

WHAT  
MONEY  
CAN'T  
BUY

*The Moral Limits  
of Markets*

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AUTHOR OF THE INTERNATIONAL  
BESTSELLER *Justice*



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**WHAT  
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*For Kiku, with love*

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**WHAT  
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## *Introduction: Markets and Morals*

There are some things money can't buy, but these days, not many. Today, almost everything is up for sale. Here are a few examples:

- *A prison cell upgrade: \$82 per night.* In Santa Ana, California, and some other cities, nonviolent offenders can pay for better accommodations—a clean, quiet jail cell, away from the cells for nonpaying prisoners.<sup>1</sup>
- *Access to the car pool lane while driving solo: \$8 during rush hour.* Minneapolis and other cities are trying to ease traffic congestion by letting solo drivers pay to drive in car pool lanes, at rates that vary according to traffic.<sup>2</sup>
- *The services of an Indian surrogate mother to carry a pregnancy: \$6,250.* Western couples seeking surrogates increasingly outsource the job to India, where the practice is legal and the price is less than one-third the going rate in the United States.<sup>3</sup>
- *The right to immigrate to the United States: \$500,000.* Foreigners who invest \$500,000 and create at least ten jobs in an area of high unemployment are eligible for a green card that entitles them to permanent residency.<sup>4</sup>

- *The right to shoot an endangered black rhino: \$150,000.* South Africa has begun letting ranchers sell hunters the right to kill a limited number of rhinos, to give the ranchers an incentive to raise and protect the endangered species.<sup>5</sup>
- *The cell phone number of your doctor: \$1,500 and up per year.* A growing number of “concierge” doctors offer cell phone access and same-day appointments for patients willing to pay annual fees ranging from \$1,500 to \$25,000.<sup>6</sup>
- *The right to emit a metric ton of carbon into the atmosphere: €13 (about \$18).* The European Union runs a carbon emissions market that enables companies to buy and sell the right to pollute.<sup>7</sup>
- *Admission of your child to a prestigious university: ?* Although the price is not posted, officials from some top universities told *The Wall Street Journal* that they accept some less than stellar students whose parents are wealthy and likely to make substantial financial contributions.<sup>8</sup>

Not everyone can afford to buy these things. But today there are lots of new ways to make money. If you need to earn some extra cash, here are some novel possibilities:

- *Rent out space on your forehead (or elsewhere on your body) to display commercial advertising: \$777.* Air New Zealand hired thirty people to shave their heads and wear temporary tattoos with the slogan “Need a change? Head down to New Zealand.”<sup>9</sup>
- *Serve as a human guinea pig in a drug safety trial for a pharmaceutical company: \$7,500.* The pay can be higher or lower, depending on the invasiveness of the procedure used to test the drug’s effect, and the discomfort involved.<sup>10</sup>

- *Fight in Somalia or Afghanistan for a private military company: \$250 per month to \$1,000 per day.* The pay varies according to qualifications, experience, and nationality.<sup>11</sup>
- *Stand in line overnight on Capitol Hill to hold a place for a lobbyist who wants to attend a congressional hearing: \$15–\$20 per hour.* The lobbyists pay line-standing companies, who hire homeless people and others to queue up.<sup>12</sup>
- *If you are a second grader in an underachieving Dallas school, read a book: \$2.* To encourage reading, the schools pay kids for each book they read.<sup>13</sup>
- *If you are obese, lose fourteen pounds in four months: \$378.* Companies and health insurers offer financial incentives for weight loss and other kinds of healthy behavior.<sup>14</sup>
- *Buy the life insurance policy of an ailing or elderly person, pay the annual premiums while the person is alive, and then collect the death benefit when he or she dies: potentially, millions (depending on the policy).* This form of betting on the lives of strangers has become a \$30 billion industry. The sooner the stranger dies, the more the investor makes.<sup>15</sup>

We live at a time when almost everything can be bought and sold. Over the past three decades, markets—and market values—have come to govern our lives as never before. We did not arrive at this condition through any deliberate choice. It is almost as if it came upon us.

As the cold war ended, markets and market thinking enjoyed unrivaled prestige, understandably so. No other mechanism for organizing the production and distribution of goods had proved as successful at generating affluence and prosperity. And yet, even as growing numbers of countries around the world embraced market

mechanisms in the operation of their economies, something else was happening. Market values were coming to play a greater and greater role in social life. Economics was becoming an imperial domain. Today, the logic of buying and selling no longer applies to material goods alone but increasingly governs the whole of life. It is time to ask whether we want to live this way.

### THE ERA OF MARKET TRIUMPHALISM

The years leading up to the financial crisis of 2008 were a heady time of market faith and deregulation—an era of market triumphalism. The era began in the early 1980s, when Ronald Reagan and Margaret Thatcher proclaimed their conviction that markets, not government, held the key to prosperity and freedom. And it continued in the 1990s, with the market-friendly liberalism of Bill Clinton and Tony Blair, who moderated but consolidated the faith that markets are the primary means for achieving the public good.

