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Gifts and Exchanges

Author(s): Kenneth J. Arrow

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Richard Titmuss is justly distinguished for his devotion to the welfare of society at large and particularly to those who have received the least of society's benefits. He has not rested content with the moral satisfaction of advocating the good but has immersed himself in the detailed factual analysis and speculative thinking needed if good intentions are to become good deeds. The gift he has made of his talents has now found an appropriate embodiment in his latest and much-noticed study, *The Gift Relationship: From Human Blood to Social Policy*.² The study focuses specifically on the workings of a particular supply system, that by which blood is made available for transfusions in the United States and in the United Kingdom, with some reference to other nations. But this close study is intended as something of a searchlight to illuminate a much broader landscape: the limits of economic analysis, the rival uses of exchange and gift as modes of allocation, the collective or communitarian possibilities in society as against the tendencies toward individualism. Most of the discussion takes place in the precise and objective language of empirical sociology: surveys and tables are presented, the limits of the data are stated with the utmost care, but every now and then the strength of Titmuss' convictions shines forth. Perhaps the flavor of the lessons

1. Presented at the Conference on Altruism and Economic Theory held by the Russell Sage Foundation, 3-4 May 1972 (prepared with the partial support of NSF Grant GS-28626X, Harvard University).

2. (London and New York, 1971.) All page references in the text are to *The Gift Relationship*.

he wants us to learn can best be suggested by a somewhat lengthy quotation of his final two paragraphs:

From our study of the private market in blood in the United States, we have concluded that the commercialization of blood and donor relationships represses the expression of altruism, erodes the sense of community, lowers scientific standards, limits both personal and professional freedoms, sanctions the making of profits in hospitals and clinical laboratories, legalizes hostility between doctor and patient, subjects critical areas of medicine to laws of the marketplace, places immense social costs on those least able to bear them—the poor, the sick, and the inept—increases the danger of unethical behavior in various sectors of medical science and practice, and results in situations in which proportionately more and more blood is supplied by the poor, the unskilled, the unemployed, Negroes and other low-income groups, and categories of exploited human populations of high blood yielders. Redistribution in terms of blood and blood products from the poor to the rich appears to be one of the dominant effects of the American blood-banking systems.

Moreover, on four testable non-ethical criteria the commercialized blood market is bad. In terms of economic efficiency it is highly wasteful of blood; shortages, chronic and acute, characterize the demand-and-supply position and make illusory the concept of equilibrium. It is administratively inefficient and results in more bureaucratization and much greater administrative, accounting, and computer overheads. In terms of price per unit of blood to the patient (or consumer), it is a system which is five to fifteen times more costly than voluntary systems in Britain. And, finally, in terms of quality, commercial markets are much more likely to distribute the contaminated blood; the risks for the patient of disease and death are substantially greater. Freedom from disability is inseparable from altruism.

The present essay is a series of reflections on the descriptive and prescriptive issues raised by Titmuss' evidence and assertions. It is obvious on the most superficial observation that the allocation of goods and services is not accomplished entirely by exchange, as standard economic models would hold. Clearly this is true for such impalpable

goods as respect, love, or status, but even when we confine ourselves to goods whose allocation the economist believes himself capable of analyzing with his tools, the donation of blood for transfusions is only one example of a large class of unilateral transactions in which there is no element of payment in any direct or ordinary sense of the term. Formal philanthropy has always been a prominent element of all economic systems and has shown no signs of diminution. Long ago Kropotkin pointed out the vast amount of informal and irregular mutual help given in times of need.³ Of course, the whole structure of government expenditures is a departure from the system of mutual exchange. It is true that it has its own logic of coercion, so that it is not quite an example of pure altruism, but in a democratic society the voting of expenditures for the benefit of others plainly constitutes an institutionalization of giving. Nor are gifts solely in the form of money. The contribution of personal services, services which may well involve significant personal costs or which could command a considerable market value, for voluntary cooperative efforts of one kind or another remains a prominent feature of social life, even—or perhaps especially—in the United States, a country that Titmuss holds up as the very model of a society atomized by excessive reliance on the dictates of the marketplace.

