

I am Debra Satz, co-host of the ‘Philosophy Talk’ radio show and author of ‘Why Some Things Should Not be For Sale: The Moral Limits of Markets’. Ask me anything about political philosophy!

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Abstract

I’m Debra Satz, the Marta Sutton Weeks Professor of Philosophy at Stanford University and co-host of the Philosophy Talk radio program. I grew up in the Bronx, and was the first of my family to go to college. From there, I graduated from City College of New York and received my PhD from M.I.T. where – after toying with the idea of writing on the philosophy of logic – I wrote a dissertation focusing on Marx’s theory of social progress. Although I have traveled far from where I began, my experiences growing up in the Bronx continue to influence my work and thought. My philosophical work has been broadly concerned with the economic preconditions for a democratic society of equals. But rather than approaching this question at a very high level of abstraction, I have focused on the ethics behind the creation and operation of particular markets. Markets in the abstract are models of freedom and equality. Freedom because each has the choice to enter into, or refrain from entering, any particular exchange. Moreover, because each of us is linked through countless others, no one is under the thumb of any particular person. This latter point also underwrites our equality. In theory, neither is dependent on the other and each has the right to refuse a deal which we view as unfair. But, in reality, many markets depart very far from that theory. Some markets involve agents who are asymmetrically situated: One person desperately needs a good that only the other has (think of credit markets in the developing world); or, one person has relevant knowledge that another person lacks (think of the market for used cars). Moreover, some markets involve risks that fall on others besides the transacting agent (think of exchanges that generate pollution); or markets where others are transacting on our behalf (think of child labor markets where parents transact on behalf of their children, or governments where dictators transact debt on behalf of their populations). My book, *Why Some Things Should Not be For Sale: The Moral Limits of Markets* develops a theory that distinguishes between ordinary markets that resemble abstract markets and what I call noxious markets. Noxious markets are characterized along four parameters: weak agency, background vulnerability and inequality of the transacting agents, harms to individuals, and harms to society. My book examines markets in body parts, commercial surrogacy, child labor and prostitution. Importantly, I argue that the fact that a market is noxious does not entail the conclusion that we should ban it. It may be possible to increase agency (by giving parties better information) or address third party harms through regulation. But a message of my work, which resonates with a long tradition of political economy (where figures such as Adam Smith, David Ricardo, Karl Marx and RH Tawney are central) is that not all markets are the same. I also have interests in the distribution of educational opportunities, where I have argued that the sharp divide policy makers and philosophers draw between adequacy approaches and equality approaches is overdrawn. A theory of distributing educational opportunity that is adequate for a democratic society will have strong egalitarian elements. In addition to pursuing my interests in education (which was my path out of poverty), I am writing a paper which examines the role of the state’s distribution of in kind goods (such as health care) for a democratic society of equals. I look forward to discussing my work with you on reddit! Links of Interest: My book: *Why Some Things Should Not be For Sale: The Moral Limits of Markets*. Thanks to OUP can purchase it 30% off from their site with promocode AAFLYG6. A newer co-authored book dealing with the relations between ethics and economics: *Economic Analysis, Moral Philosophy and Public Policy*, Third Edition My Stanford Encyclopedia Article on Feminist Perspectives on Reproduction and the Family My Ethics article “Equality, Adequacy and Education for Citizenship” My class day speech at Stanford University on the Moral

Limits of Markets The Philosophy Talk radio program which I co-host

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DEBRASATZ [R/SCIENCE](#)

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But, in reality, many markets depart very far from that theory. Some markets involve agents who are asymmetrically situated: One person desperately needs a good that only the other has (think of credit markets in the developing world); or, one person has relevant knowledge that another person lacks (think of the market for used cars). Moreover, some markets involve risks that fall on others besides the transacting agent (think of exchanges that generate pollution); or markets where others are transacting on our behalf (think of child labor markets where parents transact on behalf of their children, or governments where dictators transact debt on behalf of their populations).

