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## İnceleme / Book Review

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Michael J. Sandel. 2012. *What Money Can't Buy: The Moral Limits of Markets*. London: Penguin Books, 244 pp. ISBN 978-0-241-95448-5.

Michael Sandel is a well-known Harvard University law professor and political philosopher whose *Justice* class reached a massive international online audience when it was made freely available over the internet for everyone to view. The popularity of the Harvard course and the book by the same name catapulted Sandel to worldwide academic celebrity status. Sandel's eloquent arguments for greater public discourse on moral and ethical questions in pursuit of a just society are carried over to his recent book *What Money Can't Buy: The Moral Limits of Markets*. Written with a wide readership in mind, the book also sets out to challenge the central arguments presented by the proponents of free markets and gives economists important ethical issues to ponder.

*What Money Can't Buy (WMCB)* asks fundamental questions about how far the outreach of markets should be in society. What exactly is the business of economics and how fair or accurate is it to frame almost every type of human activity in terms of a cost and benefit analysis based on rational decision-making, as economists have done? Does everything have a price or are there some things that money can't buy, as the title of his book suggests? These are, Sandel maintains, questions well worth thinking about.

Sandel takes the reader on a case-by-case analysis of how markets have come to impinge on almost every aspect of social existence and the thorny ethical issues that this encroachment has raised. It is argued that modern capitalist societies have undergone a transformation from “*having* market economies” where market activities are limited mainly to economic goods and services, into “*being* market societies”, in which just about anything may be treated as a commodity to be bought and sold in the marketplace. Numerous anecdotal examples reveal the extreme proportions that the commercialization of everyday life has reached.

As Sandel points out, mainstream economists have made a strong case for the virtues of markets, their arguments being based on economic efficiency and the freedom of choice. The marketplace is simultaneously viewed as a democratic institution where all participants appear as equals and as a place of efficiency that brings together buyers and sellers who *voluntarily* engage in transactions that make all individuals better off. This harmonious account of markets, however, overlooks the unpleasant reality of disparities in income and wealth that makes market transactions less equitable and less democratic than at first glance. As many economists have conceded, the existence of ever-growing income disparities mean that markets cannot offer equal opportunities to its participants, and those with little income or resources are increasingly pushed to the periphery of market-driven societies. While liberal economists acknowledge that markets may ‘fail’ at times, they believe that this can easily be reconciled with the right policy interventions designed to regulate the market and offset the undesirable consequences of market failure.

But, Sandel argues, there are even more fundamental issues to consider that go beyond market failure and beyond economic arguments. He evaluates the arguments against markets under two headings: one of fairness and the other of ethics. Sandel questions, for example, how ‘voluntary’ is it for a man to sell his kidneys because he has nothing else of value to exchange in the marketplace. According to Sandel, the man is “unfairly coerced” into selling his organs “by the necessity of the situation.” In addition to the lack of fairness inherent in such exchanges, Sandel argues that the commodification of certain things “just does not feel right morally” even when there is full consent between buyers and sellers. While markets make transactions more efficient, Sandel argues that when you put a price tag on a good deed, such as donating blood, it degrades or corrupts it; it erodes the intrinsic value placed on the deed before its commercialization.

Sandel also presents compelling examples of how far some economists have taken the notion of market efficiency as exemplified in the social custom of gift-giving. Some economists have analyzed “the deadweight loss of Christmas” and found that cash is the perfect (optimal) gift that a gift giver can give because gift givers do not know with certainty the preferences of the person that they wish to give a gift to. Sandel argues that this ‘economic’ way of looking at gift exchange takes the warmth out of gift-giving, and in general corrupts the “spirit” or nature in which the act is otherwise carried out. The book provides plenty of examples where the “ethics of the market” collide with nonmarket morals. Is paying money to “jump the queue” (getting in front of the line instead of waiting your turn) acceptable behaviour? Is it right to use monetary incentives to “bribe” drug

addict mothers into sterilization in order to prevent “crack babies”? What, in general, are the consequences of commodifying aspects of human life previously held sacred?

