
Lesson 7 – Should We Allow a Market For Transplant Organs?

The students analyze four policies for dealing with the shortage of kidneys to transplant and debate the ethical strengths and weaknesses of the market solution.

OVERVIEW

Economics

The sale of transplant organs is illegal in the United States. People may donate organs but not sell them. In other words, the price of transplant organs is set at \$0 and below equilibrium. This price ceiling is causing a shortage. Repealing the law that prohibits the sale of body parts would alleviate the shortage because a higher market price would increase the quantity of organs supplied and decrease the quantity of organs demanded.

Ethics

Public-policy analysis usually involves both ethical reasoning and economic analysis. Outcomes-based ethics, with its focus on the consequences of policies, tends to support a legal market for body parts. Duty-based and virtue-based ethics, by contrast, raise concerns about an open or modified market. Duty-based theorists focus on ethical principles or rules that should guide people's actions. Virtue ethicists focus on the personal qualities that enable us to do the right things that good people would do. The ultimate decision about organ sales requires people to make a judgment or to rank values or goals based on their ethical framework.

LESSON DESCRIPTION

The students learn that there is a shortage of transplant organs in the United States. They explore ways to reduce the shortage, particularly by increasing the supply. First the students use supply and demand to analyze a market for kidneys. Then they learn how different ethical theories can help us evaluate policies for procuring organs to transplant. Finally, the students must decide which of four organ-transplant policy options they would support.

CONCEPTS

Demand
Duty-based ethics
Equilibrium price
Incentives
Outcomes-based ethics
Price ceiling
Supply
Virtue-based ethics

CONTENT STANDARDS

3. Different methods can be used to allocate goods and services. People, acting individually or collectively through government, must choose which methods to use to allocate different kinds of goods and services.
4. People respond predictably to positive and negative incentives.
7. Markets exist when buyers and sellers interact. This interaction determines market prices and thereby allocates scarce goods and services.
8. Prices send signals and provide incentives to buyers and sellers. When supply or demand changes, market prices adjust, affecting incentives.

OBJECTIVES

The students will:

1. Describe the effects of a price ceiling on the market for kidneys available for transplant.
2. Analyze the effects of legalizing the purchase and sale of transplant organs.
3. Describe three main types of moral or ethical theories.
4. Use economic and ethical theories to evaluate four organ-transplant policies.

TIME REQUIRED

90 minutes

MATERIALS

1. Visuals 7.1 and 7.2
2. One copy of Activities 7.1, 7.2 and 7.3 for each student
3. Four posters or sheets of paper with “The Current System” written on one, “An Open Market” on the second, “A Regulated Market” on the third and “A Communitarian Approach” on the fourth.

PROCEDURE

1. Explain to the students that they will analyze how to deal with a large and growing shortage of transplant organs in the United States. Because of this shortage, many people die while waiting for a transplant, and others must use expensive medical procedures and equipment to stay alive.
2. Display Visual 7.1 to describe the extent of the problem.
3. Tell the students that federal law prohibits buying and selling transplant organs. Only donated organs are acceptable. Some people suggest that the shortage would be alleviated if people could buy and sell organs for transplant. Although it may

sound macabre to pay for body parts, the opportunity to buy and sell organs would save lives and improve the quality of life for many people.

4. Give each student a copy of Activity 7.1. Ask the students to read the information and write their answers to the questions. (**Note:** The students must understand supply, demand, equilibrium and the effects of price ceilings to answer the questions.)
5. Display Visual 7.2 to illustrate the supply of and demand for kidneys. Give the students a general explanation of what the graph illustrates. Point out that although the data are hypothetical, the graph can help the students analyze current organ-donor policies and the effects of changing these policies.
6. Discuss the answers to the questions on Activity 7.1.

Question 1: Federal law currently bans the sale of kidneys. This effectively establishes a maximum legal price for kidneys of \$0. This is called a *price ceiling*. Because of the ban, doctors may use only donated kidneys for transplants. Based on the graph, how many kidneys will people supply (donate) for transplanting when the price is \$0? ***At a zero price, people will supply 20,000 kidneys; this is where the supply curve intersects the quantity axis.***

Question 2: Why would anybody donate a kidney if the price is \$0? ***Some people donate kidneys to relatives and even to complete strangers at a price of \$0. Others donate their organs after death. People make these donations because of altruistic motives and the nature of their characters; the donation has nothing to do with monetary rewards.***

Question 3: Based on the graph, how many kidneys do patients demand when the price is \$0? ***At \$0, all patients who need a kidney would be able to afford***

one. The quantity demanded will be 80,000; this is where the demand curve crosses the quantity axis.

