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THE ETHICAL LIMITATIONS OF THE MARKET

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A distinctive feature of modern capitalist societies is the tendency of the market to take over the production, maintenance, and distribution of goods that were previously produced, maintained, and distributed by nonmarket means. Yet, there is a wide range of disagreement regarding the proper extent of the market in providing many goods. Labor has been treated as a commodity since the advent of capitalism, but not without significant and continuing challenges to this arrangement. Other goods whose production for and distribution on the market are currently the subject of dispute include sexual intercourse, human blood, and human body parts such as kidneys. How can we determine which goods are properly subjects of market transactions and which are not? The purpose of this article is to propose a theory of what makes economic goods differ from other kinds of goods, which can help to answer this question.

I propose that we think of economic goods as those goods whose dimensions of value are best realized within market relations. The market, like any other social institution, embodies norms regulating the production, exchange, and enjoyment of goods that are sensitive to some qualitative distinctions among values and insensitive to others. These norms also foster and sustain certain shared understandings of the interactions and relations of the participants and thereby promote particular ideals of self and society. The ethical limitations of the market (or any other system of social relations) can thus be explored in part by seeking the answers to three questions.

First, what dimensions of value in things, relationships, and persons

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are acknowledged and successfully realized, or ignored and undermined, by the norms of the market? Second, what are the ideals of self and society that the market attempts to embody? Do market institutions embody an adequate interpretation of these ideals, or do they fail to realize the ideals to which they aim to give expression? Third, does the extension of the market to a certain realm undermine the realization of other ideals?

This article has four parts. In the first part, I explore the ideals and social relations of the market. In the next two parts, I contrast economic values with the values of personal relationships and of social democracy. For each of these other two spheres of life, several cases will be examined in which values are undermined when the norms of the market come to govern them. In the final section, I draw some general conclusions about the limitations of the market and of welfare economics as a theory of value.

THE IDEALS AND SOCIAL RELATIONS OF THE MODERN MARKET

We can understand the nature of economic goods by investigating the ways we value commodities; the social relations within which we produce, distribute, and enjoy them; and the ideals which these relations are supposed to embody.¹ The most important ideal that the modern market attempts to embody is a particular conception of freedom. On this view, freedom is primarily exercised in the choice and consumption

1. Economic goods are not confined to things or commodities; they can include economic relations, activities, and ideals as well. Things or services are "economic" insofar as their values are best realized through being traded on the market or otherwise treated in accordance with market norms – that is, as commodities. Ideals are "economic" insofar as they are best embodied in practices and relations governed by market norms. Norms are here understood as rules by which the participants in a practice govern and evaluate their behavior, or standards by which they understand the meanings of what they do or value. Often norms are justified as attempts to realize ideals to which we are committed.

The investigation needed to determine the nature of economic goods is a historical and empirical study of the norms and social understandings that govern market practices. What we discover from such investigations of different practices is similar to what Michael Walzer (1983) called the social meanings of goods. I generally endorse Walzer's view that goods can be usefully viewed as occupying different, although often overlapping, spheres of life. However, since social meanings are endlessly nuanced, constantly changing and being reinterpreted, the generalizations I make here about social meanings and norms should not be taken to be unqualified, much less a priori claims. Since modern social practices are deeply pluralistic, I also do not wish to suggest that I have offered an exhaustive account of the values of any particular sphere of life. In every case, the claims I make here should be taken as invitations to further detailed empirical investigation. In taking social meanings as the starting points for ethical argument, I also do not mean to suggest that they are beyond criticism. After all, I criticize later the economic ideal of freedom that informs many of our social practices. A general account of how to criticize social meanings is the task of another paper, however.

of commodities in private life. It consists in having a large menu of choices in the marketplace and in exclusive power to use and dispose of things and services in the private sphere without having to ask permission from anyone else.²

The economic ideal of freedom is closely linked with the way we value commodities. I call this mode of valuation "use" and contrast it in three ways with other modes of valuation that demand constraints on use. First, I follow Kant in contrasting "use" with higher forms of regard, such as respect. To merely use something is to subordinate it to one's own ends, without regard for whatever intrinsic value it might have. For example, several years ago certain owners of David Smith sculptures stripped the paint off of these works because Smith's unpainted works were selling for more money than his painted works were. These owners treated Smith's art as a mere commodity, since they disregarded its intrinsic aesthetic worth in favor of its mere usefulness for their independently defined ends. Second, use is an impersonal mode of valuation. It is contrasted with valuing something for its personal or sentimental attachments to oneself, as when one cherishes an heirloom. A mere commodity is something one regards as interchangeable with any other item of the same kind and quality and something that one is prepared to trade with equanimity for any other commodity at some price. But a cherished item is viewed as unique and irreplaceable. Since it is valued for its special connections to the self, it is sold only under duress, and its loss is felt as a personal one (Simmel, 1978, pp. 123, 404, 407). Finally, use values may be contrasted with shared values, whose value for oneself is dependent on other people also enjoying them. Such values cannot be realized in private acts of use, but rather reside in a shared public understanding of the meanings of the goods. For example, certain sites of historical events may be valued as parts of a national heritage or the layout of a neighborhood valued as the locus of a particular community. Again, the preservation of these values requires constraints on use. For instance, zoning laws may be required to preserve the architectural integrity of a city or rent control required to enable a community's residents to remain living together as members of a community.

The market ideal of freedom has a special connection with the mode of valuation of commodities known as use. For the freedom that the market gives us is the freedom to use commodities without the constraints implied by other modes of valuation. The realization of the noneconomic values that inhere in things often requires constraints on use and, hence, constraints on the degree to which these things are treated as commodities. But to explore these points, we must achieve a fuller understanding of the distinctive character of economic goods. This requires an investigation into the social relations of the market.

2. Friedman (1962) had a particularly clear exposition of the implications of this view.

Five features of the social norms and relations of the market are particularly important for understanding the distinctive character of economic values. First, market relations are impersonal ones. Second, the market is understood to be a sphere in which one is free, within the limits of the law, to pursue one's personal advantage unrestrained by any consideration for the advantage of others. Third, the goods traded on the market are exclusive and rivals in consumption. Fourth, the market is purely want-regarding: from its standpoint all matters of value are simply matters of personal taste. Finally, dissatisfaction with a commodity or market relation is expressed primarily by "exit," not "voice." That is, one simply drops out of the market relationship rather than sticking with it and trying to reform it from within. Actual market practices often deviate in significant ways from the patterns described here. But these patterns are still characteristic of the market. They express a shared understanding of the purpose and meaning of market relations that I believe every experienced participant in the modern market will recognize. Let us examine each of these features in more detail.

Perhaps the most characteristic feature of market relations is their impersonality. The producers and consumers of economic goods are typically strangers. Each party to a market transaction views one's relation to the other as merely a means to the satisfaction of ends defined independently of the relationship and of the other party's ends. The parties have no precontractual obligations to provide one another with the goods they exchange. They deal with one another on an explicit basis of exchange, in which each good that changes hands has its equivalent in return. The explicit basis of exchange serves to guarantee mobility. If each transaction between buyer and seller can be completed to the reciprocal advantage of each, leaving no unpaid debts on either side, then nothing ties the parties together over time. They are free to change their trading partners at any time.

