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Table of Contents

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Note from the editor

Dear reader,

As the new editor it is a great pleasure to present you with this issue. I would like to thank my predecessor, Andrea Mennicken, for the magnificent job that she and her team have done, as well as for her very helpful advice and support during the editorial transition. I will try to follow her good example by directing the attention of economic sociologists to new fields of interest, and by providing a lively platform for debate. I would also like to thank the Editorial Board for their confidence in my appointment.

This issue of the *Newsletter* is mainly concerned with the commodification of the body. This is not an entirely new topic. Some years ago, Nancy Scheper Hugues and Loïc Wacquant edited a special issue of *Body and Society* (*Commodifying Bodies*, 2001, vol.7, nos. 2-3) dedicated to this topic. More recently, Kieran Healy (*Last Best Gift. Altruism and the Market for Human Blood and Organs.* Chicago University Press, 2006) has published a study of the situation in the US and in Europe, focusing on the tension between the rhetoric of gift-giving and the organizational settings in which human body parts move from one person to another.

Many aspects of the commodification of the body lie in the future. In this issue, the reader will find two papers endorsing completely different positions on the sensitive issue of the market for human body parts. Mark Cherry claims a moral imperative for the market, whereas Nancy Scheper Hugues presents evidence of morally outrageous forms of exchange from her international fieldwork. The reader should however bear in mind that this issue is no longer limited to the academic world, or at least the academic world of social scientists, since it is now the subject of discussion, pro and contra, among transplant surgeons who are directly involved with the issue. The commodification of the body is also raised with respect to the difficult problem that organizations face where the production and the distribution of blood is involved. In some respects there is an important role here for the economic sociologist, as is demonstrated by Sophie Chauveau in a history of the French blood system. Here tariffs play a critical part within the rhetoric of gift giving when the management of a complex system of blood collection, production and distribution is at stake. Nevertheless, this issue does not capture the whole of the story. Lea Karpel explains how the gift-giving process functions in the case of infertile couples and how the gift of oocytes is organized in France, focusing on the social relations between donors, parents and child. Finally, Michel Anteby considers the case of a "market" for cadavers in the US. Here we are no longer in the domain of organ transplant or blood transfusion, but enter the domain of the professional training of surgeons, a process for which human remains are absolutely necessary and which entails forms of exchanges that repay study.

Further to the excellent issue on the financial crisis (March 2009), we seek to go deeper into this question with two new contributions. Horacio Ortiz investigates the imaginary figures of investment management, focusing on the pervasive practical role played by the figure of the "investor" routinely acting within "efficient markets". Secondly, there is an interview with Neil Fligstein, one of world's most prominent economic sociologists. He gives a critical view of sociologists' shortcomings in foreseeing the crisis, and scrutinizes the situation in the light of his model of market architecture, underlining the crucial role of the state.

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A Market for Human Cadavers in All but Name?

By Michel Anteby

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Anyone who has been trained as a physician – or is close to someone who has been – is aware that the dissection of a cadaver is an integral part of the physician's learning and socialization. The first incision is something few physicians forget. That procedure is reproduced time after time, in country after country, and provides a seminal building block of medical education (Boulware et al. 2004). As a physician recalling that precise moment explains: "It is at times awe-inspiring and at other times profoundly upsetting" (Montross 2009). Dissecting a cadaver, she adds, also gives young doctors "an appreciation for the wonders of the human body". Students often give their first "patient" affectionate names; however, much less attention is paid to where the cadaver came from.

Tensions around the Supply and Demand of Cadavers

Supplying human cadavers is left to the responsibility of others, most notably the anatomy course instructors or school administrators. These individuals are not alone in trying to secure specimens. Alongside primary medical education providers, a large number and wide range of other users are also trying to secure cadavers for their own needs. The continuing training of medical doctors, for instance, relies on cadavers. In addition, allied health professionals, emergency medical workers, and medical researchers all demand cadavers or cadaver parts. As an illustration, orthopedic surgeons use human joints to fine-tune their skills to learn new procedures. Similarly, some researchers studying Alzheimer's disease might require human brains. Also, government agencies and automotive manufacturers that try to improve automotive safety benefit from research using cadavers.

It does not help that many users seek the same "good" type of cadavers. A good specimen, in this context, means a young cadaver, one not overly obese or too evidently diseased. Such a description is generally the antithesis of cadavers made typically available through donations, so the supply is further strained. Not surprisingly, both in the United States and other countries, those who require cadavers often question the adequacy of the supply and regularly voice their fear of shortages of cadavers (Agthong and Wiwanitkit 2002; Assemblée Nationale du Québec 2004; U.K. Department of Health 2005).

However, trying to address the question of a shortage of cadavers often means facing the taboo on trading human anatomical goods (Delmonico et al. 2002; Scheper-Hughes 2000; Steiner 2006; Titmuss 1971). Blood, organs, and cadavers are generally thought to be better left untouched by market dynamics. Their sacredness sets them apart from other traded goods. As Philippe Steiner recently reminded us in this newsletter, he began researching organ donation because of the stringency of the ban on market transactions for organs (Steiner 2009). In essence, many would argue that blood, organs, and cadavers should not be considered goods.

That said, the demand for cadavers remains strong, and numerous ideas have been voiced to augment the supply. As an illustration, there is an ongoing debate about the impact of using financial incentives for donors or their families to encourage anatomical donations (Clay and Block 2002; Delmonico et al. 2002; Harrington and Sayre 2006; Obermann 1998). Similarly, surveys of potential whole-body donors seek to gain insight into the reluctance to donate and how better to educate potential donors (Boulware et al. 2004; Richardson and Hurwitz 1995; Sanner 1994). By understanding the reluctance to donate, the hope is that the root causes of such reluctance might be addressed.

Another novel solution to the cadaver shortage lies in securing specimens from a new set of actors in the commerce in cadavers. These actors are legal entrepreneurial ventures that have been operating for more than a decade in the United States; they cater to domestic users and international ones alike. (The procurement of cadavers is regulated, but the export of cadavers much less so.) For medical schools in countries with strong societal norms against donating one's body to science, such a supply route can prove quite practical. In those and other instances, medical schools can purchase for a fee the entrepreneurial ventures' services and help medical students learn their craft. Like corn, wheat, and civilian aircrafts, cadavers sent abroad can be seen as another U.S. export product, although one dwarfed by these other export categories. The notion of human cadavers as a thriving export industry is obviously far away; however, I want to suggest that its legality and limited occurrence underline crucial new developments in markets for anatomical goods. While the international organ trade is almost unanimously condemned, human cadavers can legally freely flow across the globe.

The Legal U.S. Framework for Trading Human Cadavers

To my knowledge, the United States is the only country that has seen the development of legal entrepreneurial ventures supplying cadavers for medical education and research. The ventures are small operations (as opposed to individual brokers) and engage in the legal commerce in cadavers. In the U.S. entrepreneurial spirit, these ventures serve this atypical demand by acting as matchmakers between donors and healthcare areas. Such a development makes many observers pause since there is a strong taboo in many countries – including the United States – against trading human cadavers. However, the technicalities of the cadaver trade somewhat skirt this taboo.

Indeed, the law basically says cadavers cannot be bought and sold; however, the services surrounding their procurement can be reimbursed. More precisely, the 1987 Uniform Anatomical Gift Act that governs U.S. anatomical donations makes it a felony to "knowingly, for valuable consideration, purchase or sell a [body] part for transplantation or therapy, if removal of the part is intended to occur after the death of the descendent." However, the Act excludes from this consideration "the reasonable payment [by healthcare areas] for the removal, processing, disposal, preservation, quality control, storage, transportation, or implantation of a part," thus allowing operators to procure and supply body parts (National Conference of Commissioners on Uniform State Laws 1987). (A 2006 revision to the Act reiterated this framework.) The window of opportunity, if you wish, is even larger than it might appear. More specifically, the purchase or sale of whole bodies – not parts – is absent from the Act's provision. Second, the purchase and sale of body parts for purposes *other than* transplantation or therapy are also absent from the Act's provision. Thus, many opportunities open up for entrepreneurial pursuits.

In this context, mom-and-pop shops have emerged alongside more traditional academic-housed programs to procure whole-body donations. As an illustration, a potential donor in Arizona could decide to sign consent forms to donate his or her body to Science Care (a for-profit entrepreneurial venture located in Arizona) or to the University of Arizona's College of Medicine. Why the donor might chose to select one program over another is an empirical question, but the main point is that donors and their families have a choice of program recipient, and that some kind of trade occurs. Financial trades are not between the donors and the programs since donors and their families cannot receive financial compensation for donations but rather between the procuring programs and end users. Put otherwise, this framework allows programs to compete for donations and sell their services to specimen users.

In the past decade, legal for-profit or non-profit entrepreneurial ventures alongside traditional procuring programs in medical schools have started supplying users. In the United States, there are currently more than 100 academic-housed whole-body donation programs (University of Florida State Anatomical Board 2004) and a dozen for-profit or non-profit entrepreneurial ventures. Though welcomed by some specimen users, entrepreneurial ventures often conjure concern about the creation of a market for human cadavers. Such concern is also probably heightened by U.S. historical accounts of grave robbing (Goodwin 2006; Sappol 2002; Shultz 1991). Together these elements contribute to fears of "body-snatching."

A Market in All but Name

Arguably, our grandparents, parents, and friends are not being traded on an open market. Quite the contrary, U.S. law ensures that sufficient protection is in place so that this could never happen. However, the ability to legally acquire a cadaver and reimburse a supplier for procuring costs is an important step in creating a market infrastructure. It is a market where the goods are not priced but the services are. This is not to say that in the past, medical schools could not legally acquire cadavers from another program. A school could, for instance, call another school, even one out of state, to inquire if surplus cadavers were available for the upcoming academic year. If cadavers were available and the schools agreed to cooperate, the transportation and embalming costs could be reimbursed by the end user. In practice, however, school administrators did not consider this competing for specimens; instead, they felt they were helping each other out – perhaps even reciprocating the exchange in another academic year.

With the advent of entrepreneurial ventures, nothing in a way has changed; only new suppliers have come onboard in this commerce. However, the number of cadavers acquired by entrepreneurial ventures in recent years leaves little doubt that the ventures are a growing presence in the U.S. commerce for cadavers. There is no federal monitoring of whole body donations in the United States, but estimates suggest that the total number of whole-body donations might be about 20,000 annually (Becker and Elías 2007). Already, the two largest entrepreneurial ventures handle more than 2,000 donations per year or 10% of the yearly volume of donations.

A Glimpse into the Future?

The competitive forces that may appear in this new "market" are poorly understood. To assess the potential impact of entrepreneurial ventures on procurement of cadavers, Anteby and Hyman (2008) conducted an archival survey of voluntary in-state whole-body donors to two programs operating in the same U.S. state, namely the State of Maryland. Importantly, one program was a traditional academic-housed program and the other was an entrepreneurial venture. Both programs offered equal levels of financial reimbursement for transportation and cremation costs.

The study shows that although the programs procured from a somewhat similar pool of donors, they also complemented one another. Donations to the two programs did not significantly differ in terms of donors' sex, marital status, maximum educational level, or estimated hourly wage. However, the entrepreneurial venture's donors were significantly younger, more likely to be from a minority group, and more likely to have died from cancer. Thus, each program seemed to target a somewhat distinct population. The study also analyzed the programs' specimen recipients or end users. The most likely recipients of the entrepreneurial venture's specimens were for-profit organizations, continuing medical training organizations, and medical device companies. Non-profit and academic organizations were more likely recipients of the academic-housed program's specimens.

If the State of Maryland is representative of the broader U.S. cadaver commerce, some lessons can be learned from the analysis. Most notably, it seems that the programs do not yet fully compete; instead, they tend to specialize in their respective niches – politely eying each other and making sure not to overlap too directly. Such niche specialization is a fixture of many other nascent markets. It remains to be seen whether more head-on competition will occur later; however, if the history of other markets is any guide, such competition is to be expected in more mature markets.

Greater availability of cadavers for medical science could accelerate the quality of medical training and procedures – a fact most users recognize. Nonetheless, how much trust can be put in markets to ensure these outcomes? How should a donor decide between two donation options? What are the logics of such a decision? What does competition for whole-body donations look like? How might this impact other donations? More importantly, perhaps, should programs compete for donations? All these questions require empirical examination.

Much of the debate on human anatomical goods has focused on limiting the market's reach. The U.S. legal commerce in cadavers proves an anomaly in the broader debate on morals and markets (Fourcade-Gourinchas and Healy 2007; Zelizer 1979), particularly when compared to the commerce in blood and organs. Slowly and within limits, a legal, fairly unregulated U.S. commerce in cadavers is taking shape. The growth of entrepreneurial ventures suggests that the question of whether such commerce can exist has *de facto* been answered. Cadavers are being donated every day to a variety of programs, both to traditional medical schools and to entrepreneurial ventures located in and out-of-state. The few states that have tried to limit the reach of such ventures have mostly been prevented from interfering on the basis of freedom of interstate commerce.

Irrespective of whether a legal market for cadavers might be considered a reason for sorrow or joy, market dynamics around whole-body donations operate in the United States. It remains crucial to understand how and why these dynamics develop. Scholars, particularly economic sociologists engaging in the sociological analysis of economic phenomena, are ideally suited to analyze these developments and initiate a discussion. As Michael Sandel recently remarked, the decision when to use markets is "a political question" that requires debate (Sandel 2009). He added, "The hope for moral and civic renewal depends on having that debate now," but warned that such a debate is "not likely to produce quick or easy agreement." The commerce in cadavers begs for such a debate.

The commerce in cadavers in the United States rests on many key principles, including the need for explicit donor consent, the respect of the donor or the family's wishes, and the need to balance users' needs with donors' wishes. Another key principle governing this commerce, however, seems to be the freedom of interstate commerce that permits entrepreneurial ventures to grow and operate on a national scale. That same principle is often used to justify the free international flow of goods and is core to many international trade agreements. The day medical schools, medical-device companies, and continuing medical education facilities located abroad might routinely call a U.S. entrepreneurial venture to legally procure human cadavers is not far away. The debate on the legitimacy of fulfilling such a request might not produce a "quick and easy agreement" but is worth starting now. Purchasing the services of an entrepreneurial venture to send a cadaver (domestically or overseas) is no longer an empirical question; this does not mean, however, that it should not be a political one. The role of scholars is to provide the empirical input to inform the political debate.

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The Tyranny and the Terror of the Gift: Sacrificial Violence and the Gift of Life

By Nancy Scheper-Hughes

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Elsewhere[1] I have described the criminal aspects of the traffic in humans for their disposable organs and tissues. I have publicized the scars left not only on the ruined bodies of disillusioned sellers but on the geo-political landscapes where the illicit transplant trade has taken root. In an effort to get the attention of medical professionals, human rights organizations, regulatory agencies and government officials I have used forceful language. I have described organs buying and brokering as 'neo-cannibalism', as bio-lust, body theft, and, even as bio-terrorism. I have called surgeons involved in brokered living donor transplants as 'outlaws', 'vultures', part of an international "organs mafia" and their local recruiters as 'kidney-hunters'. I described the buyers – the transplant tourists and travelers – as the ethically impaired, giving no more thought to helping themselves to kidneys purchased from depressed, displaced, disgraced and debt-ridden slum and shantytown dwellers than if they were actually dead bodies rather than proxy-cadavers.

At the heart of my decade long, multi-sited project on the global traffic in organs, tissues, and body parts is an anthropological analysis of post-modern forms of human sacrifice. Neo-liberal global capitalism, alongside the spread of advanced medical and biotechnologies have incited new tastes and desires for the skin, bone, blood, organs, tissue and reproductive and genetic material of the other. The darker side of organs harvesting and transplant, focusing on the 'fetishized kidney' the new 'blood diamonds' in the global trade in organs. This new commodity is an organ of opportunity and an organ of last resort for both the buyers and the sellers.

Finally, I have over the past decade mapped on the ground the traffic in humans for 'fresh' organs, and identified the key players in the medical under-world of transplant tourism. This traffic is fueled by a neo-liberal economy that values humans as commodities and the 'self' as a market mechanism – suppliers, brokers, buyers, sellers, and processors – of re-usable body parts, pushing human agency and hyper-individualism to their extreme limits. I will discuss organ sharing for transplant in terms of the unruly desires, demands and obligations it has released with respect to procuring 'fresh' organs and tissues from living people. The situation puts one in mind of the absurd Monty Python skit from *The Meaning of Life*[2] ("We're here for your liver." "But I'm still using it!") that captures a truth that is concealed within the rhetoric on the 'gift of life' – a demand for self-sacrifice. Whereas altruistic (gifted) and commercial (sold) organs for transplant are normally treated as very different phenomena, I will emphasize their common features. Both operate from within the same economic and moral imperatives.

The enduring bio-ethical quandaries of transplant medicine can be subsumed under the four C's: (1) *Consumption*: the conditions making it ethically permissible to consume the body parts of the other, living or dead, and what that compassionate cannibalism entails; (2) *Consent*: especially with respect to the recruitment of the vulnerable as organs-givers and convenient sources of fresh and non reproducible medical material; (3) *Coercion*: the demand for sacrificial violence and bodily gifting to fulfill altruistic, kin-based, or economic survivalist needs; and, finally, (4) *Commodification*: the fragmentation of the body and the sale and distribution of its (alienated) parts. In the following I will attempt to weave these together to show how seamlessly the language and ethics of gift and commodity merge in the context of organ procurement.

The Duty to Give, Selfless Love and the Moral Imperative to Gift Organs

From its origins transplant surgery presented itself as a complicated problem in gift relations. The language of transplant is saturated with the rhetoric of altruism, sharing, gift-giving, life-saving and sacrifice. Transplant depends on the willingness of ordinary people to share their bodies – organs and tissues – with either a mortally sick loved one or with a stranger. But the 'gift of life' is (like 'life insurance') a euphemism; deceased (cadaveric) donation is the 'gift of death'.

