

**Book review essay of Debra Satz, *Why Some Things Should Not Be for Sale. The Moral Limits of the Market*, Oxford University Press, 2010.**

Rutger Claassen

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### **Introduction**

Over the last two decades a debate has emerged on the ‘moral limits of the market’.<sup>1</sup> The contributors to this debate are almost all liberal egalitarians. The nature of the debate reflects this internal orientation: liberal egalitarians all basically accept a market-based economic order. The only thing that remains to be discussed is the scope of this order: which goods should be subject to market exchange and which shouldn’t? This narrow focus stands in sharp contrast to the larger and older debates between egalitarians, libertarians and Marxists, in which the fundamental nature of the economic order (capitalist or not?) was at stake. This larger question was discredited since the fall of communism. The debate on the limits of the market reflects the mood of the times after this historical moment. No fundamental challengers to capitalism were taken to be on the table. The only thing left was to determine the details of the market order.

Debra Satz has been an important contributor to this debate since the early 1990s, with a series of influential articles. With the appearance of her book *Why Some Things Should Not Be for Sale* (2010), she has put these earlier articles in a theoretical framework, thus delivering a comprehensive theory of the limits of the market, which has to be taken as a worthy competitor to key theories like those of Michael Walzer (Walzer 1983), Elizabeth Anderson (Anderson 1993), Michael Sandel (Sandel 1998)

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<sup>1</sup> This essay has benefitted greatly from my being participant at a Workshop on Markets and Marketization in Helsinki (jan. 2011), where Satz presented her book, and John O’Neill and Adrian Walsh gave critical responses.

and Margaret Radin (Radin 1996).<sup>2</sup> In this essay I will first give an overview of the argument of Satz's book and then discuss how does her theory relates to these other contributions.

## 1. Satz's Theory

Satz's position can best be qualified using a distinction she takes from James Tobin, between general and specific egalitarians. Satz is a specific egalitarian. In the first part of her book she explicitly criticizes economists, libertarians, general egalitarians and competing specific egalitarians and presents her own specific egalitarian theory (chapters 1 through 4). In the second part she applies her own framework to several cases: commercial surrogacy, prostitution, child labor, bonded labor, and kidney markets (chapters 5 through 9). In my discussion, I will follow the line of the theoretical chapters, and mention examples from the case studies by way of illustration.

Two of her main targets are neoclassical economics (sometimes she speaks of 'welfare Paretianism') and libertarianism. These approaches link the market to the virtues of efficiency and freedom. Satz finds these linkages much too easy: some markets may exhibit these virtues while others may not. With respect to efficiency, modern economics uses a welfarist criterion. Markets are efficient in the sense that they tend to maximally satisfy actual preferences. But Satz warns us that some preferences are more important, urgent, or acceptable than others. Even more important, she focuses on the fact that many markets *shape* the preferences of individuals. In a chapter on classical economics she shows how the early economists (Smith, Ricardo and Marx) were specifically concerned with the way in which markets for labor, land and money shape individuals and their social relations. Restrictions on sale might be necessary to make sure that markets do not put individuals in relations of dependence or servility.

The same concern motivates her opposition to libertarians. Although some markets may foster freedom, others may not. Libertarians, like economists, think that

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<sup>2</sup> Debra Satz has herself provided an overview of the debate in (Satz 2001). An excellent review of Anderson and Radin is (Jaeggi 2001). Other very worthwhile contributions which have received less attention than those mentioned in the main text are: (Keat 2000), (Soule 2003), (Trebilcock 1993), (Walsh and Giulianotti 2007). More general reflections on the (ethical) merits of markets are (Buchanan 1985), (Lindblom 2001), (O'Neill 1998), (Shipman 1999). For my own contributions, see (Claassen 2009), (Claassen 2011) and (Claassen 2011).

the market is a ‘homogenous institution’ (p. 4): that it has the same effects whatever specific market we are talking about. Satz claims, following other specific egalitarians, that this assumption is wrong. We need to look carefully at specific markets and their effects, both on individuals and society. For example, in her chapter on bonded labor Satz argues that libertarians have problems accounting for the fact that the labor market may make people unfree. This is because libertarians allow individuals to sell their future labor to their creditors until their debts are paid. This means that the debtors effectively become the serfs of these creditors; the freedom to sign this kind of contract leads to feudalism rather than to capitalism. She concludes that ‘libertarianism has difficulty representing capitalism as a *moral* advance over feudalism’ (p. 179).

