Book review

Michael J. Sandel, *What Money Can't Buy: The Moral Limits of Markets* (Farrar, Strauss and Giroux, New York, USA 2012) 256 pp.

Jessica Flanigan

Jepson School of Leadership Studies, University of Richmond, VA, USA

In *What Money Can't Buy*, Harvard political theorist Michael Sandel develops two arguments for the claim that the rise of market values is morally problematic. First, he worries that market values could exacerbate economic injustices by advantaging the wealthy at the expense of the poorest and most vulnerable members of the political community. Second, he claims that market values can crowd out other values such as moral equality, civic duty, norms of cooperation and respect, aesthetic appreciation, and altruism. He also suggests that the commodification of some goods is intrinsically bad, even if it does not crowd out other values.

In making these arguments, Sandel's goal is to begin a public conversation about the moral limits of markets so that members of the political community can deliberately decide what should or should not be for sale. He complains that the emergence of market values came upon us, and exhorts the reader, 'it's time to ask whether we want to live this way' (p. 6). Sandel makes his case against markets by describing markets in everything from organs (p. 95) to life insurance policies (p. 131) to places in line at amusement parks (p. 18). For each case, he argues that markets crowd out civic virtues or exacerbate inequality or just appear really unseemly. I am skeptical that the evidence Sandel presents against markets can justify his conclusions about civic virtue and inequality. Yet *even if* his criticism of markets is successful, we should be wary of inferring that these arguments should inform how leaders approach markets, because restrictions on markets violate citizens' rights and prevent people from living and working in accordance with their own values.

1 THE EMPIRICAL CASE AGAINST MARKETS

Sandel's clearest thesis is that some of the markets that developed in the twentieth century have had bad effects because they contribute to inequality and a decline in civic virtue. On his account, markets are objectionably unequal because 'market choices are not free choices if some people are desperately poor or lack the ability to bargain on fair terms.' Markets also enable richer citizens to isolate themselves from their poorer compatriots, which he claims undermines civic virtue. Sandel also worries that markets change our attitudes towards goods in ways that can crowd out more altruistic behavior.

Consider first the claim that market choices are not really free choices because some people are so poor that they have no choice but to participate in them (p. 110–112). Here Sandel suggests that people are 'coerced by their poverty' to sell kidneys, or

sex, or to choose other kinds of labor that they would otherwise reject. Yet he fails to mention the view that economic development (markets) has been the most effective weapon in the fight against poverty. He also fails to engage in the philosophical debates about whether giving people an additional option to sell their labor can really wrong that person (Zwolinski 2009). After all, if the alternative to market participation is starvation or economic destitution, one might welcome the presence of markets. And even if we grant Sandel's concern about the limited options of the desperately poor, Sandel does not explain why he focuses his critique on markets, which increase options for the worst-off, instead of criticizing societies' lack of social safety nets. A basic income would give each citizen the freedom to choose to not work at all, but rather than considering ways to give people more options Sandel saves his indignation for modern societies' relative abundance of options (Van Parijs 1998).

Another objection related to the fairness of markets is what Sandel calls 'skyboxification' – a term that he coined to describe the way that markets enable wealthy citizens to isolate themselves from their poorer compatriots (p. 201). Sandel nostalgically describes a past where everyone, rich and poor, sat together at the baseball stadium and the most expensive seat was only \$2 more than the least expensive seats (p. 173). Nowadays, Sandel complains that wealthy fans are able to watch games in climate-controlled skyboxes while less well-heeled fans are literally left out in the rain. The problem with skyboxification is that it is supposedly responsible for a decline in civic virtue because richer citizens are isolated from the concerns of poorer citizens.

I am sympathetic to the claim that socioeconomic segregation is a problem because it makes leaders less informed about the interests of less powerful groups (Anderson 2007). Yet the links between markets, socioeconomic segregation, and declining civic virtue are empirical claims that cannot be established by a series of anecdotes. And each link is controversial. It is true that market societies, in the absence of redistributive taxation, allow for inequalities because some people will benefit from trade more than others. Yet Denmark and Australia, for example, are ranked as having higher economic freedom *and* less inequality after taxes and transfers, suggesting that market societies and inequality are not necessarily fellow travelers. Sandel focuses on socioeconomic segregation in particular, and here the evidence is mixed. On one hand, evidence from Chile suggests that market-oriented educational policies contribute to socioeconomic segregation (Valenzuela et al. 2014). On the other hand, market regulations such as zoning laws also significantly contribute to socioeconomic and racial segregation, both in housing and education (Sharkey 2013). New markets may also contribute to economic integration insofar as economic migrants move between isolated rural communities to economically integrated urban centers (Young 2013).