Today, the emergence of new 'moral imperatives'**3** supporting living donation, altruistic and commercialized, *is a terrible beauty hiding a terrible duty*, the duty to share body parts re-imagined as *divisible* (half livers) and as *dispensable* (spare kidneys and lungs). The obligation to share organs derives from a theological ethic of pure goodness. The Christian mandate – "This is my Body – Take and Eat" – resonates with the Talmudic ethic**4** of selfless love, interpreted by Levinas as 'substitution', meaning a preference for the other at the expense of one's survival, if need be.

One man who took the new moral imperative to heart, so to speak, is a non religious Jew, a self made millionaire from Philadelphia. A conscientious philanthropist, Zell Kravinsky, decided that giving away his forty-five-million-dollar real-estate fortune to charity was not good enough. Inspired by a radical utilitarian ethic of striving for the 'greatest good for the greatest number', Kravinsky arranged secretly (without his wife and children knowing about it) to donate one of his kidneys to a poor African-American woman he did not know. Encouraged by the result he looked for a way to donate his second kidney to another stranger. Then he began to entertain the idea of becoming the *'first total (living) body donor'* so he could save even more lives.**5**

Kravinsky calculated the gain in terms of the sheer number of lives that could be saved by just one of his organs. His own life would be worth much more parceled out among thirty or more individuals who would get one of his eyes, lungs, liver, pancreas, tendons, skin, even his face! The problem was that Karvinsky's perfect gift of selfless love was quite mad, a form of altruistic suicide. He was a kamikaze organs donor. Ultimately, his wife and children prevailed on Zell to think of them, and to search for another path to perfection that would not sacrifice their needs. But even on his own terms, Kravinsky's math was off. Had he factored in the risk of organ rejection, the brief half lives of many transplanted organs into bodies already racked and compromised by chronic disease, he would have come up with a different equation. In a telephone interview Kravinsky told me that his grandiose goal might be vain – no surgeons would cooperate with him – but he defended his desire to morally improve. He could not conceive of any purpose to humanity's absurd biological persistence, given the harm it inflicts on the planet, other than its moral improvement. Kravinsky the suicidal organs donor, is both an ethical Darwinian and a radical existentialist.

At the beginning and in the early days of transplant, living donation was treated an exception to the rule favoring *deceased* donors. A 1970 UN Economic and Social Council report recognized the impact of transplant capabilities on pressures for family members to donate a kidney to a sick relative. The report warned surgeons against using "moral blackmail" to "extort" organs from the intimates and loved ones of patients.

Anthropologists and sociologists obviously entertain different assumptions than physicians and surgeons about families, altruism, and gift exchange. We know that families are often violent and predatory, that pure altruism does not exist, not even towards ones own offspring. From Marcel Mauss, Levi-Strauss, Godelier, Strathern and Bourdieu we know that gifts are never free, that they come with strings and often make the recipient beholden. Gifts are always simultaneously generous and indebting, spontaneous and calculated. Sooner or later all gifts demand counter-gifts that can wipe out or destroy the recipient. To refuse a gift, however, Mauss wrote, is "tantamount to declaring war". It is a rejection of kinship, social solidarity and amity.

There is a spiritual element to gifts. Mauss used the Maori term 'hau' that refers to 'spirit of the giver' that adheres to the gifted object. "The hau", Mauss wrote, "always desires to return to its birthplace, to the forest, and the clan, and to the owner." And "to accept something from somebody is to accept some part of his spiritual essence, his soul. To retain that thing would be dangerous and mortal." Thus, a return or counter – gift is offered to beat back the desire of the gift to return to its owner. The counter gift is a proxy, a substitute.

But kula loot – shell necklaces for shell armbands – is one thing, human hearts and kidney and livers is another. You can see where this is leading in the context of organ donation where the kidney, the heart, the liver may be seen as experiencing a sense of loss, dislocation, and the desire to return to its native home, its original owner. To give an organ from a deceased or a living donor sets up an impossible expectation of reciprocity. The gift of an organ is too animate, too lively, too intimate, too personal – it is too heavy a burden – it cannot possibly be reciprocated. As a consequence, the giver, the receiver, and their families may become locked in a creditor-debtor-vise that binds them to each other in a mutually fettering way.

In some societies, like Japan, where the rituals of gift giving are very elaborate, individuals fear being the recipient of a large and impressive gift that can humiliate the receiver who has no possibility of repaying it. The gift of a donated organ is so extraordinary that it is inherently unreciprocal. It has no physical or symbolic equivalent. The gift-giver may lord it over the recipient and may feel proprietary toward the recipient of their largesse. In my field notes are examples of the following: (1) a father who gave his 16-year-old son a kidney continues to control his movements well into adulthood, even reading and censoring his love letters; (2) an older sister refuses to allow her younger brother to ride his motorcycle or go out to parties where alcohol was served because it might damage 'her' kidney; (3) an aunt who rejects the engagement of her niece to a man the aunt deems unworthy of the person whose life she had saved with her donated kidney. In each case the donor did not give but only 'lent' a kidney to the patient. Renee Fox and Judith Swazey referred to the 'tyranny of the gift' to capture such ambiguities in organ sharing within families. One can imagine why paying a stranger for a kidney can seem liberating to the patient who needs an organ.

Recognizing these family dilemmas surgeons in many parts of the world, protect designated donors from having to do so, by providing them with a medical alibi such as tissue incompatibility. But as transplant technologies have increased the proportion of living over deceased kidney (and part liver) donors has doubled in the past decade, the early reservations and ethical shudder toward using the bodies of the healthy to rescue the mortally ill has been replaced by active recruitment of living donors, related and unrelated, altruistic and paid. Living donation has become ordinary, routine, and expected. And the time is ripe to revisit the topic, in an effort to recapture some of the original 'strangeness' toward dipping too readily into the bodies of of the living to provide fresh organs.

The spread of transplant technologies to almost every part of the world has created a new global scarcity of organs and led to illicit markets in bodies, dead and alive, to supply the demand for them. What was once a fairy closed, internal circulation / consumption of organs within national boundaries have become open and extra-territorial. Living donation among strangers became feasible after the development of powerful anti-rejection medications. Thus new demands for unrelated living donation – both 'good Samaritan' [such as *Matching Donors.Com*] and 'Donors for Dollars' programs [*Livers4You.com*] have proliferated.

Living donation to strangers has been embraced by some charismatic Christian churches, especially in Southern part of the United States. On any given Sunday in small rural towns one can find evangelical ministers exhorting members of their congregation to come forward and commitment themselves as anonymous organs donors, modeling themselves after the scarred and crucified Jesus, the first and most exemplary organs donor. Good Samaritan donors are motivated by faith, but also by the search for celebrity, and by the desire to compensate for failures in other domains. For "Arielle Dove", a Good Samaritan donor from northern California, donating her kidney to a stranger she had met via the internet was a way, she told me to 'give birth' following repeated failures to conceive via IVF. She flew at her own expense to a university hospital in South Carolina were her nephrectomy (kidney removal) seemed at first like a miraculous experience of "giving birth" until she met the elderly man who received her 'gift of life' and realizing that she wouldn't get to take her baby home with her.

The emphasis on fostering voluntary and altruistic donation among strangers might seem to suggest a radical counter – domain to predominant market logics, but in fact economic liberalism provides transplant medicine an opportunity to tap into this unpaid source of medical materials, leading some advocates of living donation to clean up the system by advocating payments to altruistic donors to prevent their self-exploitation.

In the watery slum of Banong Lupa, Manila, a site of active kidney selling, I stumbled on a troubling phenomenon – family obligations and normal household pressures that gradually turned every adult body in the household into a living kidney bank. At first the obligation to sell a kidney to supplement low wages and to provide for the basic necessities for one's family fell initially on male heads of households. Over time, kidney selling became routine and was generally perceived as a meritorious act of self-sacrifice, demonstrating the lengths to which a good husband and father would go to protect his family. On a second, follow-up fieldtrip to Manila in 2003 as part of a documentary film team, I observed many more scarred bodies among young men and boys, even underage teenagers, who had lied about their age to be accepted as paid kidney donors in both public and private hospitals in Manila.

Sixteen-year-old Faustino was recruited by his maternal uncle, Ray Arcela, a former kidney seller. "It's your turn", Ray told the boy reminding him that Faustino's father and his two older brothers had already sold a kidney. The $2000 earned per kidney never got these large families out of trouble. Similarly, Andreas was 17 when his mother begged him to sell a kidney so she could purchase the cases of beer, cokes and hard liquor she sold out of her shack. A good son, Andreas could not refuse his mother's request. Kidney selling had become a rite of passage among adolescents, and the pronounced kidney scar across the torso of a teen in Banong Lupa was as common as a decorative tattoo. Just as tattoos signified membership in a youth subculture, the long saber-like scar across the young men's torso symbolized machismo, courage and family loyalty, indicating the boy's attempt to support his parents.

Kidney Kin and the Gift That Binds

In the kidney sale belt in South Asia (as described by my colleague, Lawrence Cohen) and in the Middle East (the Gulf States and Israel) that I have documented, the possibility of purchasing a kidney *relieves family members of the obligation to give*. The kidney patient no longer needs to ask a relative for an organ, but can arrange to pay a third party to locate a seller. It is also a great relief to the transplant patients who state, often quite bluntly, a preference for a paid donor so as to be a guilt-free recipient. Or Milech, an Israeli woman who traveled to Durban where she was transplanted with the kidney purchased from a Romanian peasant told me:

To ask someone from inside your own family, it's too difficult. It's like you owe him your life, so it's always a big problem, always hanging like a weight on you. If I would have to see my donor every day, I would have to be thanking him all the time and that would be awful. I didn't want to see the face of the kidney seller, so that I would never have to think about him again. I paid for it. He accepted it. It's done, over. His kidney inside me belongs to me now, the same as if it were a cadaver kidney.

Another Israeli transplant tourist, an elderly gentleman from Jerusalem, put it more bluntly: "It is better to buy from a Goy (a non-Jew) than to harm a family member."

But this is not the rule. Because 'sharing organs' among the living is such an intimate exchange even if it occurs among strangers from far-flung places and for money, kidney buyers and sellers do continue to seek each other out and to make claims on each other. Kidney buyers / consumers fear they may 'reject' a kidney that was purchased from an angry or resentful seller who could, in turn, wish them ill after the transplant. They often seek to meet with the sellers, even briefly and in the hospital, after the transplant, to thank them for their precious gift. This, however, sets up the most common expectation for a return gift, even in the context of a frank sale.

From the buyers perspective, the purchased kidney removes the recipient from participating in the gift economy, from the perspective of the kidney seller, the organ remains a gift. "How can you sell your own body part? It belongs to God." a Moldovan peasant told me. The organ remains a gift, although the donor (the term is retained) is compensated for their labor, pain, lost working days, and loss of status. The 'kidney' remains unalienable from the owner – free to give but not to sell. Kidney sellers tend to feel that they are related to the recipient after the fact and as 'kidney kin' they have the right to ask help, often phrased as 'a life for a life' or even, nonsensically, a 'rim por rim' – a 'kidney for a kidney' as Alberty da Silva, a 38 year old night watchman from Recife Brazil put it. Alberty asked my help in locating Luanne 'Hinks', the middle aged woman from Brooklyn, New York who had purchased Alberty's kidney in a transplant transfer that brought both of them across the Atlantic to Durban, South Africa where the kidney removal and transplant took place at a private, formerly Catholic hospital: St. Augustine's.

When I met Alberty in the mud hut he shared with several other unemployed relatives and children, he defended his honor saying that although he was given a little something ($ 3,000 for his kidney, it was still a priceless 'gift'. "Isn't a human life worth much more than a few thousand dollars?" he asked. Luanne, in turn, sent Alberty a Christmas card explaining that she was herself a poor sick woman and unable to repay him for his precious gift of life:

Dear Alberty: How are you feeling? I hope and pray that all is well with you and your family. My husband and myself are doing well and putting our faith in God to keep us well. I hope you haven't forgotten me, because I'll never forget you for giving me my life back. I was close to death and you gave me your kidney. I wish I could send you a little gift for Christmas but I am not sure this is even your correct address. God Bless you, Luanne

Alberty da Silva took literally the message set him in a Christmas card from his American recipient. Luanne had written in English (which I translated) for Alberty, then living in a mud hut behind his aunt's house in Recife. When the gift that he expected was not forthcoming, Alberty dictated the following which I hand delivered to Luanne and her husband in Brooklyn, New York:

Dear Lucille, I hope that you are happy and safe among your family. I am here rooting for your happiness. I am well and my life is normal despite the disruptions caused by this donation of my kidney. I am trying to get out of my present difficulties as best as I can. My greatest happiness is to know that you are well. I hope that one day we will see each other again now that we are one. I miss you and when I see you again we will share a meal together. I will never forget the short time we spent together. If I had it to do all over again I would do it. I believe that by the grace of God I will be reunited with you. We will blow out the torch of the statue of liberty together. We will walk hand in hand through the forest of Central Park like two children without a care in the world. May God be with you and may you have health and peace for you and your husband. Please write back to me at this address:

Although he never did hear back from Luanne, Alberty was philosophical. "That woman was very very sick", he confided. Kidney providers never, in my experience, never wish ill to the recipient, even a recipient they do not know, when the transaction was of the cloak and dagger sort. Instead, as in the case of Alberty (above) they shrug it off and wish them health and happiness. I puzzled over this for a while until I asked Niculae, from a devastated village in Moldova, why, given all his disappointment with his Israeli recipient, he still spoke well of him. He replied: *"My kidney saved his life. Now I want both him AND my kidney to have a long life!"* The death of one's dearly disposed kidney is, in a sense, a death of oneself. Mauss was correct once again.

While the social dynamics involved in kidney selling may seem distant from altruistic kidney donation, I am suggesting that elements of sacrifice, betrayal, gifting, and kinship claims are common to both. While it is easy to distance oneself from the experience of transplant tourists who are willing to break the law to get what they want, the logic employed by some doctors and their elderly recipients is not dissimilar. Kaufman recorded the words of a physician to a 77-year-old man in California with heart disease: "Realistically, you will have to have someone donate you a kidney if you ever want to get one." This 'quiet revolution' in kidney transplant raises many issues and is purchased at a great social cost, in the obligations felt by children to forfeit a 'spare' kidney for the elderly parents. One lung and half livers from living donors are emerging as the next goalpost in sight.

In the early days of transplant living donation was the exception to a 'preferential option' for the brain dead donor. While the medical benefits of living donation for the recipient and the psychological and spiritual benefits for the donors have been discussed my concerns are not with the medical risks and benefits of living donation than *with the social and familial conundrums* it provokes. When transacted between strangers who are paid a token for them, living donor transplant is a tax of the bodies of the poor. When transacted within families, it can be a form of extortion and sacrificial violence.

Magical Consumption – Cannibalism and Bulimia

All gifts are anxiety provoking because, as Mauss noted an essential element of the donor adheres to the gift. The gift of organs is particularly anxiety-provoking because it involves the ingestion/ incorporation of living human matter, the strangely animate, breathing, heart-beating organs of the other (most often a stranger).

In *Tristes Tropiques* Claude Levi-Strauss argued that all primitive societies deal with strangers by consuming them, thereby making them their own, and gaining strength from them. They were anthropophagic' societies in contrast to modern societies that are anthropoemic. Antropoemic societies vomit out the stranger, keeping difference at a distance. Some Amazonian Indians, like the Wari (studied by Beth Conklin) practice both endo- and exo-cannibalism – they cannibalize enemies to obliterate and humiliate them; and they cannibalize their loved ones to cleanly dispose of them and to obliterate sadness and loss. In either case, the designated cannibals often suffer from nausea, disgust and the desire to regurgitate the human flesh which is managed by ingesting honey along with the human parts.

I have tried to suggest here that transplant operates in a similar space, a late modern form of allowable cannibalism that is constantly undermined by consumer anxiety and immunological anxiety, fear of the human body's innate rejection of difference (alien tissue) that has to be mediated by powerful anti-rejection drugs, like Cyclosporin. Like Wari endo-cannibals, organ consumption in transplant take the form of both intimate and compassionate endocannbibalism and aggressive /obliterating exo-cannibalism through the free markets in organs and tissues released by capitalismo selvagem.

What makes the ingestion of human organs thinkable as well as do-able is a process through which the animate, organic, and personal organs can be (magically) transformed into something else, something less anxiety-provoking, into ordinary, 'plain things', into neutral 'medical material', stripped of its personal content. Following sociologist George Ritzer's model of neo-liberal consumption I will call this process of disenchantment or counter-sorcery, the transformation of *Something* into *Nothing*.

In *The Globalization of Nothing* George Ritzer identified wide-scale processes accompanying economic globalization through which local and vernacular things, places, services, and even people have become emptied of substantive content and meaning. In previous eras, consumption presumably better reflected the needs, interests and desires of communities and cultures. Today, Ritzer argues, consumption has become centrally conceived and controlled.

Within the logic of an ever-expanding capitalism, a central feature of the consumer-oriented economy is the production and consumption of 'Nothing' of empty, content-less objects ('bottled water' and 'Big Macs' are two of his examples). The nothing-something continuum is based on a set of proposition about taste, substance, distinctions, individuation, values and meaning. Ritzer explores the subversive power of consumers when faced with the demand to consume nothing. Since savvy consumers know that the path to a more perfect human existence is through the consumption of Something rather than Nothing, they struggle to restore meaning and substance to what is actually content-less. They try to turn Nothing into Something, that is a social form that is organically conceived, locally controlled and rich in distinctive substantive content.