There is another and very important sense in which a more subtle form of giving affects the allocation of economic resources. It can be argued that the presence of what are in a slightly old-fashioned terminology called *virtues* in fact plays a significant role in the operation of the economic system. Titmuss calls attention to the great value of truthfulness on the part of blood donors; the most serious risk in blood transfusion is the possible transmission of serum hepatitis from donor to recipient. Since no adequate test has yet been devised for the presence of hepatitis in the blood, its detection depends essentially on the willingness of the donor to state correctly whether or not he is suffering from that disease. This is a prototype of many other similar situations in economic life. Many of us consider it possible that the process of exchange requires or at least is greatly facilitated by the presence of several of these virtues (not only truth, but also trust,

3. Petr A. Kropotkin, *Mutual Aid: A Factor of Evolution* (London, 1902), chap. VIII.

loyalty, and justice in future dealings). Now virtue may not always be its own reward, but in any case it is not usually bought and paid for at market rates. In short, the supply of a commodity in many respects complementary to those usually thought of as economic goods is not itself accomplished in the marketplace but rather comes as an unrequited transfer.

Finally, there is a broader set of issues raised by Titmuss. The picture of a society run exclusively on the basis of exchange has long haunted sensitive observers, especially from the early days of the capitalist domination. The ideas of community and social cohesion are counterposed to a drastically reduced society in which individuals meet only as buyers and sellers of commodities. Of course, giving is not the only alternative to a system of pure exchange. Authority and hierarchy constitute one alternative system, rational bureaucracy with place determined by merit another; but certainly the role of free giving in producing a more humanitarian social order is worth considering.

The points raised above determine the organization of the rest of this discussion. I shall consider in turn the role of giving as an expression of individual volition, as a contribution to economic efficiency, and as a determinant of social cohesion.

One further remark. As Titmuss indicates very clearly, the giving of blood is giving not to specific individuals but to an anonymous recipient. The motives for such giving are regarded as more definitely altruistic than those for giving to individuals. In what follows the discussion is therefore confined to impersonal giving.

I shall take for granted in most cases that Titmuss' empirical analysis is correct and concentrate rather on setting it in other contexts, though some comment on the evidence is unavoidable. I shall conclude with a further, though still cursory, examination of the extent to which in fact the empirical evidence he advances proves or at least strongly supports his various theses.

I. THE INDIVIDUAL'S DESIRE TO GIVE

The starting point of Titmuss' analysis and reflections is the basic fact that in the United Kingdom the supplying of blood for transfusions is completely voluntary and unpaid, while in the United States

there is a mixed system with both commercial and noncommercial blood banks and with payments of various kinds. According to Titmuss' estimates, based on admittedly unsatisfactory surveys, about one-third of the United States supply (including derivatives such as plasma, plasma fractions, and red blood cell concentrates) comes from paid blood donors. Nor are the rest considered to be truly voluntary; by Titmuss' standards a donor is considered to be voluntary only if the recipient is unknown to him and there are no social sanctions enforcing the donation. Thus only 9 percent of the United States donors are regarded as voluntary. About one-half give blood free of charge, but in most cases they are in effect replacing blood given to relatives.

These figures, needless to say, are subject to a wide margin of error (the categories above are not completely exhaustive; I omit a few minor ones for the sake of simplicity). In the United Kingdom there are, of course, no paid donors. However, Titmuss has not attempted to classify the British donors in a comparable way, though in fact he has better evidence (mainly the results of a questionnaire survey which he himself developed). It does turn out that in the case of 28 percent of the British donors either they or their families have received blood transfusions.

As might be supposed, the distribution of blood donations between paid and unpaid donors influences the distribution of blood-giving among socio-economic categories. A rough impression of the fragmentary United States data together with that for the United Kingdom suggests that unpaid donations are distributed among socio-economic classes more or less in proportion to the relative size of each class. Paid donors, on the contrary, are drawn almost exclusively from the lower-income categories, including the unemployed.⁴

Even in the United Kingdom the percentage of the eligible population that gives blood is actually very small, only 6 percent according to Titmuss' estimates. Titmuss does not comment on this fact. The picture of a broadly altruistic society seems somewhat blurred when

4. One curious piece of data is that in the United States blood donors are overwhelmingly male, even among unpaid groups, while in the United Kingdom the donors are distributed between the sexes in the same proportion as that of men to women in the general population. Titmuss does not remark on this, and I have no explanatory hypothesis.

we realize what a small fraction of the population is in fact functioning altruistically.

It may be inferred from Titmuss' presentation that the motives for giving blood can be divided into three types: a generalized desire to benefit others, a feeling of social obligation, and a response to personal social pressures, as in the case of donations to known recipients or responses to institutional blood drives. I suggest here a reformulation of the first two of these motives in the language of utility theory. I find three classes, which do not correspond precisely to those of Titmuss:

(1) The welfare of each individual will depend both on his own satisfaction and on the satisfactions obtained by others. We here have in mind a positive relation, one of altruism rather than envy.

