**Does Market Value Inculcate Value?**

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**Introduction**

The market is fundamental in modern society as it touches many aspects such as the creation of value through goods and services and also the determination of the ethical conduct of the market players in the process of trying to create such value. The argument over the decades however has been on whether the market instills the idea of value through persistent instructions to the players. The market is known to be a free arena where the players make their decisions based on numerous factors such as the benefits they rip from their actions, the benefits to society, profits or losses, and supply and demand concepts.

Ethical conduct and behavior are directly associated with the value of a firm participating in a particular market. Some researchers argue that ethical conduct in the market creates value while others believe that the market is based on a culture of greed and selfishness of firms due to competition, eliminating value that could be created within the market for the community in general. The argument in the essay is aligned with the dilemma of whether the market inculcates value. It argues that the *market does not inculcate value due to the processes such as competition, self-interest, and profit maximization that often lead market players into unethical conduct that eventually harms consumers, and society in general thus eliminating any value that could be created.*

**Position**

I support eth position identified by the thesis that the market does not create value based on the norm of the processes. Entities that play in the market are driven by self-interests other than those of society in general. For instance, a firm is more focused on making profits from the market other than promoting consumers and society that supports the market in achieving its set goals and objectives.

The market is therefore not ethical making it impossible to instill and support true value. The values of the market are based on the goods and services produced and increased demand and supply in the market other than the societal benefits and satisfactions that the market promotes. For instance, unethical behavior from market players and environmental issues associated with the pursuit of personal goals eventually lead to harm to the consumers in the market and society in general. It is therefore accurate to support the notion of the market not inculcating any value.

**Rationale**

One of the major reasons the market does not inculcate value is the priority the market gives to profits and financial success over any other aspects. Profits are valued by markets more than ethical conduct or social responsibility or environmental sustainability. Unethical behavior in the market is common. Great examples include pollution, exploitation, and unhealthy competition that eventually harm society (Gini and Alexei Marcoux 2011). Profits give a false value and success of the market, as for it to be considered successful; it has to show a positive impact on society. The market thus seems to reward unethical conduct that eventually eliminates its value as the consumers lose their trust in the market.1

1. Al Gini, and Alexei Marcoux, *The ethics of business: A concise introduction*. Rowman & Littlefield Publishers, 2011.

Markets are unethical because capitalism which is the main tenet of the markets is inherently unethical (Gini and Alexei Marcoux 2011). The concept of the market to pay workers less for instance to maximize benefits to the organizations and its stakeholders does not create but rather erodes value. Workers that make up the greatest part of society fail to benefit from the markets and thus remain vulnerable in the markets, which cannot be termed as value created.

The market does not create value in that it fails to consider the aftermath of its processes on the society, For instance, the market does not take into account externalities such as environmental degradation and pollution that are caused in the process of creating value. The externalities have negative impacts on society rather than affecting the beneficiaries of the market activities. Negative social attitudes towards the market due to such irresponsibility reduce value other than creating it. The calculation of profits and price increases aimed at markets fails to consider the negative externalities that affect their overall value to society.

Ethical studies are also closely linked to the brand perception that society has about players in the market. The brand is affected by the actions that are associated with the creation or elimination of value (Gini and Alexei Marcoux 2011). The market thus fails to create a true value of goods and services based on the perception of the consumers. For instance for goods and services that are primary to consumers, despite the activities of the market, whether ethical or unethical, demand and supply will be high. High demand and supply might be mistaken for value within the market not taking into account the actual perception consumers have about the market itself.

**Defense**

Theoretical evidence supports the position showing that markets can create value without compromising their profits. For instance, markets that promote participation in social responsibility perform better than those that fail to do CSR. That shows that the greed in some of the markets for abnormal profits above the normal leads to the delusion of values that the society receives as being part of the market. The market does not reward ethical behavior and it is up to firms/players in the market to decide on whether or not to act ethically.

In the defense of the thesis, it is necessary to state that markets are not designed to address ethical or social issues and are more efficient in the allocation of resources and maximizing the use of such resources to generate economic growth. The value created by the market is respondent to the price and profit mechanism making it impossible for the market to create true value based on all aspects including its ethical and social responsibilities.

**Objections**

In objection to the thesis, some researchers argue that the market can be used to create value due to its capabilities of efficient distribution of resources. The argument is based on the pricing mechanisms that are determined by market forces of supply and demand. The prices are a measure of value and since the market influences the price it can create value. Market activities such as brand promotion through advertising also have an influence on the perception society has about the market. The activities thus provide an accurate definition of value created in the market.

Another argument against the thesis is that the market is known to be dynamic. It constantly evolves and with the availability of information, the value can adjust positively or negatively. If the prices adjust positively it is a notion that the market inculcates value. For instance, if information in the market is of a shortage of a certain product, Market players are likely to hoard the product to sell the same at higher prices in the future. In the future, higher prices of the product are linked to value creation. Innovation and technological changes in market-related processes are also a measure of added value.

**Answer to Objections**

When the market can derive value based on the efficient distribution of resources, it does not fully capture the externalities as discussed earlier that might influence the perception of the value created. The market also fails to capture the value of natural resources that are crucial to its processes. Processes such as branding and advertising have impacts on brand perception and if it is negative it reduces value. The lack of an ethical and social push toward the creation of value, the market thus fails to culminate towards true value. Since players in the market have the choice to engage in ethical behavior and social responsibilities, failure to do so creates a weak engine for innovation and creativity thus eliminating societal value.

**References**

Gini, Al, and Alexei Marcoux. The ethics of business: A concise introduction. Rowman & Littlefield Publishers, 2011.