Question 4: The shortage in kidneys is the difference between the quantity demanded and the quantity supplied when the price is \$0. Based on the graph, what is the amount of the shortage? What do you think caused the shortage? *The number of kidneys donated (20,000) is less than the quantity of kidneys demanded (80,000) when the price is \$0. There is a shortage of 60,000 kidneys. The price ceiling caused the shortage.*

Question 5: In summary, how many kidney transplants will occur each year with the price ceiling of \$0? How many patients will remain on the waiting list? *With a legal price of \$0, there will be only 20,000 kidneys available for transplanting. This is the number of transplants. There will be a shortage of 60,000 kidneys, so 60,000 patients will remain on the waiting list.*

Question 6: Suppose the federal government repealed the law banning the sale of organs. If this were to happen, some consumers on the waiting list would begin to offer higher prices for a kidney. The market would eventually reach equilibrium where supply and demand curves intersect. At this equilibrium, what is the market price? What is the equilibrium number of kidneys people would buy? *The equilibrium of supply and demand occurs when the price reaches \$30,000 a kidney. (For comparison you might tell the students that this is roughly the average price of a new car or truck.) At this price the quantity supplied is 50,000 kidneys a year and the quantity demanded is also 50,000 a year, so the market clears.*

Question 7: How has the rise in price affected the behavior of suppliers? To answer, compare the new equilibrium quantity with your answer to Question 1. Can you make any generalizations about the people who might sell a kidney at the equilibrium price but would not donate a

kidney when the price is \$0? *The quantity of kidneys supplied would increase from 20,000 a year to 50,000 a year. Because a kidney is valuable, people who are poor and need more income are more likely to sell one of their kidneys. Other people may sell their kidneys after they die because the income to their heirs makes it worthwhile.*

Question 8: How has the rise in price affected the behavior of consumers (patients)? To answer, compare the new equilibrium quantity with your answer to Question 3. Can you make any generalizations about the people who might demand a kidney when the price is \$0 but will not buy one when the price reaches equilibrium? *As the price rises from \$0 to \$30,000, the quantity demanded decreases from 80,000 to 50,000. Some people cannot afford a kidney at a higher price or will choose an alternative medical procedure — continuing on dialysis, for example — rather than paying for an organ.*

Question 9: According to the graph, how many kidney transplants would occur each year at the new equilibrium price? How much of a shortage exists at this price? *There will be 50,000 transplants a year. Since quantity demanded equals quantity supplied at equilibrium, the shortage is now zero. What this means is that everyone who was willing to pay the equilibrium price got to buy, and everyone who wanted to sell at this price got to sell. People who were willing to pay \$30,000 would no longer be on the waiting list. However, there would still be patients needing a transplant who could not afford to buy at this price.*

Question 10: Assuming all other factors are constant, would a free market for kidneys result in more or fewer kidney-related deaths each year? *Fewer people would be at risk of dying while on dialysis because, with a free market, the number of transplants would increase from 20,000 to 50,000 a year.*

Question 11: Would a free market in kidneys be fair to poor people? Argue both sides of this issue.

YES: *A person needs only one kidney to live. The money a poor person would earn by selling a kidney can pay for college, a down payment on a house or other family needs. (A seller from a poor country might typically earn only \$500 a year. This seller can make perhaps 60 times as much selling one kidney.) If it is legal and fair for people to sell hair and blood, it should be legal to sell kidneys.*

NO: *Poor patients who need a kidney transplant will be priced out of the market by wealthier buyers. Poor people who sell their kidneys may make illogical decisions about their own welfare and face serious health consequences later. Government should be paternalistic and refuse to let people make choices that may be harmful.*

Question 12: If the legal price of kidneys is very high, does this pose a risk to public safety: Is there an incentive for organ theft? *As with any valuable commodity, the higher the potential return, the higher the chance of theft. But the current price ceiling makes a stolen kidney infinitely valuable (assuming a thief could find a hospital and surgeon to transplant it). By contrast, a free market makes kidneys relatively more available and reduces the incentive for underground markets.*

Question 13: Do you think that either the supply or demand curve might shift if the government instituted a legal market for kidneys? If so, which curve would shift and in which direction? *The demand curve probably would not shift because demand depends on the wants, needs, income and alternative choices of the recipients. None of this would be changed by legalization. The supply curve might shift inward — toward the left. Supply could decrease at every price level because altruis-*

tic donors might be less motivated to donate when people are selling organs.