(2) The welfare of each individual depends not only on the utilities of himself and others but also on his contributions to the utilities of others.

(3) Each individual is, in some ultimate sense, motivated by purely egoistic satisfaction derived from the goods accruing to him, but there is an implicit social contract such that each performs duties for the other in a way calculated to enhance the satisfaction of all.⁵

This classification is not exhaustive, or even exclusive.

In (1) and (2), one is to distinguish between two levels of utility: each individual may be regarded as deriving satisfaction from the goods he receives, but his overall aim is to maximize welfare, a function of the satisfactions of all; he derives a utility from seeing someone else's satisfaction increased. The second version differs from the first only in that welfare is derived not merely from an increase in someone else's satisfaction but from the fact that the individual himself has contributed to that satisfaction. The first hypothesis has been used occasionally by economists in trying to explain why people give to others or why they vote for redistribution of income. But it does not seem very appropriate for the case of giving blood, especially with anonymous recipients. The utilities of all others would have to enter the welfare function in a completely symmetrical fashion. It does appear necessary to supplement this motivation with the additional

5. I am indebted to Thomas Nagel for some illuminating comments on these points.

measure of satisfaction derived from the fact that I, rather than someone else, have brought about the improvement in social welfare. Put another way, under the first hypothesis I would prefer that you rather than I give to a third individual, but in the second case I might well prefer to give myself, because I would have the satisfaction of personal participation in social welfare.

The third possible hypothesis is, according to my understanding, in the spirit of Kant's categorical imperative or Rawls's theory of justice. In real life, however, emphasis must be put on the implicit nature of the social contract. One might be thought of as giving blood in the vague expectation that one may need it later on. More generally, perhaps, one gives good things, such as blood, in exchange for a generalized obligation on the part of fellow men to help in other circumstances if needed. Some of the subtleties of the social contract theory are seen when the anonymous recipients in question are future generations or indeed the sick and poor of the present generation. Actual behavior, as reflected in decisions of democratic governments, shows that individuals are in fact willing to sacrifice present satisfactions for future generations, as in the case of public investments, or even for others living in the present, as evidenced by willingness on the part of middle-class citizens to vote for county hospitals while they themselves in fact use voluntary hospitals. Similarly, in voting for educational expenditures, there must be many advocates of greater expenditure who do not have children who will benefit. One can try to rationalize their behavior either in terms of one of the first two hypotheses or in terms of the social contract made with previous and future generations. How such a social contract is in fact carried out is another matter. There are, of course, cultural institutions which reinforce it; Kropotkin argued that there is a built-in evolutionary mechanism to this end, for altruism aids in the survival of the species, a thesis repeated more recently by Wynne-Edwards.⁶

Titmuss makes explicit a feeling held by many, I think, in his discussion of what he calls in a chapter title "The Right to Give." Economists typically take for granted that since the creation of a market increases the individual's area of choice it therefore leads to higher

6. V. C. Wynne-Edwards, *Animal Dispersion in Relation to Social Behavior* (New York, 1962).

benefits. Thus, if to a voluntary blood donor system we add the possibility of selling blood, we have only expanded the individual's range of alternatives. If he derives satisfaction from giving, it is argued, he can still give, and nothing has been done to impair that right. But this is emphatically not the view held by Titmuss. On the contrary, he states, "as this study has shown comparatively, private market systems in the United States and other countries . . . deprive men of their freedom to choose to give or not to give" (p. 239). Shortly thereafter he continues: "In a positive sense we believe that policy and processes should enable men to be free to choose to give to unnamed strangers. They should not be coerced or constrained by the market. In the interests of the freedom of all men, they should not, however, be free to sell their blood or decide on a specific destination of the gift. The choice between these claims—between different kinds of freedom—has to be a social policy decision; in other words, it is a moral and political decision for the society as a whole" (p. 242). I can find no support in the evidence for the existence of such a dilemma. Indeed, it is not easy to see what kind of evidence would be relevant. Presumably the best that could be done would be to show that the amount of blood given in the United States is less than it would be if commercial blood-giving were prohibited. In turn, this might be inferred from a comparison of the number of donors in the United States and in the United Kingdom. Titmuss nowhere makes any explicit comparison of this kind. I would in fact gather from his figures that the percentage of donors in the United States *is* lower than that in the United Kingdom, but since the figures are not presented in comparable form I am not at all sure of the accuracy of my inferences. In any case, there is so much in the way of historical development that is not covered that one cannot arrive at any relevant answer. It may be that the spread of commercial services in the United States was itself due to the failure of the voluntary services to supply enough blood, to give one simple hypothesis. The comparison might indeed indicate that the United States is a less altruistic society than the United Kingdom, but it would not show that commercial blood-giving was a cause rather than an effect.

