

Altruistic Products: a contradiction? Muhammed Yunus doesn't think so.

I was struck recently by the first of six cutting edge ideas noted in a recent brief posting on a Scientific American RSS feed. [Muhammed Yunus](#), the Bangladeshi economist who started the now global micro-lending movement, has a new business idea he is pitching to a few global companies: altruistic products.

<http://www.scientificamerican.com/blog/post.cfm?id=walls-to-fall-6-ideas-that-push-the-2009-11-26>

Doubtless much can and will be said about this, but I find the idea intriguing and encouraging, at least initially. In my reading of Adam Smith, the late 18th century Scottish moral philosopher whose ideas are part of the basis of our modern economic system, as an Enlightenment thinker he thought that unseen forces (the "invisible hand", or "Providence") within the rational order of the cosmos would balance the selfish actions inherent in individual merchant's actions, and thus markets, producing the common good despite the lack of intent to do so by market participants.

In so doing Smith basically blessed selfish action: live selfishly, and Providence will balance it out; you don't need to be your brother's keeper. In other words, one need not actively pursue what it means to fulfill the second greatest commandment in order for it to be fulfilled. How very convenient indeed.

What Smith seemed to fail to foresee were the imbalances introduced into the market by asymmetry in contractual power (as an individual user just try to re-negotiate the license on any large software company's products) or information asymmetry (those with specialized knowledge of particulars always have an advantage over those without), over time leading to deeply embedded power inequalities and inefficiencies in the market.

Over two centuries selfishly oriented markets have resulted in massive imbalances in the distribution of wealth. Smith was not worried about that; he was more concerned about the equal distribution of happiness. In my view his optimistic vision has a very mixed result. I live in the up side results; by the accident of where I was born, I have had access to education and resources such as capital, a generally favorable political and legal system, health care, etc. For the poorest of the poor around the world, those without access to the most basic elements of survival, they have very little to no access to these starting points and very little, if any, hope of breaking out of their hand-to-mouth existence.

Will Yunus's efforts offer some of these people the basics they need to survive and begin to flourish? I hope so. My real hope is that those up and down the org charts in those companies who work with Yunus will be genuinely touched by the plight of those they assist with these selfless products and will themselves be changed in the process. Perhaps others will follow suit, jealous of the attention and good PR the others seem to be receiving; may they be changed as well! Ecclesiastes 4:4 still accurately describes the business motivations of most.

Along related lines of meta-economics, or the ethical basis on which an economic system is built, I highly recommend my English translations of Italian philosopher of economics [Luigino Bruni's proposal](#) to (re-)introduce agapic thinking into economics, as well as Italian philosopher of law and political science [Carlo Lottieri's analysis](#) of the modernist reduction of the other.

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