Question 14: Assume there was a successful campaign to encourage more donations of kidneys. How would this campaign shift the supply curve? How would this campaign affect the equilibrium price and quantity of kidneys? What would happen to the shortage of kidneys? *The supply curve would shift to the right or increase. The price would decrease and the equilibrium quantity of kidneys transplanted would increase. The shortage would decrease.*

Question 15: Is the graph for a market in kidneys realistic? Why? *It is realistic. The demand curve might be more inelastic than shown on the graph because receiving a kidney is a matter of life and death. However, demand would not be perfectly inelastic because at higher prices some potential customers could not afford to buy a kidney and because there are substitutes for receiving a kidney transplant.*

7. Conclude by asking: If it is obvious that a significant shortage of kidneys could be alleviated if we create a legal market for organ sales, why don't we just create one? *Answers will vary. Guide the discussion toward ethical considerations. In particular, should prices be used to allocate goods in life-or-death situations?*
8. Tell the students that they will now deal with these ethical considerations. Give each student a copy of Activity 7.2, and ask them to read it. Tell them not to answer the questions yet. When they have finished reading, summarize the three main types of ethical theories.
 - **Outcomes-based ethics** holds that the right action results in the best outcomes. Clearly, having more kidneys available for transplant is a good thing because it shortens the waiting list and saves lives.

The consequences in terms of fairness or unequal access to kidneys are not as clear.

- **Duty-based ethics** is based on rules that help us do the right thing. Is it right to treat your body as a commodity? Why?

- **Virtue-based ethics** asks what a good person would do. Would a good person sell or buy a kidney? Why?

9. Ask the students to write the answers to the questions at the end of Activity 7.2 and then discuss the answers as a class.

Question 1: What are the advantages and disadvantages of an ethical theory that focuses on satisfying consumer preferences in a market? *The most difficult problem arises from a perception of fairness. As long as people believe income is distributed fairly, then the way people spend their income will be perceived as fair. Satisfying people's preferences makes many more kidneys available for transplanting and promotes individual freedom. The preference theory runs into problems when consumers prefer to buy things that society deems unacceptable such as drugs and pornography.*

Question 2: What are the advantages and disadvantages of using absolute ethical rules to determine public policy for kidneys? *The advantage is that you have a clear set of rules to guide your actions. However, this could lead to intolerance toward others who believe in different rules or who view consequences (for example, saving the most lives) as the most important criterion in implementing a policy.*

Question 3: How would you describe the ideal human character? How might your description affect your analysis of buying and selling kidneys? *Answers will vary. The discussion should make it clear that defining the ideal human character is not easy.*

Question 4: In considering the buying and selling of kidneys, which ethical approach influences you most? Why? *Answers should vary and focus on how*

different ethical theories bring about different conclusions even if people agree on the facts.

10. Give each student a copy of Activity 7.3, and ask them to read it. While they are reading the activity, put the four pieces of paper with the names of the policies on the classroom floor or on the three walls away from the door.
11. When all the students have finished reading, ask them to stand next to the policy they support. Then ask them to explain their position. *Answers will vary, and the students should support their position with ethical and economic theories. Here are some discussion points:*
 - *Supporters of outcomes-based ethics will probably support an open market or a regulated market for kidneys because they believe the outcome advances a number of worthy objectives: More lives are saved, people get to buy what they want with their incomes (efficiency in consumer preferences) and freedom is enhanced. Under some circumstances fairness to sellers is enhanced because poor people are allowed to market their kidneys at a high price. Some outcomes-based ethicists may judge fairness to buyers as an overriding concern. Patients with low incomes may suffer and therefore some outcomes-based ethicists may elect to stay with the current system or a regulated system rather than wide-open markets. A person who blends outcomes-based ethics with a duty-based approach could support a regulated market. Some outcomes-based ethicists would favor aspects of the communitarian option because it could increase the supply of donations.*
 - *Supporters of duty-based ethics may object to free markets in body parts because of the loss of dignity or sanctity implied in turning humans into commodities. They are concerned*

about the precedent that this may create in other markets such as adoption. They may also object to the presumed authoritarian consent option because of the loss of individual freedom (government using coercion to take body parts unless an individual makes a decision to the contrary). Duty-based ethicists may be influenced by religious beliefs. Some students, for example, may argue that it is wrong to sell kidneys because humans are created in the image of God.