In any case the empirical evidence can only be made meaningful

with at least a minimum of theoretical analysis. *Why* should it be that the creation of a market for blood would decrease the altruism embodied in giving blood? I do not find any clear answer in Titmuss. He does make the following statement: "In not asking for or expecting any payment of money, these donors signify their belief in the willingness of other men to act altruistically in the future, and to combine together to make a gift freely available should they have a need for it. By expressing confidence in the behavior of future unknown strangers, they were thus denying the Hobbesian thesis that men are devoid of any distinctive moral sense" (p. 239). The statement does indeed imply that individuals will be willing to give without payment. But it does not explain why this willingness should be affected by the fact that other individuals receive money for these services, especially when the others include those whose need for financial reward is much greater. Evidently Titmuss must feel that attaching a price tag to this activity anywhere in the system depreciates its value as a symbolic expression of faith in others. But note that this is really an empirical question, not a matter of first principles. Do people in fact perceive the signals as Titmuss suggests? Would they, were the moral questions expounded with greater clarity?

II. GIVING AND EFFICIENCY

The aspect of Titmuss' work that will probably have the most striking effect both immediately and in the long run is his argument and evidence that a world of giving may actually increase efficiency in the operation of the economic system. This is on the face of it a dramatic challenge to the tenets of the mainstream of economic thought. Since the time of Adam Smith, economists have preached the virtues of the price system in enforcing efficiency and penalizing waste. To be sure, there has grown up a tradition, stemming from Alfred Marshall and developed by A. C. Pigou, Allyn Young, F. H. Knight, and more recent writers, which emphasizes that the price system does not always work satisfactorily. There are, in the language of welfare economics, "externalities," benefits and costs transmitted among individuals for which compensation in price terms is not and perhaps cannot be obtained. The problem of pollution has always been a standard example; the

costs to others of the emission of noxious substances from smokestacks is not usually paid for. No self-enforcing price system would be feasible.

When we introduce externalities into the picture of resource allocation, we are really implying a very broad concept of efficiency. Efficiency is here measured with reference to a wide class of goods and evils, whether they are marketable or not. A system is inefficient if there is another way of allocating these goods, all the goods that we consider relevant, such that everybody is better off according to appropriate criteria. These criteria might be clean air or the availability of blood when needed as well as automobiles or steak.

Titmuss presents a powerful indictment of the efficiency of blood-giving in the United States. The inefficiencies he finds are of three sorts: the imposition of unnecessary risks on recipients, the imposition of unnecessary risks on certain classes of donors, and the prevalence of waste and shortage in the distribution of blood.

With regard to the first, dramatic evidence has been advanced by Titmuss. The essential problem is that the use of infected blood in transfusions can lead to serum hepatitis in the recipient (as well as certain other diseases of much lower incidence). Not only Titmuss but a number of American investigators have shown that there is a remarkably high rate of post-transfusion serum hepatitis, an incidence which may reach 3 to 4 percent. Hepatitis is a serious illness and occasionally fatal. Out of those over age forty who receive transfusions, about one in one hundred and fifty die of it. Most striking of all, there seems to be very clear evidence that it is the commercial blood that is the primary source of hepatitis. Titmuss cites statistics showing that the risk of infection from blood given by prison and skid row populations is over ten times as great as from the population in general. One highly controlled study yielded very convincing evidence. The subjects underwent cardiac surgery, in which large amounts of blood were used, an average of eighteen to nineteen pints per person. Half the group was given blood from commercial sources, half from unpaid sources. The incidence of hepatitis in the first group was 53 percent, that in the second zero percent (the figure of 53 percent is not as far out of line with the 3 to 4 percent incidence as might be supposed; the eighteen or nineteen units of blood represent a correspond-

ing number of individual opportunities to become infected, any one of which would suffice). On the other hand, the incidence of post-transfusion serum hepatitis in the United Kingdom is apparently less than 1 percent.

