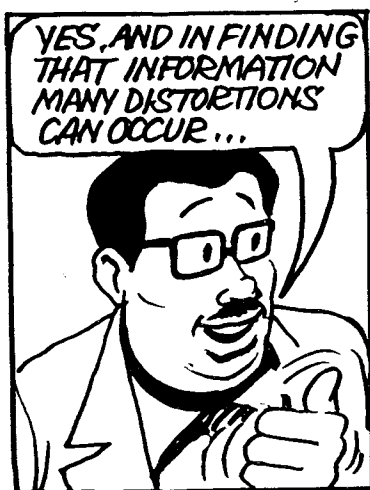
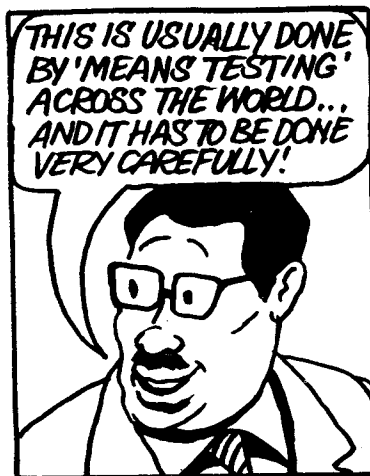
NO. BUT THEY HELP IF THEY ARE HELPED!... WE NEED MARKETS!

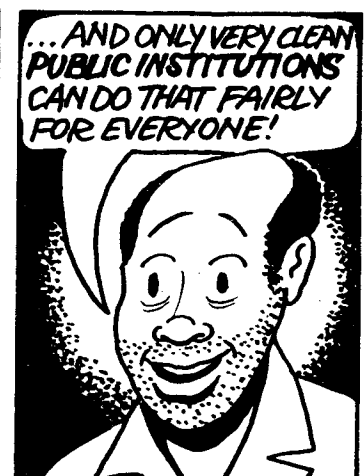
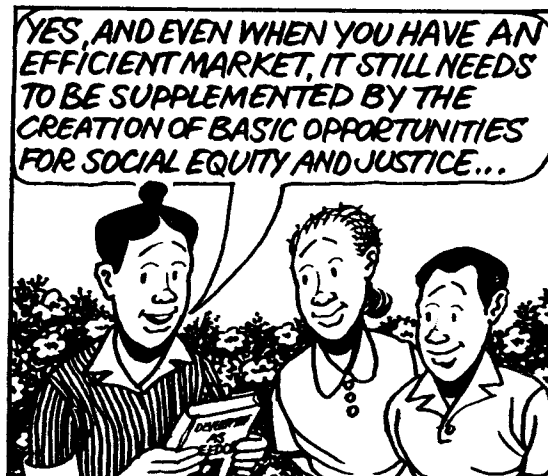
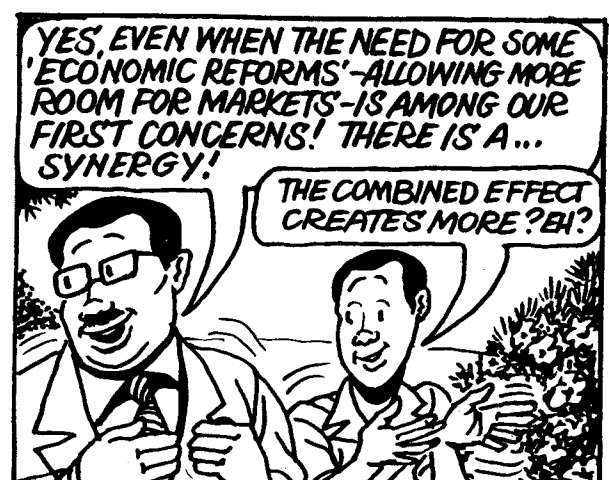
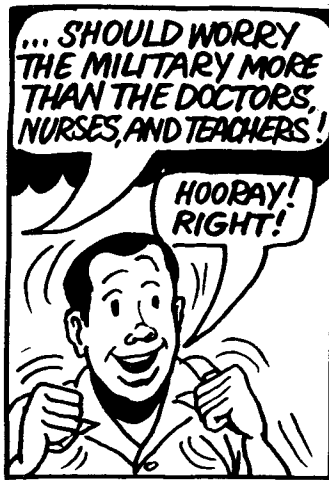
THE CITIZENS OF EVERY COUNTRY HAVE THE RIGHT TO EXPECT A GOOD BALANCE OF FREEDOMS, INCLUDING SOME 'PUBLIC GOOD' THE MARKET CANNOT PROVIDE!

PARK

LIKE PUBLIC BASIC EDUCATION, AND INFRASTRUCTURE, PUBLIC SERVICES?

...YES, AND THINGS LIKE PUBLIC SYSTEMS OF HEALTH CARE, FOR THOSE WHO CANNOT AFFORD TO PAY FOR IT. THE STATE HAS TO INTERVENE WITH PUBLIC FUNDS!





“Individuals live and operate in a world of institutions. Our opportunities and prospects depend crucially on what institutions exist and how they function. Not only do institutions contribute to our freedoms, their roles can be sensibly evaluated in the light of their contributions to our freedom. To see development as freedom provides a perspective in which institutional assessment can systematically occur.”

Amartya Sen, *Development as Freedom*, 1999, p.142.