- Supporters of virtue-based ethics would endorse the responsive communitarian approach of changing preferences through an ad campaign. If good people do good things, the impersonal forces of the market may not be necessary. Education can shape human character and increase the number of organ donations. Virtue ethicists argue that it is a mistake to treat love, benevolence and particularly public spirit as scarce resources that must be economized or they will be depleted. Unlike material factors of production, the supply of love, benevolence and public spirit may increase rather than decrease through use. Moral resources respond positively to practice, and atrophy through neglect.

- Virtue ethicists might oppose the authoritarian communitarian approach by saying a good person does not need to be coerced and might resent being forced to donate. However, according to “Can a Christian Be an Economist?” by Charles K. Wilber, University of Notre Dame, “a principal objective of publicly proclaimed laws and regulations is to stigmatize certain types of behavior and to reward others, thereby influencing individual values and behavior codes. Aristotle understood this: ‘Lawgivers make the citizen good by inculcating habits in them, and

this is the aim of every lawgiver; if he does not succeed in doing that, his legislation is a failure.’”
(<http://www.nd.edu/~cwilber/pub/recent/acexrist.html>)

CLOSURE

12. Ask why organ-donation policy is so difficult to develop. *Answers will vary, but buying and selling body parts has ethical implications that buying and selling most goods does not.*

The bottom line: Creating an open or regulated market for kidneys would help alleviate the shortage caused by current policy, which sets the legal price at \$0. Creating a legal market would also reduce activities in an illegal market. However, ethical considerations make the decision to commodify body parts more difficult. An organ market offends the religious or personal beliefs of many people. Others fear that creating a market may turn off potential donors; they believe that ethical persuasion can change people’s preferences.

ASSESSMENT

Multiple-Choice Questions

- 7.1 Which of these statements about a price ceiling is correct?
 - A. A price ceiling causes a shortage if the ceiling price is above the equilibrium price.
 - B. A price ceiling causes a surplus if the ceiling price is above the equilibrium price.
 - C. *A price ceiling causes a shortage if the ceiling price is below the equilibrium price.*
 - D. A price ceiling shifts the demand curve to the right.
- 7.2 If a legal market in kidneys for transplant replaced the current law forbidding the buying and selling of kidneys, what would happen?
 - A. The price would rise, and the quantity of kidneys demanded would increase.

B. The price would rise, and the quantity of kidneys supplied would increase.

C. The shortage of transplant kidneys would increase.

D. The supply curve for transplant kidneys would shift to the right.

7.3 Which ethical theory would be most supportive of a legal, open market for kidneys?

A. Outcomes-based ethics

B. Duty-based ethics

C. Virtue-based ethics

D. Value-based ethics

Essay Questions

7.1 Analyze the impact of the current federal law, which prohibits the sale of kidneys and allows only free-will donations. *This law creates a price ceiling at a price of \$0. This price ceiling is below equilibrium and causes a shortage of kidneys available for transplant. The policy may also create an illegal market in which people sell kidneys at very high prices and quality is not assured. Finally, because there is a shortage, nonprice considerations such as health and age determine who receives a kidney. The shortage also has resulted in a lengthy waiting list for transplants.*

7.2 Before it was stopped, bidding for a kidney on eBay reached \$5.7 million. Without considering the fact that buying kidneys is illegal, do you think the bidding should have been stopped? *This is an opinion question, but the opinion must be supported by economic and ethical considerations. A student who supports the bidding might see it as a step in alleviating the shortage. A free market is efficient, creates incentives to increase organ sales, reduces suffering and maximizes the ethical value of freedom. The initial high price would encourage others to offer*

kidneys for sale, and the price would drop in the long run. People who want to stop the bidding might have religious or other ethical views that oppose the sale of human organs. They also could view the action as unfair to poor people or as creating a backlash so good people stop donating kidneys.