Further evidence comes from such comparisons as are possible with other countries. In West Germany, where evidently most of the blood is supplied commercially, post-transfusion hepatitis is estimated at 14 percent; in Japan, where virtually all the blood is commercial, the incidence is between 18 and 25 percent.⁷

The basic problem here is one that has many parallels. The commodity or service offered has uncertain characteristics. The buyer is not really in a position to know what it is that he is buying. In many circumstances buyers can protect themselves by testing the product in one way or another. If the product is one that is frequently used, then past experience can serve as a guide, particularly if the consequences of a defective performance are not especially severe. In other circumstances buyers are able to protect themselves by formal tests of not too great expense. This solution is unfortunately not available here. There is at the present time no test that can accurately detect whether a given blood donor is capable of transmitting hepatitis. The recently developed Au antigen test can detect only about 30 percent of potential infectors.

Now a situation in which the quality of a service is uncertain is not in itself an especially difficult situation to analyze. Every case of major surgery involves exactly the same considerations, the possibility of a large benefit weighed against some possibility of failure or even death. No doubt there are special considerations attached to high risk, but there is a further and very important distinction to be made in the case of blood donors. Usually the donor will know that he has had hepatitis, and therefore his truthfulness in recording his past history is of the utmost importance. At the same time, at least if the blood

7. According to such data as Titmuss could locate, commercial blood was very common in most countries and overwhelmingly so in the U.S.S.R., where about 50 percent of the blood is paid for at a very high rate. In Sweden, usually regarded as a society oriented toward collectivism, all of the blood is paid for. It is gathered by the state, not by commercial blood banks. The percentage of commercial blood in East Germany exceeds that in West Germany.

is to be collected in large quantities at relatively low cost, there is little or no opportunity to check the donor's word.

The situation is precisely the one alluded to earlier, that the virtue of truthfulness in fact contributes in a very significant way to the efficiency of the economic system. The supplying of truthful information is an example of an externality, if you like, but that classification does not really help us in deciding how truth is to be obtained. A voluntary donor system is from this point of view self-enforcing. Anyone whose motive for giving is to help others, but who suffers from hepatitis and is aware of the implications of this, will of course refrain from giving. On the other hand, a commercial blood donor, especially one driven by poverty, has every incentive to conceal the truth.

To repeat, the two key features of the situation are uncertainty about the quality of the service and a difference between the degrees of knowledge possessed by buyer and seller. The situation here is exacerbated by the severity of the risks involved. One can think of many parallels, and these have given rise to significant questions about the nature of responsibility in economic life. A good example is the question of automobile safety. The seller is supplying a complex machine. The details of both design and construction are inevitably better known to the seller than to the buyer. Further, if the risk of disastrous consequences is relatively low, no buyer can hope to acquire the relevant information from experience. In these circumstances it seems clear to me that the price system is no insurance of efficiency in all respects. The qualities of the product are simply not well defined from the buyer's point of view. Some alternative system of determining quality and providing assurance for buyers is needed. One such candidate is a sense of social responsibility on the part of the seller. This may indeed be easier to create in the case of the large organization than in that of the individual seller, for the obligation may then fall upon the individual members of that organization. In this context, ethical behavior can be regarded as a socially desirable institution which facilitates the achievement of economic efficiency in the broad sense.

I should add that, like many economists, I do not want to rely too heavily on substituting ethics for self-interest. I think it best on the whole that the requirement of ethical behavior be confined to those

circumstances where the price system breaks down for the reasons suggested above. Wholesale usage of ethical standards is apt to have undesirable consequences. We do not wish to use up recklessly the scarce resources of altruistic motivation, and in any case ethically motivated behavior may even have a negative value to others if the agent acts without sufficient knowledge of the situation. In the case of medical practice and elsewhere, it might be plausibly argued that ethical codes serve as an instrument for increasing the economic advantage of one segment of the population at the expense of the rest.

It also appears that commercial blood-giving leads to unanticipated risks to the donors, though much less serious than those to the recipients. Commercial blood donors have some incentive to give blood more frequently than is desirable from the point of view of their health. This in and of itself is something of a gray area, because presumably the individual has some freedom of choice in such cases; but there is the possibility of a much more acute problem with respect to something like 20 percent of the blood collected. For many purposes, particularly the treatment of anemia, only the red blood cells are needed. There has been developed a new process called plasmapheresis. Here the red blood cells are separated from the plasma in which they float and the plasma is then reinjected into the body of the donor. Under these conditions donations can be, and are, made much more frequently. Several donations a week can be made, or so it is held. The collection of red blood cells for plasmapheresis is almost exclusively commercial, being carried out by or on behalf of the pharmaceutical companies. The fact that a very substantial income can be had through frequent donations means at least the potentiality of serious risk to the donors. There is, however, very little evidence of any damage actually having taken place.

