

The Profit Motive



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The profit motive is “an economic concept which posits that the ultimate goal of business is to make money.” Many a modern liberal, progressive, communo-anarchist, and the like decry the profit motive as evil and greedy. I disagree. In fact, the profit motive is not only good, it’s an inevitable component of human action.

The Action Axiom

It is an axiomatic truth that when humans act purposefully, they always do so in order to remove some “felt uneasiness,” which is accomplished through the utilization of means over a period of time in order to achieve this desired end. When felt uneasiness is removed, the actor is thereby better off than they were before, as evidenced by their desire to act. In other words, the actor expects to profit with every action he performs. If he did not, he would not act.

Entrepreneurs vs. Do-Gooders

Whether you feel uneasiness toward not having much wealth or toward others keeping their wealth for themselves, you are motivated by profit (some benefit). In the former case, you act to obtain wealth for yourself, either by trading what you have for something more valuable, or by stealing it from others. In the latter case, you act to diminish the wealth of others, either by persuading them to give it others, or by stealing it from them. Whatever the action taken, the actor profits by having his felt uneasiness removed.

The difference, however, in all of the above scenarios are the means chosen to achieve one’s desired ends. To steal what is not yours from others is wrong. That leaves the one who values doing what’s right to either earn his wealth through trade, as in the case of one who desires wealth (the entrepreneur), or to persuade the wealthy to voluntarily give their wealth to others, as in the other case (the do-gooder).

Final Thoughts

Simply put, decrying the profit motive is irrational. Profit motivates every purposeful action a person performs. Decrying certain means in obtaining wealth, on the other hand, is quite rational and I do it all the time. Stealing from others to benefit yourself or others is wrong. And using the law to do it is just as wrong as doing it yourself. So long as people are not prohibited or barred from working for themselves or others, the profits earned by business are the result of trading value for value, not theft. Profits are not evil, they are good, necessary, and inevitable to human action.

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