GOING FURTHER

Current Kidney Data: For data on kidney transplants and waiting lists, go to the United Network for Organ Sharing Web site at <http://www.unos.org>

Underground Markets: This lesson does not discuss one of the repercussions of price ceilings, which is that illegal or underground markets in kidneys would develop. For information on this topic, go to http://news.nationalgeographic.com/news/2004/01/0116_040116_EXPLorgantraffic.html to read “Organ Shortage Fuels Illicit Trade in Human Parts.”

Ethical Decision Making: The Markkula Center for Applied Ethics at Santa Clara University has an excellent Web site for decision making when ethical dilemmas are present: <http://www.scu.edu/ethics/practicing/decision/>

How to Increase Kidney Donations: An alternative method of alleviating the kidney shortage is to increase the number of voluntary donations. For a discussion of this communitarian approach, see Amitai Etzioni, “Organ Donation: A Communitarian Approach” at http://muse.jhu.edu/journals/kennedy_institute_of_ethics_journal/toc/ken_13.1.html

VISUAL 7.1

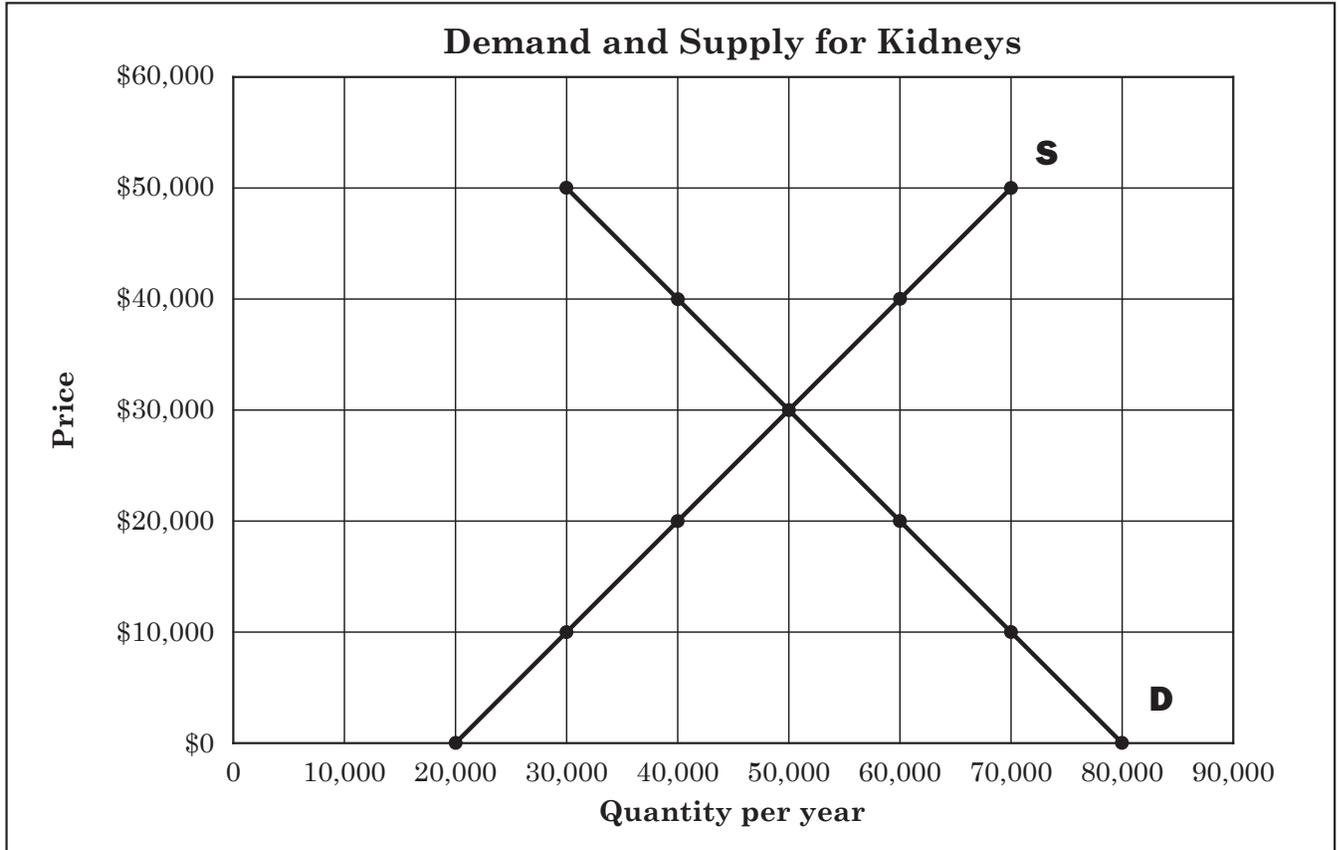
ORGAN TRANSPLANTS: DEMAND EXCEEDS SUPPLY