The impersonality of market relations thus defines a sphere of freedom from personal ties and obligations. There is another side to this impersonal freedom: one need not exhibit any specific personal characteristics or invoke any special relationships to gain access to the goods traded on the market. The market is open to all indifferently, as long as they have the money to pay for the goods. Money income – not one's personal status, characteristics, or relationships – is what determines one's access to the realm of commodity values.³

The impersonality of the market leaves its participants free to pursue their individual interests unrestrained by any consideration of other

3. Both aspects of the impersonal freedom of the market are the result of a long process of historical and legal development. My account of the market ethic and its development is indebted to the discussions by Atiyah (1979), Hirschman (1977), Horwitz (1977), Nelson (1969), Polanyi (1944), Simmel (1978), and Weber (1968). In particular, I have been influenced by Polanyi's thesis that societies need to constrain the extent of the market in order to protect themselves.

people's advantage. Each party to a market transaction is expected to take care of himself and not to depend on the other to look after his own interests. Every extension of the market thus represents an extension of the sphere of egoism. Indeed, the market would not be economically efficient if each party to a transaction tried to satisfy the other's preferences at his own expense. The success of a commercial transaction, its bringing benefit to both parties, depends on the possibility of drawing sharp lines between the interests of the negotiators. One must be able to define and satisfy one's interests independently of the other. This is why the market is a domain for the expression of individualism – one cannot function successfully in it without drawing a clear distinction between self and other.

Individuals' interests are independently definable and satisfiable only with respect to a certain class of goods. Such goods have the properties of exclusivity and rivalry in consumption. A good is exclusive if access to its benefits can be limited to the purchaser. If there is no means of excluding people from enjoying a good, it is impossible to charge a price for it. A good is a rival in consumption if the amount that one person consumes reduces the total amount of it available to others (Fisher, 1981, p. 175). The value that can be obtained from commodities is rival, since it is typically realized through personal appropriation and use. Insofar as another person with distinct ends gains control over it, I lose such control and consequently lose the use value of the good. The value of a rival good cannot be given to another without losing it oneself. But many goods are not rival – I do not lose, but rather enhance my knowledge, or my pleasure in a joke, by conveying these goods to others.

A further feature of the market is that it is a want-regarding institution. What it responds to is "effective demand," that is, desires backed up by money or the willingness to pay for things. Commodities are exchanged without regard for the reasons people have in wanting them. This fact has two implications. First, it means that the market does not respond to needs as such and does not draw any distinction between urgent needs and intense desires. Second, the market does not draw any distinction between reflective desires, which can be backed up by reasons or principles, and mere matters of taste. Since it provides no means for discriminating among the reasons people have for wanting or providing things, it cannot function as a forum for the expression of principles about the things traded on it. The market conception of personal autonomy reflects this fact. The market provides individual freedom from the value judgments of others. It does not regard any one individual's preferences as less worthy of satisfaction than anyone else's, as long as one can pay for one's own satisfaction. But it provides this freedom at the cost of reducing preferences, from the market's point of view, to mere matters of taste, about which it is pointless to dispute (Sheffrin, 1978).

A final feature of economic relations is that an individual's influence

on the provision and exchange of commodities is primarily exercised through "exit," not "voice" (Hirschman, 1970). The counterpart to the customer's freedom to stop purchasing a particular product or to stop patronizing a particular retail outlet is the producer's freedom to say "take it or leave it." The customer has no voice – that is, no right to directly participate in the design of the product or to determine how it is marketed.

In the light of this account of the norms of the market, we can offer a more precise account of an economic good. A thing is an economic good if its production, distribution, and enjoyment is properly governed by these five norms, and its value can be fully realized through use. These criteria allow us to anticipate the shape of arguments that certain goods should not be treated as commodities. There may be certain values that are realized only if the exchange of particular goods is responsive to personal characteristics or takes place on a nonexplicit basis of exchange. Our ability to realize other goods may be impaired if we view them as exclusive and rival, rather than as shared. In the next section, I show how many of the goods of personal relationships have these characteristics. Some ideals may be realized only if the provision of certain goods is responsive to the needs of others or reflects shared principles and not just individual matters of taste. And the realization of a good as shared, or as reflecting principles, may require that its distribution be regulated through institutions of voice rather than exit. In the third section of this article, I show how many of the goods of social democracy are of this kind.

Since these arguments are based on comparisons of ideal types, some observations about the limitations of ideal typical analysis is in order. Any particular social institution or practice is apt to diverge from its ideal type in multifarious and complex ways and to include mixtures of norms more prominently associated with institutions and practices in other spheres of life. And the norms that presently govern our actual practices often inadequately express the ideals these practices are supposed to embody. The arguments I present are intended to highlight evaluative considerations that find little place in the standard models for criticizing market and other institutions – that is, in welfare economics and in most liberal theories of justice. The standard models highlight other evaluative considerations, such as efficiency, that are also important. Hence, any move from a relative evaluation of ideal types to a relative evaluation of actual practices must be informed by a detailed empirical investigation of the actual norms they embody, an evaluation of how well they combine norms from different spheres, how well these norms express the ideals in terms of which they are justified, and how well the practices fare by other criteria such as justice and efficiency. Since I obviously cannot provide such details here, the cases I discuss should be taken as illustrations of the kinds of arguments I wish to

endorse and not as comprehensive evaluations of the practices in question.

THE VALUES OF PERSONAL RELATIONSHIPS AND THE MARKET

The sphere of personal relationships is in many ways the polar opposite to that of market relationships. For, as we shall see, the ideals of personal relationships are embodied in norms of exchange that directly conflict with market norms. Two of many ideals central to the personal sphere of life are intimacy and commitment. Living on intimate terms with another person involves a mutual revelation of private concerns and sharing of cherished emotions that are responsive to the other's personal characteristics. This is the romantic side of personal relations, which involves passion, affection, and trust but not necessarily devotion or long-term commitment to the other person, for the romantic relationship may end as soon as the passions that animate it cool.

The deepest ideal of commitment involves dedicating oneself to living a shared life with another person on a permanent basis. A shared life is not simply a life of long-term cooperation on mutually advantageous terms, as might be true of a business partnership. It is founded on values that the persons committed to each other hold together. The central goods realized in such a life are shared in at least two senses. First, their goodness for each partner partially consists in the facts that the other partner also enjoys them, and that each partner knows this fact and knows that the other knows. One committed and loving partner could not rejoice in living with the other if he knew that the other found the relationship to be oppressive. The goods of intimacy are also shared in this first sense. Second, the realization of the good requires an expansive understanding of the self as including another person. The persons to whom the good is good are not selves regarded as isolated individuals, but selves regarded as members of the committed relationship. Commitment to a shared life, such as a marriage, requires redefining one's interests as interests of the *couple* in the marriage. Insofar as one has this commitment, one's interest in the aims of the marriage can neither be defined nor satisfied independently of one's being joined with one's spouse in marriage.⁴ This is why marrying just for money is base: it takes advantage of an institutional form of commitment merely for the sake of lower goods definable independently of it.