Figure 1:
The Something-Nothing Continuum according to Ritzler

	SOMETHING	NOTHING
Place	family-run restaurant	Non-Place (fast food restaurant)
Thing	('comfort-food')	Non-Thing (Big Mac)
Person	(waiter)	Non-Person (counter-person)
Service	(personal attention)	Non-Service (drive-throughwindow)

Applying Ritzer's model of consumption to organs consumption, occurring today in an increasingly commodified realm, we can see that the magical transformation operates in the reverse. That is, the human body and its parts conforms to all the designations of 'Something' – that is, organic, vernacular, personalized, decentralized, intimate. But in transplant surgery the task is to convince people to consume 'Something' that is so awesome – Something so Something, as it were, that it carries with it the possibility of self-obliteration, a profound loss of personal identity. This is an old but persistent feature of organ consumption, of which I can give many examples: the little *Chicano* (Mexican-American) boy in South Texas who refused a pediatric heart transplant because he feared that his 'new heart' would not love Jesus. Or, General Bretanbach, recovering in his home outside Cape Town who told how he came unhinged after his heart transplant in a private hospital when he learned, inadvertently, that his heart donor was a middle aged, mixed race (Colored) nurse. He demanded that the inferior woman's heart be surgically removed and a proper White male one be given to him.

Perhaps the most graphic example of consumption/ ingestion anxiety with respect to organ transplant is the story of Domba, a 45 year old Suya Indian from northern Mato Grosso, who became the first indigenous person to receive a transplant of any kind in Brazil. After being persuaded to fly to Sao Paulo from Xingu indigenous Park in 1996 to receive dialysis treatments, which Domba called blood-sucking machines, he was offered the kidney of a 22 year old white Brazilian man who died in a motorcycle accident.

Domba's village and his kin group debated (by radio) the transplant offer which challenged Suya conceptions of life, death, embodiment and social personhood. They feared that Domba had become ill with a white man's disease because he had refused to wear a lip plug like all adult men. His father, Romdo, refused: "If you take inside yourself a white man's kidney, your spirit will never be the same. You will share the other man's blood, you will share his feelings. His relatives will be your relatives. You will be part of his family." Domba's wife did not like it either. If Domba had a white man's kidney then he would be part-white and sleeping with Domba would be like taking another husband and she would never have sex with a white man! But Intoni, the wise village paje/ shaman, and Domba's paternal uncle, intervened. He said that he would protect Domba during the surgery. That he would change himself into a large bird and would fly into the operating room and drop magical pellets into his open belly to quiet the new kidney and he would sniff around Domba's hospital bed to make sure that he had no odor of jaguar or other wild animals on him.

With or without a powerful shaman, the transplant process has to manage or reduce 'consumer anxiety' through the magical transformation of human organs ('very real, substantive, personal, living things, after all) into anonymous, sanitized and content-less 'Nothings', mere medical material. Because transplant depends on the consumption of animate organs from other bodies (living or dead) used as precious (almost magical) sources of life, it is essential to mask what is really going on, permissible cannibalism.

Thus, in conventional organs harvesting from brain dead bodies organs are retrieved and transplanted in the bodies of those whose own organs are failing. The problem is to create a sense of normalcy about this magical transfer. Language plays a role, of course. In transplant parlance the donor heart is invariably referred to as a 'pump', a kidney is a filter, a lung is a balloon, and so forth. Thus, lively, animate, 'enchanted' extensions of the dead are transformed into 'nothing' as consumable medical material, as plain things, stripped of meaning and disenchanted.

Thus, the anonymity of the brain-dead donor must be preserved at all costs, and not to protect the giver but the consumer. All aspects of their personhood, even their human status, are denied. In observing the way that organs 'harvesting' and donations is promoted, Lesley Sharp noted the donors are normally represented on transplant posters and other promotional materials by images of the ecological or the organic. The donors who have provided the so-called 'gift' of life – that magical gift – are, through the process of organs 'harvesting', described as trees, shrubs, bushes, roots and sometimes as bread to be eaten, but never as persons. So they've gone from persons into, I would say, another kind of 'Nothing'.

Designer Organs

In fact, today's savvy organs consumers express a decided preference for 'fresh' organs procured from living strangers, over conventional morgue organs. A retired lawyer in Jerusalem, explained why he went through considerable expense and danger to travel to Eastern Europe to purchase a kidney from a displaced rural worker, rather than wait for a cadaver organ at home:

Why should I have to wait years for a kidney from someone who was in a car accident, pinned under the car for many hours, then in miserable condition in the I.C.U. [intensive care unit] for days and only then, after all that trauma, have that same organ put inside me? That organ is not going to be any good! Worse, I could get the organ of an old person, or an alcoholic, or a person who died of a stroke. That kidney is damaged! It's better to get a kidney from a healthy young man who can also benefit from the money I can afford to pay.

A younger transplant tourist, a foreign college student who traveled with his parents to NYC for a transplant with the organ procured from an undocumented worker, rejected the idea of deceased donor transplant as "unhealthy and unaesthetic". "An organ from a living donor", he said, "is the most natural, the most organic solution". These organs of desire – purchased for as little as $800 in pre-war Iraq or $1200 in Manila or $2,700 in Moldova – are subject to the laws of the market, so that considerably more is paid for fresh organs procured from healthy, young, preferably white, non-smoking, preferably vegetarian males in the 20s and early 30s. This kind of commodity fetishism, naturalization, and mis-recognition of the transformative process conforms to Ritzer's model of turning Something into Nothing:

Figure 2:
The Four Major Sub-Types of Something-Nothing

SOMETHING	NOTHING
Place (hospital)	Non-Place (kidney motel attached to hospital)
Thing (My organ/ my body)	Non-Thing ('pump'/ 'filter'/ tissue)
Person (transplant patient)	Non-person ('organ vendor')
Service (transplant)	Non-Service (nephrectomy-kidney removal)

Concluding Observations: Modes of Bodily Commitment

It is certainly true that people 'commit' their bodies in a myriad of ways – in wage labor, in sex (including prostitution and rape), in child birth, in military conscription, and in extreme sports, body-building exercise and in religious discipleship. We submit our bodies to clinical exams – (blood and urine tests) – we circumcise our male infants, and we surrender our bodies to all kinds of surgeries that sometimes require the removal of tissues, organs, and other body parts. In death our bodies are 'committed' to autopsy, dissection, tissue and organ removal, burial and (even) exhumation. So, living donor transplant needs to be seen as part of a larger spectrum of what my colleague Lawrence Cohen calls bodily modes of commitment. However, the kidney trade pushes the envelope of medical ethics, social justice, fairness, and human decency toward vulnerable people – buyers and sellers – who are desperate and will do whatever is necessary – even break the law – to solve their problems in living under extreme duress.

For most bioethicists the 'slippery slope' in transplant began with the emergence of unregulated black market in organs and tissue sales. For critical medical anthropologists like myself the slide down the proverbial slippery slope begins the first time one ailing person gazes longingly at another, realizing that inside that other body is organic medical material capable of prolonging their own life. In the post-human era, ancient prescriptions for grace in the face of suffering and equanimity in the art of dying can only appear absurd. But the transformation of a person into a "life" that must be prolonged, enhanced, or saved at any cost – even by borrowing time and strength from the bodies of the destitute, the indebted, or from the bodies of one's own children and grandchildren renders "life itself" into a fetishized commodity. An absolute value placed on a single human life saved, perfected, or prolonged at any cost, erases any possibility of a social ethic, and brings us into that impossible ethical and moral gray zone that Primo Levi described.

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Endnotes

1Scheper-Hughes, N., 2009: Trafficking with the Traffickers: Face to Face with Gaddy Tauber Human Trafficker, Organs Broker, Holocaust Survivor. In: *Business Today*, Princeton University; Scheper-Hughes, N.: 2008: Illegal Organ Trade: Global Justice and the Traffic in Human Organs. In: Rainer Grussner, M.D.and Enrico Bedeti, M.D., eds, *Living Donor Organ Transplants*, New York: McGraw-Hill,106-121; Scheper-Hughes, N., 2006: Alistair Cooke's Bones: a Morality Tale. In: *Anthropology Today (December)*, 22(6), 3-8; Scheper-Hughes, N., 2006: Kidney Kin: Inside the Transatlantic Kidney Trade. In: *Harvard International Review (winter)*, 62-65; N. Scheper-Hughes, N., 2004: The Last Commodity: Post-Human Ethics and the Global Traffic in 'Fresh' Organs. In: Aihwa Ong and Stephen Collier, eds, *Global Assemblages*. London: Basil Blackwell; Scheper-Hughes, N., 2004: Parts Unknown: Undercover Ethnography of the Organs-Trafficking Underworld. In: *Ethnography 5(1)*, 29-73; Scheper-Hughes, N., 2003: RottenTrade: Millennial Capitalism, Human Values, and Global Justice in Organs Trafficking. In: *Journal of Human Rights 2 (2)*, 197-226; Scheper-Hughes, N., 2002: Min(d)ing the Body: On the Trail of Organ Stealing Rumors. In: Jeremy MacClancy, ed., *Exotic No More: Anthropology on the Front Lines*. Chicago: Universityof Chicago Press, 33-63; Scheper-Hughes, N.: 2000: The Global Traffic in Organs. In: *Current Anthropology 41 (2*), 191-224.

2[Loud Knock! Knock! a knock on the door] Hello. We're here for your liver. *My* ***what?*** Your liver. It's a large, glandular organ in your abdomen. You know, it's, it's reddish-brown. It's sort of…*Yeah, yeah, I know what it is, but I'm still using it!* Come on, sir. Don't muck us about! [Knocking him over] *Hey! Stop!! Hey! Stop it!* [As they are frisking him] What's this, then? A liver donor's card! Need we say more?

3See Taylor, James Stacy, 2005: *Stakes and Kidneys: Why Markets in Human Body Parts are Morally Imperative* (Ashgate); Cherry, Mark J., 2005: *Kidney for Sale by Owner: Human Organs, Transplantation, and the Market*. Georgetown University Press.

4 For example *Deuteronomy 15, 1-11* demands that the desert Jews cancel all debts every seven years and give unstintingly to the poor until it saps ones own strength in a 'useless' effort to eliminate poverty itself (at least among the tribe).

5 See Parker, Ian, August 2, 2004, The Gift, *The New Yorker Magazine*.

Honestly Embracing Markets in Human Organs for Transplantation

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Introduction

The current prevailing moral judgment is that human organs may be donated for transplantation, but that they should not to be sold, despite on-going shortfalls in available organs and the consequent increase in human suffering and the loss of otherwise salvageable patient lives. As I will explore, this judgment relies on two foundational assumptions: 1) that human organs (and other body parts) should not be understood as commodities and 2) that organ procurement is only properly understood as an altruistic gift. My goal in this short essay is to explore the ways in which such assumptions are uncritically accepted even as they frame moral judgments and public policies regarding organ procurement and allocation for transplantation. I argue that each assumption is illegitimate. First, I argue that human body parts are in fact valuable commodities. Honestly confronting this circumstance will likely lead to greater public trust in organ transplantation and the medical use of human body parts more broadly. Second, I argue that legislating "altruism" on the part of donors (or the donor's family) coerces self-sacrifice in an otherwise commercial setting, where surgeons, nurses, pharmaceutical companies, hospitals, third-party procurement agencies, government bureaucrats, as well as recipients of organs and other body parts, publically profit.

In short, a market in human organs for transplantation should be openly embraced, including direct financial payments, and other valuable rewards, to compensate persons for donating their redundant or renewable internal organs while living, as well as to compensate families for donating the body parts of their recently deceased loved ones.

Background numbers

In the US alone, more than 6,000 people die every year while waiting for an organ transplant. According to *LifeSharers* an additional approximately 9,000 patients die each year after being removed from transplant waiting lists because they have become too sick to transplant (May 2009 update; www.LifeSharers.org). Many others suffer, often in hospital on life support or with expensive outpatient treatments, while queuing for organs. In 2007, only 27,963 of the nearly 98,000 patients waiting for solid organ transplants in the US received them – waiting lists in the US have since surpassed 100,000 registrants (see www.unos.org). Demand for transplantable organs has risen significantly, yet the organ donation growth rate has been relatively stagnant. In 1997 there were some 9,540 organ donors (living and deceased); in 2007 this increased to only 14,399 donors, which did not represent an effective increase in the availability of organs for transplantation since the waiting list grew from 55,501 registrants at the end of 1997 to more than 98,000 in 2007 (see www.unos.org). Living donation for all organs surpassed deceased donation in 2000, 2001, 2002, and 2003; while living donation reflects mostly kidney donation, there are a growing number of living liver lobe donations. Given the growing disparity between the number of organs available and the number of patients in need of transplant, queuing times are increasing. In the US patients in need of a kidney transplant, with blood type O, who registered in 2003/2004, experienced a median wait time of 1,868 days – just over 5 years; those with blood type B, who registered in 2001/2002, experienced a median wait time of 2,033 days – just under six years. The usual circumstance of transplant patients without a private donor is an evermore significant wait and risk of death. Altruism-based policies of organ donation simply have not been adequate to meet the medical demand for transplantation.

As queuing time for organ transplantation has increased, direct and indirect health risks have increased as well. Patients with end-stage renal failure not due to diabetes have a mortality rate of approximately 60% at five years while waiting for transplantation; mortality rates are worse for patients whose renal failure is due to diabetes. Even queuing for less than six months has long-term negative impact relative to preemptive transplantation (Meier-Kriesche & Kaplan, 2002; Abou et al, 2005). Over time the body becomes more fragile, creating greater risks of poor post-transplant outcomes (Matas, Hippen & Satal, 2008; Casingal et al., 2006). The median wait for a donor kidney already routinely exceeds the median life expectancy of dialysis-dependent transplant candidates. If the median wait for transplant continues to increase, which seems likely, it will surpass the lifespan of an evermore significant portion of many patients on dialysis and other life-sustaining measures.

Such suffering is all the more tragic since much of it could be prevented by legalizing an open market in human organs for transplantation. Policy that creates significant incentives for living organ donation will multiply the availability of transplantable organs, such as kidneys, bone marrow, and liver segments. Policy that creates incentives for families to donate body parts from recently deceased relatives will also increase access to non-redundant organs, such as hearts, bones, cornea and other useful body parts. Financial and other market-based incentives encourage persons to raise resources to further personal goals and social interests. The competitive stimulus to gain personal, financial, and professional rewards frequently drives technological and medical innovation; it possesses significant motivational force independent of civic mindedness, personal altruism and social solidarity. It is highly plausible that such incentives would be similarly successful in motivating the availability of human organs for transplantation. Using valuable incentives creatively to fashion public policy could effectively increase the availability of organs, thereby improving access to transplantation, reducing human suffering and saving lives.

Commodification of body parts

A widespread objection to a market in human body parts is that financial or other valuable incentives (e.g., college scholarships, see Linford, 2009; Cherry, 2009) inappropriately treat body parts as commodities. Many critics believe that offering financial or other valuable compensation to reward those who donate body parts exemplifies immoral commodification. The underlying moral intuition is that while some goods (e.g., books) are appropriately produced and distributed through the market, others (e.g., human kidneys) are not. Financial incentives for donating organs for transplantation or to compensate those who donate other body parts (e.g., sperm, ova, bones) would improperly commodify human body parts, it is argued, and consequently all valuable incentives should be prohibited. "Commodification" is presented as a moral invective – a rhetorical claim implying ethical degradation.

Here the core conceptual issue is to distinguish those characteristics that place goods into the category of "commodity". Commodities are signified by objectification ("ascription of status as a thing in the Kantian sense of something that is manipulable at the will of persons"); fungibility (as "fully interchangeable with no effect on value to the holder"); commensurability (that "values of things can be arrayed as a function of one continuous variable"); and money equivalence ("the continuous variable in terms of which things are ranked is dollar value") (Radin, 1996, p. 118).

The challenge for those opposed to the commodification of human organs is that organs are in fact manipulable at the will of persons and interchangeable with others of the same kind. These are the very reasons that organ transplantation is medically valuable. Once an organ is removed from the donor and surgically implanted in the recipient, the intention is that the organ will cease to be a living part of the donor and successfully become a part of the recipient. All systems of transplantation objectify human body parts and treat them as fungible. Donors, surgeons, procurement agencies, and recipients alike objectify organs and treat them as instrumentally useful medical resources. As the American Medical Association Council on Ethical and Judicial Affairs stated: "the shortage of organs is the most obvious example of *scarcity in medical resources*" (1993, p. 1, my emphasis). Transplantation as a medical practice requires that we think of these decidedly useful body parts as exchangeable objects.

Commensurability represents the ability to compare the values at stake, so that they can be reduced to some common measure. Many argue that financially compensating donors involves an exchange of incommensurable values. Critics raise the concern that financial compensation fails appropriately to weigh and compare economic versus non-economic values. Non-market-based strategies for organ procurement and allocation, however, face analogous difficulties. Government-based organ confiscation policies are often framed to appear altruistic even when they are in fact coercive. Presumed consent for organ donation, for example, involves no actual consent from any actual person; instead organs are simply taken, unless the individual has officially registered his rejection of organ donation. Presumed consent and other types of "opt-out" organ procurement policies straightforwardly extend government-based confiscation to human body parts.

Financial transactions and other types of market exchanges do not require that the goods exchanged be precisely commensurable; such a restrictive requirement would rule out nearly all consensual transactions. Permissible transactions require that the parties transact voluntarily, that deception or other forms of coercion are not employed, and that each party agrees to the value or product to be received. This means that what is received in return is worth as least as much to the party as that which was given. Money equivalence is usually understood in terms of what persons are willing to pay for the transfer of ownership, even in the case of so-called "priceless" objects. As a result, one can buy or sell "priceless" works of art without claiming that the aesthetic or historic value is commensurate with the money that is paid (Wertheimer, 1992, p. 218). Similar equivalences can be created for organs and other body parts.