Federal law prohibits buying and selling organs for transplant. In 2005:

- Doctors transplanted 28,000 organs in the United States — more than 21,000 from deceased donors and 7,000 from living donors.
- 6,000 patients died while waiting for a transplant.
- 91,000 patients were on a waiting list for transplants (all organs).
- The waiting list for transplants increased at twice the rate of donations.
- Survival rates for transplant recipients continued to increase.

Source: U.S. Organ Procurement and Transplantation Network, administered by the United Network for Organ Sharing. More recent data are available at <http://www.optn.org/data>

VISUAL 7.2
 SUPPLY OF AND DEMAND FOR KIDNEYS



(Note: All data are hypothetical.)

ACTIVITY 7.1 A MARKET IN KIDNEYS

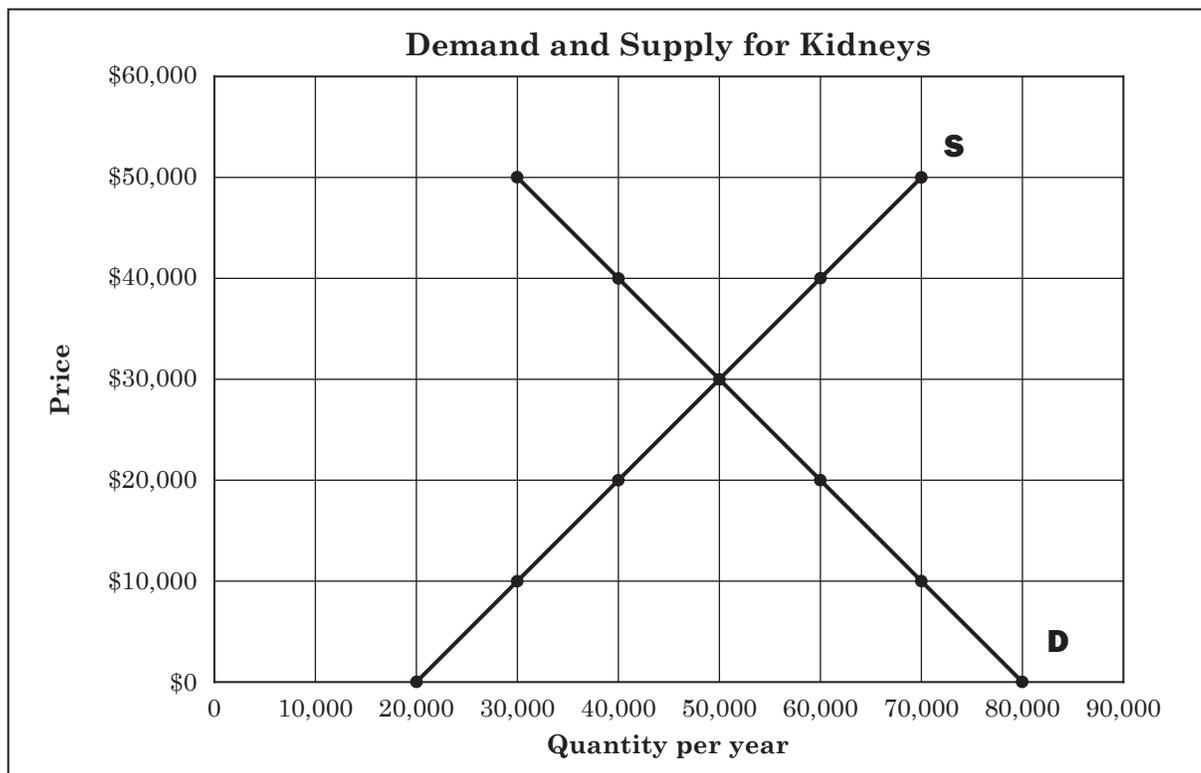
Directions: Read the information and write the answers to the questions.