A third apparent inefficiency in the United States system, according to Titmuss, is a very substantial amount of wastage of the blood collected; persistent shortages are also observed. Blood deteriorates after being drawn from a donor, and for most purposes it must be used within twenty-one days of collection. If the figures for collection and transfusion are compared, it appears that about 30 percent of the blood is wasted (the figures, as Titmuss notes, are far from adequate). Titmuss does not present any exactly comparable data for the United

Kingdom. If one compares the number of bottles "issued" with the number collected as given in one of his tables, there would seem to be about 10 percent wastage. However, there is a further possibility of wastage of bottles issued but not actually used in transfusions. The evidence for the existence of shortages is largely confined to several quotations from American authors (pp. 66-67). He notes that elective surgery is occasionally postponed because of the shortage of blood. It is asserted that no such shortages exist in the United Kingdom; a study by two economists that arrives at the opposite conclusion is abruptly dismissed by Titmuss as having been badly designed.⁸ How supply and demand in the United Kingdom happened to balance so well over a period of twenty years in which the demand per capita has been rising steadily (due to new surgical techniques requiring much more blood) is left unexplained by Titmuss. Economists are accustomed to the idea of explaining the balance of supply and demand by the movement of prices. In the absence of prices something else must do the job. Perhaps there has been an expansion of the facilities for taking blood, but nothing in the book explains this remarkable parallel growth.

Although Titmuss links wastage of blood to the commercial system, he really gives no theoretical explanation of this link. I cannot conceive what it is. One would be much more tempted to explain a greater wastage of blood in the United States, if such exists, by the generally decentralized nature of the American blood collection system.⁹ It should be noted that the voluntary system is quite chaotic as far as its organization is concerned. It is possible that, in the absence of a clear system of meeting shortages of a perishable commodity in one place with surpluses from another, such a system would perform much less efficiently than the British National Health Service. I find no clear evidence that commercialism per se is the key factor here.

In concluding this discussion of the relation between giving and efficiency, it strikes me that the essential point is the great importance of such a virtue as truthfulness in widely prevalent circumstances of

8. M. H. Cooper and A. J. Culyer, *The Price of Blood*, Hobart Paper No. 41, The Institute of Economic Affairs (London, 1968).

9. Just after these lines were written, President Nixon called for a study of the blood bank systems; the lack of coordination of the system was particularly noted (*New York Times*, 3 March 1972, p. 1).

economic life. I have remarked on the responsibility for truthfulness in economic life, but the issue goes even further. Virtually every commercial transaction has within itself an element of trust, certainly any transaction conducted over a period of time. It can be plausibly argued that much of the economic backwardness in the world can be explained by the lack of mutual confidence; see Banfield's remarkable study of a small community in southern Italy.¹⁰

I have considered the situation in which the quality of the commodity or service may be unknown to one side or the other in a transaction. It may also be that the price is unknown, that is, the price that could be commanded in some alternative market. Taking advantage of a situation where the other party in a transaction is ignorant of the potential price of a commodity or service might be regarded as a classic definition of "exploitation."

More basic yet, I will say, is the idea that the price system, in order to work at all, must involve the concept of property (even in the socialistic state there is public property). Property systems are in general not completely self-enforcing. They depend for their definition upon a constellation of legal procedures, both civil and criminal. The course of the law itself cannot be regarded as subject to the price system. The judges and the police may indeed be paid, but the system itself would disappear if on each occasion they were to sell their services and decisions. Thus the definition of property rights based on the price system depends precisely on the lack of universality of private property and of the price system. This ties in with the third hypothesis put forward in section I. The price system is not, and perhaps in some basic sense cannot be, universal. To the extent that it is incomplete, it must be supplemented by an implicit or explicit social contract. Thus one might loosely say that the categorical imperative and the price system are essential complements.

