



Marketplace Moments

Bibliophoria

What Money Can't Buy The Moral Limits of Markets

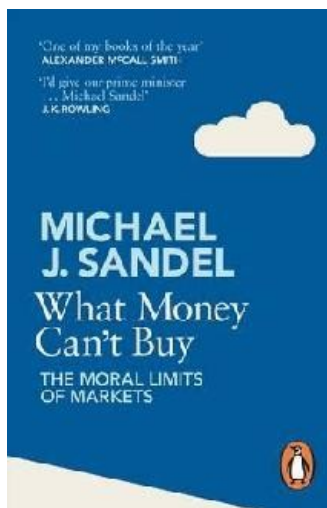
By Michael J. Sandel

Some of you are probably getting the drift of what has been keeping my interests these days—seeking to see how our faith as believers informs us in matters of economics. But it is not textbook economics that I am so keen on, which has some values. It is the assumptions behind the subject which I have many reservations in the past, reading macro-economics at University and later on in my MBA course. There are now more writers, economists and behavioral economists who are coming out of the woodworks bringing to our attention these assumptions into the clear.

Sandel has made his thesis in this book that we “drifted from *having* a market economy to *being* a market society”. He further explains the difference. “A market economy is a tool—a valuable and effective tool—for organizing productive activity. A market society is a way of life in which market values seep into every aspect of human endeavor. It’s a place where social relations are made over in the image of the market.”

Throughout the book, he took everyday events from jumping queue for free concerts, ticket scalping to incentives for children such as paying for good grades, China’s one child policy, markets of life and death etc.

Sandel states unequivocally, “At the heart of this science (ie. Economics) is



a simple but sweeping idea: In all domains of life, human behavior can be explained by assuming that people decide what to do by weighing the costs and benefits of the options before them, and choosing the one they believe will give them the greatest welfare, or utility. If this idea is right, then everything has its price. The price may be explicit, as with cars and toasters and pork bellies. Or it may be implicit, as with sex, marriage, children, education, criminal activity, racial discrimination, political participation, environmental protection and even human life. Whether or not we’re aware of it, the law of supply and demand governs the provision of all these things.”

Sandel argues brilliantly that there are moral limits to this science and we cannot make this science to be the measure of all things, be it as a nation, a company, an organization or even simply as a family. We must not allow economics to step over her limits.

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Highlights

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- Extremely Loud, Incredibly Close

Of the Heart and Mind

A Better Future?

It is again wonderful to watch the celebration of our nation's independence day on 9th Aug, with spectacular parade, mass performances, rousing national day songs such as "One People, One Nation, One Singapore" and who can miss the fireworks! Despite only watching from a large screen TV at home with family over dinner, we still feel a sense of pride though we as Singaporeans are also known for complaining incessantly about everything under the sun.

The National Day Rally speech by our Prime Minister (PM) was commented in a column in Today Paper's (2nd Sep edition), on "3 shifts in S'pore's political future" by Devandas Krishnadas. He writes, "The PM has said that Singapore is in a new phase. The key question, though, was left unasked and thus unanswered—a phase towards what? The direction continues to be ambiguous and the revealed approach seemingly a sum of tactical adjustments." Krishnadas noted that there will be a bigger state, a more expensive state and a more noisy state (as in political voices).

There is a Chinese saying, "One changes the soup but

not the ingredients", meaning that we make superficial changes without addressing the root causes, and will end up having the same problem all over again. Will it be different or business as usual with a few minor tweaks?

Reflecting on Michael Sandel's writing (see overleaf), we realize that Singapore has become a "Market Society" and feeling the adverse effects of such mindset.

Sandel writes, "Part of the appeal of markets is that they don't pass judgment on the preferences they satisfy." Our pragmatic approaches in the past have shaped our thinking that utilitarian considerations are the only ones that matters. However we failed to realize that "markets are not mere mechanism. They embody certain norms. They presuppose and promote certain ways of valuing the goods being exchanged. Economists often assume that markets do not touch or taint the goods they regulate. But this is untrue. Markets leave their mark on social norms. Often market incentives erode or crowd out nonmarket incentives"

It is this economic and pragmatic narrative that has so shaped our Singapore society



that we use money as a measure of all things, from fines for having too many babies to incentives to have more babies, easy access and cheap abortions, public housing, cost of bus routes, ministers' pay all pegged to market values, access to health care based on means testing (your financial ability to pay), evaluation of permanent residency based on the minimal amount of money invested or perhaps economic value (productivity) consideration of a person.

I am not saying that these are all wrong. But if we use economics as the measure of all things (or the seeming dominant measure), what kind of psyche are we developing as a nation? If citizens or new citizens are valued on their economic contribution, what kind of citizenship or national values are we promoting?

Of course it is naïve to think that we can fully escape the economic structures and live like a hermit. However, quoting

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Eyes in a Darkened Room

Extremely Loud, Incredibly Close

This is one controversial movie that you either love it or hate it. I'd like to think that this is a very human movie about the many challenges of life.

