

PHIL 225 BUSINESS ETHICS

It's All About the Cash

The Market Society

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It's All About the Cash

Michael Sandel raises many good points in his book “What Money Can’t Buy: The Moral Limits of Markets.” Although I frequently consider myself a fan of Ayn Rand and very much a pro-capitalist Libertarian, I agree with Sandel. We have in fact shifted from a Market Economy to a Market Society because the market value of goods and services has seeped into almost every aspect of our lives. At the end of the day, it’s all about the cash.

I didn’t perceive the writings as an attack on free market capitalism, but rather, as an attempt to examine the economic issues of our era and how further economic problems from market triumphalism can be avoided. As I stated in my previous paper *In Defense of Capitalism and In Refute of Greed: The Morality of a Capitalist Economy*, “It is not the question of whether a government should interfere with a market, but *how much* a government should interfere with a market.” Sandel says that our recent financial woes are due to lack of government oversight in the market, but this lack of oversight is not new. “The era began in the early 1980’s, when Roland Regan and Margaret Thatcher prolocaimed their conviction that markets, not government, held the key to prosperity and freedom. And it continued with ... Bill Clinton and Tony Blair... the faith that markets are the primary means for achieving the public good.” (Sandel, 6) Because of this lack of oversight, Sandel states that the market essentially triumphed over everything and became a part of the fabric of our everyday lives, what Sandel calls “market triumphalism.” There are things such as the value of reading, the value of being together in community, and the value of life itself, that cannot, and should not be made into a commodity.

Sandel goes on to say that because of skyboxification – the ability of the rich to stand out or separate themselves because of their affluence in unifying events such as professional sports games – that the disparity between rich and poor has widened, and is highly visible. While most

people can afford the ticket to a football game, the affluent have the opportunity to sit and view the game in luxury seating away from the common folk. Apparently, being another face in the crowd isn't good enough for some people. Maybe there wasn't enough "rich people" at the football game before, and the skybox was built to draw the affluent in to also be spectators of the sport. No matter the case, an unnecessary market was created, and the seats were sold, and cash was exchanged.

Sandel also mentions that "If you are a second grader in an underachieving Dallas school, read a book: \$2. To encourage reading the schools pay kids for each book they read." (Sandel, 5) Although the opportunity for each child to gain a small cash incentive exists (except for extremely underperforming students who may not be able to make it through a single book), it creates an opportunist generation: a generation of children who only do things because there is an incentive. Imagine these opportunist generation children as adults; it wouldn't be a work of fiction to ascertain that these adults would let their incentivized expectations for their actions bleed over into other areas of life. Dare I be cliché, but reading is fundamental. You have to read in order to essentially survive in life. And watching a televised screenplay of a novel is not nearly as cathartic as sitting down and taking in a story, line by line, and using your own sense of creativity to paint the picture. You cannot create a market for what people should be doing out of necessity and practicality.

While for insurance purposes, and various other cost-benefit analysis algorithms, an example price is used on life. Whether or not we agree on a price for a person's life is another story. We can, however, agree that a person's life is worth *something*. But when we allow companies to buy insurance policies on the lives of their employees, and name themselves as the benefactor, we have gone too far. "In 1992, Felipe, then 29 years old, died of complications from

AIDS. He never bought life insurance, so his family received no death benefit. But CM Holdings Inc., then the parent company of Camelot Music, did. It received \$339,302.” (Shultz, Francis)

With what I know about AIDS in 1992, the epidemic was real and we no longer called it “GIDS” and isolated the disease amongst gay men. Since Felipe didn’t have health insurance, he would have relied on public assistance through county medical or state medical programs, and in 1992, there was no help for victims of the deadly disease like there is today. For someone like Felipe, who seemingly worked part-time for a relatively short period at the music store as a clerk, I question whether the over \$300,000 death benefit paid to Camelot Music was adequate. Was he really worth *that much* to them? Or were they gambling on his future? The latter, while totally unethical, is what I believe.

My fellow Ayn Rand enthusiasts may state the commodification of our society is a result of laissez-faire capitalism, and therefore is an acceptable practice in a free market system. My response is best summed up by these lines in a New York Times article. “Rand was an opponent of regulation but not of law. Like virtually every other advocate of laissez-faire, she considered fraud a crime. Likewise, she defended the morality of self-interest and the profit motive, and glorified businessmen for their productive achievements. But she was no advocate of greed...” (Kelley) As this article accurately suggests, Rand respected the law and expected businesses to operate within the confines of those laws and to be moral about their doings on society. Taking out an insurance policy on a part time employee that only benefits the company is fraud, and a crime.

In the case of the school children being incentivized to read, some may say this is a great idea. The Low Literacy Rate in California is 23%, while Washington and Oregon are both at

10% each. Texas is at 19%. (U.S. Dept of Education) One may argue that this cash incentive creates a desire (or in other words, a market) for the child to read, and therefore, because a child wants to read, they will read more, and low literacy rates will diminish. While low literacy rates are still a problem in almost every state in our nation, the answer is to not throw money at the problem and hope for a different result. The cash incentive for students to read creates a false market. The students are not reading for the sake of reading and the enjoyment thereof. When the cash incentive stops (or in other words, there is no longer a market, or the incentive is too low of a value), the children will stop reading, and literacy rates will be worse than they were before. For the students, it's not about reading; it's all about the cash.

In conclusion, Sandel helps to make us realize that there are some things in life that are too precious to put a price on. Reading is just one example out of many. A business has an obligation to maximize its profits within rules of society (as Milton Friedman and Ayn Rand would argue), but the business is also accountable to those who have a stake in its affairs, including the communities they operate in, and down to the individual consumer. The commodification of reading, gambling on the lives of employees with insurance policies, and our overall skyboxification of life are just a sliver of the proof that the market has triumphed over our society. I enjoy my freedom to choose how I consume in a market system, but I don't want to the market to dictate my life. The word Free is in Freedom. Emma Lazarus once said "Give me your tired, your poor, your huddled masses yearning to breathe free, the wretched refuse of your teeming shore. Send these, the homeless, tempest-tossed, to me: I lift my lamp beside the golden door." I didn't see anything about paying cash to get to that door.

Bibliography

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