

Disappointments with the Profit-oriented Economy

Poverty has become a wider, global phenomenon, no longer confined to less-developed countries. Even developed countries are now haunted by creeping poverty among their own citizens. The fight against poverty is now a fight that must be joined by all nations for all nations.

Poverty is not caused solely by lack, such as the lack of access to credit. Of more significance is the global supply or value chains that rule production and redistribution in societies.

Global brands that dominate international and local markets pose systemic constraints on the growth of communities and local enterprises struggling to find a market niche for their products. Against such constraints, program-oriented and community development approaches are rendered impotent in the fight against marginalization and poverty.

At the core of every economic order is a focal system upon which an economy is built. In a profit-oriented economy, the commercial enterprise is the focal system. The main motivation of commercial entrepreneurs is to generate profit for themselves. Their belief is that profit is the supreme motivator of economic activity. They also believe that profit-oriented economic activity should operate with the least possible intervention from the State; the actors must have the freedom to manage their own transactions, given their motivation for self-gain.

But relying on market forces alone will not necessarily bring about efficient production or reduce poverty. Highly developed economies that are experiencing recession and increasing poverty recognize this. There is growing disappointment with economic performance solely driven by profit as it has been shown to intensify poverty instead of arrest it. Another by-product of this approach is the reckless devastation of the environment.

Consequently, more and more people are now turning to what is generally called the “triple-bottom-line” economy. As the name suggests, the triple-bottom-line economy supports instead the triple goals of social development, ecological conservation, and sustainability. We shall have more to say on this in the editorials to follow.

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