



Global Ethics Corner: Choosing between Markets, Regulation, and Rewards

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How can we resolve the financial melt-down and prevent another? Solutions focus on free markets, regulation, or rewards.

Markets are supposed to self-regulate through negative feedback, yet deregulated markets can swell into overvalued bubbles.

Regulation can prevent bubbles, but perhaps at the expense of dynamism, creativity and choice. Unfortunately, regulation also usually favors one player, sometimes correcting abuses while simultaneously triggering future time-bombs.

Rewards can work as well as rules. Harvard's [John Ruggie](#) suggests that a more ethical capitalism might emerge, not by instilling ethics in people, but by creating incentives based on ethical frameworks. Individual ethics alone can't balance an incentive structure that encourages excess and irresponsible risk-taking.

What do you think?

Should we let markets work with minimum intervention because the dangers of regulation, while different, are just as great?

Should we regulate more strictly, knowing we are favoring some and creating future problems?

Should we create reward structures that pay people for good behavior? Is this even possible in a highly materialistic and commercial society?

Perhaps we should balance all three? But how?

By [William Vocke](#)

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