III. GIVING AND THE SOCIAL ORDER

Titmuss here and throughout his work is interested in still broader issues. For him the marketplace is basically subversive of the ideal social order. Some of his chapter titles are suggestive: "Blood and the

10. Edward C. Banfield, *The Moral Basis of a Backward Society* (New York, 1958).

Marketplace,” “Economic Man: Social Man,” and “Who is My Stranger?” He appeals to Tönnies’ familiar dichotomy between *Gemeinschaft* and *Gesellschaft*. He greatly fears that “the myth of maximizing economic growth can supplant the growth of economic social relation” (p. 199).¹¹

It is worthwhile to summarize a genuinely horrifying case which serves Titmuss as an empirical springboard for his general attack on the commercialization of society. In the mid-1950’s the blood supply in Kansas City was essentially completely in the hands of commercial blood banks, whose quality is described as very unsatisfactory. As a result a community blood bank was organized on a volunteer basis, and the hospitals insisted on drawing their blood only from this source. The commercial blood banks attacked the hospitals for violation of the antitrust laws, and after long and expensive testimony before the Federal Trade Commission the hospitals were forbidden to discriminate against commercial blood. It should, however, be added that this decision was subsequently overturned by the courts.

The key issue here as Titmuss sees it is the fact that this case was regarded as subject to the antitrust laws because blood was treated as a commodity. It is the latter point that disturbs Titmuss and arouses his ire. He generalizes from this to the whole treatment of medical care as a commodity. He notes, with appropriate statistics, that malpractice suits have become increasingly prevalent in the United States. The cost of malpractice insurance is rising, the settlements are growing in size as well as in number. All this is contrasted with the British situation, in which malpractice suits are apparently quite negligible in number and seriousness. What do these observations in fact tell us? Titmuss, without giving a detailed theoretical explanation, suggests in a general sort of way that the commercializa-

11. His antagonism to at least some economists is stated strongly a few lines below this quotation. “In saying this we recall that Keynes once expressed the hope that one day economists ‘could manage to get themselves thought of as competent people on a level with dentists.’ This day has not yet dawned for some of the order who, after taking strong oaths of ethical neutrality, perform as missionaries in the social welfare field and often give the impression of possessively owning a hot line to God.” The reference is clearly to those *laissez faire* economists, of whom there is an organized group in the United Kingdom, who have favored placing the blood supply and indeed the whole medical system in private hands.

tion of medical practice is accompanied by a legitimization of doctor-patient hostility.

One can, it seems to me, look at this matter somewhat differently. The ideal of Titmuss could be interpreted as that of a world where doctors and hospitals are protected from the consequences of their errors, at least as far as legal proceedings are concerned. After all, there is one very important relevant question: Are the malpractice suits justified? I have no reason to believe that the courts have any biases against physicians. If anything, one would suppose the opposite. There may conceivably be biases in the procedure as such, but these have not been demonstrated, and in the absence of evidence to the contrary I think we can trust the courts to have made a much more detailed inquiry in each case than the social scientist can do. If this is so, then we have to reckon with the idea that there is a lot of malpractice in the United States. To discourage suits, then, would simply be a way of denying compensation to legitimate victims for the costs imposed upon them, and of minimizing a method of exerting pressure on doctors who perform badly. Titmuss views the latter contingency positively. He refers to the increased costs due to what is frequently termed defensive practice, the excess of precautions necessary to prevent future claims of malpractice; but after all, it may well be true that a little more care might be good rather than bad. In any case, the assertion that malpractice suits induce excessive care rather than better care should not be presumed sound without further evidence.

Titmuss quite candidly agrees that there may well be trouble with patients' claims in the United Kingdom: "All in all, the scales are weighted in favor of the doctor" (p. 170). He urges that there are remedies other than litigation but does not specify them. What is disturbing, in this case as in many others, is that an appeal against the marketplace and its coldness has a way of slipping into a defense of privilege. The *Gemeinschaft-Gesellschaft* dichotomy can be couched in different language; Maine spoke of the difference between status and contract.¹² It is very easy indeed for "community" to slip over into "status."

12. Henry Maine, *Ancient Law* (London, 1861).

Indeed, there is something of a paradox in Titmuss' philosophy. He is especially interested in the expression of impersonal altruism. It is not the richness of family relationships or the close ties of a small community that he wishes to promote. It is rather a diffuse expression of confidence by individuals in the workings of a society as a whole. But such an expression of impersonal altruism is as far removed from the feelings of personal interaction as any marketplace. Indeed, the small number of blood donors in the United Kingdom suggests, if I were to generalize as freely as Titmuss does, the idea of an aristocracy of saints. I suppose this idea is indeed in the Fabian tradition; at any rate, it is certainly expressed with great clarity by Shaw in *Man and Superman*. This is a way of social life that seems to have worked remarkably well in the British context, while proving capable of catastrophic consequences in the Soviet Union.