Sandel's empirical hypothesis, that markets undermine civic virtue, is also contentious. There is some experimental evidence to suggest that market norms make people less concerned about the effects of their actions on others (Falk and Szech 2013). Yet other experimental and observational evidence suggests that market norms also contribute to trust, honesty, and willingness to cooperate (Henrich et al. 2004; Ariely et al. 2014). Sandel suggests that markets 'crowd out' altruistic behavior as well, citing evidence from markets in blood (p. 124), daycare pick-ups (p. 89), and toxic waste (p. 114) to support this claim. Yet further investigations into blood markets, for example, have found that while market incentives for blood may mitigate altruistic donation in the short term, they also increase the total supply of blood without reducing long-term altruistic behavior (Goette and Stutzer 2008; Lacetera et al. 2011; Lacetera and Macis 2013). Similarly, the authors of the daycare study concede that charging for

late daycare pick-ups changed behavior because parents gained more information about an otherwise incomplete contract (Gneezy and Rustichini 2000). Before the introduction of markets, workers were expected to volunteer to stay late with children; once prices were introduced, parents were more inclined to pay for the additional service.

The daycare example illustrates a more general point about labor markets that is normatively significant. In some cases, we should celebrate crowding out. For example, before women won greater access to labor markets, many women were expected to work as childcare providers (for their children) without compensation. Even if markets in women's labor did crowd out the altruistic provision of childcare for one's family members, excluding women from labor markets ensured that women remained economically dependent on men and reinforced sexist attitudes. This example shows how altruistic norms are sometimes a way of socially shaming people to work for free or to make donations when they would have preferred payment. Insofar as expectations of free labor reflect sexist or otherwise oppressive values, then crowding out is a way of freeing people to demand compensation without shame.

2 IS NOTHING SACRED?

Another concern about markets is that they sometimes involve improper attitudes towards valuable things. Terrorism futures are called out for their moral ugliness (p. 154). Markets in refugees (p. 63), tickets to see a physician (p. 25), and insurance policies on janitors' lives (p. 136) are all described as distasteful. Buying a wedding toast rather than writing your own involves a kind of misunderstanding about the correct purpose of a wedding toast, which is to convey sincere and idiosyncratic feelings about your friend (p. 98). Sandel advises that we must first resolve the moral question about the proper way of valuing a rhinoceros before we can decide what we think about selling the right to shoot one, implying that valuing rhinos as trophies is improper (p. 81). In discussing the sale of Yosemite campsites he approvingly cites a newspaper headline that asks, 'Is Nothing Sacred?' (p. 36).

Of course, people will disagree about the proper way to value a distasteful commodity, wedding toast, rhino, campsite, or anything else. As Sandel acknowledges, some hunters may think that hunting a rhino is a way of venerating the noble species. Some brides may be grateful that their husband's best man cared enough to purchase a toast rather than risking a nervous, poorly executed impromptu speech on her big day. In most cases, whether a particular market seems repugnant or distasteful is culturally contingent. For example, Jaworski and Brennan (2014) describe how women in the United States generally think it is offensive to be offered money for sex, while women in Merina think that exchanging a small cash gift after sex is polite. In some cultures, giving money to a newly married couple is a sign of respect, while others think it is tacky and that newlyweds should be given housewares instead.

To these counterexamples Sandel replies that mere presence of disagreement doesn't imply that there are no right answers (p. 81). This is true, but it also doesn't imply that Michael Sandel has the right answers. Concerns about the *impropriety* of putting price tags on certain goods recalls Kass's 'wisdom of repugnance' — an intuitive aversion to a practice that is presented as evidence that the practice is wrong without further appeals to reason. Kass (1994; 1997) gives the examples of cloning and eating ice cream in public as example of practices that just seem wrong. Sandel adds paying for rhino heads and wedding toasts to the list. Other philosophers add prostitution

and organ markets. Yet, as Martha Nussbaum (2004) has argued, we should be wary of arguments from intuitions about disgust or impropriety, as these intuitions are reliably used to justify our unwarranted prejudices and patterns of discrimination.

