03a The Gift Relationship (i)

We have been given the gift of life and consciousness. The greatest gift we can give to another is the gift of life. To give blood is to gift life.

In 1970 a book called “The Gift Relationship” was published. Written by Richard Titmuss, then professor of social administration at the London School of Economics, the book compared the blood donation systems then existing in the USA and the UK.

Blood donation in the UK relied on people giving blood voluntarily, for no financial reward. Blood was given as a gift. Donations of blood were then used for unknown strangers who received the blood at no charge.

The UK system existed outside the market rules of economics, and relied upon altruism, a spirit of generosity.

Blood donation in the United States at that time relied very much upon commercial blood banks that paid donors for their blood, and then sold the blood on.

The system in the USA was based on the market economy and relied upon monetary transactions.

What did Richard Titmuss find in his study?

When comparing the UK and the USA Richard Titmuss found that the quantity and the quality of the blood donated in the UK were higher than in the USA. In particular, the quality of the blood in the USA was poorer because in a market for blood those who had the greatest incentive to supply it for money were those with the unhealthiest blood, especially drug and alcohol addicts, who also had the strongest incentive to lie about their medical condition. (In those days the testing of blood donations was much less well developed than now.)

But Titmuss had a deeper objection to the commercialization of the blood donor system. He believed that commercialization of the blood donor system eroded the spirit of altruism, and generally diminished the propensity of people to give to others.

In this way the ‘gift relationship’ in society was undermined, something which he very much regretted.

What Titmuss feared was the general erosion of *moral* values in society by the crowding out effect of *market* values, through the process of commercialisation.

By eroding opportunities for people to be altruistic, the culture of giving would be diminished; and others would have fewer examples of altruistic behaviour from which to learn.

Titmuss's thesis did not go unchallenged by economists.

One of Titmuss's main critics was Kenneth Arrow, a distinguished American economist of that time.

In his criticisms Arrow relied upon two assumptions about human nature that economists tended to take for granted.

The first of Arrow's assumptions is that commercialization does not change people's propensity to be altruistic.

In the case of blood, it is argued, commercialization means that those who wish to buy and sell it can do so, whilst those who wish to avoid the market and prefer to see blood as a gift can continue to do so and give blood for nothing.

In this way everyone gains.

Arrow argues: "Economists typically take for granted that since the creation of a market increases the individual's area of choice it therefore leads to higher benefits. Thus, if to a voluntary blood donor system we add the possibility of selling blood, we have only expanded the individual's range of alternatives. If he derives satisfaction from giving, it is argued, he can still give, and nothing has been done to impair that right."

Arrow contends that in the U.S. system a person could choose to give blood as a gift or to sell their blood. In the U.S. the prospective donor had two options.

Because in the UK the option to sell your blood is denied, then, Arrow argues, the freedom of the potential donor is restricted.

And since two freedoms are better than one, the system that includes the market alternative, the possibility to sell your blood at a price, is superior to the one that denies that choice. This is the freedom of the market.

Peter Singer, moral philosopher and professor at Princeton University, however, points out that there are in fact three freedoms at stake here: the freedom to donate blood for no financial reward, the freedom to sell blood, *and the freedom to give blood as a priceless gift whose value hinges solely on the need of the recipient, because it cannot be bought*.

That freedom was not available in the U.S. It was available in the U.K.

It turns out that each nation contains the same number of freedoms, two, and in each you lose a freedom.

So, Singer concludes, there is a choice to be made.

Do you dispense with the freedom to sell your blood, or with the freedom to give a priceless gift?

This is ultimately a decision about *the kind of society we want to live in*.

But perhaps Arrow's second assumption tells us more about the mindset of many modern economists and their discipline.

Arrow argues that altruism and generosity are resources, and like other resources, their supply is limited and therefore needs to be economized.

According to Arrow, *markets, which rely on people acting purely out of self-interest, save us from having to use up a restricted supply of altruism*.

Accordingly, if the supply of blood depends only on people's generosity then there will be less generosity left over for other situations.

If, on the other hand, people are paid to supply blood, then their generosity and altruism will be preserved.

This is what Arrow says:

"Like many economists, I do not want to rely too heavily on substituting ethics for self-interest. I think it best on the whole that the requirement of ethical behavior be confined to those circumstances where the price system breaks down … We do not wish to use up recklessly the scarce resources of altruistic motivation."

Arrow was not the last economist to argue this point.