The pervasive fear in Titmuss' thinking that commercialism may increasingly damage the entire social system is in many curious ways a mirror image of Hayek's.¹³ Hayek and Titmuss seem to agree that a mixed economy is necessarily unstable. But whereas Hayek believes that a little bit of collectivism is likely to lead to a total dictatorship, Titmuss is concerned rather with the insidious nature of a price system. Both arguments have a resemblance to some of those connected with abortion. If you allow abortion, how can you argue against homicide?

The first thing about the argument of instability is that it is, after all, strictly an empirical one. It simply may not be true. It is very hard to believe that the use of commercial blood in the United States has any important effect on the general doctor-patient relationship. That relation is governed essentially by the same principles as always; if anything, the spread of medical insurance has weakened rather than strengthened the commercial link between doctor and patient. In the United Kingdom, of course, the relation is different, but I wonder if malpractice suits were any more common in the period before the National Health Service was instituted.

The second difficulty with this argument is that it has a rather elitist flavor. Presumably, the high value of altruism or whatever other virtue is threatened by the growth of commercialization will still hold

13. Friedrich A. Hayek, *The Road to Serfdom* (Chicago and London, 1944).

even after the price system has spread somewhat. What Titmuss would be afraid of, I take it, is that other, weaker souls would somehow succumb. In the present context, perhaps individuals will cease to give blood when they see that other people are being paid for it. Now, the argument that we should therefore not permit a commercial system amounts to saying both that I am more foresighted than my contemporaries and that my virtue is less assailable. Perhaps these propositions are really true, but I find them at any rate uncomfortable.

IV. REMARKS ON EMPIRICAL VALIDITY

At the beginning of this discussion I quoted Titmuss' final paragraphs, a statement which embodies a remarkably large number of empirical conclusions. It cannot really be maintained that most of them have been established. The most dramatic and best sustained is unquestionably the relation between the commercial blood supply and post-transfusion hepatitis. This indictment alone is fully worth the entire investigation. The evidences of inefficiency in the United States are also clear, though I find their causes less well established.

Indeed, with respect to empirical methodology there is much to be desired. Titmuss gives no consideration to the role of theory in empirical research. He seems to regard the argument *post hoc, ergo propter hoc* as infallible. At any rate, in most instances the comparisons used involve two cases between which there are many differences. The commercialization of the blood supply can certainly not have all the consequences that he apparently ascribes to it.

Even by the least stringent rules for evaluating empirical evidence, many of Titmuss' points are not in any way established. I see, for example, no real evidence that the presence of a commercial blood supply decreases the amount of altruism. This is not to say that it may not do so; but the data for the two countries is not presented in forms sufficiently comparable to allow any statement whatever. Compensating factors are never considered; thus the point Titmuss makes about the redistribution of blood from the poor to the rich is not in any way offset by the fact of a corresponding flow of money from the rich to the poor, a point which should at least be taken into consideration.

Despite Titmuss' careful use of data in some places, he is very loose in others. On several less important points he makes statements about

the United States without even bothering to compare the situation with that in the United Kingdom, although without such comparison there is no evidence of any kind. For example, as an evidence of the shortage of blood in the United States he observes that if hemophiliacs were given blood without restraint they would consume an amount equal to one-eighth of the blood used in the United States. Presumably the incidence of hemophilia is the same in the United Kingdom as in the United States, yet Titmuss does not bother to tell us whether hemophiliacs are in fact treated as fully there as he would have them treated here.

Again, as evidence of the corruption introduced into the United States medical system by commercialization he includes several damaging anecdotes about unethical medical experiments. No statement whatever is made about the ethics of experimentation in the United Kingdom. In fact, the United States today probably has the most stringent rules regarding such practices of any country in the world, requiring informed consent of the subject. Finally, for all Titmuss' strictures on the dangers involved in plasmapheresis, he does not have anything to say about this practice in the United Kingdom. Possibly it is unknown there, but the book is not clear on this point.

Despite—and in part because of—its flaws, Titmuss' book is a resonant evocation of central problems of social value. His blithe disregard of the usual epistemological strictures against confusion of act and value permits him to raise the largest descriptive and normative questions about the social order in a highly specific and richly factual context. This is not a systematic, abstract work on the foundations of ethics. It is not a meticulous descriptive and causal analysis of the functioning of social systems. But by suggestively combining a passionately informed commitment to an ideal social order and an illustration of problems within the context of a concrete situation, it has greatly enriched the quality of social-philosophical debate.