Her quarrel with general egalitarians partly comes out of the same concern for the market’s role in shaping preferences. In contrast to libertarians, general egalitarians do believe that markets reflect underlying inequalities some of which deserve to be compensated. But they prefer general taxation and redistribution to tackle these inequalities, rather than restricting those specific markets where the underlying inequalities play out. Satz here thinks of a theory like Dworkins, which gives people equal endowments from the start and then allows the market to do its work (correcting only for unchosen disadvantages). This scheme ties the founding idea of egalitarians (‘equal respect and concern’) intrinsically to the market (p. 69). Given suitable starting conditions, the market determines what people are entitled to. The problem with this is, again, that preferences are taken as given. There is no concern for inequalities which require compensation in some other forms than monetary transfers, such as the disabled who need adjustments in the social and physical structure to be able to move around like others. There is no concern for inequalities arising from social norms, such as the gendered structure of the labor market. Both these groups need something else than redistribution: they need specific markets where ground rules are reshaped by social and political action.

Another part of her quarrel with general egalitarians lies elsewhere. In those cases where Satz would agree with general egalitarians that compensation can be individualized (i.e. given to concrete individuals in the form of individual entitlements), she still objects to general egalitarians’ preference for giving cash rather than in-kind compensation. Satz agrees that it is in principle paternalist not to allow people to trade away their compensation; and that this blocks what is potentially a

Perato-improvement. She mentions the example of states handing out non-tradable coupons for gasoline after a sudden price rise. However, she sides with Thomas Scanlon in believing that the state's obligation in these kinds of cases is restricted to giving access to specific goods for which people have urgent needs (Scanlon 1975).

All of these are reason enough to make the shift to specific egalitarianism. This approach has been worked out by authors like Michael Walzer, Elizabeth Anderson and Margaret Radin. Satz criticizes their theories for two reasons. First, she says that they rely on the idea that the wrongness of a market lies in the nature of the good. But this nature is not given, it is determined in 'social meanings' we give to goods, and these meanings are essentially contested. Satz thinks these are too controversial to be the foundation of a moral critique. Second, even if a social meaning could be established non-controversially, the connection between the good and its distribution via the market is too weak. When a kidney market would dramatically increase the supply of kidneys (an empirical contingency), we might think much more favorably about its marketization than if it wouldn't. The individual characteristics of the good are not, in the last instance, what is at stake:

'Although some goods do have a meaning that resists commodification – think of friendship, love, and Nobel prizes – the overwhelming majority of goods do not. Our negative reactions to certain markets must depend in these latter cases on other considerations, considerations that I argue cut across differences in types of goods.' (p. 84).

These other considerations are considerations of equality. For Satz the most fundamental concern is with the possibility to interact as equals. 'On my view, lurking behind many if not all, noxious markets are problems relating to the *standing* of the parties before, during, and after the process of exchange.' (p. 93). This key idea is worked out in a framework consisting of four parameters which might make a market problematic, or, as she calls it 'noxious'.

The first two parameters have to do with the consequences of a specific market. Some markets may have 'extremely harmful outcomes' (p. 94), either for the individual or for society. Satz doesn't engage in an elaborate attempt to define harms, but refers to Amartya Sen's idea of identifying a set of basic interests in both well-being and agency. She mentions destitution as a clear example of an individual harm.

In the later chapter on child labour, Satz argues that this leads us to adopt a standard of children's 'basic interests' (p. 161). This would not rule out all child labour, because in some circumstances it might be justified that children contribute to a family's income. But it does make it possible to rule out the most extreme cases of harm against children, where they are exploited, lack education, etc.