Lawrence Summers was a senior economic advisor to both President Bill Clinton and President Barack Obama in the United States.

In between working for Clinton and Obama, from 2001 to 2006, Summers was also President of Harvard University and it was at Harvard that he spoke on 'what economics can contribute to thinking about moral questions'.

"One of the things that bothers many people of faith about market mechanisms is the idea that there is something wrong with a system where we are able to buy bread only because of the greed or profit motive of the people who make the bread. Here I would be very cautious. *We all only have so much altruism in us. Economists like me think of altruism as a valuable and rare good that needs conserving. Far better to conserve it by designing a system in which people's wants will be satisfied by individuals being selfish, and saving that altruism for our families, our friends, and the many social problems in this world that markets cannot solve."*

To anyone not immersed in economics, their way of thinking about altruism, generosity, and love as resources with limited supply, like a fossil fuel that is diminished with every use, is surely bizarre.

You don't need to be a Buddhist to see through it.

We can agree wholeheartedly with American political philosopher and professor at Harvard University, Michael Sandel, when he argues in his book 'What Money Can't Buy':

"Altruism, generosity, solidarity, and civic spirit are not like commodities that are depleted with use. They are more like muscles that develop and grow stronger with exercise. One of the defects of a market-driven society is that it lets these virtues languish. To renew our public life we need to exercise them more strenuously."

Unfortunately free market thinking is penetrating more and more deeply into public life.

In his book “What Money Can’t Buy” Michael Sandel gives us an example of how market thinking works and how it is creeping more deeply into our lives. It concerns immigration and refugees.

Gary Becker was a Nobel Prize winning free market economist at the University of Chicago.

Responding to the contentious debate over how many immigrants to admit into the United States, Becker recommended that the US should simply set a price and sell American citizenship for 50,000 dollars, or perhaps 100,000 dollars.

Immigrants willing to pay a large sum of money, Becker argued, are likely to be young, skilled, ambitious, hardworking, and, even better, are unlikely to make use of welfare or unemployment benefits.

All of us would agree with Michael Sandel’s view that asking a refugee fleeing persecution to hand over 50,000 dollars to gain sanctuary would be callous.

But for those of us not willing to go as far as Gary Becker would like, there is another market based proposal.

This market proposal to solve the refugee problem doesn’t make the refugees themselves pay out of their own pockets.

An American law professor has proposed that an international body assign each country a yearly refugee quota based on national wealth. The wealthier the country the higher the quota of refugees the country is assigned.

However, nations can buy and sell these quotas or obligations among themselves.

For example, if Japan is allocated a quota of 20,000 refugees per year but doesn’t want to take them, it could pay, for example, Poland or Uganda or some other countries, to take them in.

According to standard free market logic, everyone benefits: Poland or Uganda gains a new source of national income; Japan meets its refugee obligations by outsourcing them; and more refugees are rescued than would otherwise find asylum.

Sandel ironically asks, “What could be better?”, and answers;

“There is something distasteful about a market in refugees, even if it leads to more refugees finding asylum. But what exactly is objectionable about it? It has something to do with the fact that a market in refugees changes our view of who refugees are and how they should be treated. It encourages the participants - the buyers, the sellers and also those whose asylum is being haggled over - to think of refugees as burdens to be unloaded or as revenue sources rather than as human beings in peril... what this example illustrates is that markets are not mere mechanisms. They embody certain norms. They presuppose - and promote - certain ways of valuing the goods being exchanged. *Economists often assume that markets do not touch or taint the goods they regulate. But this is untrue. Markets leave their mark on social norms*.”

This is the nub of Richard Titmuss’s original worry about a market in buying and selling blood.

In The Gift Relationship he argues that when blood is bought and sold, it’s not just the blood that gets contaminated, people’s minds and values are also contaminated. The place in our society of important qualities like generosity and community is eroded, to be replaced with selfishness and greed. Human beings and human qualities become commodities, things to be traded just like other commodities.

Our modern economic marketplace can corrupt our values and attitudes.

Generosity, kindness and love can be cultivated and grown, as Michael Sandel says, just like developing muscles with exercise.

We know this.

This is why as Buddhists we practice the metta bhavana meditation, the cultivation of loving kindness; to grow and strengthen the virtues of kindness and love, and diminish the power of self-centredness and selfishness.

Loving kindness and generosity are not commodities in limited supply; they are qualities of mind that can be cultivated in meditation and that grow in strength with repeated application in everyday life.