Today, that faith is in doubt. The era of market triumphalism has come to an end. The financial crisis did more than cast doubt on the ability of markets to allocate risk efficiently. It also prompted a widespread sense that markets have become detached from morals and that we need somehow to reconnect them. But it's not obvious what this would mean, or how we should go about it.

Some say the moral failing at the heart of market triumphalism was greed, which led to irresponsible risk taking. The solution, according to this view, is to rein in greed, insist on greater integrity and responsibility among bankers and Wall Street executives, and enact sensible regulations to prevent a similar crisis from happening again.

This is, at best, a partial diagnosis. While it is certainly true that greed played a role in the financial crisis, something bigger is at stake. The most fateful change that unfolded during the past three decades was not an increase in greed. It was the expansion of markets, and of market values, into spheres of life where they don't belong.

To contend with this condition, we need to do more than inveigh against greed; we need to rethink the role that markets should play in our society. We need a public debate about what it means to keep markets in their place. To have this debate, we need to think through the moral limits of markets. We need to ask whether there are some things money should not buy.

The reach of markets, and market-oriented thinking, into aspects of life traditionally governed by nonmarket norms is one of the most significant developments of our time.

Consider the proliferation of for-profit schools, hospitals, and prisons, and the outsourcing of war to private military contractors. (In Iraq and Afghanistan, private contractors actually outnumbered U.S. military troops.<sup>16</sup>)

Consider the eclipse of public police forces by private security firms—especially in the United States and Britain, where the number of private guards is more than twice the number of public police officers.<sup>17</sup>

Or consider the pharmaceutical companies' aggressive marketing of prescription drugs to consumers in rich countries. (If you've ever seen the television commercials on the evening news in the United States, you could be forgiven for thinking that the greatest health crisis in the world is not malaria or river blindness or sleeping sickness, but a rampant epidemic of erectile dysfunction.)

Consider too the reach of commercial advertising into public

schools; the sale of “naming rights” to parks and civic spaces; the marketing of “designer” eggs and sperm for assisted reproduction; the outsourcing of pregnancy to surrogate mothers in the developing world; the buying and selling, by companies and countries, of the right to pollute; a system of campaign finance that comes close to permitting the buying and selling of elections.

These uses of markets to allocate health, education, public safety, national security, criminal justice, environmental protection, recreation, procreation, and other social goods were for the most part unheard of thirty years ago. Today, we take them largely for granted.

#### EVERYTHING FOR SALE

Why worry that we are moving toward a society in which everything is up for sale?

For two reasons: one is about inequality; the other is about corruption. Consider inequality. In a society where everything is for sale, life is harder for those of modest means. The more money can buy, the more affluence (or the lack of it) matters.

If the only advantage of affluence were the ability to buy yachts, sports cars, and fancy vacations, inequalities of income and wealth would not matter very much. But as money comes to buy more and more—political influence, good medical care, a home in a safe neighborhood rather than a crime-ridden one, access to elite schools rather than failing ones—the distribution of income and wealth looms larger and larger. Where all good things are bought and sold, having money makes all the difference in the world.

This explains why the last few decades have been especially hard on poor and middle-class families. Not only has the gap between



rich and poor widened, the commodification of everything has sharpened the sting of inequality by making money matter more.

The second reason we should hesitate to put everything up for sale is more difficult to describe. It is not about inequality and fairness but about the corrosive tendency of markets. Putting a price on the good things in life can corrupt them. That's because markets don't only allocate goods; they also express and promote certain attitudes toward the goods being exchanged. Paying kids to read books might get them to read more, but also teach them to regard reading as a chore rather than a source of intrinsic satisfaction. Auctioning seats in the freshman class to the highest bidders might raise revenue but also erode the integrity of the college and the value of its diploma. Hiring foreign mercenaries to fight our wars might spare the lives of our citizens but corrupt the meaning of citizenship.

Economists often assume that markets are inert, that they do not affect the goods they exchange. But this is untrue. Markets leave their mark. Sometimes, market values crowd out nonmarket values worth caring about.

Of course, people disagree about what values are worth caring about, and why. So to decide what money should—and should not—be able to buy, we have to decide what values should govern the various domains of social and civic life. How to think this through is the subject of this book.

Here is a preview of the answer I hope to offer: when we decide that certain goods may be bought and sold, we decide, at least implicitly, that it is appropriate to treat them as commodities, as instruments of profit and use. But not all goods are properly valued in this way.<sup>18</sup> The most obvious example is human beings. Slavery was appalling because it treated human beings as commodities, to be bought and sold at auction. Such treatment fails to value human beings in