The second parameter, social harm, relates to the undermining of social equality. In her chapters on commercial surrogacy and prostitution this comes out particularly strongly. What is wrong with markets for reproductive or sexual labour, according to Satz, is not so much that it commodifies a kind of labour that is 'essentially' different from other kinds of labour. In many other labour markets, people sell things which deeply reflect their identities. As she notes, we do not think it is wrong that people sell their paintings or book manuscripts (p. 120). Rather, these markets reinforce traditional stereotypes about women's role in society and reinforce their inferior social status. The fact that the existence of gender inequality is contingent on a particular society means that Satz must recognize that in much more egalitarian societies, commercial surrogacy and prostitution would be much less objectionable. And this is something she indeed acknowledges (p. 131, p. 148), even though she also warns that such circumstances may not readily be available.

The last two parameters focus on the underlying conditions ('sources') of market agents. The first of these is 'very weak or highly asymmetric knowledge and agency' (p. 96). Here the basic idea is the one familiar to economists, that sometimes people do not have adequate information or the capacity to oversee all the consequences of their transactions. One application of this parameter is in the later chapter on kidney markets. People may lack access to the relevant information when they consider selling their kidneys (p.196). Another application is in the chapter on child labour, where the problem is that parents may not be able to oversee all the consequences of the decisions they make on behalf of their children (p. 158).

Finally, markets are noxious when there are 'underlying extreme vulnerabilities' (p. 97). Here the idea is that if people lack basic resources or capacities, they do not have sufficient bargaining power and risk exploitation. The market then not only reflects these underlying vulnerabilities, but takes (unjust) advantage of them. This consideration plays a role in many of the markets she later studies: people may sell their child's labour or their own sexual or reproductive labour, or their kidneys out of desperation.

Satz presents these four parameters as each providing a separate reason to judge a market noxious. There is no hierarchy between them. Any market, she emphasizes, can become noxious, because of scoring low on one or several parameters.

## **2. A Society of Equals**

I would like to comment upon two features of Satz's theory. I will start with some remarks about her own framework and then discuss her relation to other specific egalitarian theories.

Satz's framework is inspired by the overarching ideal of a society of persons with equal standing. This 'relational' or 'democratic' conception of equality has gained popularity as an alternative for luck-egalitarian conceptions which would only be interested in the distribution of (material) resources. Equality is about standing, not in the first instance about what one possesses. Kymlicka, in his famous introduction to political philosophy, goes so far as to call this a 'social democratic' – as compared to 'liberal egalitarian' – idea of equality (Kymlicka 2002). I have three worries with respect to this idea conception of equality and its elaboration in Satz's theory.

The first worry is internal to Satz's theory. Some of her four parameters seem to be strictly connected to the relational equality view. This is especially so for the categories of 'extremely harmful outcomes for society' and 'underlying extreme vulnerabilities'. These are inherently relational phenomena: social harms cannot be reduced to individual harms, and vulnerability by definition is always relative to the strength of others. But for her parameters of 'extremely harmful outcomes for individuals' and 'very weak agency' this seems to be much less evident. She mentions advertising markets targeting young children as problematic on account of children's weak agency (p. 97), or a grain market that leaves some people starving (p. 94) as an example of individual harm. In both cases, it seems to me, what is at stake is something morally worthy of protection about the individual (his well-being and/or agency), not something about the quality of social relations.

The second worry is more external (and depends upon one's own philosophical commitments). I see no good reason to restrict our moral universe to the quality of social relations. Some markets produce effects on individuals, not on social relations. It seems somewhat artificial to relate these individualized effects back to a

concern for equal social standing. Concerns for an individual's agency are important, independent from the social opportunities that are opened or foreclosed when an individual gains or loses agency. Of course the phenomena causing agency loss (such as markets) and the solutions (such as state regulation) are themselves social constructions. But this doesn't take away the fact that the object of moral protection need not be. Someone who is dying from hunger is being treated unfairly, because conditions for minimal agency are owed to him. But even if his hunger is socially caused, he values his agency not (only) to be able to interact on an equal footing with others (but also to enjoy himself, his relation with nature, with God, etc.). Agency is not just a means for social interaction. Satz seems to acknowledge this in her two more 'individualized' parameters, but that doesn't get translated back into the main normative criterion she uses to present all four of them.