*What Money Can't Buy* is written with the mission of making ordinary readers think about the consequences of living in an increasingly commercialized society dominated by markets. Within a broader context, the idea of the encroachment of markets is easily revisited by reading Polanyi's elegant account of the persistent struggle for dominance between the economic and social realms of human existence in his increasingly influential classic, *The Great Transformation*. Polanyi (2001 [1944]) argued that in earlier times, economic transactions were embedded in social life and economic concerns were only subsidiary to social customs, norms and traditions. Later on, however, as the neoliberal push gave prominence to markets and economic interests began to overtake or encroach upon the rest of society, this led not only to greater material wealth but also to the erosion of human values and a continuation of human suffering.

Polanyi's historical account presents the unfolding of a series of struggles and counter struggles between the opposing forces of the market and the rest of society. According to Polanyi, the growing prominence of the market was a planned assault by a profit/rent-seeking bourgeoisie whereas the resisting counter-movement was a spontaneous reaction by the rest of society to preserve itself. Published at the end of the Second World War, *The Great Transformation* set a sanguine tone for what lay ahead; Polanyi believed the conflict between market and non-market forces would ultimately lead to a better world where markets were kept in their proper place –or, in other words, “embedded” back into society (Block, 2001). Contrary to Polanyi's optimistic prediction, the decades following the publication of this important work have seen an unprecedented rise of markets and the widespread adoption of market-friendly neoliberal policies. Written nearly 70 years after Polanyi's publication, Sandel's contribution lends a sophisticated voice to a rising counter movement uneasy with the domination of markets and the crises and distress that seems invariably to accompany them.

The orientation toward markets and market-friendly policies has found strong reinforcement in academic work where mainstream economists have merged the previously separate realms of economics with other aspects of social reality, earning the pioneers of the new frontier much esteemed prizes along the way. Gary Becker won the 1992 Nobel Prize in Economics “for having extended the domain of microeconomic analysis to a wide range of human behaviour and interaction, including nonmarket behaviour” (Gary S. Becker - Facts <http://www.nobelprize.org>); in other words, for theorizing how to “embed society into economics”. While finally acknowledging the existence of nonpecuniary aspects of society as being more than a ‘nuisance’ in an otherwise smoothly running market system, Becker's route in the reconciliation of economics with the rest of society was to translate all non-economic decisions into economic ones in previously unforeseen areas such as ‘the economics of marriage’, ‘the economics of crime’, ‘the economics of gift-giving’ as well as the economics of nearly every other conceivable social phenomenon. ‘The economic way of looking at life’ as envisioned by Gary Becker (Becker 1992) is exactly the kind of approach to understanding society that Sandel stands opposed to because of its consequences for the ‘just society’ that he himself envisions.

Sandel makes a plea for reevaluating the ‘virtues’ of the market and market-oriented thinking within a broader framework that takes ethical and social issues into account; he also believes, however, that a line must be drawn between the economic realm consisting of purely economic activities and the social realm consisting of non-economic norms and customs. Sandel suggests that economists keep to purely economic issues and not presume that everything can be framed and solved within a narrow economic framework with economic criteria being views as the main criteria for judging the value of things.

Written with the general public in mind, a shortcoming of Sandel’s analysis is its tendency to place the whole of the economics profession, which represents a diversity of opinions and outlooks, within the single analytical framework of neoclassical economics – which is itself represented by a set of distinctive voices. Some may also question the practicality of a sharp delineation between economic issues and social issues as Sandel has called for, given that social and economic phenomenon are intrinsically linked and not easily disentangled. Nevertheless, in addition to being a popular reading that calls attention to and raises awareness of the dangers of an increasingly commodified society, *What Money Can’t Buy* offers plenty of well-documented examples to stimulate thinking and promote discussion on the ethics of the market within a classroom setting. It can readily serve as companion reading in economics and other social sciences classes as a way to introduce students to a much needed discussion of ethics related to the debate on the boundaries of markets.

## References

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