Markets respect persons as morally in authority over themselves and as able to make choices in their own best interests. Persons are free to negotiate a bargain from which both parties expect to benefit: on the one side, a life is saved, on the other, a family is provided with resources to improve their lives. Those who do not wish to involve themselves with the organ market, or who find the arrangements to be insufficient for whatever reason, should refuse to participate, just as persons must make thoughtful choices regarding other opportunities and circumstances. Insofar as there is concern that persons will be willing to sell their body parts for too little money, a regulated market could in theory set minimum price standards, as well as other obligations, such as duties for follow-up care for living organ vendors.

Barter markets

The *Oxford English Dictionary* defines 'barter' as "The act of trafficking by exchange of commodities" (*OED*, 2009, on-line edition). Barter markets in human organs already exist: e.g., paired kidney exchanges and "triple swap" kidney donation and transplant operations, in which three patients, who are not tissue compatible with their own willing donors, exchange their donor's kidney for a kidney from another of the three donors. Each willing donor provides a kidney to one of the three transplant patients. Such organ swaps have become more commonplace. With programs, such as MatchingDonors.com, those in need of transplant can even advertise for potential organ exchanges. A kidney exchange program was recently established in the Netherlands (de Klerk et al., 2005; 2006). Most exchanges have been swaps among kidney donors, but other types of organ trading are possible: for example, a lobe of healthy liver could be exchanged for a healthy kidney. Indeed, the US Organ Procurement and Transplantation Act of 1984 was specifically amended in 2007 to specify that paired kidney exchanges, and certain other types of organ exchanges for transplantation, do not violate the law's prohibition on receiving "valuable consideration" for donation. Amendment was necessary because receiving an organ in exchange for an organ, with each party thereby saving the life of a loved one, is quite obviously the receipt of "valuable consideration"; it is a "trafficking by exchange of commodities".

Coerced and manipulated altruism

On-going debate regarding the morality of financially compensated organ donation does not really concern whether human organs should be commodified, but rather who should receive the valuable health care resource and who should bear the costs of appropriation and transfer. Each system of organ procurement and allocation stipulates conditions regarding who will bear the costs and reap the benefits of procurement, distribution, transfer, and transplantation. Insofar as donors are prohibited from accepting financial compensation, organs are a highly constrained commodity, where governments require donors to part with their property without material compensation, while others benefit financially and the recipient of the transplant benefits physically as well as financially, in terms of quality and quantity of life, perhaps being able to return to work, reduced medical bills, and so forth.

Moreover, requiring strict altruism would rule out many donations. Most living organ donations are to family members or close friends. Such donations are motivated by love, beneficence, loyalty, gratitude, guilt, or avoidance of the shame of failing to donate. For these donors, their willingness to donate stems from their relationship with the particular patient – and may not be fully altruistically motivated. Persons who stand to be financially supported by a person needing an organ might have other motivations than "charity" for donating an organ to a relative.

Donation may be motivated by psychological, emotional, and medical needs, as well as a desire to please others, rather than altruism. Family members and friends may agree to donate organs solely to avoid confrontations or to satisfy some social objective. Families have put forth children as potential living donors, with parents consenting on behalf of those children; couples have chosen to undergo *in vitro* fertilization with genetic testing and embryo wastage, so as to select embryos for implantation, who once born are destined to become a tissue donor for an already existing sibling (Sheldon & Wilkinson, 2004).

Some raise the concern that financial incentives will put a price on all organs and that those who do not sell their organs will be perceived as hoarders of something that is useful to others and that is financially valuable. Here, the moral challenge is that such concerns hold equally against systems of donation. As noted, transplantation recasts human organs as scarce medical resources; i.e., as things. Demand on family members, friends, and even strangers to donate organs is treated as if it were part of one's moral and social obligations. Many may have preferred not to have had to make such a choice; many may have preferred not to have had others manipulate them into donating. Such manipulation comes at the hands of health care workers, family members, organ procurement agencies, government policy, and even through state-public education. In Spain, educational programs encouraging students to appreciate the moral importance of organ donation have been integrated into secondary education (López-Navidad et al., 2002; Alarcon, Blanca & Frutos, 2008). Studies of similar educational programs designed to improve attitudes towards organ donation were evaluated in Italy (Piccoli et al., 2004). Advocates have urged the creation of such programs worldwide (Cantarovich et al., 2000). As the US Institute of Medicine committee on increasing access to organ transplantation stated:

…[T]he goal should be to move towards a society where people see organ donation as a social responsibility. In such a society, donating organs would be accepted as a normal part of dying, and in cases where a person died without recording a specific choice about donating his or her organs, the surviving family members would be comfortable giving permission (Institute of Medicine, 2006, p. 2).

Persons who are unwilling to donate their organs while living or once deceased are castigated as immorally withholding life-sustaining medical resources and as in need of ideological re-education.

It is this re-conceptualization of persons as sources of scarce medical resources that in large measure has driven the ever increasing proposals for governmentally coercive "presumed consent," "expected donation" or "routine salvage" systems of organ procurement. Concerns to avoid recasting persons as collections of spare parts or as hoarders of a scarce medical resource is not a challenge particular to financial transactions, and thus is not a legitimate objection to offering financial compensation to increase organ donation; this moral concern must be addressed under any system of organ procurement and allocation.

Critics of a market in human organs often claim that only the rich would be able to afford organs and that the poor would have to suffer in extra long queues for state-funded transplants. But, this consequence is unlikely for many reasons. Even with a market individuals could still donate organs for free to family members, friends, or strangers. Even if the organ market predominately advantaged only certain segments of the patient population, such activity would still be medically beneficial. Michele Goodwin, for example, argues in favor of the market in part on the grounds that African Americans would be very likely to sell organs to other African Americans, increasing access to organ transplantation for this minority group (2006). Many decry such possibilities, however, as immoral "queue jumping". This criticism has, for example, been raised against the practice of directed donation (Palmeri, 2005). Importantly, however, programs such as "directed donation" usually bring additional organs into the transplant pool. (The famous African American singer Natalie Cole received a directed kidney donation at the beginning of June, 2009 – *LifeSharers*.) Insofar as financial or other valuable incentives bring organs into the system that would not otherwise have been available, they will likely increase access to transplantation, shortening overall waiting times for the entire waitlist, reducing suffering and saving money. It seems plausible, rationally and morally, to accept inequalities in exchange for a better chance at a quicker and more viable transplant.

Embracing body parts as commodities

To put the matter bluntly, the market in body parts is quite literally a billion dollar industry, reaching far beyond organ transplantation (Cheney, 2006; Waldby & Mitchel, 2006). The medical and research communities extensively utilize human body parts. Medical students learn financially valuable information and technical skill during medical training working on human bodies and body parts. Human parts are valuable for pharmaceutical development, surgical equipment creation, technical practice, and cosmetic development, to name but a few marketable uses. Museums reap financial rewards for displaying preserved ancient bodies (e.g., mummies) as well as modern plasticized human bodies (e.g., the "Body Worlds" exhibits). The reproduction industry buys and sells sperm and ova, the wig industry buys human hair, and there is ever more potentially profitable research on human embryos, adult and embryonic stem cells, and DNA. The market in human plasma, a blood component, is booming with private centers in the US handling some 18.8 million transactions a year (Kimes, 2009). Body parts are commodities.

Financial incentives would allow families to sell the organs of a deceased loved one, rather than just to donate the organs. Knowing that their families would benefit might persuade many more people to indicate their intention to donate upon death. Many might consider such compensated donation analogous to life insurance, which pays benefits once the person dies. Some might be willing to consider a futures contract in which they agree to sell any usable organs (or other body parts) upon their death. Usable organs could be sold to organ procurement agencies for transplantation, other body parts could be sold to researchers, medical schools, or other recipients, for educational, scientific or medical use. The money could then be paid as a death benefit to the donor's heirs. Others might wish to sell a redundant internal organ, such as a kidney or liver lobe, while living. Indeed, some might see it as heroic – saving the life of another, at some risk to oneself. Altruistic organ donation is usually referred to as "heroic". *Why would money morally soil such heroism?* Paid rescue workers risk their lives to save others in many areas of life (ski rescue teams, fire fighters, police officers and so forth), why not in organ transplantation? Moreover, intentionally obstructing a life-saving rescue attempt is typically understood as morally, and frequently legally, culpable as akin to murder. Yet, in the case of compensated organ donation, the state interferes in a life-saving rescue attempt as a matter of public policy.

Honestly recognizing and confronting the reality of the commodification of body parts will likely lead to the public's placing of greater trust in the transplantation community. That governments require that organs, and other body parts, only be transferred at a price of zero does not thereby reduce the value of such parts to zero. It straightforwardly transfers the value of the body part from the donor to other parties. As a result, financially compensating donors of organs and other body parts would also be significantly more fair than the current prohibition on such payments. Failing to acknowledge that human body parts are valuable commodities, even while public policy, commercial interests, and the medical community treat them as such, encourages the continuation of a dishonest social political fiction and creates distrust between the general public and the transplantation community.

Conclusion

With market-based compensated donation the availability of organs and other body parts would not be limited to acts of altruism, government coercion, manipulative educational campaigns, or unscrupulous black market body brokers. Moreover, with proper regulation it should be possible to ensure that donors and their families are honestly treated. The development of a market for the procurement of organs provides no reason to stop asking patients or their families to consider uncompensated altruistic donation. In the US extensive charity infrastructures exist side-by-side with for-profit markets for food, medicine, and housing. Financial incentives do not preclude the liberties of the altruistically inclined to realize their need to take care of others. Individuals could still donate organs altruistically to family members or others in need. Market-based liberties include, but are not limited to, profit-seeking interests.

Market incentives encourage persons to raise resources to further personal as well as social interests and goals. Profits from organ sales would allow for the private pursuit of business and educational opportunities, or to further more public agendas. Given that social and personal advantage is often tied to education and business success, such incentives may be significant. Commercialization would create opportunities, which many may view as attractive, to secure resources for pursuing their own educational, business, political, and welfare interests. Consequently, it is likely that utilizing the market as a procurement strategy would encourage individuals who would not otherwise donate, to sell their organs, which would increase the availability of organs for transplantation. The market would also likely increase access to non-redundant organs and body parts with organ harvesting authorized by the families of deceased donors. Additional strategies designed to increase organ availability, such as directed donation, should not be seen as exclusive alternatives to the market.

Pursuing multiple parallel strategies may lead to the greatest organ availability for transplantation.

Castigating financial incentives and other market based mechanisms for increasing access to organs for transplantation in favor of altruistic donation, all the while engaging in ideologically directed public education to convince individuals of their supposed *moral duty* to donate organs for use in this medical enterprise, strikes this commentator as side-stepping reality in favor of deceptive marketing practices. It is careful advertising, backed by powerful government and other special interests, designed to seduce healthy members of the public, children, and bereaved family members, into parting with very valuable property "altruistically", within what is otherwise a financially valuable medical activity; thereby further muddying the waters of what ought to be a transparent and honest process. As I have argued elsewhere in more detail (Cherry, 2005), the goals of increasing organ availability, saving lives, controlling medical costs, and reducing human suffering, would likely be more effectively, honestly and morally secured with an open market in human organs for transplantation.

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Between Gift and Commodity: Blood Products in France

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Since the end of WWII, in France, the blood collection relies on voluntary and unpaid gift. This principle was implicit in the first law about the blood collection organisation that was enforced in 1952: the blood collection, the preparation and the distribution of blood products are non-profit activities. Nevertheless, a minority of donors were still paid in the beginning of the 1950's: these were donors who might answer to emergency callings. Following the enforcement of the 1952's law, paid donors quickly disappeared in France.

Forty years later, in 1993, the new law about French Blood Agency defines precisely the rules of blood collection: donor must be voluntary, the gifts remains unpaid and anonymous1. The change in blood collection and blood products management requires that the law sets the principles of the gift. Another important change concerns the blood products status: in 1952, they were considered as biological products with a therapeutic use; in 1993, some of the blood products are considered as drugs – and submitted to the whole legislation on drugs (AMM, etc.). The new category of "blood derived products" is a testimony of the transformation of the whole blood organisation and production. It is representative of the phenomenon of "commodification" described by several sociologists and economists2.

Change in the law reflects part of the whole transformation of Blood Organisation. The definition of blood derivative drugs is an issue of the industrialisation and standardisation of several products, for which the blood organisation was adapted since the end of the 1960's. More generally we can consider that an economy of blood products appears in France during the last forty years. This modifies the conception of blood itself and the status of blood products, these are now between the gift and the market. In the same time, it becomes necessary to preserve unpaid gift. The shift from gift to commodity refers to the change of the blood economy in France between the 1950's and the 1990's.

We would like to explain the transformations of the blood economy. The most well-known causes are the technical improvements relying on scientific research, the discovery and the definition of many therapeutic uses of blood products. In the same time, the demand for blood products increases also, not only in quantities but also for different therapeutic indications. The analysis of this demand helps to understand why part of the blood production turns into a market. Last, as blood collection and production remain a non-profit organisation, the French State defines transfer prices: these contribute to the formation of an original blood economy and create important problems for the whole blood organisation.

In a first time, we will describe some of the scientific and technical change of blood transfusion organisation in France. Then we will analyse the main characteristics of the blood economy and the reasons of the dysfunctions in Blood Organisation.

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In a few decades, the therapeutic use of human blood has changed dramatically3. Before WWII, blood was used in case of emergencies, mostly for problems during birth or accidents, and usually in arm to arm transfusion. Twenty years later, blood could be conserved outside the human body thus becoming an independent therapeutic entity of unclear scientific, legal, regulatory and economic status. The collection of blood became increasingly organized since the 1950s, and developing infrastructure was accompanied by the enhanced therapeutic recourse to blood products following significant advances in haematology. These two developments were not, of course, independent. On the one hand, research in haematology identified new products derived from total blood and indicated their potential uses, implying the development of techniques for collecting blood adapted to providing a reliable supply of these derivatives. On the other hand, the use of machines specifically designed for collecting the first such derivative products, which included the technique of plasmapheresis, contributed to the refinement of these products, making them better adapted to their diverse clinical uses. These changes in the modes of collecting blood and preparing blood products were largely the consequence of the elaboration and diffusion of techniques for separating plasma from blood and for fractioning plasma that were developed in the US during WWII[4]. Starting around 1950, the fractioning of plasma permitted the separation of different proteins; first, albumin and immunoglobulins at the beginning of the 1950s, then fibrinogen, and at the beginning of the 1960s clotting factors. By the 1960s and 1970s, collected blood use and status were thus further re-orientated becoming raw materials for numerous blood and blood derived products used for both prophylactic and therapeutic purposes[5].

In the 1950s, thanks to the development of plasma fractioning and various associated laboratory techniques, haematologists were able to identify different constituents of blood. Then, in the 1960s, the work of immunologists, notably Jean Dausset and his team, helped to define new uses for these blood derivatives[6]. At the same time, haematologists became more interested in blood diseases, notably haemophilia and drepanocytosis (particularly in Britain and the U.S.)[7].

Just like medicaments and biological preparations, blood-derived products required clinical trials and the standardisation of their therapeutic use, whether the use be prophylactic, as in the case of immunoglobulin that helped to prevent infectious and autoimmune diseases[8], or curative, as for the early use of anti-haemophiliac products in the 1960s. Initially used for the emergency treatment of haemophilia crisis, indications moved from curative to preventive treatments during the 1970s. Young patients were educated to be able to treat themselves, injecting the product when they 'felt' they needed it. The generalization of this therapeutic practice relied on the development of products that were easier to keep at home or to carry around. Prophylactic clinical protocols were defined leading to the systematic injection of anti-haemophiliac products with the aim of keeping a stable concentration of clotting factors in the patient's blood[9]. In the beginning, differences between the dosages prevented adequate treatment and it remained impossible to compare different products and different protocols. By the end of the 1970s, discussions among physicians about therapeutic protocols took into consideration the differences between products, including the use of concentrates or super concentrates[10]. Therapeutic evaluation demanded that the CTSs (*Centres de Transfusion Sanguine or CTS*) overcome this heterogeneity of products, improving the standardisation of quality, dosage and conditioning.

The problems encountered in convincing those in charge of the CTSs to impose controls on their blood derivatives have a number of roots: insufficient financing, personal insecurity with respect to their own authority, and a refusal to see blood products treated like medicaments. While blood derivatives could not be readily reduced to either medicaments or biological products, the heads of the various CTSs were torn between their aspiration to scientific respectability, their desire to be fully integrated into the healthcare system and a need to run a viable, if not profitable business. These various tensions constituted so many obstacles to the normalisation and standardisation of blood products at the end of the 1970s.

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Following the Second World War, the organisation of blood collection and the preparation of its derivatives was carried out by the centres for blood transfusion, with on average one per department. The operations of desiccation (separation of plasma and its preparation as a powder) and fractionation were limited to a few regional centres that possessed the necessary equipment. The National Centre for Blood Transfusion (*Centre national de transfusion sanguine, CNTS*) was at the same time a regional centre for the specific needs of the capital city, Paris, and had an overarching authority with extended prerogatives. Thus, the fifteen regional centres that carried out the desiccation in 1953 were supplied by the local CTSs[11]. At the beginning of the 1970s, this number was reduced to seven, although they were now veritable industrial centres of production with several hundred employees each[12]. Controls carried out on blood derivatives by the National Health Laboratory (*Laboratoire national de la santé*) in the 1970s revealed considerable variability between these establishments in terms of the dosages of products that were supposed to be identical[13]. These results triggered pressure to reform the organisation of blood transfusion in France at the end of the 1970s, but the *'affaire du sang contaminé'* (tainted blood affair) revealed that problems persisted throughout the 1980s, leading to the transformation of the structures for handling blood imposed by the law of 4 January 1993[14]. This law brought all the regional centres together under the aegis of the French Blood Agency (*Agence française du sang)*, which imposed uniform rules on all the individual local establishments, which had hitherto been independent bodies. In 1998, this unification process was completed by the creation of the French Blood Establishment (*Établissement français du sang*) and the simplification of blood collection and treatment centres, with a principle of one per region. Finally, in 1993 the French Fractionating Laboratory (*Laboratoire français du fractionnement*) became responsible for preparing all the stable blood products derived from plasma.