These ideals inform the ways we value the people with whom we have personal relationships and the ways we value the goods we exchange with them. In this sphere love, affection, trust, and devotion supercede the formal respect of useful persons (acknowledgment of their

4. I owe this account of shared goods to Rawls (1971, pp. 523–26) and Taylor (1987).

autonomy) characteristic of the marketplace. The goods exchanged and jointly realized in friendship are valued less through use than through appreciation and cherishing, for they are tokens of shared understandings, affections, and commitments.

If the ways we value the goods proper to friendship differ from the ways we value commodities, then we should expect that the norms that govern the exchange of these goods should also differ; for different modes of valuation are embodied in different norms of exchange, production, and enjoyment. This is what we do find. A fundamental contrast between the sphere of personal relations and that of the market is that the former is properly governed by the spirit of the gift rather than the spirit of commercial exchange. The goods proper to the personal sphere can only be fully realized if they are given as gifts or established through the exchange of gifts. They are goods that cannot be genuinely procured for oneself by paying others to produce them or by appealing to another's merely personal advantage to provide them. The authenticity and worth of these goods depend on the motives that people have in providing them. Among these goods are trust, loyalty, conviviality, sympathy, affection, admiration, companionship, and devotion. None of these goods can be bought (or extracted by threats), although people often deceive themselves in the attempt, mistaking flattery for admiration and subservience for devotion.

The significance of gift exchange differs from that of market exchange in several respects (Hochschild, 1983; Hyde, 1983; Mauss, 1967; Sahlins, 1972; Titmuss, 1971). In the first place, the exchange of gifts affirms and continues the ties that hold the donor and recipient together. This is why refusing a gift is often an insult to a friend, but refusing a trade is merely an unrealized financial gain to a retailer. To reject an appropriate gift is to refuse to acknowledge or sustain a friendship. One point of gift exchange is to realize a shared value in the relationship itself, whereas the point of a market relationship is purely instrumental and realizes distinct goods for each party. Moreover, while both forms of exchange involve reciprocity, the shape and timing of the return of goods differ in the two cases. In market exchange, a delay in reciprocation (unless explicitly arranged in a contract) is cause for legal action. But the exchange of gifts among friends usually incorporates an informal understanding of reciprocity only in the long term. To be anxious to "settle accounts," as when one person insists upon splitting a restaurant tab exactly in half, calculating sums to the penny, or paying a friend for returning a library book, is to reject the logic of friendship. The delay in reciprocation symbolizes the fact that goods are given for the friend's sake, not for the sake of obtaining some good for oneself in return. Moreover, the accounting mentality reflects an unwillingness to be in the debt of another and hence an unwillingness to enter into the longer term commitments that such debts entail. For the debts of friendship -

that is, the goods friends owe to one another – are not of a kind that they can be repaid in such a way as to leave nothing between the friends.

Friendly gift exchange is responsive to the personal characteristics of the friends involved and to the particular qualities of their relationship. We seek to give to our friends gifts that have more than merely generic meaning, gifts whose full meaning is conditioned by who gave the gift, to whom it was given, and the character of their friendship. For the gift is a vehicle for the expression of the friends' mutual understanding of how their relationship stands (or how the giver wishes it to be), and not merely a good of impersonal use value to the receiver. This fact is evident not only in cases of such material gifts as engagement rings and Valentine's Day chocolates, but also in the exchange of compliments, affections, and jokes. Max knows that Adam is just the person to appreciate *this* practical joke coming from *him*, but takes care to offer a more serious expression of affection to his girlfriend Marsha, who finds practical jokes rather vulgar. This is why cash is usually such an inappropriate gift between friends. Since it can be used by anyone to acquire any commodity, it expresses nothing of the giver's personality, of any particular thought the giver had for the receiver, or of the receiver's interests.

In the light of this brief account of some fundamental differences between the norms of the market and of personal relations, we can explore some of the ways values are undermined when the norms of the market come to govern the exchange of goods proper to personal relations. Consider the following cases of the importation of market norms in the exchange of personal values: prostitution, the exploitative manipulation of gift relations in commercial transactions, the detailed marriage contract advocated by *Ms. magazine*, and the practice of making loans between friends.

Prostitution is the classic example of the debasement of a gift value through its commodification. But what is base about buying and selling sexual "services" on the market? One cannot understand what makes this practice base without understanding the specifically human good achieved when sexual acts are exchanged as gifts. This good is founded on a mutual recognition of the partners as sexually attracted to each other and as affirming an intimate relationship in their mutual offering of themselves to each other. This is a shared good: one and the same good is realized for both partners in their action, and part of its goodness lies in the mutual understanding that it is shared. The couple rejoices in their *union*, and not simply each in his or her own distinct physical gratification. As a shared good, it cannot be realized except through each partner reciprocating the other's gift *in kind*, offering his or her own sexuality in the same spirit in which the other's sexuality is received – as a genuine offering of the self.

When sexual "services" are sold on the market, the kind of reciprocity required to realize human sexuality as a shared good is broken.

The prostitute does not respond to the customer as a sexually attractive person, but merely as someone willing to put down the cash. So it is not the customer as a person that attracts the prostitute, but only his or her wealth. This is simply the counterpart to the impersonality of the market: one need not display any personal characteristics to obtain the goods sold there. And the customer seeks only sexual gratification from the prostitute, not a physical union. Sexuality as a specifically human, shared good cannot be achieved except through gift exchange; market motives cannot provide it.

The failure of reciprocity implied in the sale of sexual services signifies not simply a failure to realize a good, but a degradation of the prostitute, whose sexuality is reduced to the status of a mere service to the customer: sexuality is equated with the lesser good of money.⁵ The prostitute's subordination is expressed in the fact that (except in the most blatantly alienated and sterile encounters), he or she must confer on the customer all manner of personal attentions, while the customer need pay attention only to him- or herself, recognizing the prostitute only as an object for satisfaction.

The problems entailed by explicitly exchanging sexual acts for money arise in part because sexual acts, insofar as they are more than means for sheer physical gratification, are valuable as expressions of underlying noncommercial motives and understandings. Since the expressive content of actions cannot be traded on the market, only those goods that are valuable to the receiver apart from their being expressions of the giver's motivations are genuine commodity values. The attempt to sell gift values on the market makes a mockery of those values and subordinates the provider of them.⁶

5. This implied hierarchy of values, according to which one's sexuality is a higher and deeper (more intimate) value than any commodity, is founded on the public meanings embodied in our social practices and not on the possibly idiosyncratic intentions or feelings of individuals who may engage in them. The understanding that a person's sexuality reaches deeper into the self than money, that it is therefore a good that is different in kind from and higher than money, also lies behind our judgment that rape is a deeper violation of the person than robbery. One who would deny that prostitution is degrading would thus be hard pressed for an explanation of why rape is a more serious crime than robbery. To claim simply that rape results in more "disutility" than robbery is not enough – the question is why this is true, and how the claim can be substantiated. Since no one has provided an adequate account of how interpersonal comparisons of subjective utility can be made, it would seem that the basis for the judgment about utilities lies not in such a comparison, but rather in the publicly accessible meanings of the acts themselves: the shared understanding that rape is more degrading than robbery.