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I look forward to discussing my work with you on reddit!

Links of Interest:

My book: [Why Some Things Should Not be For Sale: The Moral Limits of Markets](#) Thanks to OUP can **purchase it 30% off from their site with promocode AAFLYG6**.

A newer co-authored book dealing with the relations between ethics and economics: [Economic Analysis, Moral Philosophy and Public Policy, Third Edition](#)

My Stanford Encyclopedia Article on [Feminist Perspectives on Reproduction and the Family](#)

My *Ethics* article "[Equality, Adequacy and Education for Citizenship](#)"

My class day speech at Stanford University on the [Moral Limits of Markets](#)

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In the announcement thread [/u/SaxManSteve](#) asked:

Hello Dr. Satz,

Just wanted to say that i'm a big fan of your radio program!

Question: While you talk at lengths about the moral shortcomings of market systems, I was wondering what your thoughts are on the shortcomings of markets in terms of allocating resources efficiently. In my mind, if we have the technological and resource capacity/capability to end hunger and/or to make the planet run 100% on renewable energy, then we should do this. The fact that we haven't achieved these goals is a sign of structural inefficiencies relating to market systems.

Personally I think that these inefficiencies derive from the "freedom" aspect of market systems. Which makes sense considering that market systems are a consequential amalgamation of mostly business dynamics - moving money around for personal or group self-interest, based around decision-making mechanisms such as profit, cost-efficiency and the prevailing logic surrounding property relationships. It's fairly easy to argue that what has manifest is actually not a "design" at all. Rather, it is rooted in a mechanism that has created the appearance of design, since the structural outcome recognized was not fully anticipated as a whole prior to its construction.

So I guess my question is, why should an emergent system with no intentionally designed function be thought of as a system with the capabilities for efficiency? Moreso, why should it even be considered to have the capacity to act morally or immorally? The market is simply an economic system that favours economic actors that follow its internal logic, morality isn't a factor in the internal logic of market systems, in fact many would say that acting morally defies the logic of market systems.

[BernardJOrcutt](#)

Thanks for the question. I agree with you about the central important point: we could end hunger and we have not done so. But I am more inclined to think of that as a political failure rather than one rooted in markets. To see why, I think we need to separate questions of efficiency from questions of distribution for the moment. (I'll come back to your observation that these cannot be fully separated.) A system efficiently uses resources when it directs those resources to their most productive use. But what is most "productive" may not be most helpful for human welfare.

Moreover, even though ideal markets are incredibly efficient at producing growth (and here, think of China which has not only grown its economy but done more to end poverty on a massive scale than just about anywhere else) in most societies we don't see ideal markets but monopoly markets which distort market functioning. And we see powerful interests lobbying to protect those interests. For me, the question is: how can we harness the efficiency part of markets while extending democratic control over their direction and effects? Whatever system can do this will involve some inroads on private property, at least on the scale we see it today. Such concentration of wealth and power into such a few hands is actually not compatible with democracy or the other goals you suggest such as ending poverty.

Centralized planned economies failed. They violated important forms of human freedom (such as the freedom to choose one's occupation) and they were productively inefficient. We can do better. But doing better does not mean getting rid of markets, in my view, but properly designing them and embedding

them in a wider set of institutions that limit their role. I'd like to see us take the provision of some goods out of the market completely.

Hi Professor Satz - thanks for joining us today!

I have a question regarding philosophy outside the academy that I think you'll be able to help with, given your interest in public policy and your role as co-host of a radio show.

I'm one of many young philosophers who are worried with their potential future - or more lack thereof - in academic philosophy. Despite this, I feel like I've cultivated a number of skills that can be put to good use outside the academy, but I don't know how I can go about starting with this. Do you have any advice for young philosophers looking at non-academic work, or philosophical outreach?

[ADefiniteDescription](#)

I think the skills we teach in philosophy --critical thinking, respectful exploration of diverse ideas, emphasis on providing reasons for conclusions --are vital more than ever.