Even if Sandel's only goal is to make the moral case against some markets, his many examples of markets gone wrong don't consider the hazards of alternative, non-market attitudes. For example, he considers that it may be wrong to purchase a kidney from someone who is very poor (p. 110). He fails to mention that the only society that allows for a regulated organ market – Iran – is also the only society where people do not die because of shortages (Fry-Revere 2014). Sandel objects that the very nature of goods like adoption rights and doctors' appointments means that they should not be allocated to whomever can afford them. However, as the example of paid line-standers illustrates, queues and 'first come first served' systems also reward people who can afford to navigate alternative systems, as well as more informed, faster, and better-connected people (Persad et al. 2009). This is not to say that market mechanisms are always better, but they do provide mechanisms for addressing inefficiencies and they also empower people who suffer from non-monetary disadvantages, such as discrimination.

3 SAY MARKETS ARE BAD – THEN WHAT?

Sandel's arguments against markets may reasonably inform some people's values. After reading about markets in wedding toasts a reader might be convinced that there is something insincere about buying a toast, and decide to write their own toast instead. But a lot of Sandel's rhetoric goes beyond the modest goal of persuading people to refrain from participating in certain markets. He also gestures at more ambitious claims, such as the thesis that participation in these markets is not simply a moral mistake, but an impermissible act. In addition, he writes that the political community should collectively decide on the limits of markets (p. 202) and claims that the fact that people will disagree about the limits of markets should not dissuade us from making those decisions (p. 81).

Insofar as Sandel endorses these further claims about the limits of markets, he makes little effort to argue for them. Yet the way he presents his moral case against markets invites the reader to conclude that markets are often immoral, and that political limits on markets are therefore potentially permissible. Yet even if Sandel's central argument against markets were successful and markets were *pro tanto* morally problematic, it would not follow that participating in markets would be wrong, all things considered, and it certainly would not follow that any legal limits on markets would be permissible.

Though Sandel does not argue that any particular markets should be illegal, he leaves open the possibility. To get a better sense of what Sandel is saying about markets, let us consider two possible claims:

- (a) People who participate in certain markets are making a moral mistake.
- (b) People who participate in certain markets act wrongly.

If they are successful, Sandel's arguments would support (a), though Sandel presents his arguments as if they establish (b). An act can be morally worse than alternatives without being all things considered morally wrong (Harman 2014). Sandel does not consider this distinction, but it is important because people are especially liable to political interference insofar as they act wrongly. And when Sandel worries that the

political community never consented to the rise of market values, he invites the reader to consider this further possibility, that:

(c) Legal limits on markets are permissible.

Notice that (c) would be much easier to establish if (b) were true. Plausibly, states can permissibly prohibit people from doing things that are morally wrong, whereas it is harder to justify prohibitions of practices that are permissible. Even if (b) were true, legal restrictions (c) still would require further justification. After all, states allow people to do some things that are morally wrong (such as adultery) because any potential benefits could not justify the burdens of legal restrictions.

If Sandel does not endorse legal limits to markets, then the society he longs for actually looks a lot like the status quo. Without legal restrictions, his best case scenario is that we all engage in a collective conversation about markets, and some people conclude that they should not take out life insurance policies on their employees or sell naming rights to stadiums. Those who disagree will still be permitted to do so. Yet that world looks strikingly similar to the one we have; even today most people don't participate in any of the markets that Sandel finds so problematic – perhaps he simply intends to bring more people over to his side.

On the other hand, if Sandel also would claim that people who participate in markets, whether in baseball or terrorism futures, behave impermissibly and are liable to any kind of political intervention, then the arguments presented in *What Money Can't Buy* do not support that conclusion. Consider what it would take to justify collective intervention in the rise of market society. First, people would need to answer Sandel's plea for a collective conversation on the limits of markets and come to some kind of answers about what should be for sale. Then, for society to change, elective representatives or some other powerful group would either need to convince all of their compatriots or coercively impose those answers on everyone, without the consent of those citizens who disagree. Which is to say, any attempt to scale back markets would be seriously in danger of scaling back other important freedoms as well. In contrast, when 'markets decide for us,' which Sandel finds so troubling, we each decide for ourselves.

4 CONCLUSION

Sandel has invited us to have a conversation about market values, but he should be careful what he wishes for. Once we look into the effects of markets, I suspect we will find that members of the political community already limit people's market freedom too much. Market virtues are civic virtues, and the greatest threat to democracy isn't markets but political leaders and public intellectuals who aim to impose their values on the rest of us.

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