Since the end of the 1940's, the French State controls the Blood Organisation: for example, the Ministry of Health delivers the approvals of CTSs and the authorisations to collect blood or to prepare blood derivatives. The price setting of the blood products is other one of the responsibilities of the State. This price policy influences in a decisive way the functioning of the economy of the blood products. This policy shapes also the French Blood Organisation.

The economy of the French blood transfusion is based on sale prices determined by public authorities. These prices are calculated according to the cost of the collection and the preparation of products: propaganda for the gift, the salaries of the staff of collection, equipment, preservation, tests made on the blood bottles, etc. The transfer price is the sum paid by hospitals for the supplies in blood and by regional centres of dessiccation then regional centres of fractionation. The centres of dessiccation pay the CTSs in cash either retrocede an equivalent in plasma of the blood which was delivered to them.

This system of sale prices is set up between 1947 and 1953, date of publication of the first orders of the sale prices of the blood products**15**. From the 1960s, this valuable system shows itself stiff and unsuitable for the realities of the blood transfusion. In most of the CTSs and because of a defective management, the cost price of the blood bottle is upper to the transfer price fixed by public authorities**16**. This price does not allow to make profit, in the respect for the spirit of the law of 1952. But in the facts, from one establishment to the other one, the situations are very variable and certain CTSs kicks away surpluses of their activity of collection. The revaluations of transfer prices are negotiated between public authorities and representatives of the CTSs: between 1953 and 1970, the upward of these price rate is very lower than the increase of the French price index. Public authorities forbid to have reliable accounting data behalf of the CTSs justifying the required rises in prices.

At the end of 1960s, the price rates of transfer become a real stake in the relations between the Ministry of Health and the persons in charge of the establishments of transfusion. The CTSs diversify their activities and in particular prepare a larger variety of blood products, often at the price of expensive equipments. Many of them face cash shortage. Besides, public authorities do not supervise all the transactions: the transfers of plasma are made by mutual agreement till the end of 1970s between the establishments of transfusion.

In the 1970s, the needs for more specific and scarce blood products, for example, as factor VIII necessary for the treatments of the haemophilia, oblige the centres of blood transfusion to elaborate policies of products. The preparation of labile products is imperative to the supply of hospitals especially since these products have a brief life expectancy. The stable products, among which the treatments of the haemophilia, have a niche market: in the case of the factor VIII, the French production does not satisfy the needs of all the patients. However, the choices of the CTSs are determined according to several variables: the availability of blood and plasma, the complexity of the processes of production, the controls on products, the request, cost prices and transfer prices. These variables help to understand the reorientations of the French Blood organisation in the 1970s. The necessity of arranging big quantities of plasma for the fractionation, and thus the preparation of the factor VIII, incites to facilitate the use of the packed cells instead of the 'complete' blood used in transfusion. The transfer prices of the treatments of the haemophilia are the highest: CTSs worried of improving their finance turned to the preparation of these by-products which appear the best paid activity**17**.

So in the 1970s in France, the centres of blood transfusion proceed to arbitration between blood products according to their sale price, even if it has to generate imbalance. The preparation of the factor VIII comes along with the production of immunoglobulins in large quantities which it is impossible to sell on the national market. The search for financial resources incites to a valuation of the blood pack which is not still in compliance with the needs of the population even if the national self-sufficiency in blood products remains a priority.

These reorientations of the Blood Organisation activities according to price policies generate grave dysfunctions at the end of 1970s18. On the one hand, stable products such as factor VIII are in France paid at a higher price than the international market price. So, numerous French patients choose imported products which are less expensive and more easily available. Conversely, labile products are much more expensive abroad than in France. On the other hand, transfer prices did not increase very much during 1970s while the prices of equipments and conveniences of the CTSs underwent the effects of the inflation. Finally, centres of blood transfusion are often confronted for lack of payment of their customers: it is in particular the case of the hospitals submitted to budgetary discipline.

The difficulties of the CTSs come mainly from the vagaries of the price policy. The transfer price of blood products is in principle based on a full cost basis. In fact, the price is negotiated between the representatives of the blood transfusion organisations, the Ministry of Health and the Ministry of Economics. The resulting price is subjected to several contingencies: a general financial constraint related to the fact that a third party (la Sécurité sociale) pay back the cost of blood products bought by patients; a local financial constraint since many hospitals were already in a difficult financial position. This explains that many demands to revaluate transfer prices did not succeed.

The revaluation of transfer prices of blood products collides with several internal obstacles within the organization of the blood transfusion. The Ministry of Health indeed requires that demands be justified by accounting data: however, these data are often incomplete and do not reflect the variety of the situations of the CTSs. Besides, the persons in charge of the centres of fractionation are most of the time in a strong position and obtain more easily an increase of the transfer price of stable products to the detriment of the prices of labile products, which are the main production of numerous centres. Changes in prices of blood products are thus linked to the balance of power between the various actors of the blood economy marked by the prominence of the activities of fractionation. Nevertheless this reality remains widely ignored and hidden by the rhetoric of blood donation.

Even before the tainted blood affair, this economy changed19. International competition made necessary an adjustment of the prices of the French blood products. From the middle of the 1980s, the price of labile products steadily increased whereas the price of stables products decreased. This harmonization was necessary all the more as the stable products were becoming medicines that should be managed in compliance with European regulations. This new price policy aimed as well to make less attractive the production of blood derivatives which the sanitary quality was then most difficult to guarantee.

Simultaneously, a process of industrial concentration was at work: by the end of 1980s two centres (Lille and Paris) were in charge of the production of factor VIII instead of seven previously. From 1993, the determination of the prices of the stable products escapes public authorities: it is within the competence of a new actor, the French Fractioning Laboratory. It becomes easier to determine the cost prices of these products in the presence of a unique producer.

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The organisation of the blood transfusion system in France radically changed since the 1960s, contributing to the "commodification" of blood products. This commodification went along with technical changes related to the production and consumption of blood products. However, this commodification deserves to be scrutinized to get a better understanding of the stakes in the economy of the blood products. First, prices of blood products are crucial for understanding the transformations of the Blood Transfusion Organisation in France and its shortcomings in the beginning of 1980s. Second, transfer prices introduced very early into the world of blood transfusion something that looked very much like market principles. The French Blood Organisation was thus quartered between an industrial and commercial point of view and a strong commitment to the policy of free, voluntary and anonymous gift. The reforms adopted after the tainted blood affair reduced the gap between these two approaches. Finally through the EFS and the LFB endorsing the responsibility to offer safe blood products, the French State acknowledged the existence of a market in blood derivatives while working at the conservation of the gift.

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Endnotes

1Loi 93-5 du 4 janvier 1993 relative à la sécurité en matière de transfusion sanguine et de médicament, *JO, 5 janvier 1993, article 2*.

2Waldby, C. and R. Mitchell, 2006: *Tissue Economies : Blood, Organs and Cell Lines in late Capitalism*. Durham: Duke University Press; Cherry, M.J., 2005: *Kidney for Sale by Owner. Human Organs, Transplantation and the Market.* Washington: Georgetown University Press; Scheper-Hughes, N. and L. Wacquant, eds., 2002: *Commodifying Bodies.* London: Sage Publications; Strasser, S., ed., 2003: *Commodifying Everything. Relationships of the Market*. New York: Routledge; Ten Have, H. and J. Welie eds., 1998: *Ownership of the Human Body*. Dordrecht: Kluwer Academic Publishers.

3Ruffié, J. and J.-C. Sournia, 1996: *La transfusion sanguine.* Paris: Fayard; Chauveau, S., 2007: Du don au marché: politiques du sang en France (années 1940-années 2000), In: *Mémoire inédit pour l'HDR*, Paris: École des hautes études en sciences sociales.

4Surgenor, D.M., 2002: *Edwin Cohn and the Development of Protein Chemistry, With a Detailed Account of His Work on the Fractionation of Blood During and After World War II.* Harvard: Harvard University Press.

5The terminology used throughout the contribution uses the designation 'blood' to refer to whole blood as obtained after blood-letting and only combined with substances to avoid coagulation. 'Blood products' refers to the fractionating of cellular elements, separating or concentrating them. From a medical point of view these products are considered as cellular and labile since their living tissular nature significantly limits their conservation. 'Blood-derived products' refers to the more stable entities that are purified from human plasma and that in the 1990s received the label of medicaments of human origin.

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7Carricaburu, D., 2000: *L'hémophilie au risque de la medicine. De la maladie individuelle à la contamination collective par le sida.* Paris: Anthropos; Wailoo, K., 1997: *Drawing Blood. Technology and Disease Identity in Twentieth-Century America* Baltimore: The Johns Hopkins University Press; Wailoo, K., 2001: *Dying in the City of the Blues. Sickle Cell Anemia and the Politics of Race and Health*. Chapel Hill: The University of North Carolina Press.

8The preparation of immunoglobulin began in the 1950s, in particular within commercial enterprises. This production was rather peculiar in that it required the donation of a special type of blood. Donors were chosen for having already been immunised against the disease that was targeted. Sometimes they were also immunised artificially in order to get plasma of a satisfactory quality. These practices were organised starting in the early 1960s, with the vaccination of donors being regulated. Immunoglobulins were prepared following very precise protocols which meant that these blood derivatives were practically considered to be medicaments. The ambiguity of the status of these products is evident in the history of the Mérieux Institute, but this story is too long and complex to present here. See Chauveau,S., *Du don au marché*…, op. cit., 85 sq., 545 sq., 603 sq.

9Carricaburu, D., 1993: L'Association française des hémophiles face au danger de contamination par le virus du sida: stratégie de normalisation de la maladie et définition collective du risque. In: *Sciences Sociales et Santé, XI*, 3-4, 55-81; Carricaburu, D., 2006: *L'hémophilie au risque de la médecine.* op. cit.; Fillion, E., 2006: *À l'épreuve du sang contaminé. Expérience des acteurs de l'hémophilie et reconfiguration du monde médical.* Thèse en sociologie, Paris, Ecole des hautes études en sciences sociales; Bastin, N., J.-M. Stievenard and M. Vinchon, 1977: Épilepsie et hémophilie : la lutte contre leurs effets de stigmatization. *Revue française de sociologie*, XVIII-4, 651-677 ; Chauveau, S., *Du don au marché*…, op. cit., 550-577.

10Carricaburu, D., *L'hémophilie au risque de la médecine*, op. cit.

11Chauveau, S., *Du don au marché*…, op. cit., 82 sq.

12Ibid., 82 sq.

13Ibid., 502 sq.

14Ibid., 775 sq.

15Ibid., 78 sq.

16Ibid., 282 sq.

17Ibid., 425 sq.

18Ibid., 605 sq.

19Ibid., 750 sq.

Debt and Gratitude

By Lea Karpel

The great difference between blood or organ donation and gamete donation, namely in France, oocytes, sperm or embryos donation, is the fact that reproductive cells are linked to the sexuality of donors and recipients. The symbolic value of reproductive cells isn't exactly the same for a kidney that for a spermatozoid. Those reproductive cells are linked to sexuality and filiation. The second difference is that gamete donation allows giving birth to someone whereas organ donation allows to keep someone alive. The third difference is that gamete donation can effectively be discovered on the face of the baby born through gamete donation whereas a kidney is invisible outwardly. We go from donation of a tiny cell (an embryo = 0.16mm) to a person which brings up more important issues: identity and filiation. The last difference is in the French system of gametes donation. As for blood donation, gamete donation has to be free, anonymous and voluntary. However, new discussions arise to abolish anonymity in the case of gametes donation in the next bioethics law in France.

This paper focuses on oocytes donation. The first birth through oocytes donation was obtained in Australia in 1983. To give birth through oocytes donation, the infertile woman has to receive an embryo formed by the sperm of her husband and the oocyte of a fertile and unknown woman. The donor, the fertile woman, must be a mother and must be less than 38 years old. She receives hormonal stimulation to give several oocytes. Those oocytes, which are picked-up under general or local anaesthesia and are mixed with sperms, will give several embryos. Due to the hormonal stimulation, some women are at risk to develop "hyper stimulation syndrome".

Until 1994, couples could choose between anonymous donor or non-anonymous donor. Since the first bioethics laws in 1994 in France, only anonymous donations have been authorized. Couples are facing difficulties: lack of spontaneous donors. Therefore, they have to find a volunteer woman to increase the number of donors in their IVF center. This penury is due to a lack of public information about gametes donation. Information campaigns are very discrete on the subject, as opposed to the campaigns for blood or organ donation.

When a couple finds a women willing to donate her oocytes, they become priority in the waiting list of their reproductive unit. The delay can be reduced from 5 years to 2 years for obtaining oocyte from an unknown donor. The older you are, the more difficult it is to find a young mother willing to give her oocytes and open to accept the treatment freely.

These long delays in France push couples to "medical tourism". In Belgium, Spain or Greece, in 3 months, private IVF unit can offer an anonymous donation for 4000 to 8000 Euros.

In France, couples have to deal with the implication of two oocytes donors: the real donor, the unknown woman from which they will receive oocytes to make their baby and the symbolic donor, the woman they recruit to give her oocytes to their IVF unit. The real donor will be unknown to them and their child even though she contributed half of their child's genetic capital. She is chosen by doctors according to her phenotypic resemblance (colour of eyes, of hair, of skin and the size and the weigh) with the infertile woman. The symbolic donor will give her oocytes to a second unknown couple but she will still be in contact with the first infertile couple. The name of this system is the crossed donation.

One important issue arises within this system: How do relationships develop between donors and recipients? To answer this question, we realised a research in the reproductive unit directed by Pr René Frydman of the hospital Antoine Béclère in Clamart (France). We contacted all parents (n=83) who gave birth to a child through oocytes donation between 1988 and 1998, before and after the first bioethics law (1994). We established a questionnaire incorporating questions about the attitude towards the real donor and the symbolic donor: the type of relationship before and after the donation.

Results:

60 couples of 83 participated in the research (14.8% lost by sight). Couples waited an average of 8.5 years (3-14years) to give birth. For 68%, it was the first baby. All couples were still together. All couples but three chose anonymous donation. After 1994, if they had the opportunity 15% of the couples say they would have chosen non-anonymous donation. The medical indications for oocytes donation in this population are premature ovarian failure (52%), ovarian dysfunctions (14%), genetic disease of the mother (14%), IVF failures (12%), absence of ovary (6%) and chemotherapy (2%).

We studied the parents' feeling about the *real donor*, (the unknown woman). Results show that 63% of the parents don't want to know anything about her. 37% prefer to obtain information about this woman: 20% of parents want to obtain only medical information. 13% want to know everything about her. Only 2% want to know her name and 2% to meet her.

Table 1: Parent's attitude regarding the real donor

Parents willing	No information	Medical Information	All kind of information	Identity information	To meet her
Rate	63%	20%	13%	2%	2%

The relationships between the couple and the *symbolic donor* (recruited donor):

The recipients, in our study, found a donor for their center in their closest entourage and more and more far from their entourage. Half of the couples found a woman *of* their family: a sister, a cousin, a sister in law. 34% of the couples found a woman among their friends. 6% found a woman among their professional relationships. 10% of couples didn't know the donor before the donation. Someone among their family or friends found them the donor.

Table 2: Type of relationship with the symbolic donor

Type of Relationship	Family	Friends	colleague	unknown
Rate	50%	34%	6%	10%

At the question: "How did you thank the volunteer donor?", 57% of recipients answered that they thanked them by compensation: a piece of jewellery, restaurant invitation, or travelling. 10% of volunteer donor refused presents offered by the infertile couple. 33% of the couples preferred "continuous" thanking toward the volunteer donor or her family. They said that they are always ready to help her family by baby sitting her children or by others gestures, even many years after the donation (3 to 13 years).

Another unexpected way to thank the symbolic donor was to give her an important role in the baby's life. 41% of parents offered a role of godmother to the volunteer donor or a place of godfather to her husband, even if they were already aunt or uncle to the child(18%). This form of recognition encouraged us to call the volunteer donor: symbolic donor. The function of godmother- this word contains the word "mother" in many languages- is almost symbolic. It means that she is the mother in front of god. She bears the child on the baptism day and follows his spiritual development. The function is to ensure a protection to a child. In case of parental death, they could be the replacement of the parents although this relation no legal value. Another symbolic thankful behaviour was to inform first the volunteer donor of the child's birth, to the point that they would be first to arrive to the hospital sometimes even before the very close family, for instance the grand-parents.

By contrast, one quarter of the recipients at the moment of the study (3 to 13 years after the donation) had a broken off relationship with the volunteer donor. This rate exceeds 10% of the unknown recruited people originally.

Discussion

Anonymity:

Results show a great preference for anonymity, as 85% of the couples said that they preferred anonymity. Only 15% of the couples would have chosen the direct donation, non-anonymous if it had been possible. Moreover, we know that medical tourism for gamete donation is important. A large number of French couples choose oocytes donation abroad. It may not be free, but couples don't have to find a young mother willing to give her oocytes to their IVF unit. Abroad, the donation is direct, anonymous or not.

Secondly, the majority of parents (66%) preferred not to have any information about the real donor. Even if part of them wants to know the medical past of the donor, it is in respect of her anonymity. Only a small part of them were curious about her. Only 2% would have liked to know the real donor's identity. Putting the results show us that: even if recipients are in debt to the real donor forever, there is a defense mechanism. Parents' conscious or unconscious reaction is due to a fear of closeness between the real donor and the child, a fear of attachment, regret or even ownership of the donor.