6. One could imagine forms of "prostitution" that, while offered on the market, diverge from market norms in ways that could rescue the practice from the criticisms made here. For example, Schwarzenbach (1990) defended a conception of prostitution as a form of sex therapy practiced by professionals who help people liberate themselves from sick, patriarchal forms of sexuality. Such a practice would diverge from the ideal

Other values are undermined when goods offered in the spirit of the gift have been solicited in the spirit of commercial exchange. These arise because the forms of reciprocity appropriate to gift (personal) relationships differ from those appropriate to market relationships. One basic kind of exploitation occurs when one party to an exchange gives goods to the other in accordance with the norms of gift exchange, while the other party returns goods in accordance with the norms of market exchange. Since gift exchange does not involve the demand for an immediate quid pro quo, the party taking a market orientation to the transaction can extract a greater share of goods from the gift giver than one returns.

This kind of exploitation occurs when firms attempt to establish a paternalistic relationship with their employees. By putting them in a dependent position and providing, however meagerly, for their needs, the firm can engender feelings of gratitude and loyalty on the part of its employees. These feelings can then be exploited to extract more labor and obedience from the employees. This has been a common practice of employers of migrant farm workers and sharecroppers. The latter are placed in the position of children to their parents because they have nowhere else to turn for the provision of basic needs. This dependency is reinforced by the fact that wages are paid largely in kind rather than cash. Cash payment would free the worker to purchase his needs from another source and thereby enable him to affirm at least some minimal autonomy from the employer.⁷ Paternalistic practices are not confined to backward commercial enterprises. Young women training to be flight attendants are housed by airlines in airport dormitories and encouraged to regard their supervisors as substitute parents to whom they can come to confide any personal problems. They are thus encouraged to develop ties of loyalty and trust with their employers and to work for them in this spirit. But at the same time they are constantly reminded that these ties are not reciprocal: poor performance or disobedience can lead to

type of market relations presented here in many ways, especially insofar as it is informed by the norms and ideals of a profession. Professional services, such as legal, medical, and educational services, provide a classic case of "mixed" goods whose production and distribution is determined partly by market norms and partly by nonmarket, professional norms. Notoriously, market norms pose a constant threat to the integrity of professional norms. Yet, market norms may still be needed to ensure the efficient production and allocation of professional services, or to realize certain freedoms for their practitioners or customers.

7. Of course, the mere substitution of cash for in-kind payment does not obviate the exploitative character of such relationships. The firms still take advantage of their employees' duress and lack of decent alternatives; but they would be less likely to be able to evoke the ties of children to parents, from which an extra margin of effort or obedience can be extracted from workers, if their dealings with employees were blatantly self-interested instead of ingratiatingly paternalistic.

immediate dismissal, since the tight job market ensures no shortage of job applicants (Hochschild, 1983, pp. 89–101).⁸

Even the impersonal exchanges of civility follow the norms of gift exchange and consequently can be exploited in commercial transactions. One common sales technique is to take advantage of people's desire to be polite, by manipulating them into a position in which it seems that they can back out of a deal only by risking offense or awkwardness. So car salesmen ask reluctant customers questions such as, "Do you doubt the integrity of our dealership?" knowing that most people will go to great lengths to avoid giving offense, and that each "no" they receive to questions like this undermines their ability to explain their reasons against signing the dotted line. The salesman's advantage consists in the fact that he participates in the negotiation strictly in accordance with market norms of pursuing maximum personal advantage, while the customer is manipulated into conceding his bargaining edge because he views some of their verbal exchanges as merely polite ones. Since civility often requires that we hide our frank opinions, we feel uncomfortable in explaining exactly why we don't want to buy. The remark delivered in the spirit of civility ("No, I don't mistrust your dealership") is then seized in the spirit of negotiation and used to the salesman's advantage by being interpreted as a literal expression of the customer's belief.

In these cases of exploitation, one party uses the norms of the market to manipulate the exchange of sentiments and civilities that are properly governed by the norms of gift exchange. When both sides adopt the norms of the market to govern the exchange of gift values, we no longer have a case of exploitation, but other losses still occur. Such is the case with the kind of detailed marriage contract advocated several years ago by *Ms. magazine*.⁹ In the interests of avoiding the exploitative tendencies of traditional marriages, in which most of the drudgery involved in maintaining a household and raising children is left for the wife to perform, *Ms.* proposed to place the marriage relationship on an explicit basis of exchange. Henceforth, the duties of husband and wife with respect to the household, children, and sexual interactions were to be laid out in detail in the marriage contract.

While the intentions of *Ms.* in promoting equality in marriage are noble, the attempt to enforce this equality by remaking the marriage on the same terms as a business partnership threatens to undermine the goods of commitment and intimacy proper to marriage. For the realization of these goods depends on each partner carrying out the projects and tasks constitutive of their shared life in a spirit of trust and love

8. While gift norms can be used by employers for exploitative purposes, there may be cases where employers themselves come to be guided by them. See Akerlof (1982).

9. "To Love, Honor, and . . . Share: A Marriage Contract for the Seventies," *Ms.* vol. 1, no. 12 (June 1973), pp. 62–64, 102–3.

rather than of contractual obligation and the piecemeal calculation of individual advantage. Giving and receiving in a spirit of trust is itself one of the goods of marriage. The point of marriage in realizing shared goods is obscured by tending to the terms of the explicit marriage contract, which evaluates the marriage in terms of the distinct advantages accruing to each party. And fixing the terms of exchange in advance undermines the responsiveness of the marriage to the changed needs of the partners, as well as the promise it holds out for deepening their commitment in the light of a more articulate understanding of their shared project, which may require a new division of activities between them. Being open to the possibility of renegotiating the contract in the light of changed wants is not the same thing as committing oneself to love and care for one's spouse "for better, for worse" (Hirsch, 1976, pp. 87-88, 99-101).¹⁰

These examples show how the norms of the market and of personal relationships are not easily mixed, because adherence to these norms secures quite different kinds of goods. Consider, as a final example of this problem, the basis for discouraging friends from making substantial long-term loans to one another.¹¹ Loaning money to a friend threatens the friendship in at least two ways. By undermining the equality of friends, it fosters resentment on the part of the debtor. And by tying down his financial resources without prospect for gaining from his friend, it undermines the capacity of the creditor to pursue successfully his advantage on the market and thus fosters resentment on his part. It might be thought that charging interest between friends would restore equality and prevent the creditor from thinking he is losing out by loaning to a friend. But this expedient threatens the friendship even more deeply than a loan without interest. To charge the prevailing interest rate is to permit the norms of strangers interacting merely from self-interest to govern the interactions of friends. Such an act encourages the friends to view their interests as sharply divided and to view them-

10. My claim here is not that bargaining can never take place in a worthwhile marriage, but that where the norms of bargaining predominantly govern the relations of the partners, the integrity of their marriage is threatened.

