# A Market that tells the Truth

*Why Fair Pricing is the Logic of Private Risk-Taking*

By MARTIN STUDER — January 2026


**Abstract**

As the **World Economic Forum convenes once again in Davos**, much attention will be given to resilience, climate risk, geopolitical fragmentation and confrontation, artificial intelligence, and the future of capitalism itself. These conversations matter. But they often circle around the symptoms rather than the underlying design challenge.

The core question is not whether markets should lead or whether states should intervene more forcefully. The deeper issue is whether the signals that guide market behaviour still reflect reality.

Markets remain one of humanity's most powerful coordination mechanisms. They excel at mobilising intelligence, allocating capital, and scaling innovation. Yet markets can only perform this role when prices are honest and complete. When they are not, markets do not fail; they succeed at producing the wrong outcomes and incentives. This is what needs correction.

What we are witnessing today is not the collapse of capitalism, but the cumulative effect of distorted signals — signals that reward depletion over regeneration, short-term extraction over long-term stability, and private upside without corresponding responsibility for systemic cost.

This is not a moral argument. It is a structural one. And it is not a new one. The tools to observe and analyse it exist at least for decades.

## The Problem Is Not Capitalism — It Is Incomplete Capitalism

Milton Friedman famously argued that the responsibility of business is to increase its profits — *within the rules of the game*. Too often, the first part of that sentence is quoted while the second is ignored.

The rules of the game matter.

Ronald Coase demonstrated that markets fail when transaction costs and externalities are left unaddressed. Albert O. Hirschman showed how loyalty, voice, and exit shape economic and political systems over time. These were not critics of markets; they were analysts of their conditions.

What we face today is not excessive market freedom, but **selective blindness**:

- Environmental degradation remains underpriced.
- Ecosystem services are consumed below their replacement value.
- Social stability, public trust, and human wellbeing are treated as background conditions rather than productive assets.

John Fullerton describes this as *extractive capitalism*: a system optimised for accumulation rather than circulation, for efficiency rather than resilience. His work on **Regenerative Economics** does not reject markets per se — it challenges the assumption that markets automatically align with life-supporting outcomes when prices omit reality.

The result is a system that appears profitable on paper while quietly eroding the very foundations on which value creation depends.

## From Externalities to Operating Infrastructure

Rebecca Henderson has articulated this shift with more of an ideological shift though: firms do not operate *in* society — they operate *because of* society. Climate stability, functional ecosystems, public health, institutional trust, and skilled workforces are not externalities. They are operating infrastructure.

When infrastructure decays, balance sheets eventually follow.

 

Yet most companies still treat ecosystem services as cost-free inputs. This is not because executives are careless, but because accounting frameworks have not yet caught up with ecological and social reality.

A market that tells the truth would price:

- carbon not as a political symbol, but as a physical constraint,
- biodiversity loss not as reputational risk, but as capital erosion,
- water, soil, and social cohesion as assets requiring maintenance and reinvestment.

This does not require abandoning competition. It requires **completing it**.

### Equity, Risk, and the Balance Sheet of the Future

One of the most under-discussed levers in the transition debate is **equity**.

In financial terms, equity absorbs risk. It allows systems to endure volatility without collapsing. The same logic applies ecologically.

Firms that depend on ecosystems while running minimal equity buffers are, in effect, leveraged against nature. They extract today and socialise risk tomorrow.

A coherent transition asks companies to:

- strengthen equity positions,
- invest directly in such ecosystem assets their operation depends on,
- internalise ecosystem services over time,
- treat regeneration not as offsetting, but as capital formation.

This is not philanthropy. It is **balance-sheet resilience**.

Ray Dalio has repeatedly shown how systems fail when debt, promises, and expectations exceed real productive capacity. Ecological overshoot follows the same dynamic. When claims on nature exceed its regenerative capacity, correction is inevitable — either orderly or chaotic.

### Why This Is Not Socialism — and Not Deregulation

Critics often frame any discussion of limits or commons as a slide toward central planning. History shows why that concern exists. But it also obscures the real choice.

 

Margaret Thatcher understood that markets require institutions, law, and cultural norms to function. Markets without boundaries do not become freer — they become captured.

Dr. Markus Gabriel's concept of **Ethical Capitalism** aligns here: ethics are not external constraints on markets; they are conditions for their legitimacy and durability. A system that systematically misprices reality invites political backlash and moral revolt.