In the United States about 60,000 patients are on a waiting list for a kidney. Many of these patients will die before receiving one. In this activity we will build a model to help us understand the nature of the kidney shortage. All numbers are hypothetical and for illustrative purposes only.

We start by examining the behavior of people who make kidneys available for transplanting. Kidneys are supplied for transplant in two ways:

- through people dying
- through living people giving up a kidney. Everyone has two kidneys and can survive on just one. Kidneys from living people are generally higher quality, and transplants with these kidneys tend to be more successful.

If people were allowed to buy and sell organs, here’s what the hypothetical supply and demand curves for kidneys would look like:



ACTIVITY 7.1 (continued)

A MARKET IN KIDNEYS

The supply curve (S) shows the relationship between the price and the quantity of kidneys available for transplanting each year. This is a positive relationship because the higher the price, the greater the number of living individuals who would willingly give up a kidney in exchange for money. While it may seem gruesome to sell an organ for money, many poor people would make this decision with the hope of bettering their lives.

The demand curve (D) shows the relationship between the price and the quantity of kidneys patients are willing and able to buy each year. This is a negative relationship because the higher the price, the fewer the number of individuals who would be willing and able to buy a kidney. It might seem that patients would be willing to pay any price for a kidney if the alternative is death. However, patients have limits on their income and wealth. While they might want to pay a high price, their circumstances may not allow it. Hence, the demand curve for kidneys would not be vertical (perfectly inelastic).

Questions

1. Federal law currently bans the sale of kidneys. This effectively establishes a maximum legal price for kidneys of \$0. This is called a *price ceiling*. Because of the ban, doctors may use only donated kidneys for transplants. Based on the graph, how many kidneys will people supply (donate) for transplanting when the price is \$0?

2. Why would anybody donate a kidney if the price is \$0?

ACTIVITY 7.1 (continued)

A MARKET IN KIDNEYS

7. How has the rise in price affected the behavior of suppliers? To answer, compare the new equilibrium quantity with your answer to Question 1. Can you make any generalizations about the people who might sell a kidney at the equilibrium price but would not donate a kidney when the price is \$0?

8. How has the rise in price affected the behavior of consumers (patients)? To answer, compare the new equilibrium quantity with your answer to Question 3. Can you make any generalizations about the people who might demand a kidney when the price is \$0 but who will not buy one when the price reaches equilibrium?

9. According to the graph, how many kidney transplants would occur each year at the new equilibrium price? How much of a shortage exists at this price?

10. Assuming all other factors are constant, would a free market for kidneys result in more or fewer kidney-related deaths each year?

ACTIVITY 7.1 (continued) A MARKET IN KIDNEYS

11. Would a free market in kidneys be fair to poor people? Argue both sides of this issue.

12. If the legal price of kidneys is very high, does this pose a risk to public safety: Is there an incentive for organ theft?

13. Do you think that either the supply or demand curve might shift if the government instituted a legal market for kidneys? If so, which curve would shift and in which direction?

14. Assume there was a successful campaign to encourage more donations of kidneys. How would this campaign shift the supply curve? How would this campaign affect the equilibrium price and quantity of kidneys? What would happen to the shortage of kidneys?

15. Is the graph for a market in kidneys realistic? Why?

ACTIVITY 7.2

THE ETHICS OF A LEGAL MARKET IN KIDNEYS

Is it desirable to buy and sell kidneys? To answer this question, you must apply ethical reasoning and economic analysis. This requires some understanding of ethical theories, along with the main arguments for and against them.

The purpose of ethics is to guide action. Every human action involves 1) an agent who performs 2) some action that has 3) particular consequences:

Agent ▶ Action ▶ Consequences

Each of the three main types of ethical theories focuses on a different part of this sequence. Starting with the last item first, these are the theories:

OUTCOMES-BASED ETHICS (RIGHT CONSEQUENCES)

According to outcomes-based ethics, the best action is the one that produces the best consequences. It's the results that truly matter. The idea is first to define what is most valuable and then act to maximize this valuable outcome.

