

Markets

**The market system is powerful, necessary and stupid.
You want to have it on your side, but you would be crazy to let it run things.**

EVERY SUMMER, we have a small produce market in our neighbourhood. Volunteers run it once a week. In the morning, they go to the regional farmers' produce auction. In the afternoon, they set out the fruits and vegetables on temporary tables in front of the community centre, with handmade signs indicating prices marginally above the day's cost at auction. Sometimes kids also sell lemonade or cookies to raise funds for a worthy cause.

Usually, a sizable fraction of the neighbourhood shows up, as much for social as for gastronomic reasons. New residents are introduced. Stories are told. News of doubtful importance is exchanged. Dogs wrestle. Children wander off. Late patrons grumble if the berries are sold out or the only remaining zucchini is the size of a basset hound. But even they act as if the visit was the high point of their week so far.

Anything left over at the end of the day goes to a women's shelter. Any profit at the end of the year goes to charity. Any resemblance to the market-based global economic system is trivial.

Our neighbourhood market is a product of community; it serves social beings who, among other things, eat. In contrast, the market writ large is a mechanism serving economic beings who seek to advance their own interests.

The big market rests on the counter-intuitive notion that we can get desirable public gains by unleashing individual greed. Consumers compete with each other to obtain the goods and services they want more cheaply; producers com-

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pete with each other to increase sales by becoming more efficient and/or improving product quality. And *voilà!* Anti-social behaviour in the market drives material progress in the world.

In some ways, it has worked brilliantly. The market system has played a major role in spurring great technological leaps, enlarging overall wealth, promoting global exchange and upsetting oppressive rigidities. It has done so more or less automatically. Without the big market, we would need an impossibly huge apparatus of authority and calculation to anticipate needs, order production, inspire innovation, organize distribution, monitor results and recalibrate, for all exchanged products in every sector, at every scale beyond the neighbourhood.

But while the big market is enormously powerful and now practically indispensable, it is all muscle and motive. It has no capacity for foresight or for recognizing collective goods. Its natural inclinations are to favour those with money over those in need, to exploit available resources rather than respect nature, to grow rather than develop. The motives that drive efficiency and innovation in the big market also spur producers

to avoid competition, squeeze employees, dump wastes and ignore ecological limits. Meanwhile, encouragement of individual self-interest chews up the social fabric of trust, respect and mutual assistance upon which all lasting commerce and well-being depend.

A pure market system could never survive. Society has always found it necessary to intervene to protect itself from raw market behaviour. And as the recent round of government backstops, bailouts and boosts has revealed, society must often intervene to protect the market from itself.

As the market expands, so does the body of laws and programs, institutes and agencies, monitors and supports, which we use to defend community and ecology, and to act where the market is incapable or untrustworthy. So far, the collective abilities of governments, civil society and public-spirited citizens have not been up to the task.

But since the big-market system is utterly indispensable as well as inherently dangerous, we must find more effective ways of harnessing and guiding markets to provide durable livelihoods on an increasingly stressed planet.

There are many possibilities. The essence, however, lies in our neighbourhood produce stand, where items are bought and sold, and innovation is fostered – but where society rules. 🍌

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