The symbolism of donation:

Oocytes donation is not harmless. An oocyte is not only an object, but also a proof of love, of friendship that binds volunteer donor to a couple. A donation expects a *counter-gift* otherwise a debt remains. Receiving "the gift of life" from a close person involves a sense of gratitude, or even of debt. A life debt, according to the French psychoanalyst, M. Bydlowski, is usually the obligation of gratitude that children feel toward their parents. The debt settles at the conception. The particular place dedicated to many recruited donors at the moment of delivery shows an attempt of settlement of this debt. As mother themselves, the donors hold knowledge about motherhood that the young mother doesn't hold yet. Sometimes, symbolic donors are invited to come to the maternity hospital before the baby's grand-parents.

With the oocytes donation, it is not only to their own mother that those women can give life but to several people: the real donor, the symbolic donor and doctors from the IVF unit.

Couples attempt to settle their debt by offering compensations. But is there a gift equal to a life donation? In this manner, offering a compensation is a way to affirm that this receipt doesn't put infertile couples in a passive stance. By the offer of an important material or symbolic gift, couples attempt to reverse the situation of weakness and necessity. A material present has the advantage of including only donors and couples before the arrival of the baby. However, no amount of money, ,no jewell or trip has a sufficient value to equal a life donation.

Offering the symbolic place of godmother can be another symbolic way to settle their debt. The recruited donor is only a symbolic donor because she doesn't give her oocytes directly to the couple. Therefore, the compensation is, in turn, symbolic. Historically, the godmother was, first the grand mother, then an aunt and today a person that the parents judge able to be a symbolic mother for their child. By giving the volunteer donor a symbolic place, she enters the familial relationships.

However, we perceived an ambivalence infiltrating this symbolic return: many mothers described their symbolic donor as very (too) applicant of a place close to their child, recalling the picture of their child among other children of the donors, invitations almost inevitable to the anniversary of their child, or at the Christmas day, etc.

Other couples try to settle their debt in being always ready to do a favour to the donor's family. S. De Mijolla, a French psychoanalyst, says: "All kinds of donation bind the recipient … in a relationship of gratitude, it means favour vis a vis the donor". Certainly, but during years, favours continue. Isn't it a way to pay more than they received? They pay to prove that the debt is inexhaustible.

Regarding the quarter of couples in this study who decided to cut off relationships with the symbolic donor, we may think that they want to escape from the feeling of debt. Their attitude is close to what S. De Mijolla describes: "The person who offers is stigmatised as a rich person, it costs nothing to give, he possesses so much that he doesn't pay attention to the fact that what he gave is entrenched". Thus, there is no debt, no favour or present to give. Regardless of their attitude towards the debt, everyone has to learn and pass over the relationship of dependence and gratitude toward their parents in order to become parent at their turn. It is the same thing for those parents with children born thanks to oocytes donation toward the real and the symbolic donor. An eternal gratitude could damp their flowering ability to be parents. Even if the real donor is pulled away by the Law that lay down her anonymity, parents feel gratitude toward her. However, couples are facing with a double hindrance: "we take the real donor out but we open the door to the symbolic donor". Basically, whatever the involvement, real or symbolic, it requires an emancipating work, not only from the recipient toward the symbolic donor but also from the symbolic donor toward the recipients.

Filiations:

The great difference between blood or organ donation and oocyte donation is the fact that oocytes are not neutral. With the oocytes, the question of filiation emerges. The baby born through oocytes donation will keep the trace of this donation on his face and perhaps in his identity. The traces of the donation can be read on the face of the child. Parents cannot forget this act. What will happen if the child knows the circumstances of his conception? How to explain to a child this strange way to born?

Three kinds of behavioural reaction in the relationships developed between volunteer donor and couples of recipients. The first one is denial. Parents stop the relationship with the symbolic donor. Recipients don't want to have a reminder of their inability to conceive children on their own. Her presence would remind the couples of their need of a donor to become parents. They also have the fear of revelation to their children. Could she eventually tell the truth to the child? The second one is an unlimited debt. Recipients are unable to pay back their debt to the volunteer donor. Sometimes, the donor doesn't accept it. She doesn't need gifts because she pays something to her own life through the donation; for example an abortion. Sometimes, couples don't succeed in limiting the gratitude to her family. In this case, couples feel always in debt toward the volunteer donor. The third way is symbolization of the act. Couples are able to succeed in limiting the return to the donor. Couples offer a symbolic place for a symbolic act.

Putting the symbolic donor as godmother is an attempt to humanize the technical process. Couples choose a religious means that organizes the human life, from the very beginning to the end of the life. The religious means is a way to symbolize birth. It seems that where there is a temptation of reducing oocytes donation to a simple gamete exchange, couples humanize the process. Godmothers and godfathers are registered in the database of a church or town hall during a religious or a non-religious baptism. This submission is literally and figuratively an inscription in the history of the family. This choice to give a role of godmother or godfather to her husband sets the idea that far away from thinking oocyte donation as a simple neutral process or to deny the importance of this act, couples find a symbolic way to humanize this new mode of procreation. However, whatever the way to pay back the debt to the volunteer donor, it is a displacement because the real creditor is an unknown person. Couples cannot repay their debt toward the real donor.

In the procreative world, oocytes, sperms and embryos can be exchanged . Since the new French bioethics law (2004), research on supernumerary embryos can be experimented during 5 years. Supernumeraries' embryos come from IVF attempts. In fact, IVF treatments allow the production of many embryos through ovarian stimulation. The good practice in France is to transfer in uteri two embryos and not more. Half of the couples keep on supernumerary embryos. The laboratories can deep-freeze embryos with a view to doing a new transfer. And yet, among the population with supernumerary embryos, we observe 40% of twins. Therefore, a large part of the couples doesn't know what to do with their frozen embryos. Law authorizes their destruction but they can be given to an infertile couple or to the scientific research too. Only few couples accept to give their embryos to research. They fear that researchers use a cloning technique on their embryos.

The reality is different. From embryos, researchers can obtain cell stems. An embryo is the original cell of the future human body. From 5 to 7 days after the fecundation, we can develop cell stems. Embryo at this stage measures 0.16 mm. Cell stems hold an important potential of regenerative cells, very interesting for the pharmacological industry. Today, therapeutic indications are diabetes, Parkinson'syndrom, heart attack, and some degenerative diseases. Those cells could be interesting for the production of virus for the vaccines. Laboratories could test their products. Cell stems can be used as a disease model because they can be reproduced with no limit and they are an important source of experimental tissue. However, the French bioethics law forbids any industrial production in a long course. This attitude provokes a scientific and an economic delay.

How can a couple bare the idea of his old baby dream, embodied by embryos, being transformed into future drugs? Giving their embryos to science is another way to pay back their debt to the society by helping science. The medical staff that helped them to have a baby is the same medical staff that now needs embryos to be efficient. There is a kind of moral contract between the medical staff and the couple. It is a take and give process. At first, these couples were eager to get embryos for being parents. Now they can be a source of embryos to help their medical staff to be efficient in the fields of medical research. Couples return the situation. Yesterday, they were in need of embryos, today they have a surplus and they can be donor. They return a situation of passivity to a situation of activity. They accept, they don't have to give their embryos. Those embryos were so precious for the pregnancy but they became obsolete, troublesome. Now biologist and doctor need embryos. They are waiting for this object that becomes precious once again.

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Investors and Efficient Markets: The Everyday Imaginaries of Investment Management

By Horacio Ortiz

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While bond markets have long been an important site where governments have looked for funds, in the last two decades the issuing of stocks and bonds has become a major source of credit for companies in rich countries. The recent financial crisis has highlighted for the latter what had become obvious for poorer ones with the crises of the last ten and fifteen years, i.e. that the major role of financial corporations in distributing credit has a political content, since it affects the general distribution of resources and the inequalities and growth prospects that go with it. This paper will present some of the imaginaries that organize the everyday practice of investment management, a major practice through which these corporations distribute money around the world. In particular, I will explore the presentations according to which the distribution of credit is the deed of "investors" who channel money through "markets" that are more or less "efficient". I will concentrate on investment management, due to its major role in the distribution of credit, but what I say could be explored in other professional tasks (for traders, see for instance Zaloom, 2006, for regulators, see Maurer, 2004).

The presentation of events in financial markets by the mass media usually speaks of price movements as the deed of "investors" with "expectations", "sentiments" and "calculations", who "factor in" information, be it interest rates, inflation and unemployment rates, and so on, and "value" accordingly their objects of investments. The regulation of financial practice, on the other hand, often aims at "protecting the investor" by establishing rules that are hoped to ensure the reliability and the "transparency" of transactions, in a way that should allow markets to be "efficient". The concept of "efficiency" here is often understood in a double sense, that is linked to its formalization in political and economic theory for more than a century: markets are "efficient" if they allow investors to integrate all available information in the price of the asset; by the same token, they allow for the optimal distribution of resources, as prices give the signal of the opportunity to direct investment in one direction or another.

This paper is based on fieldwork research carried through participant observation as an intern with stockbrokers, fund managers and hedge fund consultants in Paris and New York between 2002 and 2004. The three four-to-five months internships were completed with around a hundred interviews with professionals in Paris, London and New York, some of whom I had worked with, and with an extensive analysis of manuals of financial analysis and portfolio management. I would like to show that the presentation of investment management as the deed of "investors" within "efficient markets" is not just an external idealized view that bears little relation to what practitioners really do. At the same time, it is also not an adequate presentation of their activity, contrary to the assumptions often made within financial theory. Several studies have shown that the assumptions of the "efficient market hypothesis", fundamental in financial theory, are important in the formulas and calculation techniques used by financial professionals (Muniesa, 2000, 2007; MacKenzie, 2006). Other studies have analyzed how employees of the financial industry indeed engage in maximizing practices for their personal interest within their labor relations (Godechot, 2007). The point here is not to say whether there is "economic rationality" or not in professional financial practice but to analyze how this practice is organized by certain imaginaries of financial agency, that define not only cognitive tools, but also everyday procedures, organizational rules and the multiple but limited strategies and justifications that are possible within them. I will first recall certain major features of the financial imaginaries of the "investor" and of "efficient markets" in order to analyze how they play a major role in investment management today.

The theoretical definition of a financial agency as that of an *investor* in *efficient markets*

The formulas that can be found in financial analysis and investment manuals invariably imply a specific gaze from which the formula is defined and is supposed to be applied: that of an "investor" whose sole aim is to maximize returns on his[1] capital. In order to do this, the investor has three main ways to define the value of the object in which he will invest. The first considers that the object has an "intrinsic" or "fundamental" value, which is generally defined by the absolute return that it is expected to provide to the investors, such as dividends, capital gains, coupon, etc., however calculated (usually discounting expected future revenues). The second considers this same capacity of the object to generate revenue but only as compared to other objects. The value of the asset is then "relative"[2]. Finally, the object can also be considered through its "market" value, defined by the price at which it could be bought or sold at a particular moment and place, whether in regulated or over-the-counter[3] transactions, which means that there is not always "one" price at the same time[4].

While fundamental value is supposed to be defined solely by the relation between the investor and the object of investment, in concrete practice, it generally mobilizes categories that define the object in a generic way and inscribe it already in a relative valuation. Relative valuation, in turn, is based on the logics of fundamental valuation, but transcends it in a way that renders insufficient the self-standing status of the object of investment. Finally, market value can be considered as the erratic result of the encounter of supply and demand at any instant, but its rationales are often related to fundamental and relative valuation (Tadjeddine, 2000). The calculations of each generally take into account data that is produced by mobilizing the logics of the other two (market prices, statistic comparisons between assets, ratings, etc.). Thus, there can be tensions and even contradictory rationales and results for the same "investor" when the formulas are mobilized and value is defined[5].

The definition of value is conceived in order to orient investment. The ways in which this is supposed to be done generally assume at certain levels that markets are "efficient", i.e. that prices reflect all available information. This price is considered to reflect what the best fundamental valuation could achieve. The equilibrium of efficiency is thus considered to reconcile the valuations of the individual and the group. From these assumptions, financial theory has developed the idea that since the prices reflect all information, the investor should not try to bet against the market, but on the contrary buy the whole market and hold it, in order to dilute the uncontrollable volatility of each asset, and to be exposed only to "market risk"[6].

Applied consistently, this investment rationale enters into a peculiar conflict with that of the existence of an "investor". The hypothesis of "efficient markets" implies that there are constantly investors looking for information in order to reflect it in their bids and offers. But when the price is the result of all these individual actions and no more information can be found, it at once reflects the "true" value of the object of investment and dislodges the need for there to be investors trying to find a better price. Thus, if markets are considered to be efficient at any particular point in time, it is superfluous for any "investor" to try to value assets "better" than the market: the price reflects the true value. To take one example among many, this tension appears very clearly in a very respected and mainstream French manual of investment management, whose introduction starts with the following statement: "*Financial theory indicates that in an efficient market – and there are numerous proofs that all big financial markets in the world come close to this characteristic – the totality of the available information concerning securities, the market, the economy, etc. are reflected very quickly in the price. Thus, in general, the price of an asset is very close to its intrinsic or "true" value*" (Jacquillat & Solnik, 2002: 1). After several chapters exploring the methods to calculate value in different ways from the point of view of an "investor", the authors reach the point in which the hypothesis of efficient markets is applied to determine the investment strategy. They then negate the need for the investor to do any valuation: "*In the absence of privileged information, no investment should be specifically preferred. The asset portfolio must be as diversified as possible. […] The strategy of investment is essentially passive, in the sense that it is useless to turn over the portfolio looking for assets that would be under or over valued. This conclusion explains partly the development of indexed funds and ETFs (Exchange Traded Funds), the sole aim of which is to replicate the performance of the market index. It is regularly observed that professional fund managers and mutual funds find it very hard to beat the market. […] The logical implication is to base the investment strategy in indexed funds, which have no specific risk and minimize transaction costs*" (Jacquillat & Solnik, 2002: 133, a similar assertion can be found in Gitman & Joehnk, 2008: 379-380).

This tension does not concern one manual or a minor set of formulas. It is actually present in several formulas to calculate discount rates, or to price options and futures. The hypothesis of "efficient markets" is often mobilized at different points of these formulas, to define certain values that are needed to apply them. More crucially, the theoretical price that many formulas give is defined from the theoretical perspective according to which the market efficiency renders arbitrage impossible (*"the principle of 'no arbitrage opportunity'"*7). The tension between the figure of an "investor" and "efficient markets" can appear to be eased by a specific temporality, in which "investors" are needed for individual valuation as long as "market efficiency" is not reached, and they can be discarded once the price reflecting the "true" value has been obtained. This would imply a certain (actually nonexistent) criterion to detect in which of the two states actors are operating. But the tension is actually much stronger, since it is embedded in the formulas themselves, and in the everyday practice of financial professionals, which stand in the contradiction of having to assume that both states happen at the same time. I will explore this latter point by describing some major everyday rules of practice of investment management and the tensions and controversies that organize the positions of the people who apply them.

The figure of the *investor*, *efficient markets* and the organization of investment management

The ambiguities of the figure of the *investor*

The figure of the "investor" with its multiple and conflicting definitions of value is present in a crucial set of procedures that the employees of investment management firms must apply in order to keep their jobs and, hopefully, increase their income through the bonus system. Financial analysts tend to speak of their personal "beliefs", "convictions" and of the "authenticity" of the valuations that they publish for their colleagues and clients. Fund managers often talk about feeling a "bodily pain" when prices go down, stressing the personal link with "their" funds, i.e. the funds their clients have entrusted them. But the personalization of the application of the procedures that are supposed to enact the actions of an "investor" is not just a discursive tool accompanying practices to which it would be unrelated. The inequality of bonuses between employees of a same rank within a same team, generally justified by their different inputs into the generation of profit, is only one example of the idea that each employee can act individually in valuation and investment decisions. The relation between fund managers and brokers, for instance, is generally organized as the encounter of "personalities" with particular interests, defined as ways to value assets, but also as specific activities (going to the opera, hunting, etc.) that they can share in order to better know each other and perform a better valuation (Ortiz, 2005). In spite of all the standardized calculation techniques and risk measurement procedures, the fact that value cannot be given a single price that is immediately accepted by all actors is generally presented as the fact that valuation and investment decisions are an intrinsically "personal" matter, to be performed by experts who are then "investors".

The conflicts between approaches to value within the professions, for instance between financial analysts oriented toward fundamental valuation, traders oriented towards market valuation and fund managers mobilizing the efficient market hypothesis, happen within a same company, and can lead to open and even heated discussions between employees. The positions of each employee can also be indifferent or even cynical, some enacting the figure of the "investor" with more pleasure than others. Charles Smith's typology of market professionals (Smith, 1999) describes a vast array of these positions. He nevertheless seems to take the importance of the personal input for granted, without analyzing in depth how much it is actually explicitly organized and imposed on actors by the procedures that they have to follow, something that the latter often describe in a detailed manner in the intimacy of interviews and casual conversations.

The fact that employees can have very different relations to the way in which they act as "investors" is all the more problematic, since employees only enact this figure for the sake of someone else, as they are generally not the owners of the capital being invested. In the US, most fund managers are linked to the owners of the funds by the trustee legal relationship, in which they are supposed to best represent the interests of those who would then be the "real" investors. The paradox is even stronger in this case, since the "real" investors are legally prevented from having a say in the way in which value is defined and money invested, their only "personal" input being that of withdrawing from the trustee relation and reproducing it with another provider of financial services (Clark, 2000; Montagne, 2006).

The tensions between the *investor* and the *efficient markets*

Mainstream investment management is organized within two explicit poles that are defined by the opposition between the individual "investor" and the hypothesis of "efficient markets": one assumes that markets are not efficient and the other that they are constantly so.