I'm not sure if you are asking for career advice or for ways to just bring your skills to a wider set of people. If the latter, I'd suggest getting involved in teaching philosophy in prisons or to low income adults. Bard has been running a program along these lines for over 30 years and I helped start a similar program at Stanford. I think its also important to contribute to public discussions --whether by writing op eds, participating in local politics, or working with at risk youth.

In the announcement thread [/u/Keening99](#) asked:

Have you ever felt depressed/powerless for looking at the world with all the different glasses at disposal, without finding a working pair, or do you believe there always is a working pair of glasses somewhere to be found?

[BernardJOrcutt](#)

I wish I had more glasses! But one of the things I like about philosophy, is that we can use it to find new ways of looking at situations --sometimes ways that surprise us.

In the announcement thread a user asked:

I have a question about markets not involving currency/monetary exchange. For example we can say that prostitution is an immoral market because there are some things that shouldn't be for sale (that's the impression I got from reading the first chapter that was posted) but then the 'sexual market' as it is will still exist and simply involve the exchange of other forms of capital: social status, beauty, prestige, etc.

How can we honestly or realistically impose any sorts of prohibitions on such a market?

Ideally love and physical affection wouldn't be something up for exchange, but as long as there's a group of people who want something and another group of people who are in need and can provide that thing, they'll find a way to do it.

Wouldn't the best option thus be to recognise these realities and work to assess and legislate such markets even if we personally deem them immoral?

I've read Janet Radcliffe Richards work on the bioethics of payments for kidney donations and I think a lot of her arguments apply here.

[BernardJOrcutt](#)

Thanks for the question. I think we should keep analytically distinct forms of exchange and market exchange. Not all trades are market trades: when I exchange love with another person, there is no going price that someone can undercut. Markets are mechanisms that are designed to link anonymous participants in large scale structures under conditions in which no one party can set the terms of the exchange. That doesn't happen in examples involving the love of a mother for her son.

Of course, you are right that many things influence market exchange, including desires for status and so on. And we cannot move from the fact that objectionable attitudes are involved in a market to the conclusion that we should ban the market. Many black markets have worse aspects than regulated legal markets.

But it doesn't follow that we should never ban a market. Slavery is rightly banned and the state will not enforce slave contracts, even if they were entered into voluntarily. Our society is better for having banned child labor and Kaushik Basu and other economists have shown that there are circumstances in which banning child labor actually results in investments in adult labor and higher prices for that labor. In such cases, the black market in child labor goes away. When we think about our policies about markets, I think four factors are especially relevant as I explained in my post and in my book. When markets produce bad outcomes, or are the products of bad information we have to consider whether regulation can address those problems. In some cases banning such markets will be justified.

In the announcement thread [/u/6rant6](#) asked:

If you could design one course for high school students which would make them better students of the world, what would you put on the syllabus?

[BernardJOrcutt](#)

If I were teaching economics, I'd have the students look at the new free on line CORE:

<http://www.core-econ.org/how-a-nobel-laureate-introduced-students-to-physics-as-if-the-previous-30-years-had-happened/> But that said, I'd really love to see high school students learning about different approaches to ethics and to questions of justice.

In the announcement thread Dr Anna Alexandrova ([/u/annaalexandrova](#)) asked:

Professor Satz, could you share your current views on rational choice theory? In your writings with John Ferejohn in 1994 you argued that rational choice models should not be interpreted as making any claims about how agents actually make decisions. Have your views on this topic changed since then?

[BernardJOrcutt](#)

I still think that the argument of that paper is correct.

In the announcement thread [/u/Keening99](#) asked:

Where, and in what situations do you do your best thinking?

[BernardJOrcutt](#)

When taking long walks with my dog; in the classroom, debating and exploring ideas with my students; and when inspired by something I have read (often not something by a philosopher!)