A final worry is about the relations between the four parameters. There seems to be some overlap between problems attributed to the sources and problems attributed to the consequences of the market. For example, Satz notes that bonded labor is a problem because people accept it out of desperation (vulnerability) and because they often do not understand the contracts they are entering (weak agency). Bonded labor is also problematic because it brings people in a state of (life long) psychological dependency on others (harmful consequence). But surely this harm arises because of vulnerability and weak agency on the part of laborers. The latter two cannot be judged problematic on their own (i.e. in the absence of the ensuing harm), for then *any* market with vulnerable and weak agents would be problematic. That would mean that these parameters lose their force as criteria for distinguishing between specific markets which are problematic and others which aren't. If these parameters are to do their discriminatory work, it seems that they must only point to objections for markets where the vulnerabilities and agency weaknesses lead to harmful outcomes; but then the normative work is done by the parameters on harm, and the underlying sources merely explain how the problem came about, instead of being part of the justification of the normative judgment.

### **3. The Merits of the Social Meanings View**

I now turn to the relation between Satz's theory and both general and specific egalitarianism. A key example she uses to show how her theory is different from both

is the so-called *Titanic* case (taken from Thomas Schelling). The question is if the inequality in access to life boats on the Titanic is objectionable, and if so why (see (Heath 2010) about the historical truth about this example).

The general egalitarian strategy would seem to be that differential access is only objectionable if there are underlying inequalities that are unfair, which can be resolved through general taxation and redistribution. If this is done, then some people should be allowed to buy cheaper tickets which restrict their access to the life boats in case of an emergency (assuming they have perfect information about the risks). Satz finds this objectionable, because people on the Titanic should be able to interact with each other as equals. Differential access, even if self-chosen, would lead to a violation of this ideal. On the other hand, Satz also objects to the specific egalitarian treatment of this case, which she takes to be that the social meaning of safety somehow asks for its equal distribution. She argues that this proves too much. For in other cases we do allow safety measures to differ between persons. She mentions the example of heavier cars, which are safer to drive than lighter cars. We accept the inequality that results from allowing both types of cars to be used (p. 88).

I will not quarrel with her intuition that the general egalitarian is wrong. Of course one could bite the bullet and say that if all the background conditions are just, differential access to life boats should be allowed. But I will not pursue that route. Instead I will ask how Satz's response differs from the other specific egalitarians, who rely on social meanings of goods.

To start with, we should remove a confusion about the social meanings view. Sometimes it is thought that this view is only about goods which are constitutively non-market goods. If they are subject to market exchange they simply aren't the same good anymore. Satz's examples in the quote given earlier (friendship, love and Nobel prizes) are all of this kind. Although there are some goods that fall into this category, most examples are not of this kind. Most problematic goods can be sold (without losing their essential character) but shouldn't (Andre 1995). For these 'contingently non-market goods' the case has to be made in *moral*, not ontological terms. There are some human interests which are set back if one marketizes them (depending on one's preferred theory these interests can be cashed out in terms of utility, rights, capabilities, resources, etc.). On most theories, withholding essential safety requirements from people would turn out to be morally problematic.