The first position is often presented as a justification for the activities of hedge funds. This is often true in their advertising, in the discourses of their managers , but also in the controversies concerning the regulation of hedge funds. Hedge fund managers can either be presented as enhancing market efficiency by exploiting arbitrage possibilities and eventually making them disappear, or as disrupting market efficiency by manipulating what would otherwise be a "normal" volatility of price adjustment9. In either case, most hedge fund investment strategies put the fund manager at the center of the valuation and investment decision process, and include the idea that there are possibilities to "beat the market" or other mainstream fund managers by developing an individualized approach to the value of tradable assets.

At the other extreme stand indexed funds, which can be managed by software that replicates a specific index. As explained by the authors quoted above, indexed funds take to the extreme the developments in financial theory assuming the hypothesis of "efficient markets". These tend to imply that investors should diversify investments within the whole market in order to reduce volatility, negating the usefulness of having a specific employee doing the analysis of single assets and making convinced bets based on beliefs and personal valuation. In many interviews and marketing material, hedge fund managers insisted that investment management should be left to indexed funds, which have low costs, and to hedge funds, where the personal added value of the manager, much better paid than mainstream managers, could be maximized.

Indexed funds and hedge funds constitute the two extreme poles between which the mainstream management approach is situated, often presented as a *"mix"* of the two. It consists on fund managers being given an index on which to invest and to which they are compared. They are then expected to perform *"better than the benchmark"* by a small margin. Their investment universe is thus limited in advance, as well as their performance target. But they still have some space for personal valuation, as they can slightly play with the weights of each stock in the fund, giving bigger weights to the assets whose performance they expect to be better, and smaller weights to those that are expected to *"underperform"*. Usually the performance target is defined as a spread of one or two percent to the performance of the index. Thus, if the index's performance is 18%, 2% or -16%, the fund's performance must respectively be 20%, 4% or -14%. While the input of the manager may be considerable when the volatility is low, it is of less value when prices changes are strong. Also, trading profits may be higher than the spread achieved by the manager, which actually tends to give an increased weight to trading desks in fund management companies (Ortiz 2005, 2008).

The opposition highlighted in the manual quoted above is thus not only a conceptual peculiarity. It contributes to define and regulate the positions and oppositions of employees sometimes within a same company. In 2003, in Acme, a major French multinational of investment management in which I worked as an intern with fund managers investing in asset backed securities, the investment in European equities was organized, in a classical fashion at the time, with a *"core"* investment fund, concentrating around ten of the eleven billion euros managed by the team of eight fund managers and six analysts. The "core" was split between the managers, but they all replicated an index and tried to *"beat it"* by a *"few basis points"*, according to a strategy decided in regular meetings by the senior fund managers and Yves, the head of the team. The latter explained to me in an interview that in order not to "kill the creativity" of his employees, they also had the possibility to manage ten percent of the money in a more *"personal"* way (these funds are called *"satellites"*). Paul, one of the fund managers, explained to me in an interview that he invested 90 million euros in the same index as the "core" fund, but with different weights and hedging his position with futures contracts. He explained that the results of the two strategies could be of course be very different, and that he could happen to make opposite bets on each of them. He considered that at times, especially when his personal strategy was more successful, this was *"frustrating"*, but that he had *"no choice"* when it came to follow the "core" strategy. Yves remarked that he had made it clear to all fund managers that their bonus depended on the performance of the "core" fund, so that they would *"understand where their interests rest"*.

The hazy temporal horizon of market efficiency

The research in Acme was carried in 2003, and most employees took some explicit position towards the explosion of the Internet bubble. Fernand, the head of the Allocation department at the time, who oversaw the crucial distribution of funds among assets, which in turn had a direct impact on the fees collected by each team, and therefore on bonuses, developed a classical interpretation of events along the lines of market efficiency. He considered that the Internet bubble confirmed that *"markets exaggerate all the time"*, but that they are *"right in the long run"*, since the new information economy was indeed a major force of growth. This type of argument, often developed during the crises of the last fifteen years (Russia, LTCM, South-East Asia, Argentina…), implies the temporal succession described above, according to which "investors" search for information and once that they have integrated it, after the bubble, manage to give a fair valuation of the assets. Fernand considered that this justified maintaining his long-standing and classical strategy of investing in equities and bonds with the "mix" approach. He was replaced during my fieldwork by Nicole, who headed the Structured department, where I was employed, and which concentrated hedge funds, financial derivatives and indexed funds. Her position was that not only were markets not efficient, but that fundamental valuation was helpless against the erratic character of their movements. For her, the Internet bubble signaled the end of the "passive" strategy, and the need to match market volatility with derivatives, her long-standing field of expertise. The capacity of "investors" to develop relative valuation would be the solution to the inefficiency of markets. The change at the head of the Allocation department meant a progressive increase in the flow of funds to these activities, while more classical approaches to investment would thus have reduced opportunities to charge fees and bonuses.

The change in power at Acme had to do with a bitter struggle for funds, fees and bonuses and the prestige of directing the investment strategy of the company. It was also linked to a generational gap, since Nicole was nine years younger than Fernand. The latter had only had a university degree in economics and had started his career doing fundamental valuation of stocks. Nicole had a post-graduate degree in statistics and had started working with financial derivatives in the eighties. But part of these struggles was organized along the controversy concerning the relation between the "investor" and "markets" deemed to be "efficient" in a hazy time horizon. The impossibility to determine consensual criteria to declare a market "efficient" at a particular time actually allowed for this controversy to be structured and to legitimize the changes in power and in the strategy of the company.

Investment management is only partly organized by the financial imaginaries such as the concept of an "investor" with his several definitions of value, and that of "efficient markets". But these imaginaries do not define only cognitive landscapes. More generally, they also frame sets of possibilities within which the actors develop different strategies in order to position themselves in relation to their own work, and in relation to each other in what can often be a bitter struggle for fees, bonuses and prestige. This poses methodological questions for the way in which those imaginaries are treated by the social scientists that study them, and for the role that they play in the political legitimacy of their use within contemporary finance. I will briefly turn to these points in order to conclude.

The political imaginaries of the global distribution of credit by contemporary finance

In this paper I have not analyzed such basic concepts of financial theory and even of economic theory as the figure of a maximizing independent "investor" and the hypothesis of "efficient markets" in their own theoretical terms or as mere cognitive tools for market practitioners. I have approached them as imaginaries, i.e. narratives, rationales and rules of action that organize the bureaucratic procedures of investment management, mapping and also limiting the possibilities of action of the employees who apply them. This means taking seriously the conceptual frames and the tensions and contradictions they carry with them in order to understand everyday practice. This is not due to the fact that by themselves these concepts would tell us something about investment management, but to the fact that professional financial practice and academic financial theory have been influencing each other for decades, and that such concepts do play important roles in the definition, organization and justification of professional tasks.

The analysis also sheds a light on the complex legitimizing role of these concepts. Fund managers, financial analysts, traders, asset allocators and other employees can quite consistently consider, and claim, that they are "investors", in that they indeed apply the gaze and the rationales of a figure that is defined in the procedures, i.e. in the types of analyses, calculations, and commercial and legal relationships in which they have to engage according to their labor contracts. Financial professionals, those who describe them, such as the media, and those who regulate them, have various interactions with each other, and often share similar educational backgrounds in financial theory. They also often share the same assumption according to which the legitimate controversy that they have to deal with concerns the fact that the activity of the "investors" indeed ensues in "efficient markets". The tensions and conflicts that arise between these concepts in the everyday practice in the financial industry are not experienced as unacceptable contradictions, but as dynamic tensions whose resolution, even if it remains ideal, must be thought as possible10.

This does not explain away the importance of vested interests and major strategies in the defense of the current financial system, but it does allow to make a link between the everyday practice of financial professionals and its justification in the terms of a set of "efficient markets" in which "investors" define value and allocate credit in a way that, if it is not perfect, remains the closest to what would be socially optimal. The regulatory reaction to the current crisis, concentrated on enhancing transparency and a better valuation of risks, i.e. a better enacting of the logics of the investor, remains within this imaginary. The social sciences can address the importance of these concepts, of their possibilities, limits and contradictions, without falling into the trap of having to position themselves for or against them, but by analyzing how they work in the everyday practice of those who use them. Asking how they are really applied, in quite a Weberian fashion, allows for seeing the distance between their use and the utopias in which they were created (Weber, 1949 (1904)). This does not give an answer to the question of their political legitimacy, but at least it opens yet another door for the question to be asked.

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Endnotes

1In another context, I would use the feminine pronoun to speak of abstract actors, if only to remind of the gender biases that language may impose on our reading. Here, nevertheless, this would have the misleading effect of erasing the fact that most people in positions of responsibility in the financial industry are male. I will therefore use the masculine pronoun when speaking of abstract actors.

2Sometimes, when the fundamental value is difficult to define, relative valuation can become the main source to define value, (cf. Beunza & Garud, 2006).

3Over-the-counter (OTC) transactions are carried out within a network of exchange with no visibility of the whole, where each transaction is negotiated on a one-to-one basis. They are extremely important, for instance for credit derivatives or spot and forward currency transactions.

4These basic concepts appear in any manual of financial analysis, see for instance (Gitman & Joehnk, 2008).

5I have analyzed this elsewhere in detail for stocks and asset backed securities. (cf. Ortiz, 2008).

6These developments are legitimized by the Nobel prizes won by the academics considered to be their authors. Harry Markovitz won the Nobel prize for the Modern Portfolio Theory, while the Capital Asset Pricing Model was developed by John Lintner and William F. Sharpe, the latter being later awarded the Nobel prize for his work on option pricing. For a history of these developments, see (Walter, 1996), (Bernstein, 1998) and (MacKenzie, 2006).

7See for instance (AZEK/ILPIP 2008: Ch. 3, p. 8)

8These assertions come from the twenty interviews carried with alternative investment professionals, and the analysis of hundreds of pages of advertising by hedge funds, on line and in marketing documents (Ortiz, 2008: 498-538).

9The issue of short selling, often assumed as possible in market efficiency models, highlights a tension within the definition of the "investor", which is at times considered to be completely detachable from the interests of the company in which he invests, and at times considered to be obliged to hope that the price of the stock would uniquely follow an upward trend.

10Foucault has analyzed the importance of neo-Kantian idealism in 20th century ordo-liberalism and the way in which "market efficiency" is considered to be an "ideal" (Foucault, 2004)

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Neil Fligstein Answers Questions on the Present Financial Crisis

How would you say the present crisis is related to the evolution of corporate control that you have studied in one of your previous books?

I want to answer this question in a more general way. I note that economic sociologists did no better at understanding how the American financial sector was building itself up to the current crisis than the economists. I include myself in this regard. This should give us great pause.

Sociologists who have been studying finance for the past 10 years completely missed the forces that produced the ongoing crisis. Their study of trading floors and trading instruments gave them no inkling of what was really going on in the financial world. While they may have caught the flavor of what was going on inside of stock exchanges, they have obviously missed what was really important about finance.

Sociologists who have been studying the globalization of finance did no better. Their critical attitude towards that process has mainly focused on the role of finance in currency exchange, trade, and development. They have only seen this as a kind of integration process where their main idea is that governments have lost control over such markets. But, they obviously have been studying the wrong things as well. This was not a currency crisis or a crisis in trade. It was a crisis in the core way in which banks and other financial organizations made money. No one saw mortgage securitization as one of the real core businesses of this system. No one saw how banks around the world either copied the tactics of the American banks or else bought American mortgage backed securities.

Finally, scholars oriented towards thinking that the world has become one giant network did no better either. Scholars using metaphors such as structural holes, robust action, network society, network organization, and the view that networks produce either information or trust that allows the coordination of new ideas to produce new and successful markets completely missed the growth of the U.S. mortgage securitization sector. That sector grew from a $500 billion business in 1990 to a $4 trillion business in 2003. Not a single one of them studied it.

I am not going to let myself off the hook. I have been focused on how "shareholder value ideology" has affected corporate strategies and structures across Fortune 1000 corporations. I have also been interested in whether such ideas have spread across the world. I have shown how the ideology of shareholder value has allowed top managers to use technology, union busting tactics, and financial engineering to increase profits in the U.S. I have also shown that they used their success to capture so much pay that they have increased income inequality in the U.S. and other societies, such as Great Britain that bought into the U.S. model.

But I missed the rise and dominance of the financial sector in the U.S. that has been going on since the mid 1980s. Almost no one in sociology really caught up to how the financial sector (defined by the industry categories "finance, insurance, real estate") in the U.S. increased its share of overall corporate profits in the country to about 40% with 7% of the labor force and 10% of GDP (for an exception see some of Greta Krippner's recent work).

So, it is possible for me to go back to what I and others have been studying and try and see where we went wrong. But I would have to be generally critical in noting that economic sociology and the parts of it that claim to understand either finance directly or else the study of capitalism did not see this coming.

How do the present crisis and the collapse of major actors of the financial field fit your conception of the architecture of markets?

Having taken us all to task for missing the growth of mortgage securitization and its proliferation of financial instruments, I think the conceptual tools I used in the "Transformation of Corporate Control" and the "Architecture of Markets" remain relevant.

My view of how to study markets focuses on how firms organize particular industries, construct conceptions of control (i.e. ways to make profits and stabilize their relationships to their main competitors), and how this occurs in relation to governments. My view is also dynamic by suggesting that processes that allow new markets to emerge should be studied differently than markets where the players are established and working within a conception of control. New conceptions of control emerge as social movements, result from political coalitions between leading firms, and then spread tactically across the main firms in a market. Established markets are "games" where there is a jockeying for position between market actors who watch one another and respond to challenges and opportunities. The third process to study is the kinds of crises that cause such markets to become completely destabilized, resulting in the destruction of the incumbent firms. Here, the issue is usually how a disruptive shock emerges to put the incumbent firms out of business (an extinction event that occurred in the mortgage securitization business).

My critique of most of the literature on the financial services industry in economic sociology is that it has failed to analyze the fact that firms are the main entities that have organized different financial markets. We have tended to treat the financial sector as if firms (banks and so-called non-bank banks) do not matter and, as a corollary, as if there were only one market. This has led us to study traders and exchanges or instruments and not how the firms who created these products were in fact creating separate markets dominated by separate firms. Moreover, this focus on traders and instruments (with a few exceptions such as Donald MacKenzie's work) caused scholars to miss the role of government. This caused scholars to fail to even consider the importance of the mortgage securitization market, its history, the role of government and firms in pioneering the market, and the subsequent dynamics that produced the steep rise and sudden fall.

As a result, we still do not know why the U.S. subprime market spread across the entire U.S. banking system and how it spread across countries. For me, the most important task is for us to do an autopsy on the industry in order to see its creation, rise, spread and fall. So, for example, my own view, based on preliminary work, is that the banks around the world that fell did so either because they emulated the American banks or because they bought the mortgage backed securities in large numbers.

There are already a set of conventional wisdoms that have evolved out there that either stress the financial instruments themselves or the fact that individual decision makers behaved rationally, but the systemic effect was irrational. Before we accept these views, it is important to analyze what really happened.

I have been trying to do some of this for the past year. I have written a paper on this topic that I would be pleased to share with interested readers. Let me give you the broad outlines of what I have found that are informed by the perspective I have elucidated in my previous work.

First, the mortgage securitization market was created by the American government in the late 1960s. The idea was that the Johnson Administration wanted to increase home ownership. But, they were under great pressure not to start a large government program whereby the government became a large bank holding a large fraction of mortgages in the U.S. They hit on two important ideas. They invented the mortgage backed security. The idea was to make loans, then package mortgages together into bonds, sell the bonds, and then use the funds to make more loans. They created what are called "government sponsored enterprises", Freddie Mac, Fannie Mae, and Ginnie Mae, to package and underwrite mortgage backed securities (MBS).

The first mortgage backed security was issued in 1970. The market for MBS was slow to develop. There were several issues. One was the continued dominance of the savings and loan industry as the provider of mortgages. The others were technical and legal problems with selling MBS. The collapse of the Savings and Loan industry (itself an important and not well studied event) opened up the mortgage market for a new way of funding mortgages. The technical and legal problems were resolved in the mid 1980s in a series of moves that were coordinated across industry and government. Part of this resolution involved the invention of "tranching", the division of these bonds into groups that held different kinds of risk ratings. Here, both government and private banks pioneered these tactics.

From 1990 until 2003, the market expanded dramatically. The market also became quite concentrated. The largest loan originators became national banks, the investment banks grew dramatically, and the three ratings companies found their main market to be the rating of MBS. Moreover, the largest banks originated, packaged, and sold MBS. They also held on to a large number of MBS as investments. I note that there was a financial revolution that extended beyond mortgages. Every form of debt became a focus of securitization and these markets grew from essentially zero in the mid 1980s to over $2.5 trillion by 2006.

The real crisis occurred from 2003-2007. Basically, the overall size of the prime mortgage market peaked in 2003 at nearly $4 trillion. It dropped dramatically to $2.5 trillion in 2004. This means that in order for banks to continue to grow their businesses, they needed to find a new source of mortgages. The market they found was the subprime market. That market grew from being 10% of the overall mortgage market in 2001 to 70% in 2006.

The analysis I have done suggests that three conventional wisdoms about what happened are wrong. The first is that the market was not concentrated. This is not true. Indeed, by 2005, the top 10 firms in each part of the market controlled from 60%-90% of their market. The second is that the financial instruments were responsible for what happened. Given that the instruments helped build the market, it is hard to see how they all of a sudden could have been responsible for the downfall. They were the vehicles by which the market expanded. So, how could they have been the cause of the decline? The cause of the collapse must be sought in terms of something like changed from 2001-2008. What changed was the rapid increase in subprime mortgages. Finally, there is an argument out there that loan originators and packagers did not keep MBS bonds that they knew might be dicey. This is not true. One of the main reasons that so many of the core banks in the market went out of business is that they borrowed money to hold onto subprime MBS and their holdings dramatically increased from 2003-2007.