11. It seems obvious to us that friends are not liable for each others debts. Yet, it was not until the sixteenth century that in England it came to be seen as a foolish act rather than an act of true friendship to guarantee a friend's debts. This change is due to the fact that the present radical separation of the spheres of personal relationships and economic relationships is the product of a long historical development. For some of the details of this history, see Nelson (1969, esp. pp. 142-43). Of course, it is possible that we could rework our practices and understandings of friendship and credit, so that the threats posed to success in each of these practices by combining them would not come about. Ideal-typical analysis does not preclude the reformation or combining of practices in new ways. It simply points out the conflicts and tensions among our present practices, and the conceptions of value they reflect, which would have to be adequately dealt with by any proposal to combine them.

selves as having to be on their guard in protection of their interests when dealing with friends. But friendship is supposed to preserve a sphere of relationships in which one does not have to be on one's guard. Successful participation in both spheres of life thus requires an isolation of their respective concerns.

POLITICAL VALUES AND THE MARKET

The preceding section emphasized two qualitative distinctions among goods to which the market is insensitive: between gift values and ordinary exchange values, and between shared goods and divisible goods. I argued that the goods of the personal sphere, which are shared gift values, cannot be adequately realized within the norms of the market. This section will emphasize two further qualitative distinctions among goods that the market does not acknowledge: between ideals and ordinary goods, and between the objects of need and of desire. I shall argue that these distinctions support the application of several norms of democratic political life to the production, distribution, and enjoyment of a variety of goods that could also be provided by the market. As in the case of the economic and personal spheres, the significance of these norms must be understood in the light of the ideals they are supposed to embody. In this section, I focus on two ideals of social democracy: fraternity and democratic freedom.

The ideal of fraternity, while rather vague, seems to involve the following notions. Citizens have fraternal relations with one another when they agree to refrain from making claims to certain goods that come at the expense of those less well off than themselves and when they view the achievement of such relations with their fellow citizens as a part of their own good.¹² People express relations of fraternity with one another in part through providing certain goods in common. Whereas distributing goods through a system of bilateral transactions tends to emphasize either the separateness of persons (in the market) or some special relationship between the two traders (in personal gift relationships), providing goods out of pooled resources obliterates any connection of specific donors with specific recipients. It thereby expresses the idea that the goods are provided by the community as a whole to its members, rather than by some specific individuals to others. Furthermore, where the goods in question are not public but distributed, distribution takes place in accordance with some conception of members' needs. Fraternal relations are need-regarding, not only want-regarding.¹³

Another aspect to the intuitive idea of fraternity connects it to the democratic tradition. This is the idea that citizens are equals engaged in

12. Here I am generalizing John Rawls' account of fraternity and of the good of a social union (1971, pp. 105ff, 520-29).

13. On the significance of communal provision, see Sahlins (1972, pp. 188-91).

a common cooperative project. In the democratic tradition, this project is collective self-rule. The political freedom of a citizen is the freedom to participate on terms of equality with fellow citizens in deciding the laws and policies that will govern them all. This freedom is meaningless unless citizens have the goods they need (e.g., education) to participate effectively in the project of self-government. Citizens express their fraternity in part by ensuring that these needs are met through community guarantees or outright provision of the goods in question. But the proper interpretation of citizens' needs and, hence, of the ideal of fraternity is itself a subject for democratic deliberation. Citizens cannot interact with one another in the spirit of fraternity without a shared understanding of this ideal forged through participation in democratic institutions. Democratic freedom and fraternity are thus complementary goods.

These ideals of fraternity and democratic freedom are embodied in three norms that conflict with the norms of the market. First, citizens exercise their freedom in a democracy primarily through voice, not exit. Their freedom is the power to take the initiative in shaping the background conditions of their interactions and the content of the goods they provide in common. It is a freedom to participate in democratic activities, not just to leave the country if their government does not satisfy their desires. Second, an uncorrupted democracy distributes goods in accordance with shared principles (including a shared understanding of citizens' needs), not in accordance with unexamined wants. Decisions must be justified in terms acceptable to the public. Third, the goods provided by the public body are provided on a nonexclusive basis – everyone, not just those who pay, has access to them. The different norms of decision-making in the market and in democracy are reflected in the different interpretations of respect we apply to these two spheres. To respect a customer is to respect her privacy by not probing more deeply into her reasons for wanting a commodity than is required to effectively satisfy her want. There is little scope here for challenging her own estimation of what is valuable. But to respect a fellow citizen is to take her reasons for advocating a particular position seriously. It is to consult her judgment about political matters, to respond to it in a public forum, and to accept it if one finds her judgment superior to others'.

Many goods can be secured only through a form of democratic provision that is nonexclusive, principle- and need-regarding, and regulated primarily through voice. To attempt to provide these goods through market mechanisms is to change the kind of good they are for the worse. They contribute to human flourishing in lesser ways when they are provided through the market than when they are provided on a democratic basis. Goods of this kind I shall define as "political goods." This conception of political goods can shed light on two kinds of proposals for subjecting goods to market control. The first is the proposal for "dividing the commons." Many goods, such as streets, parks, and

schools, are presently provided on a public, nonexclusive basis and/or subject to public control. Some people argue that freedom (and sometimes also efficiency) would be enhanced if such goods were completely divided into privately owned or controlled parcels that would then be provided on an exclusive basis. The second is the proposal for converting the public provision of goods in kind to the provision of their cash equivalents. I argue that both kinds of proposals fail to recognize the goods realized through democratic provision and also embody a flawed conception of freedom when they are applied to the goods discussed. Let us turn first to the various proposals to "divide the commons."

Since Locke wrote his *Two Treatises of Government*, the argument that both individual freedom and efficiency would be enhanced if publicly provided goods were completely divided into privately controlled parcels has been an enduring one in Western political thought, particularly in libertarian circles. The basic idea behind all of these proposals is that freedom is enhanced when people are granted the power of exit from common control of a good. I argue, however, that in these cases the freedom of exit is no substitute for the loss of voice and of nonexclusive access to the goods in question. Some forms of freedom can be secured only through institutions of voice established over goods to which public access is guaranteed.

Let us begin our investigation of this problem with a relatively uncontroversial case: the value of public streets and parks. Some libertarians have suggested that a system of private, toll-charging roads would be superior to a public system, since these would be paid for through voluntary user fees rather than a coercive tax system, which charges people whether or not they want to use the roads (Rothbard, 1978, Ch. 11). The idea that such a system would enhance individual freedom is rather curious, however. Under a system of public roads, no one need ask anyone else's permission to travel anywhere these roads go. If all roads are privately owned, one must ask the permission of each owner to visit people in areas accessible only by such roads and subject oneself to whatever terms the owner demands for using these roads. Nearly everyone would be subject to arbitrary restraints on their freedom of association by others.¹⁴ Next to this loss, the restriction on my freedom

14. This might violate the norm of impersonality that I previously attributed to the market. However, libertarians do reject the view that impersonality is an appropriate norm to impose on people's use of their private property. Robert Nozick argues that a libertarian would have to accept a proviso on property acquisition that prevents people from trapping others in a small territory. But his proviso doesn't prevent private interference with others' freedom of movement that is less drastic than complete entrapment. For the libertarian account of freedom doesn't acknowledge that the restrictions mentioned count as interferences in others' freedom at all, since the freedom of movement we are concerned with here is not embodied in some property right. See Nozick (1974, pp. 55, 178-82).

entailed by taxation to maintain public roads is trivial. I would even be reluctant to characterize it as a loss of *freedom* at all – merely a loss of money.