Most of the social meanings theories use language which suggests that the good which is commodified is thereby ‘degraded’ or ‘corrupted’. This stark language, and also the talk about ‘the nature of the good’, and ‘the social meaning of the good’ has made many people believe that the harm done is somehow to the good itself. I would suggest that this temptation to think in terms of harm to goods should be resisted. If one reads specific egalitarians’ texts closely, we almost always find an argument behind this language, which refers to human interests. For example, on Micheel Walzer’s theory, people need health care, and therefore it should be distributed according to need, not according to the laws of the market. Or according to Michael Sandel’s republican view, votes should not be sold because this undermines the functioning of democracy and his ideal of republican citizenship. There always is a triangle: a specific good  $x$  is argued to be (not) suitable for a specific allocation mechanism  $y$  (the market or another mechanism) on the basis of a specific normative theory  $z$  about the value of that good to human beings. The other specific egalitarians follow this scheme just as much as Satz does.

Seen from this perspective, I would suggest that one of Satz’s objections to the social meanings view is problematic, while the other holds true. The one that is problematic is that judgments about social meanings are too controversial as a basis for a theory about the moral limits of the market. Sandel captured this in his dilemma, that such theories must either be essentialist or conventionalist (Sandel 1998). The first is improbable (goods do not have meanings independent from the meaning people attach to them), while the second brings us right into the hand of moral relativism. But if this is a dilemma, it is a dilemma for all moral theories alike. Elizabeth Anderson has shown how we should not be paralyzed by this dilemma, and see justification of moral judgments as always socially constructed: we are engaged in ongoing practices of justification which do not lead to quasi-scientific objectivity but neither can be reduced to pure subjectivism (Anderson 1993). Whether one shares this specific view of justification or not, the judgments generated by Satz’s theory face the same problem (we will see examples of this in the next section). The judgment that well-informed people with equal budgets should not be allowed to buy inferior Titanic tickets is as controversial as many of the judgments made by other specific egalitarians.

Satz’ other objection is well worth keeping, however. In most cases it is an open question whether the market undermines the human interest claimed to lie in ‘the

social meaning of the good'. As Adrian Walsh has nicely shown, we should move from an 'entailment thesis' to a 'corrosion thesis'. The market doesn't entail (logically) that the interests at stake are being harmed. Rather the market may (empirically) corrode these interests. This requires empirical investigation of the sort that Bruno Frey has engaged in when looking at the way money crowds out intrinsic motivation (Walsh 2001). Similarly, Satz claims that we need to check empirically whether the kind of inequalities that are her main concern are present in a certain market or not. This lesson is well worth keeping in mind. We should be extremely cautious with generalizations like "kidney markets in all countries in all historical circumstances *tend* to undermine people's agency".

#### **4. Debating Inequalities**

With these notes in mind, let's look again at the debate between Satz and other specific egalitarians. The main difference, and the great merit of Satz's book, is in the *content* of her specific theory (what I referred to with "z" in the triangle), *not* in the form of her argument, as being more or less 'about the goods' than other specific egalitarians. The difference is in the systematic attention she pays to the inequalities underlying and being reinforced by some markets.

This argument is general, in that it applies the same equality considerations (operationalized in the four parameters) to all goods. As she says, these considerations 'cut across differences in types of goods' (p. 84). However, this should not be misunderstood to mean that she doesn't need a specific story about why certain markets (and not others) tend to be problematic on these parameters. In this specific story, good-specific considerations come out as much as on any other specific-egalitarian view. Arguably, we do not need to stand in relations of equals all the time. So we need to be able to distinguish between markets in which we can legitimately contract ourselves into a position inferior to that of others, and markets for which we should not be allowed to do so. There must be something 'about' security which would make this objectionable on board of the Titanic, or 'about' education to refuse inequality in the classroom, or 'about' standing in line, to refuse payments for passing ahead of the ticket line before the movie theater (p. 106). In the kinds of considerations that Satz needs to make these judgments, much of the content about

specific goods that we find in ‘social meanings’ views returns. This is not an objection to her theory, but only a note that the differences may be less deep than it seems.

