GEA #1 Policy Analysis

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The concept of organ donation started decades ago with another name being added onto the waiting list once every 10 minutes (American Transplant Foundation). According to the ATS, almost 114,000 people in the US are currently on the waiting list for a lifesaving organ transplant. However, the number of organ donors is significantly low. This is leading to several deaths everyday in our nation. To solve this problem, many policies were put forward in order to encourage more people to donate their organs. However, due to the limitations, there is still shortage in the supply or kidneys and other organs. In this paper, I will be analysing and evaluating the limitations that exist in the current policies and then, examining, proposing, and supporting potential solutions.

According to the Black Market Bodies article, the current state of kidney donation in the US is not in a good state due to the shortage of kidney donors. The demand for kidneys increases due to the increase in the population of people with kidney failures/diseases. In this market, shortage occurred because the quantity demanded for kidneys is significantly higher than the quantity supplied (Hubbard). “This made the people turn to black markets to save their lives because they had no other option. In this black market, kidneys and other organs are sold at very high prices and the surgeries are performed under unhygienic conditions” (Kristin).

If the US did allow payment for kidneys, more people (especially poor people according to the Black Market Bodies article) would be ready to sell their kidneys in need of money. People will stop selling kidneys at the black market because the payment process would happen legally. The increase in payment/price for kidneys would lead to the increase in quantity supplied and decrease in quantity demanded, reaching the equilibrium point and clearing the market (Hubbard). Therefore, paying is a good option in order for the market to reach the equilibrium. A donation is giving a gift to a person or a community for their benefit and expecting nothing in return. We shouldn’t call this donation because kidneys are being sold for money in return.

In the current state of the kidney market, both kidney donors and receivers lose because the number of donors is limited and they also don’t get paid enough money. The receivers are more in number, which is one of the main reasons for some of their deaths. The people doing kidney businesses in black market gain because the receivers pay them a huge amount of money, and they give only some of it to the donors. In graph 1, it is observed that the quantity demanded is significantly higher than the quantity supplied. The people doing businesses in black market are taking advantage of that, mainly because it is illegal and receivers are willing to pay a lot of money to save their lives. However, in the deregulated market, both kidney donors and receivers gain. More donors will take part in giving their kidneys benefitting the receivers. They will also get enough money from the receivers. However, the receivers would also lose because they would have to pay more money, and some receivers might not be able to afford it. The people doing businesses in black market will also lose because payment would be legalized and both donors and receivers will start taking part in it because of the benefits. In graph 2, it is observed that the increase in payment/price made points A and B (shortage) move along the demand and supply curves to the equilibrium (increasing the quantity supplied and decreasing the quantity demanded).

“Routine removal is the policy of transplanting organs from brain-dead donors. This is an innovative idea; however, there are some limitations to it such as organs being unsuitable for transplant at times, old age people’s kidneys failing due to medical problems, etc.” (Alex). Even though it has limitations, it is very efficient because we are making an effort to use these scarce sources to the fullest. The brain-dead people’s organs can be used to the fullest by donating them to people by giving them a chance to live.

“Organ donor points push receivers up the transplant list if they get their organ donor cards signed by their organ donor relatives and themselves. The shortage of organs will get worse before it gets better.” (Alex). This policy will increase the supply reducing the shortage. This is considered equity because the more you contribute, the more you get. The benefits are distributed fairly depending on how much you contribute or donate.

“No give, no take policy is similar to organ donor points, where the people who are willing to donate will be the first to receive.” (Alex). This policy will also increase the supply reducing the shortage and this is also considered equity. However, it is not fair to the people who signed up first for receiving organs because it will push them back if they do not opt for donating.

To decrease the shortage of kidneys, the supply must be increased first. The supply can only be increased when the value (benefits) of donating looks more than the actual donation to the donors. To build up the value, the benefits must be increased to the donors. A policy that I came up with was decreasing their taxes and giving them more priority in public places. In US, people pay extremely high taxes compared to any other countries. Decreasing 2% of the overall taxes for their lifetime would significantly improve organ donors. Moreover, giving donors priority in public places, such as, passport/visa offices, metro stations, etc. will also improve the supply of kidney donors. In graph 3, it is observed that the implementation of this policy will shift the supply curve to the right (to the equilibrium).

I would pick my policy over the current state of market, deregulated market, and other policies because it has fewer limitations and does not involve any payment. First, the current state of market is in shortage and more people are dying due to less supply or organs. Second, the involvement of payment will affect receivers negatively as they would have to pay more amount of money, which some people can’t afford. The other policies mentioned in the articles are better than those two states; however, they also have limitations, such as, organs that are unsuitable. My policy gives donors several benefits that won’t affect the government or the public places too much. Moreover, this will encourage more people to take part in donating kidneys and other organs.

I have analysed and evaluated the current policies and proposed a policy of my own. Hence, these are the benefits and the limitations of the currently existing policies. My policy of reducing taxes and giving donors priority would not only increase the supply of kidneys and other organs, but also satisfy and benefit the donors.

Graph 1- P>P\* = QD>QS (shortage) the quantity demanded is significantly higher than the quantity supplied for kidneys respectively.

Graph 2- Increase in Price (Payment) = Decrease in quantity demanded and increase in quantity supplied for kidneys respectively QD= QS at equilibrium (market is clear).

Graph 3- Implementation of my policy- The supply curve will shift to the left (to the equilibrium) decreasing the price and increasing the quantity of kidneys.

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