The mistake in the libertarian picture seems to lie in the view that individual freedom is always increased when the common is divided into parcels over which individuals have exclusive control. While this regime would enable each person to be a despot in the territory she owns, she would be a mere subject to others everywhere else. This conception of freedom fails to grasp the point that some freedoms can only be exercised in spaces over which no individual has more control than others. These are the public spaces of free association among equals. I want to make two claims about such goods. First, freedom with respect to these goods requires the right of participation in their enjoyment and control, and not just the right of exit. If the primary spaces of free public association are appropriated by private persons, this amounts to a private appropriation of political power, similar to that found in a comprehensive system of private roads. Second, the goods provided by spaces of free public association are qualitatively different from those provided by exclusive spaces that ostensibly provide the same goods. For these goods extend beyond the privately conceived purposes of each individual using them.¹⁵ Association in public spaces is needed to cultivate relations of civility among citizens of all walks of life. And relations of civility are indispensable for democratic politics.

Consider the goods that are provided by a successful city park. One good lies in its being open without charge to any member of the public. The fact that all members gain access to the park freely and in the same way prevents invidious distinctions from arising among them, enabling all to meet each other on terms of equality – in contrast, say, with an exclusive country club. By providing the park as a common good, citizens thus express fraternal relations with one another. A second good lies in its being a locus for spontaneous interaction and political activity. The users of the park, who may each have separate reasons for being there, together create a lively scene of diverse people and purposes, with many occasions for spontaneous interactions that can build a spirit of trust and civility among the users. Joggers meet on the same trail, one dog takes an interest in another, leading their owners to stop and chat, an old man catches a stray Frisbee and tosses it back to the players, business people eat lunch on the benches to watch the passing show. In virtue

15. Welfare economists differ from libertarians on the issue of dividing common goods that are nonrivals in consumption. It is a theorem of welfare economics that nonrival goods may be more efficiently provided on a nonexclusive (public) basis than on an exclusive one. However, even this view does not recognize the fact that providing a good on an exclusive basis may not merely provide it less efficiently, but change the kind of good it is for the worse. I thank Howard Wial for this point.

of its diverse and open uses, this kind of public space then provides the occasion for political action. Outside of the media, it is only in lively public spaces that people can rapidly and effectively generate concern and support on matters of the public interest among fellow citizens who are strangers to themselves. Here rallies can attract curious bystanders and petitioners gather signatures from those who would feel intruded upon by a door-to-door canvasser.¹⁶

Sometimes the spaces of public interaction are enclosed under a roof and subjected to private control. This happens whenever a commercial mall leads to the decline of a downtown business district. May the owners of a mall suppress any speech or political activity in it that they find offensive or opposed to their interests? Insofar as they are granted the right to do so, the value of this space deteriorates from one in which people can meet as equal citizens with common interests to one in which they can meet only as private consumers. And there may be no alternative space that can serve the same public functions as the downtown once did. The spirit of a lively public place, and its value as a locus for political action, can be generated only as the unintended byproduct of individuals' other purposes. Public space is good for political action precisely because a wide diversity of people would go there anyway, for their own reasons. Some of the main reasons people use public spaces are to go to work or to shop. When these reasons turn them away from downtown and to the mall, and when their interaction in the mall is then managed by commercial interests, citizens lose this unintended good and cannot recover it through artifice. Their space is depoliticized, and their public life correspondingly impoverished. Under these circumstances, the exercise of a private right to control what people do on one's property becomes in reality an exercise of political power, just as in the case of completely private roads.

So far I have emphasized the ways in which the principle of public access can change the kind of good something is for us by changing the ways in which we can value it. Similar transformations of value occur when we distribute certain goods according to the norms of fraternity rather than those of the market. In both cases, we not only change the ways we value the goods we enjoy, but we also change the ways we appreciate each other when we adopt the nonmarket norms. This insight lies at the foundation of Richard Titmuss' famous argument that human blood should be given only as a gift, not sold as a commodity (Titmuss, 1971). By understanding how his argument exemplifies the approach to value defended here, we can see how it illuminates another dispute about welfare policies, namely, whether welfare should be provided in cash or in kind.

16. This account is indebted to Jane Jacobs' (1961) rich description of the goods of public parks and streets.

Titmuss' fundamental objection to obtaining the blood supply by paying people to provide it is that this policy undermines fraternal relations among people in the community, whereas a purely volunteer system enhances such relations.¹⁷ In a volunteer system, people agree not to extract payment from those needing blood as compensation for donating it. Their actions follow the norms of the gift rather than the market. But these are the norms of the anonymous gift; they create no personal bonds, since no one knows whose blood is transfused into a patient. Blood is regarded as a common resource available to any member of the public. In other words, the provision of blood under the volunteer system follows the norms of fraternity, as I have previously defined this ideal.

As in the case of personal values, the value of blood to both the recipient and the donor is partially dependent on the motives for which it is given, and enhanced when these motives are not commercial. Attempting to increase the blood supply through financial incentives rather than appealing to a sense of civic duty or fraternity promotes the social expectation that people may feel entitled to some merely personal advantage for donating their blood. This attitude makes it seem as if small acts contributing to the health of one's neighbors should be seen merely as inconveniences requiring compensation instead of as enhancing the spirit of the entire community. And this atmosphere of expectations really does make blood donation an onerous task. Patients, forced to pay extravagant amounts for blood, must put pressure on their relatives to donate to keep down costs. The typical circumstances under which people do in fact donate are ones of stress, duress, and punishment. The poor who desperately need money, prisoners who hope to gain parole, and relatives who face the choice of severe financial burden or donation provide most of the supply. But when blood donation is a habit born of a sense of civic duty or benevolence, no such punitive or burdensome circumstances accompany its donation, and the act of giving without pay enhances the donor rather than diminishing her. Virtue *can* be its own reward, but it ceases to be so once people are paid for it,

17. Titmuss has a second argument against selling blood, which relies on the facts that we depend on donors' honesty about their health to keep the blood supply safe and that the prospect of cash reward tempts unhealthy people to donate. In fact, there are many goods for which we are not in a position to verify whether the things offered to us really have the characteristics that make them good, or that are so complex that the costs of supervising the process by which they are provided are prohibitively high. In these cases, we have no choice but to grant a large degree of discretionary power to the providers, on condition that they exercise this power as a trust and not as a private right to exploit for merely personal advantage. This is one powerful basis for opposing the commercialization of hospitals, elementary and secondary schools, and prisons. The profit motive offers a constant incentive for violating this trust, while the complexity of the goods guarantees a wide variety of opportunities for doing so undetected by the public.

even if some still volunteer. As Peter Singer pointed out, the significance of my volunteer donation is trivialized when other blood is paid for. If blood is also a commodity, then all I have given to the recipient is the cash equivalent of the blood, not the gift of life itself (Singer, 1973, pp. 315–16).

This suggests that there is some good inherent in providing goods in kind rather than in cash. Welfare economics takes the opposed view. According to its analysis, the welfare of the recipient is always increased when she receives her welfare payment in cash rather than in kind. For the cash-equivalent payment offers her more freedom of choice, she could use it to purchase the good for which it was a substitute, but she may wish to purchase preferred bundles of goods that would contribute to her welfare even more. While there is some appeal to this position, it seems that most of us have the intuition that some goods, such as medical care, are still better provided in kind. Is this simply a patronizing position? Why not let the poor decide whether they will spend a cash donation to purchase medical insurance or some other good that they might prefer? Do we not arbitrarily reduce the recipients' welfare by preventing them from exercising this choice?