This is well seen in the chapters on those goods close to the body (surrogacy, prostitution, kidneys). On the one hand, the ‘essentialists’ that she targets are also deeply concerned with equality in these markets. For example, in explaining why prostitution debases heterosexual relationships Elizabeth Anderson relies on the effect of prostitution on male-female relations outside the market, and on women’s autonomy more generally (Anderson 1993, 154-156). On the other hand, in each of these cases, Satz faces the same tough question as the essentialists: whether these sales would be acceptable in a perfectly (gender) equal world. She recognizes and acknowledges this problem. For example she explicitly faces the question whether someone can be asked to provide a kidney as collateral for a loan. In a perfectly equal world, a denial of this opportunity can only rely on drawing a line around the body (p. 200-201). Similarly, I would suggest, if a government agency restricts social benefits to those who cannot find jobs and a specific woman can only find a job as a prostitute, should she be required to take that job?<sup>3</sup> Answering this question negatively also requires taking on board an essentialist intuition about why people cannot be asked to do this kind of labor.

Perhaps ironically, I think that Satz’s theory may have stronger cards of outperforming the essentialists in those kinds of cases to which she *doesn’t* devote chapter-length arguments; cases which do *not* have to do with controversial sales of purportedly inalienable body parts or bodily activities. I am thinking here of many (welfare) state services, like (basic) education, (basic) health care, security, public media. For these goods, inequality is a key concern and a key reason to consider public rather than market provision, while at the same time the thorny essentialist intuition about inalienability doesn’t play a role. Here the idea of citizenship can do all the work that Satz wants it to do. Using Satz’ theory to look into these kinds of cases, I think her theory is especially strong on its insistence that general equality is not enough. One also has to be concerned with how social relations work out in specific contexts. This is especially true since we could wait forever before background conditions will be perfect. General equality seems to be an especially hard goal to achieve (or even to identify). In its absence, we do well to see if we can

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<sup>3</sup> I thank Gijs van Donselaar for bringing up this example and pushing me on this question.

regulate particular markets in such a way that background inequalities are blocked from playing too large a role. This strategy does remain deeply indebted to Walzer's idea of complex equality and sphere segregation: inequalities of income and wealth should not play a role in all contexts. The distribution of some goods should be determined irrespective of one's success on the (labor or capital) market.

This strategy does involve some paternalism because, as Satz notes, it restricts options for Pareto-improving trades. In many markets, it seems, the problem is not so much that some would trade away their coupons (say, for health care or education) for something else – with potentially bad effects on their future development and health. If the good really represents an urgent need, very few people would probably sell their coupons. Whatever one thinks of that, politically the more important problem is that others may be allowed to spend their own private money on health care and education, so that inequalities between citizens arise. Satz hints at this in one passage, where she comments upon empirical research showing that if people are allowed to opt out of the public school system and buy private education, this will undermine the basis for others to keep enjoying the public system at the same level of quality (p. 107). Whether these private schools and health care plans should be allowed, doesn't depend on the form of public provision (cash or in-kind), but on one's ideas about the *exclusiveness* of the public system. In-kind provision is not enough. Additionally, an old-fashioned blocked exchange may sometimes be needed to make sure that a private sector doesn't undermine the public one (Claassen 2009).

Given the far-reaching consequences of such a blockage, we need to know how to determine which goods are so important from the point of view of 'interacting as equals' that they need to be (exclusively) publicly provided:

'Inequalities in some goods, such as education or political influence, sit too uneasily with the idea that we are each other's equals (...). Of course there are disagreements about such cases and about how much educational inequality is compatible with a democratic society. But my point is that there are instances in which inequalities in some goods affront the idea that people are the equals of their neighbor: they reek of caste privileges. Sometimes the goods that affront equality may be conventionally determined.' (p. 107)

This passage is somewhat surprising, in that the only hint it gives is by referring us back to the meanings conventionally attached to goods. These meanings are controversial, as we have seen. Especially in the current political climate, there is no conventional meaning to be referred to if we talk about where drawing the line between private and public. It is a key issue for the application (and therefore for the usefulness) of Satz's theory to be able to identify which goods qualify and which don't. One would want to know more about how she would draw the line and why. Satz's answers would then have to be compared to competing theories. For example, Joe Heath has argued that much welfare state activity should be understood on efficiency grounds, not egalitarian grounds (Heath 2006). Jonathan Wolff, by contrast, argues that a large public sector may be important to counterbalance the values of the market, but it doesn't matter that much which goods are in it, and which aren't (Wolff 2004). A debate between these and other theories on how to understand the non-market nature of public services would be highly welcome.