Based on the 2005 novel by Jonathan Safran Foer and directed by Stephen Daldry, it stars the newcomer Thomas Horn as Oskar Schell, an 11-year-old New Yorker whose father, Thomas (Tom Hanks), died when one of the twin towers collapsed. The story kicks in with Oskar squirming in the back of a limousine while his mother, Linda (Sandra Bullock), weeps at Thomas's graveside. They're burying an empty casket, a dry-eyed Oskar says. He misses his father terribly, but he has his own ritualized way of coping, which includes keeping a secret shrine to Thomas, gazing at photos and

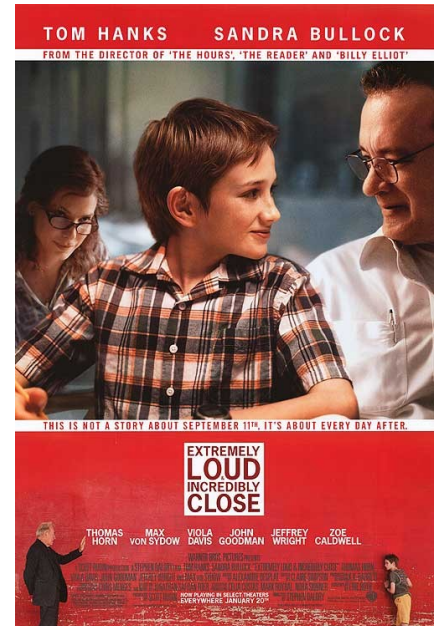


mementos, and regularly conjuring his father in flashback.

Expertly adapted by Eric Roth, the movie turns on a mystery presented by a key that Oskar finds in an envelope scrawled with a single cryptic word: "black." With childlike (or a novelist's) magical thinking, he decides that this must be a message from his father. He also, with a nudge from a locksmith, resolves that "black" is someone's name and that someone must have known his father. And so, in an effort to hold onto Thomas longer, Oskar packs a knapsack, brings out his therapy tambourine (he plays it to keep anxiety at bay) and goes searching for Mr. or Mrs. Black, a quest that takes him from one corner of New York to the next and into the trembling, gentle embrace of its people. (NY Times Review)

Some have criticized the movie as exploiting feelings for feelings itself, taking a very tragic event making it trivial, milking for tears from the audience.

I however, see this as a movie that speaks of hope and hopelessness, of what relationship could have been and is. The plot, I have to agree is a little too stretched for my liking but it may also teaches us an important lesson; how our



memories can shape our behavior and how we need to break out of those memories to live in the present.

Pain and tragedy is part of life. Yet we also pursue our future in the healing of that past. But what if our pursuits, in the case of Oskar, where the key of our dreams and hopes really belongs to someone else? What if we put in our energy and time, only to find a meaninglessness at the end? That which we thought was our destiny, is never meant to be? Or that after we have attained what we so desired, really isn't?

I am torn over how to rate this movie, except to say that you need to watch it for yourself to decide its' worth. Luckily for me, it wasn't time wasted.

Marketplace Christian Network

Teban Garden Post Office
PO Box 669
Singapore 916003



Phone: +65 6872 4732
Email:
info@marketplacechristian.net
Web-site:
▶ www.marketplacechristian.net

Kingdom Building at the Workplace

Coming Events

For more information check our web-site.

20 Sep- GCF Annual Dinner \$60/pax
Destiny: There's More
(Dr. Philip Pillai).



again Sandel, "Standard economic reasoning assumes the commoditization of a good—putting up for sale (*or putting a price on something*) does not alter its character. Once incentives become the cornerstone of modern life, the market appears as a heavy hand, and a manipulative one."

Sandel further explains the rational behind. "At the heart of this science is a simple but sweeping idea: In all domains of life, human behavior can be explained by assuming that people decide what to do by weighing the costs and benefits of the options before them, and choosing the one they believe will give them the greatest welfare, or utility." This assumption dumb down people into merely operational calculators and assumes the worst of people.

In addition, "We often associate corruption with ill-gotten gains. But corruption refers to more than bribes and illicit payments. To corrupt a good or a social practice is to degrade it, to treat it according to a lower mode of valuation than is appropriate to it."

It is therefore important for us to evalu-

ate what kind of values do we bring to bear in our policies and social discourse, or in a sense corrupting certain good or value by bringing market forces, through incentives or disincentives on public policies, or to commoditize certain public services.

To move forward as a nation, we seem to be stuck in a conundrum as it is now more difficult to get out of this "market society" and to start redeeming some non-market values which we have lost over the years. Even if genuine attempts are being put in place or to take away the incentives (or disincentives), we find it harder because of the narrative we have been so accustomed to. Some continue to be suspicious of underlying altruistic intentions by the government or well intending folks, and often perceived as propaganda to manipulate or social engineer society.

However, I am still hopeful of our younger generation and hope that they will grow up with less cynicism and a more balanced approached to economics and society.