What is proposed is neither state ownership nor bureaucratic micromanagement, but:

- clear ecological boundaries,
- transparent pricing of scarce resources,
- market allocation within democratically legitimised limits.

This is closer to **ordoliberalism** than socialism — protected, ordered competition, as Walter Eucken describes it.

### Democracy, Legitimacy, and the Swiss Lesson

Markets can allocate efficiently. They cannot decide what must never be destroyed.

Those decisions require legitimacy.

Large-scale technocracy has proven insufficient. Pure representative democracy struggles with long-term issues. Switzerland's base-democratic model offers a different lesson: participation creates ownership; ownership creates responsibility, responsibility creates value.

Boundary-setting must be:

- participatory where impacts are local,
- collective where commons are shared,
- deliberative before binding,
- revisable over time.

Without legitimacy, even the best-designed economic reforms will fail.

### From Eco-Anxiety to Eco-Agency

Eco-anxiety is not irrational. It is a signal — psychological feedback from systems under strain. Rising burnout rates, declining trust, and political polarisation mirror ecological degradation.

 

Eco-Agency begins when anxiety is converted into capability:

- when leaders stop signalling concern and start redesigning incentives,
- when capital flows reward coherence rather than contradiction,
- when markets are allowed to work — but no longer allowed to lie.

This is not about heroism. It is about alignment.

## An Invitation, Not an Ultimatum

The transition ahead will not be financed by guilt, nor sustained by slogans. It will be financed by capital seeking stability in an unstable world.

A market that tells the truth will:

- eliminate business models that depend on hidden subsidies,
- reward those that invest in regeneration,
- reduce systemic risk for investors,
- restore trust between economy and society.

This is not capitalism dismantled.
It is capitalism **completed**.

The future will not be built by declarations.
It will be built by changing what pays.

## Selected Sources & Intellectual Lineage for Further Reading


**Core Economics & Capitalism**

- Fullerton, J. B. — *Regenerative Capitalism* (Capital Institute)
- Friedman, M. — *Capitalism and Freedom*
- Coase, R. — *The Problem of Social Cost*
- Hirschman, A. O. — *Exit, Voice, and Loyalty*
- Dalio, R. — *Principles for Dealing with the Changing World Order*

**Stakeholder & Ethical Capitalism**

- Henderson, R. — *Reimagining Capitalism in a World on Fire*
- Gabriel, M. — *Ethischer Kapitalismus*
- Walter Eucken – *Ordoliberalism and foundations of Economics*
- Thatcher, M. — Speeches on markets, institutions, and responsibility

**Global Context**

- World Economic Forum — Global Risks Reports, Nature & Biodiversity Finance
- OECD — Natural Capital Accounting
- UNEP — Ecosystem Services & Finance


***

## About Bluerain *Coherence* Series

This essay is part of a broader collection exploring how valuation, healthspan, collaboration, longevity, and biodiversity can be re-aligned with the rhythms of life — at a pace that enables regeneration rather than exhaustion.

The purpose of this compendium is to:

- Contribute meaningfully to public discourse on systems change and intergenerational strategy
- Offer fresh language and framing for leaders navigating complexity
- Share what we are learning, unlearning, and building in real time

We welcome dialogue, respectful critique, and collaboration — to deepen a shared understanding of what it means to steward coherence in a time of disruption.

For inquiries or conversation, please reach the author via linkedin.com/in/martinstuder.

## About the Author

**Martin Studer** is an entrepreneur and impact investor focused on sustainability and longevity. Trained as an economist and certified public accountant, he brings decades of leadership experience in finance, governance, and executive management. As founder of Bluerain Partners, a Swiss family office, he works globally on projects spanning climate resilience, healthspan innovation, and intergenerational stewardship.

## About Bluerain Partners Group

**Bluerain Partners Group AG** is a privately held, multi-generation family office headquartered in Switzerland. We do not offer commercial services or raise external capital, while some of our subsidiaries may do.

Our work is anchored in long-term purpose, driven by the belief that meaningful progress requires curiosity, collaboration, and courage.

We engage globally in projects that span climate resilience, health span and longevity, and the evolving nature of work and technology. We do so through investing, advising, governance, and venture development — always with an emphasis on coherence across generations, disciplines, and geographies.

These essays are authored by Martin Studer in a personal capacity. They reflect his experience, reflections, and aspirations — and may not necessarily represent the formal positions of Bluerain Partners Group AG, its subsidiaries, affiliated projects, or partners.

info@bluerainpartners.com.