

TED IDEAS LAB: Should you pay fees for better public services? ^[1]

Author: various

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AVAILABILITY

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EXCERPTS

The Debate

Are there things that simply shouldn't be bought and sold? The Harvard University political philosopher Michael Sandel has issued a sharply-argued call for limits on market forces in his TED talk "Why we shouldn't trust markets with our civic life." Drawn on his new book *What Money Can't Buy: The Moral Limits of Markets*, Dr. Sandel draws on scores of examples of market incursion into civic life - from the ability for well-off inmates to buy a better class of prison cell to buying and selling of future payoffs on elderly people's life-insurance policies to pay for medical care.

He uses these to ask a key set of questions about our public life: "Do we want a market economy, or a market society? What role should markets play in public life and personal relations? Where should money's writ not run?"

Should there be a limit to what markets can touch in public services and civic life? Mr. Sandel says there should. We've drawn together a panel of top economic and public-policy thinkers to examine the question from a number of divergent angles. Read them all, and decide whose perspective is the most promising.

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Armine Yalnizyan: Markets are often sold as the best way to promote efficiency in resource allocation, consequently minimizing waste and maximizing potential and innovation. Indeed it seems you can find a market that sells anything these days, from trips to outer space to human organs.

There are widely accepted limits to market logic. Free-market principles do not govern access to the smallpox virus or to bazookas, nerve gas or radioactive matter. Once it is agreed a that line should sometimes be drawn, where do you draw it? Laws and regulations vary from place to place, and social norms change over time. For example, once upon a time slavery was acceptable; today it is not.

Free markets sometimes open up opportunity. Sometimes they do the opposite.

Think of health care and education. Left simply to markets, a sub-optimal portion of the population could have access those things that maximize their individual potential, and, in turn, the potential of a society. That's why most advanced economies ensure that basic elements of health and education are mostly not market-driven. Increasingly, though, better quality or quantity of service is available to those with deep pockets, in health and education as for consumer goods. Turn a blind eye to this phenomenon and watch how inequality begets more inequality, from childhood through to the golden years.

Market forces shape production possibilities, propelling advances and adoption of such wonders as electricity and telecommunications. Regulations govern access to these utilities because they literally power the production possibilities of whole societies. If only market forces ruled, it wouldn't be long before rates varied in a way that would discriminate against smaller players and non-urban geographies, limiting the pool from which the next innovation springs.

Markets are notoriously bad at pricing externalities that can affect markets themselves. What were once considered quasi-infinite goods, such as water and the air, can be ruined by expansion of the market itself, raising costs and possibilities for everyone. Same for financial markets, whose limits know no bounds... until they collapse on themselves and bring the whole system down with it.

The internal logic of markets also leads to greater corporate concentration, something that is becoming increasingly obvious in the wake of the 2008 crisis. Markets create competition, it is said -- but competitors hate competition. The whole point of competition is to get rid of your competitors. Without anti-trust rules and regulations vigorously enforced, our compass-setting leads us straight to a *Blade Runner* economy.

The growing consolidation of market power spills well beyond the marketplace, into the markets for ideas. The powerful get more face-time with politicians, hire lobbyists to influence legislation, and pay to influence your thinking.

What's the message they're selling? That the most important thing one can do is make money, at any cost, human or environmental.

I don't think so.

Region: Canada ^[3]

Tags: privatization ^[4]

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