

Free market self correcting systems

[Finance](#), [Market](#)



Free market economy is a type of economy whose control is in the hands and machinery of those who own the economic system. It is an economy that exists without any control by the government. The interaction of buyers and seller in the market sets the optimum transaction prices. Free market is said to experience self correction advantages in the manner that prices are set through the interaction of buyers and seller decisions and preferences. The government may not regulate the buying or selling prices of goods and services within the free market system.

In the Western countries, free market is perceived as self-correcting system; industries and merchants may offer low quality products or cause damage to society and it is assumed that nature mechanisms of the economy will correct the state. In this contest it is important to deliberate on the havoc caused by the BP industry during the current gulf oil spills. It is questionable; should the government take control of the damages caused by free market system?

Even though we have thought that free markets need no government interventions, what about when the damage caused to the society and the environments affects a large population of humanity and other living organisms? Shall the society be let free to destruction in the name of free market? BP oil industry drills offshore oil exploration and drilling in Mexican Gulf, since 2007. The current gulf crisis is resulted from oil spill at the Gulf of Mexico which occurred when the BP specialist had cut off an oil pipeline in order to insert a capturing device deep in the ocean.

Unfortunately, a devastating explosion occurred that has lead to the oil spill for about four days. BP reported oil spill of about 1, 000 barrel per day while <https://assignbuster.com/free-market-self-correcting-systems/>

the government surveillance team reported about 40, 000 barrels of oil spill daily. Later it was realized that spillage was even more. It is unbearable that BP oil industry continues with dangerous exploration and oil drills at offshore regions. BP had signed 5-year offshore drilling venture with the former U. S president Bush in 2007. Also signed further offshore exploration plan with President Obama, in 2009.

There is no objection to the fact that demand for oils is high and the sources limited. Conventionally fossil fuel has always been used. Thus BP is unstoppable in oil drills. Nevertheless, there is need for intervention. It is worth reconsidering the offshore drilling plans for all oil drilling industries. In fact, they should be stopped from offshore drilling activities. Let them explore other regions other than offshore regions. Enormous oil spills from the Gulf of Mexico, spreading all the way to Alabama, Mississippi, Louisiana and Florida.

This covers more than 68 thousand square miles from the Gulf and over 640 miles of coastline. Ocean and coastal resources support human life and other economies like tourism, fishing, and international trade operations; the offshore spill is enough punishment the world. It calls for a stun action to be taken upon this industry. Besides, BP lacks clean record of environmental conservation, (Gulf Disaster, 2010). The president Obama is expected to call off all offshore oil spills at once and stop other developments on offshore drilling activity by Shell and other oil drilling industries.

This is because oil spill are inevitable as long as operations are done without enough environmental impact assessment. It is no longer free market for BP offshore drilling activities. The government must take control over it.

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Withdraw the five year offshore exploration through a court order because it has been abused. This is for the safety of flora and fauna as well as establishment of other energy sources like geothermal power exploitation.

References Gulf Disaster: http://www.biologicaldiversity.org/programs/public_lands/energy/dirty_energy_development/oil_and_gas/gulf_oil_spill/index.html