There is a value, however, in collectively taking a stand on what goods the community regards as so important that it would be a disgrace to let any of its members fall short in them (Kelman, 1986; Thurow, 1977). The ability to take such a stand depends on being sensitive to the distinction between urgent needs and merely intense desires. The scale of urgency is an objective one that the whole community can recognize. It plays a public role in expressing shared principles and fraternal bonds among community members that the policy to simply indulge in individuals' subjective tastes cannot do. Given that we do recognize the distinction between urgent needs and intense desires, we can see that for a community to treat these two as on a par is to trivialize and debase the concerns of those who have the needs and to hold itself hostage to those with extravagant tastes (Scanlon, 1975). To distribute welfare payments on a want-regarding rather than a need-regarding basis would be, for instance, to treat the gourmet's anxiety at her lack of ostrich tongues on a par with the handicapped person's need for a wheelchair.¹⁸

But what lies at the basis of this distinction between needs and wants? It is our capacity to draw distinctions of worth among goods. In the case of the gourmet and the handicapped person, we understand

18. This is not to claim that providing certain needs on a means-tested basis is better than other alternatives. Arguably, fraternity would be better expressed by making health care a right of all citizens, provided equally on a public basis. Furthermore, the actual meaning of any given form of cash or in-kind provision – whether it expresses respect or contempt for its recipients – depends on the details of its enactment and administration. For example, the petty regulations attending the food stamp program seem more designed to exercise public control over the consumption habits of the poor than to express fraternity with its recipients.

that gastronomic pleasures are less important to leading a worthwhile life than the power to move about freely without depending on others. For the latter power is needed to lead a life of autonomy and to pursue worthwhile activities such as the development of one's talents. To lack the power to pursue such ends leaves one's life not merely frustrated, as when we lack certain pleasures, but degraded. Moreover, to lack the power to govern one's life in accordance with distinctions of worth between goods is itself debasing.¹⁹ But such distinctions are not the product of private fancy. I cannot draw them in my own life except against a background of shared social understandings that recognizes them. The social practice of distributing goods in accordance with need-regarding rather than want-regarding principles is one means of fixing these social understandings, thereby enabling us to lead not merely pleasurable but worthwhile lives.

A related distinction between ideals and mere wants provides a basis for evaluating the proposal to provide elementary and secondary education by means of a voucher system. This proposal resembles the arguments for "dividing the commons" and for replacing in-kind provision of needs with a cash payment. While it accepts the need for compulsory education, and for providing parents with the means to educate their children, it objects to direct public administration of schools. Instead, the voucher system would provide each parent with a fixed sum of money to be spent on any school of the parents' choice. Schools would be run on a commercial basis, competing for students by offering a variety of educational options to parents. Advocates of the voucher plan argue that it would increase the productive efficiency of schools by introducing competition. And it would enhance the freedom of parents by enabling each parent to obtain the kind of education she wants for her child, rather than having to go along with the majority decision, as is the case when the schools are administered publicly. More of parents' wants could be satisfied under a voucher system than under a system of publicly administered schools (Friedman, 1962, Ch. 6).

As a market-based system, a voucher system would replace institutions of voice with those of exit.²⁰ Instead of discussing with other

19. Thomas Scanlon expressed this idea in the notion (following Rawls) that we are responsible for our ends (Rawls, 1982, pp. 168-71; Scanlon, 1975, pp. 663-66). One account of distinctions of worth between goods, and its connection with responsibility for one's ends, is provided by Charles Taylor (1985, esp. vol. 1, essays 1, 2, and 4, and vol. 2, essay 9).

20. It would also harness the profit motive to satisfy the demand for education. On the danger of this, see note 17. Some proposals for voucher systems do not envision a world of purely profit-oriented educational providers, but rather a world in which the power of exit is to be used to strengthen institutions of voice, perhaps through the maintenance of a mixture of private and public schools, with private schools also open to influence by institutions of voice. Here I examine only an "ideal type" of a fully marketized system of educational provision, and leave open the question of how far mixed voucher systems would fall under the same criticisms.

parents the proper goals and practices of education in an attempt to arrive at common principles, parents would exercise their power of exit to remove their children from schools that do not suit their tastes. The fundamental problem with this replacement is that it undermines the good of education as a reflection of reasoned ideals. The argument for the voucher system assumes that the relevant wants that an educational system should satisfy are the given, unexamined wants of parents. But the preference for an education of a particular sort is not, like the preference for chocolate over vanilla ice cream, merely a matter of given, primitive tastes for which no reasons can be offered. Such a preference is formulated in the light of particular ideals.

In particular, democratic ideals strongly inform our conception of elementary and secondary education, for one of the main purposes of education at this level is to prepare children for responsible citizenship, exercised in a spirit of fraternity with others of diverse class, racial, and ethnic backgrounds. Reasons can be given for and against different ideals of democratic citizenship, and for and against the claim that a particular educational practice adequately reflects these ideals. An important part of the good of elementary and secondary education is the preservation of its reasoned ties with such ideals. Insofar as people see their preferences for certain kinds of education as backed up by reasons, it is also important for them to have a forum in which these reasons can be evaluated. Since the content of ideals of elementary and secondary education is wrapped up in political ideals of democracy, fraternity, and citizenship, there is a strong argument for determining the shape of education through political institutions, which provide a public forum for the discussion and evaluation of reasoned ideals. Market mechanisms of exit do not respond to reasoned ideals any differently from unreflective wants. When people's choices are removed from the political forum and made in the market, they are reduced to isolated, publicly unarticulated decisions (Sheffrin, 1978).²¹

This argument against the voucher system does not, of course, represent a defense of the status quo, in which the most important decisions about public education are often made by powers far removed from local democratic control. Nor is there any reason to believe that mechanisms of voice need impose a bland uniformity on the educational system. Many public school systems already offer alternative and specialized

21. Sheffrin (1978) argued that wherever the evolution of preferences in the light of reasons is an important factor, this is a reason for opposing the replacement of mechanisms of voice with those of exit. Where the interests of children are involved, there is an additional reason for ensuring that policies do not rest merely on parental tastes. Voucher systems are more defensible in matters of adult education, where ideals of citizenship do not play as great a role, where the recipients of education choose for themselves, and where providers contain forums for the discussion of educational ideals.

high school programs, adjusted to the varied needs and interests of the students. The more the mechanisms of voice are opened up to broad, local participation, the greater are the possibilities for parents to realize their preferences as reasoned ideals rather than as merely private tastes.

CONCLUSION: SOME ETHICAL LIMITATIONS OF THE MARKET

At the beginning of this article, I proposed to investigate the ethical limitations of the market by means of three questions: Which dimensions of value do the norms and orientations of the market realize, and which do they undermine? Does the market embody an adequate interpretation of its own ideals? In what areas does the market interfere with the realization of other ideals? In the light of our investigation of the differences among economic values and personal and political values, we can sketch some answers to these questions. We have seen that the realization of some values demands that they be open to the public (nonexclusive), or confined to people who have personal ties to one another, or done for reasons other than merely personal advantage, or held to be valuable as a matter of ideals rather than as a mere matter of taste, and so forth. This is to say that the realization of some values demands that certain goods be produced, exchanged, and enjoyed outside of market relations, or in accordance with nonmarket norms.

