

Vinyl 2010 Essay Competition Submission Template

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Summary:

In the last forty years, society has become more and more worried about sustaining its own welfare. Today almost nobody considers possible to become richer without causing great damage to the planet. But the problem is not how rich we are, but in what we are rich. Goods based on knowledge make us wealthy without polluting. We need to change our old ways, and search new solutions, trust progress again. If we take the right direction, we can achieve what we need and want.

Essay:

'That's one small step for a man, one giant leap for mankind.'" These were the words used by the astronaut on July 20th 1969. The incredible feat filled people around the globe with both surprise and admiration. The moon had been conquered. This moment in history marked the brightest point after two centuries of spectacular progress. Man saw technology as a way to improve his life, as he had been doing until then. With the impact of the oil crisis came the abrupt end of this dream. Society became aware of the fact that its welfare actually was being compromised by an ecological balance weaker than foreseen. The psychological scar left by this sudden realization turned trust into pessimism and grief. Now, more than ever, these fears seem completely justified, with developed countries laying enormous pressure on the ecosystem, and with nations under development craving for obtaining the means to be able to follow their lead. Progress finds its driving force in the market. The latter has been articulating prosperity from its appearance, but as conditions evolve its internal weaknesses are becoming obvious. The first of these is the exclusion of matters concerning the environment. The market greatly increases the difficulty of taking in account ecological costs. These are included using quite imperfect regulations. For example, the project of the European Union which consists of a market using licenses permitting the emission of carbon dioxide. This measure can help, but it does not change the root of the problem, and far worse; it transmits a message of auto limitation, the slowing down and stopping of progress, features that society ends up relating to ecologies. This is deeply regrettable, as it leads to the perception of the false dilemma between the improvement of our living conditions and the ecosystem. There is no need for limiting ourselves; instead new circumstances demand adaptation and the use of the new opportunities these offer us.

This brings us to the second, and less mentioned weakness of the market: the existence of the so-called goods of knowledge, a particular type of public goods. With public goods is meant that which is possible to be enjoyed by everyone, without this causing any loss of satisfaction obtained by it. For example, an apple is a private good, because if someone consumes it no one else can benefit from it anymore. Television, on the other hand, is a public good; if someone watches a program he does not impede the same satisfaction for other users. Said otherwise, it costs the same amount to produce a public good for one consumer as for one thousand. This is an extreme case; public goods come in all scales of grey. These goods have been the focus of study by economists, as they generate a failure of the market: public goods are being produced and consumed in a lesser extent than society would be willing to. This is the result of the market being based on individualism, meaning that having acquired a public good, the consumer does not consider the positive effects it will have on the rest, even if this does not add

anything to its cost. This process, being repeated by all the consumers, leads to the loss of welfare by not having considered each other, resulting in less consumption of public goods.

But what exactly are these goods of knowledge? These goods are the ones having production costs mainly consisting of intellectual work, that is: ideas, creativity, research, design, etc. Examples of these appear constantly, and some are quite ancient in origin; literature, music, cinema, software, and medical research. In order to see the extent of the consequent failure of the market we will use the following case. These times are witness to the absence of any distribution of medicines in Africa, because the pharmaceutical companies sell them at prices which include the costs of both the pill itself and of the required research. As the latter is a public good of which anyone benefits, the addition of the African people as consumers does not add to the cost of medical research paid by the First World, meaning that we would not lose anything if the medicines were sold at production cost. And as a result of an inadequate adaptation millions of people are paying dearly. This event has to underline the importance of the goods of knowledge; of the capacity progress gives us to improve welfare. It should be remarked that these goods are far less polluting than their traditional counterparts, as they are based on intellectual work. This makes consumption under the optimal rate of this type of goods not only a cause of reduction of well-being, but also an increased menace to the environment. "Less goods of knowledge, more traditional goods" leading inevitably to an excess of pollution. If we adapt and promote the goods of knowledge, we will increase well-being and decrease ecological problems.

We can conclude therefore that the well-being offered by technological progress is not being used at an optimal level. The market does not respond to the present necessities. How can we improve our welfare, having limited resources? By enjoying our opportunities, by adapting ourselves to them. We have to make the market sensible to the environment and transform it in order to be able to acquire more knowledge. Of course this wind of change cannot be dictated by a sole illuminate visionary; progress is unpredictable in nature. The goal is not to again form rigid structures which will once more pose a risk to social welfare. We need a reform, even a revolution, in order to adapt our structures, accelerate progress and see where it takes us, instead of tying it to anachronisms. Those societies which want to keep on improving without endangering their own well-being have to be flexible. Once overcome the fear of losing what has been gained, we will achieve a bright future. A brightness never witnessed before.