## **5. Market Limits and Capitalism**

The final question remaining is what to think of the debate on the moral limits of the market, to which Satz's theory is a contribution. As I mentioned in the introduction, the financial crisis might be a moment which heralds a paradigm shift in thinking about the economy, in the same way that the advent of the Reagan-Thatcher era did. Broader questions on the nature of capitalism arise again, at least in the popular press, but also in sociology, economics and political economy. To date this has not found any significant uptake in political philosophy (this is the perspective from which I am writing; but the same may be true of business ethics). Reflections on the financial crisis are so far largely absent in this field. If philosophy has the ambition of being a reflection on (and of!) the times, this would need to change. Moral and political philosophers should not ignore the large shifts that now occur in global and national socio-economic governance in most developed countries. That would, however, also mean that the piecemeal market-by-market approach underlying the MLM debate, however worthwhile, would have to be transcended. What kind of approach would be needed instead is far from clear, however. Let me mention two possible starting points.

One is closest to Satz's approach. As we have seen, the distinctiveness of her approach is to use one unified normative framework that cuts across different types of markets. As I have argued, her relational egalitarian framework would be helpful in debating the justification of welfare state services. A next step would be to connect this framework to a theory explaining (even predicting?) when and why inequalities occur. It surely is not a coincidence, a peculiarity of every separate market that problematic inequalities arise. It might be helpful to connect the normative critique to a theory of the origins and dynamic of inequality on markets. For example, one may think of Samuel Bowles and Herbert Gintis' theory of 'contested exchanges', which aims to show that on many crucial markets contract compliance cannot be externally enforced. As a consequence mechanisms for internal enforcement arise, which give one party (e.g. employer) structural power over the other (e.g. employee). Hence inequalities between market parties arise, even in a market in equilibrium (Bowles and Gintis 1990).

My point here is not to argue that this kind of theory is correct, but to hint at the possibilities of more fruitful interaction between economics and moral philosophy. Often normative concerns are close to the surface in these social-scientific theories. It would be good if philosophers, as self-declared specialists in normative theory, see which kinds of theory explaining and diagnosing market-generated inequalities can best underlie their normative concerns about inequality (similarly for others who take other values than inequality as their normative foundation for evaluating markets). This kind of work can perhaps also improve these normative theories themselves, giving them a more acute grasp of the problems at hand.

Another possibility is not to start from one's favored normative concerns, but from the other end, the disparate collection of markets that exist. The MLM debate has been predominantly concerned with different product markets (although in some markets, like those for surrogacy and prostitution, the distinction with labour markets is merely artificial). One might want to try to identify key linkages between different types of markets, for example between product markets, capital markets and labour markets. The paradigm of 'varieties of capitalism' which has emerged over the last ten years might be a good starting point here, since it argues that every variety of capitalism offers a different way of organizing the crucial components of the economy (Hall and Soskice 2001). An assessment of the normative credentials of each of these components might then lead, on an aggregate level, to a normative defense of a

particular type of capitalism. This would make it possible for philosophers to join the discussion on this topic again (as they once did, when discussing the relative merits of capitalism and communism).

I am not claiming that nothing has been done on this score. Nor am I claiming that it would be easy (given the extensive non-philosophical knowledge that would be needed). But I wholeheartedly agree with Heath, Moriarty and Norman who recently in this journal expressed their regret that '[w]ith very few exceptions, the question of the design and justification of private-sector institutions and regulations (...) has not attracted the attentions of political philosophers' (Heath, Moriarty, and Norman 2010, 429) and call for redressing that trend. Debra Satz's book offers a stimulating occasion both to think about the market's place in contemporary societies and about the philosophical approaches that one thinks are necessary towards this topic.

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