I have emphasized in particular two classes of goods whose realization must take place within nonmarket norms of exchange: gift values and shared values. Gift values differ from commodity values in that their worth is at least partially constituted by the nonmarket motives for which they are given. They are valued as tokens of love, admiration, respect, honor, and so forth, and consequently lose their value when they are provided for merely self-interested reasons. What is important about these goods as gift values is the fact that they express the giver's acknowledgment and affirmation of a certain relationship to the beneficiary, or of some characteristic she has, which is valued for its own sake.

Shared values differ from commodity values in that their being good for a group of people cannot be fully analyzed in terms of their being independently good for each member of the group, considered in isolation. Part of their being good consists in the fact that they are understood to be held in common – that everyone in the group both acknowledges the thing to be good and participates in its benefits. The value of any noninstrumental relationship is shared in this sense. The realization of shared values needs to take place within social relations that differ from market relations in at least three respects. First, since these values are sustained in part through a common activity of working out how they are valuable for the group, their realization requires a forum for working out these understandings together. Most of these

values must be provided by the same people who enjoy them. The people who enjoy the good need to have the opportunity to participate in shaping its character. These characteristics require institutions of voice rather than of exit alone. Second, since part of its value lies in the fact that all members of the relevant group have access to it, some provision must be made for opening access to those members of the group who lack the ability to pay for their share of the costs of providing it. Shared goods are undermined by the market norm of restricting access to those who can afford to pay for it. Finally, since the value of shared goods is realized not in individual, exclusive appropriation and use but in common activities, rights over the physical vehicles of these values cannot be fully distributed in exclusive bundles. This was the basis for my arguments against "dividing the commons."

Gift values and shared values are not the only kinds of goods that are improperly treated as commodities, but our investigation of the problems that arise in attempting to regard them as commodities suggests the general form of arguments that certain goods should not be treated as economic values. By recognizing what this general strategy is, we can both make sense of the heretofore vague objections that some goods should not be treated as commodities and apply it to new cases. When the good in question is some thing or service to be marketed, the argument is as follows: for a certain dimension of value to be realized in a good, or for the good to serve as the vehicle for the realization of our ideals, the production, distribution, and enjoyment of this good must take place within the context of certain social relations. To trade the good on the market, or otherwise to subject its conditions of valuation to market forces and market norms, is to remove it from these social relations or to undermine their integrity. When the good in question is an ideal, the argument is that the social relations that most adequately embody the ideal are undermined when people adopt market norms to regulate their interactions in these relationships. Then we can say that the ideal is not an economic good, where to regard an ideal as an economic good is to regard it as best embodied in market relations.

Arguments of this form do not conclusively show that the goods in question may never be traded on the market. It may be that the distinctive dimensions of value in the goods can be preserved short of prohibiting their sale. Zoning laws represent an attempt to preserve certain public goods while allowing a private market in land. More importantly, the good in question may have more than one dimension of value. Prohibiting or regulating the sale of goods prevents certain economic goods from being realized. If the Grand Canyon is permanently preserved from strip-mining in appreciation of its aesthetic value, its commercial value is unrealized. An argument against marketing a good is stronger if it shows not just that a noneconomic value is lost in mar-

keting it, but that the value is degraded or perverted in marketing the good.²²

The market has traditionally been defended on two grounds: for its efficiency and for its embodiment of a particular conception of freedom. This argument exposes a serious limitation on the market's claim to efficiency. The market cannot make claims to superior efficiency when it changes the qualities of the goods it provides, since claims to efficiency are valid only when ends are unchanged by alternate means of provision. My account also raises questions about the adequacy of the economic ideal of freedom. The market promises us freedom from the value judgment of others. How much I choose to value a commodity is independent of how much others choose to value it. We have seen, however, that giving a good a place on one's preference ranking is not all there is to valuing a good, unless that good is the object merely of a direct primitive liking. The freedom to value a good as much as one wishes is not the freedom to value it in any *way* one wishes. For the ability of an individual to value a good in some ways requires her participation in a social practice in which others understand its value in the same way. Outside of shared understandings, one can value things only as objects of primitive appeal. And some ways of valuing goods require a shared understanding that the goods are not commodities. The ideal of freedom as consent has also emerged somewhat tarnished. When the outcome of bargaining is influenced by a manipulation of one party's commitment to norms of civility or gratitude, the normative significance of his consent is diminished.

Finally, we may note that the market ideal of freedom is just one among others. Sometimes the realization of one ideal of freedom conflicts with the realization of another. The market ideal interprets freedom as freedom from ties of obligation to others. Committed or involuntary relationships with other people are viewed as entanglements, as constraints on personal autonomy. But we are not free to pursue the goods of deepest significance to human life under these conditions. The personal sphere offers us a different ideal of freedom. Within committed

22. The view developed here does not depend on postulating the existence of completely isolable spheres of social practices. Talk of "spheres" is useful, however, because the norms within which we produce and distribute goods typically come in bundles, with distinct bundles defining different spheres. Still, the different norms in the bundles can be separated and combined in different ways, and new norms invented, resulting in hybrid practices, or even in the creation of very new kinds of practices. I would hope that the kind of analysis developed here would be used as an opportunity to think of new kinds of practices that could help us move beyond the sterile dichotomy between market and state that informs so much contemporary political disagreement. The key question to be asked is, "What sets of norms are best for realizing these values?" and the answers need not be confined to the bundles of norms presently in operation.

and intimate relationships, we are free to reveal ourselves to others, without having our self-disclosure become the object of another's manipulations. In the market, on the other hand, the successful bargainer must hold his concerns and desires in reserve, lest they be used by the other party to gain a negotiating edge. The sphere of democratic politics offers a different challenge to the market ideal of freedom. The market ideal identifies freedom with the power to exclude others from participation in decisions affecting one's property. But when some realms are completely divided into pieces of private property, nearly everyone is excluded from decision-making power over central areas of their lives. Democratic freedom, on the other hand, is freedom to participate in collective decisions. It is a freedom to be included, rather than to exclude others. When exit is impossible, when decisions concern shared goods, or when freedom can be effectively exercised by all only in public spaces of free and equal association, the freedom of democratic participation supercedes the exclusive freedom of the market.

To argue that the market has limits is to acknowledge that it also has its proper place in human life. There is a wide range of goods that *are* properly regarded as commodities. Among these are the conveniences, luxuries, delights, gadgets, and services found in ordinary stores. The modern market produces and distributes these goods with unsurpassed efficiency and in unsurpassed abundance. It is a good not only to have these goods, but to be able to procure them freely through the anonymous, unencumbered channels the market provides. For harm is done both to personal autonomy and to the integrity of friendship when one's access to consumer goods is dependent on personal connections with political cadres, foreigners, or other well-placed individuals, as is often the case in socialist countries. The difficult task for modern societies is to reap the advantages of the market while keeping its activities confined to the goods proper to it.

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