Modern economic welfare theory is outcomes-based. The most highly valued goal is the capacity to satisfy consumer preferences. According to this theory, we would evaluate the market for kidneys on the basis of whether the market increases the availability of these organs to the consumers who are most willing and able to buy them, reducing or eliminating the waiting list for kidney transplants.

Not all outcomes-based ethicists would agree that satisfying consumer preferences is the main goal. Some may give higher priority to outcomes that they believe are fair or that achieve some other objective such as public safety.

DUTY-BASED ETHICS (RIGHT ACTION)

Duty-based ethics focuses on a set of ethical principles, duties or rules to guide action or process. Basic ethical duties or rights are “absolute” or “unalienable” (as in the U.S. Declaration of Independence) and should be respected regardless of other considerations. For example, it is never ethical to murder someone, even if this outcome would produce the greatest happiness for the rest of society.

ACTIVITY 7.2 (continued)

THE ETHICS OF A LEGAL MARKET IN KIDNEYS

The Ten Commandments are an example of religious ethical rules. Many religious traditions regard the human body as sacred and inviolate. Would it defile religious law to regard the body as a commodity that can be bought and sold? Would organ sales open the door to the sale of children or to prostitution?

VIRTUE-BASED ETHICS (RIGHT AGENT)

Virtue-based ethics starts with the intentions of agents who are contemplating taking some action. Virtues are the personal qualities that enable us to do the things that good people do. Good people have ideal character traits that include honesty, integrity, courage, concern for others and loyalty.

Would a virtuous person buy and sell human organs? Exemplars such as Mother Teresa, Martin Luther King Jr. and Abraham Lincoln set admirable examples for some virtue ethicists. The “WWJD” printed on T-shirts and billboards means “What would Jesus do?” On a more modest level, our model might be “What would our mother or father do?”

ACTIVITY 7.3

WHICH POLICY DO YOU FAVOR?

Directions: The previous Activities have provided you with an economic and ethical basis for evaluating kidney-transplant policies. Now it is time for you to be the policy maker. Read the following information and then decide which policy you support. Be ready to justify your decision. Which policy saves the most lives? Which conforms most closely to the ethical framework you find most acceptable?

OPTION 1: THE CURRENT SYSTEM

A national law makes it illegal to sell human organs. Anyone who sells a kidney faces jail, fines or both. People may donate kidneys, however, and doctors distribute donated kidneys on the basis of need. Some of the factors they consider in allocating kidneys are the patient's age and medical condition, how long the patient has been on a waiting list and whether the donor is in the local area.

Under this system, there is a shortage of kidneys, and many people are on a waiting list for years. During this time they receive costly dialysis treatment, and many people die.

OPTION 2: AN OPEN MARKET

Create an open market in kidneys. People may sell their kidneys on the market for the highest price they can get. They may sell and deliver a kidney while they are still alive, or they may sell for delivery after they die. Brokerage firms match buyers and sellers. People could even sell kidneys on eBay. Recipients would pay for the kidney the same way they pay for other medical care: with their own funds or through insurance, government programs and charity.

ACTIVITY 7.3 (continued)

WHICH POLICY DO YOU FAVOR?

OPTION 3: A REGULATED MARKET

Create a market in which anyone may sell a kidney, but only authorized institutions such as hospitals may legally buy. This option reduces the possibility of acquiring kidneys through involuntary means such as theft or murder. The institutions would allocate the kidneys on a basis similar to the way kidneys are allocated today using age, medical need or time spent on a waiting list. Recipients would pay for the kidneys with private funds, insurance, government assistance and charity.

OPTION 4: A COMMUNITARIAN APPROACH

This approach uses nonmarket mechanisms to increase the supply in several ways.

A marketing campaign would increase people's awareness of the issue and alter their preferences for organ donation through moral persuasion. The slogan for a national television campaign might be "Friends don't let friends waste the gift of life." This is not an appeal to altruism but to people's sense of moral obligation and duty.

A more authoritarian policy would legally mandate that when people die, all their organs will be donated unless they indicate otherwise. People who don't want to donate must take the extra step to note this in advance on their driver's license. Today people must agree in advance for their organs to be donated.