In the announcement thread [/u/SoberProfessionally](#) asked:

In the first chapter of your book you cite as an example sexual quid pro quo as an example of an immoral or reprehensible market, could you expand on why?

One is asked to perform many things that one doesn't like when working, and if the thing asked is against our desires or morals we are always free to not perform it and search for another job.

Some don't believe that we are actually free in a capitalist society to change jobs, as most of us are coerced to work because of circumstances (lack of jobs, for example). If this is the case then it seems that all parts of your job would be immoral, as without freedom and consent to work one is basically a slave. But if this is the case, why single out sexual quid pro quo as especially wrong?

[BernardJOrcutt](#)

Thanks for the question. In my book, while I am critical of prostitution, my response to it is not the conventional one. That is, I do not base my argument on coercion or on moralism. (Of course some prostitution does involve coercion --think of sex trafficking and the violence that many prostitutes regularly face.) Rather, I am trying to explore the intuition that there is something different about sex markets than about other labor markets. My argument has to do with the links between prostitution and stigma and women's second class status. That's an argument (explored later in my book in chapters 6 and 7) that prostitution has (or may have --I defend this as a conditional) third party effects on women who are not prostitutes.

In the announcement thread [/u/Jshanksmith](#) asked:

What role do you think that the average "layperson's" understanding and perception of the functions of a market play in how that market manifests itself?

Do you feel that the decades long "propaganda" to push an oversimplified, and easily digestible, caricature of supply-side economics actually has an effect on markets. If so, is this (the layperson's perception) constrained to economic policy in the political realm, or does it have a more direct one on markets as a consumer?

Note: I ask this two-part question, because it seems that the average person knows little to nothing about economics/markets, and what they usually "understand" is summed up as the "trickle down" theory. Wealth and education inequality likely plays a role here.

[BernardJOrcutt](#)

I agree with your point that there are a lot of common misunderstandings about the market. For one thing, there is a tendency to think of the market as "natural" --a fact of nature --and to forget about the role of regulations and social norms in maintaining it. Market bargaining and trade always takes place under the shadow of the law.

More than that, there is a powerful tendency for all of us to think that the world is just and what we get is deserved. And add to that, many Americans know little about alternative regulatory systems such as those found in Europe.

I do think that factual and social science information would go some way to resolving our disagreements. Nonetheless, some of our disagreements about markets do reflect differences in values. And those will continue to persist even if/when people had greater understanding of the social science of economics.

In the announcement thread [/u/drrocket8775](#) asked:

Woooo, Dr. Satz, yeahhhh

Last semester, at our graduate conference, someone gave a presentation arguing that there would be moral improvement if we more often paid people to be moral ("someone" is Sam Fox Krauss at UT Austin by the way, I'm betting he'd be happy to talk to you). The paradigm case he gave was a private citizen paying someone to become vegan. As you can guess, there was push back: would people have an incentive to stop being moral so that they could get paid? What if the people with the money are paying people to do immoral things? What if the offer itself is immoral (there's a facebook video going around about a woman who pays poor women who are drug addicts to get sterilized)? He didn't seem to have the answers at the time, though I don't doubt he has answers now.

My question is what do you make of this notion? While there are incentives to act certain ways from the government, insurance companies, etc., it's usually for a practical end rather than a moral end. Maybe lobbying is a moral market? Anyway, can you see a version of "moral markets" making a moral improvement in the world? Is there a non-arbitrary way to demarcate what people ought and ought not be able to either pay or be paid to do? Thanks!

[BernardJOrcutt](#)

This is a very interesting question. Sam Bowles has just written a book on The Moral Economy, pointing out that paying people to do good --using monetary incentives --can backfire. We know from work in experimental economics that money sometimes drives out moral action. For example, when day care centers in Haifa introduced a fine to stop parents from coming late to pick up their children, the result was that these parents came even later. The reason is that they now felt they could purchase what before was seen as bad behavior. Even when the daycare centers removed the fine, the extra lateness persisted. So one moral of all this is that incentives do not substitute for good citizenship. Of course sometimes incentives do work -- in California we now charge people 10 cents for grocery bags and the result has been a lot more people bringing their own bags to the store. So a lot of the devil is in the details. But the work of Bowles and others helps us see why incentives alone cannot drive good behavior.

In the announcement thread [/u/JustHereToDebateYou](#) asked:

Hi, Debra. In *Why Some Things Should Not Be for Sale: The Moral Limits of Markets* you say that governments are necessary to provide basic security. How does that square with the fact that governments (even democratic ones) regularly violate human rights?

[BernardJOrcutt](#)

Point granted. many things in the world are two-faced: they can be our best hope and our greatest danger. But in an interdependent world where we must live together, we cannot get basic security or human rights without large scale institutions and organization. So the issue is how to minimize the dangers and increase the security of human rights. And yes, while democratic governments can and do violate human rights, we can hold them accountable and work to change this. Its much harder in situations where either government has collapsed or is simply a dictatorship.

In the announcement thread [/u/JustHereToDebateYou](#) asked:

Hi, Debra. Thanks for your time. In *Why Some Things Should Not Be for Sale: The Moral Limits of Markets*, you wrote

Of course, it is important not to overstate this contrast between market freedom and feudal dependence; many laborers did and still do have to obey an arbitrary master on the factory floor.

Are you mainly referring to the workers in poor nations who are beaten for poor performance and threatened into not finding another job, or are you also including workers in the wealthiest nations?

[BernardJOrcutt](#)

Elizabeth Anderson has just written a book called Private Government which argues that many employees in the United States are subject to arbitrary and humiliating forms of control. I do not think the problems of abusive employers are confined to the less developed world. But, yes, workers in developed countries enjoy both more freedom, rights, and options than those in less developed parts of the world. The right to exit employment is a powerful corrective on abuse --but its important that this right not only be formal (in law) but that workers have the substantive possibility (meaning there are other reasonably good alternatives available).

Hi Professor Satz - another question if I may.

If I understand your position correctly (which I may be completely off on!) a market should be limited when it is noxious, and noxious markets are characterised by harms to the agents in the markets (the ones who who are selling something).

I'm wondering if you think there's any reasons to limit markets along other lines. I can think of two possible market limitations which seem different in kind from the noxious markets thesis:

1. **Limiting markets based on the potential harms to buyers** Certain types of drugs are an obvious case here. But you may have more theoretically interesting cases; assuming for simplicity that pornography can be produced ethically and that certain social psychology literature is correct, pornography may be an interesting case as well.
2. **Limiting markets based on the authority to sell** By this I mean a market may need to be limited because the agent "running the market" may not be justified in the transactions they're making. You may think this is what's going on in cases of private prisons: the private prison, as a private institution, doesn't have the authority to dole out justice as that's the sole purview of the state.

Any thoughts you might have on alternative ways to limit markets and whether they fit or conflict with parts of your approach are greatly appreciated!

[ADefiniteDescription](#)

Thanks for these observations.

In my book, I do single out some markets as noxious. When a market is noxious it scores high on one or more of these four parameters: it is based on what I call weak agency (poor information, others transacting on one's behalf), or vulnerability (asymmetric position of the market exchangers) or leads to harms to the individual or harms to the society. I try and show that this framework organizes a lot of intuitions, while challenging some of those intuitions. I don't argue that we can arrive yet at a policy simply because a market is noxious. So, your first case fits clearly in my framework --harms to individuals --whether these are the transacting individuals (lets say the buyers) or other parties. Your second case is interesting --that someone may be selling something that they are not morally entitled to sell. I didn't address cases like that in my book although I've written a few papers on privatization since then. My own view is that in most cases we should assess privatization on instrumentalist grounds, but you suggest a powerful alternative that some forms of privatization may be intrinsically wrong. There's a recent article in Philosophy and Public Affairs by Alon Harel and Avihay Dorfman that makes this argument.