From the "Architecture of Markets" perspective, the cause of the crisis was the shift towards the subprime market and the role of regulators in allowing this to happen. Understanding this process will give us insight into what happened and what might be done to prevent it. In my analysis, I show that low interest rates pushed firms into borrowing more money. Subprime mortgages were what they borrowed money for. Ratings companies cooperated with packagers of loans by overrating them. When the underlying mortgages began to default, the whole system began to collapse.

In what ways if any, would you say that state intervention differs from what happened during previous major economic crises?

Never in American history has the government intervened in as large a way into one sector of the economy. The savings and loan crisis of the 1980s was a $200 billion affair while the price tag for what the government has done in the past 12 months is over $4 trillion. This is because of the centrality of housing to the US economy. It is not only the largest sector of the economy, but its health is tied to every other aspect of American life.

In the U.S., the government essentially created the mortgage securitization market. They also under wrote much of the market by acting as the conduit through the government sponsored enterprises. The U.S., in this regard, looks like a classic developmental state. The government also encouraged the private sector to enter both the origination and packaging of the MBS markets with the idea that increasing the size of the market would increase rates of home ownership. This also explains why both Republicans and Democrats supported whatever new laws and regulations the banks wanted. Republicans saw it as good for the banking business and Democrats saw it as good for people who wanted to own their own house.

Of course, the government liked to pretend that it was not doing this. So, for example, in the mortgage market, everyone who bought bonds came to assume that the federal government stood behind Freddie Mac, Fannie Mae, and Ginnie Mae. But American politicians, both Republicans and Democrats never acknowledged that this is what they were doing. They maintained the useful fiction that the government sponsored entities were private corporations.

The financial bailout has been carried out in a non-transparent fashion. The firms that went bankrupt were at the core of these markets. Indeed, 7 of the 10 largest loan originators are out of business and 8 of the ten largest issuers of MBS are out of business. The government took over Freddie Mac and Fannie Mae making it the largest holder of MBS in the country. The government functionally is the owner of the two largest bank holding companies, Bank of America and Citibank (and of course they own AIG). The government not only provided capital for the largest banks, but it is currently the only real financial entity that is buying MBS that are currently being issued.

The crisis ended because of the most massive market intervention in economic history. The government has taken over the entire mortgage industry. Ironically, what the Johnson Administration sought to avoid in the 1960s has become reality today. Again, regulators, policymakers and politicians (for political and ideological reasons) continue to pretend that there still exists a market for mortgages and MBS where the government is a minor player. The facts speak otherwise.

What market architecture do you believe will emerge after the present crisis?

There is certainly going to be some changes. Banks around the world will have to hold more capital reserves and if they want to make riskier investments will have to increase those reserves. Regulators will worry about executive compensation, but my guess is that this will prove hard to regulate.

I am actually skeptical that a lot is going to change in the U.S. The banks have so far resisted most of the changes. I am a big fan of the idea of a consumer protection agency for finance. There is certainly evidence that some people who bought subprime mortgages were duped and had there been better regulation, some of this tragedy could have been avoided.

But, the banks hate the idea and are rallying opposition to it. As the crisis recedes into the background, the push for those changes will lessen. It is likely that after almost collapsing the world economy, the remaining banks will pretty much continue business as usual. This is depressing in many ways. The people who are the regulators share decision premises with the bankers. They believe that fundamentally the bankers behaved rationally. They view what happened as an accident. These regulators still think like the bankers do.

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Book Reviews

Book: Swedberg, Richard, 2009: *Tocqueville's Political Economy.* Princeton University Press.

Reviewer: Nicolas Jabco, Centre d' Etudes et de Recherches Internationales, Sciences Po, jabco@ceri-sciences-po.org

An abundant scholarship has established Alexis de Tocqueville as a major figure in the canon of political theory, but not as an economic thinker. *Tocqueville's Political Economy* argues that that this is an unfortunate oversight, making the case for Tocqueville as an original and highly sophisticated analyst of economic phenomena. What Swedberg finds most interesting is Tocqueville's "way of thinking" about the economy, especially the importance he grants to "ideas and moral feelings" in economic life. Written in the form of an intellectual biography, Swedberg's book highlights the development of Tocqueville's economic thought in his eventful life and his writings, offering the perspective of a leading economic sociologist on the relevance of Tocqueville today.

Swedberg thinks the value of Tocqueville's perspective on political economy has gone largely unnoticed because his work is so difficult to fit within the established tradition of political economy. Unlike some of his contemporaries – and today's economists – Tocqueville was not particularly interested in the economy for its own sake. Instead, he wanted to understand how economic phenomena interacted more broadly with social and political phenomena. Swedberg's book therefore explicates Tocqueville's way of thinking and his main insights from this perspective of "political economy" writ large.

Tocqueville viewed political economy primarily through the prism of his theory of the transition from "aristocracy" to "democracy." Aristocratic societies organized along feudal lines and around agrarian economies were fast disappearing, replaced by democratic societies driven by egalitarianism, industry, and commercialism. Yet Tocqueville believed that even the most materialistic and democratic economy – the United States – could exist only within a cultural context of shared "mores." Swedberg shows how the author of *Democracy in America* became fascinated with entrepreneurship and sensed its importance for the future emergence of America as a global powerhouse. Looking for the causes of the United States' economic success, Tocqueville focused on Americans' cultural acceptance of risk-taking, and also on the importance of associations and contractual relations in American society. Swedberg points out that Tocqueville's "embryo of a theory of entrepreneurship" differs from Schumpeter's notion of entrepreneurship as a behavioral attribute of successful individuals in advanced capitalist societies. It may be added that Tocqueville's view of American prosperity as fueled by entrepreneurial risk-taking also differs from Max Weber's insistence on the cold rational ethos of modern capitalism.

Tocqueville was also the first to single out some of the root cultural causes of the French revolution – the universal hatred of the aristocracy and king, reinforced by regressive taxation and corruption and mounting social frustrations after a long period of economic growth (what Jon Elster has called the "Tocqueville effect"). In his *The Old Regime*, social classes and the economic role of the state take center stage. Of course, both themes were also present in the work of political economists like Adam Smith or Karl Marx; but Tocqueville's approach, as Swedberg points out, is more historical and arguably more perceptive. Writing shortly after the coup d'Etat of Louis-Napoleon Bonaparte, Tocqueville was also especially concerned about the negative effects of materialism on society's respect for political freedom and civic values – a theme already present in *Democracy in America*.

A modern reader cannot help but find odd and decidedly aristocratic some aspects of Tocqueville's outlook on the "democratic state." He evidently considered money-making as a crass activity. He also thought that "political passions" were superior to pedestrian materialist desires – even when they took the form of colonial violence. The fact that Tocqueville was not always the most coherent thinker of freedom and democracy shows up in the blind spots of his analysis. Tocqueville was unable to make sense of the subordinate status of African- or Native Americans, or to explain convincingly (in our eyes) why it was a lofty idea for France to colonize Algeria in the 1830s. That is the part of Tocqueville's way of thinking which is clearly *not* modern. On this count, Swedberg's analysis of Tocqueville's contradictions is honest, albeit perhaps a little too lenient.

More generally, Swedberg explains very well why Tocqueville did not really develop a coherent system of political economy. Unlike Smith, Marx, or even his friend John Stuart Mill, Tocqueville had no interest in abstracting purely economic mechanisms. From this perspective, the book title *Tocqueville's Political Economy* may sound a little misleading. Tocqueville's thought profoundly differed from that of other political economists of his time. Swedberg characterizes Tocqueville's method as "synthetic" rather than "analytic". But, as Swedberg also recognizes, the accepted practice of modern social science – especially economics – is more often analytic than synthetic. In this sense, Tocqueville's reluctance to systematize his ideas can appear as a weakness for his posterity as a political economist. Today, we still find Tocqueville's ideas quite profound; but we often don't understand how they cohere, and we find it difficult to teach our students Tocqueville's method.

Despite this resilient mystery in Tocqueville's "way of thinking," he remains relevant to us because of his quite modern, empirically grounded view of social science. The advantage of Tocqueville's distaste for abstract systems of ideas is that he never tried to force reality into his intellectual categories. As a result, he developed remarkable insights on the interactions between economies, societies, and politics. Swedberg's argument is broadly convincing in this regard, and his book consequently provides an excellent introduction to Tocqueville's work. It is also a timely book for anyone who wants to understand the on-going vitality of scholarly fields such as economic sociology, or economic constructivism and historical institutionalism in political science. Tocqueville's work exemplifies some of the best scholarship that can be produced on political economy – yet his approach is quite different than the analytical framework of contemporary economics.

Book: Hann, Chris, and Keith Hart, eds, 2009: *The Great Transformation Today.* Cambridge University Press.

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Karl Polanyi's lifelong intellectual pursuit and passion was to expose the limits and disastrous outcomes of "the economistic fallacy" and to contrast it with the "reality of society" – the "relationship of persons" that constitutes the fabric of social life (Polanyi 1936; Somers 1990). Polanyi's warrant comes into sharper focus today, as the world economy experiences a massive crisis. This refocusing is what the edited volume by two prominent anthropologists, Chris Hann and Keith Hart, aims to achieve. In this timely volume, the editors and contributors do not probe Polanyi solely through text analysis, but strive to transpose a fine-grained reading of Polanyi's major work onto the theoretical and empirical analysis of markets and societies in today's world. In so doing, they enrich and expand Polanyi's enduring research agenda.

The volume includes broad theoretical essays as well as chapters combining empirical examination and theoretical reflection. In chapter 2 for instance, Gudeman, writing on markets, claims that "all economies are both embedded and disembedded", because all economies involve – simultaneously – mutuality and market, community and impersonal trade. Chapter 3, by Beckert, presents an authoritative look at the strange career of embeddedness, in particular at the twists and turns in economic sociology's appropriation of the concept. In chapter 4, Steiner investigates the affinities between Polanyi, Durkheim, and Durkheim-inspired sociology, drawing attention to the role of economic knowledge. In chapter 5, Servet offers an excursion into the question of economic value, specifically the moral boundaries and social relations that permeate the use of money and the functioning of market. Chapter 8 by Gregory is a first-rate analysis of Polanyi's "conceptual toolbox," and includes an extended discussion of householding, reciprocity, redistribution, and money-making. In chapter 9, Spittler critically examines the analytical categories and dichotomies of *The Great Transformation* through a comparative anthropology of work. The rest of the volume comprises diverse empirical chapters, including analyses of union politics in Central India and obstacles to a Polanyian counter-movement (chapter 10 by Parry), community recycling schemes and redistribution in London (chapter 12 by Alexander), the partial commodification of environmental conservation in Jamaica (chapter 13 by Carrier), and "non-market disembedding" under socialism (Hann's intriguing chapter 14). While the quality is at times a bit uneven, a remarkable feature of the empirical chapters is that all authors devote themselves to the interpretation of their accumulated work in the light of Polanyi. Given the recent economic crisis, three chapters are particularly relevant: Hart on money (chapter 6), Graeber on debt (chapter 7), and chapter 11 by Guyer on price, composites, and commodification of risk.

There is much to recommend in this collection. There is a consistent thematic focus, if not theoretical unity, connecting the chapters. The theoretical essays are insightful and concerned with some of the most important aspects of Polanyi's work. The empirical analyses construct a fascinating dialogue between Polanyian themes and market-society relations in an impressive reach across diverse parts of the world. But perhaps the biggest virtue of this collection is the critical and constructive approach it takes toward both Polanyi and *The Great Transformation*. This approach acknowledges that Polanyi asks the most pertinent and far-sighted questions on market and society, but that he does not necessarily give the most consistent and rigorous answers to those questions. This is one of the reasons why learning from Polanyi is rewarding and generative. Nevertheless, a Polanyi-inspired research program on market and society faces several hurdles. Both the editors, in their introduction, and Don Robotham, in a thoughtful afterword, outline some of these obstacles. Accordingly, the attempt to go beyond The Great Trans formation and the larger corpus of Polanyi's work in analyzing market-society relations is a recurring theme in the book.

This edited volume is essential reading for anyone interested in Karl Polanyi and the continuing relevance of his work. Because it provides both an overview and examples of research in Polanyian economic anthropology, it has further appeal to sociologists who want to acquire familiarity with a discipline whose agenda offers fruitful overlap with research in economic sociology.

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PhD Projects in Economic Sociology

The Cultural Political Economy of Moral Restructuring in Uganda: an Analysis of the Changes in the Relationships and Trade Practices between Farmers and Traders/ Middlemen since 1986

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This thesis argues that neoliberal reforms in Uganda have targeted not only the reshaping of the economy but also society and culture. The reforms aim at the emergence and consolidation of 'market society', which includes a corresponding set of moral norms of behaving and relating to each other. Thus, reforms have to undermine, overwrite and crowd-out pre-existing norms, values, attitudes, and practices among the population. Particularly noteworthy is the attempt to reshape moral norms: what is regarded acceptable/unacceptable, proper/improper or legitimate/illegitimate behaviour in the light of moral principles in the country and its specific regions.

It is argued that this cultural dimension of rapid neoliberal reforms in Uganda (which is intertwined with political-economic shifts) has negatively affected the relationships and trade practices between smallholder farmers and traders/middlemen in rural markets. Findings from field research suggest that rural trade practices, since the onset of liberal economic reforms (pushed by Western donors) under the ruling NRM (in power since 1986), have been characterised by a rising level and changing forms of 'malpractice' (e.g., deception, trickery, intimidation, theft, collusion, corruption, various manipulations regarding price, quality measurement and weighting scales).

Following the liberalisation, deregulation, and privatisation of the agricultural sector (previously organised in cooperatives structures), the new wave of malpractices in the 1990s was kicked-off by a growing group of traders and middlemen.

Partly in return, a section of farmers are now also engaged in malpractice (for various reasons). Overall, the changing moral (and political) economy in the country has led to an era of increasingly unconstrained moneymaking in which, for instance, certain actors with social power pursue their self-interest at (almost) whatever cost to others. These economic practices are being rationalised, supported and justified by a new set of neoliberal norms (and the changing realities of life in a neoliberal country, e.g. corruption, poverty and injustices) that increasingly govern both the economy and society.

The research tries to track and explain these dynamics, especially the change in business practices and underlying moral norms, by exploring the experiences and views of the Ugandan actors on related matters. Field research has been carried out between November 2008 and March 2009 in Kampala (around 50 elite interviews) and the Bugisu region in Eastern Uganda (more than 100 interviews with smallholder farmers, traders/middlemen, and elites; market observations) to offer an account of the dynamics, drivers, reasons and consequences of some of the main characteristics of the moral economy of rural trade in neoliberal(ising) Uganda.

More generally, the analysis captures the politics of embedding a neoliberal business culture, e.g. the process of changing not only the political economy but also the moral order (set of moral relationships and norms) of local markets, communities and the country at large. This political and societal process of moral restructuring, which seems mainly driven by the interests of the domestic power elite as well as foreign donors, organisations and corporations - coupled with the effects of neoliberal virtualism as well as political-economic and social pressures & problems in the country - is ongoing, contested and has led to a range of connected and wide-ranging problems for (especially ordinary) people and the wider economy. The moral trends could be hard to halt/reverse & the medium to long term (political, social, cultural and economic) effects of the changes significant.

The analysis engages with the following debates: cultural political economy, everyday IPE, neoliberalism, virtualism, moral economy, embeddedness of markets/actors, politics of rural markets, the West in Africa, global capitalism, development and market/competition society.

Interorganizational Network in the Lille's Restaurant Industry, a Neo-structural Approach of Market and Social Processes

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The thesis we sustain is rooted in two fields of research, on the one hand economic sociology, and on the other hand social network analysis. Based on an empirical case, i.e. the market of restaurants in Lille (in the north of France), three aims are pursued. The first one is sociological: following Polanyi, we highlight the "embeddedness metaphor" for which *every society has an economy, and every economy can not grow up outside a society*. The second aim is theoretical: based on a neo-structural approach, we want to take into account the relational dimension of the economic and social activities of the restaurants' owners. The third aim is methodological: we try to apply at the interorganizational level (where the boundaries of the studied population are initially unknown) the methodology of so called "complete networks", which was first developed for the intra-organizational level. The most relevant adjective used to label our approach is, according to us, "sociocentric", because this term suits well our simultaneous focus on individual action and collective action, on the individual and on the group. It is possible for us to hold permanently together the two levels because we are grounded, empirically, at a meso-social level of analysis, between micro and macro.

This thesis is structured in four chapters. The First Chapter is dedicated to a presentation of economic sociology and neo-structural theory. The Second Chapter describes first the steps of our empirical survey conducted amongst three hundred restaurants' owners in the Lille area, secondly the methodology used to construct our population. The Third Chapter deals with the description of the structures of the Lille's restaurant industry under the sight of three important sociological concepts: the interface by White, the field by Bourdieu, and the system of social resources' exchanges by Lazega. The Fourth Chapter is particularly focused on two social processes which appeared to us as fundamental to the functioning of the restaurants' market in Lille: bounded solidarity among restaurants' owners, and regulation by status and both individual and collective social capital of restaurants' owners. The first process is described thanks to the identification and analysis of the social niches (subgroups) which are constructed by restaurants' owners when they exchange social resources (daily discussions, useful information exchanges, customers sending, various helps). The second process is intended from the description of the gastronomic status competition in which restaurants' owners are involved in order to be recognized on the market.

Social niches analysis is used to throw lights on subgroups, which are not constituted (as it is usually the case in sociology) on the possession of some common attributes, but are constituted on relational criteria, i.e. social resources' exchanges. The reasons of social niches building reflect the structure of both market as an interface and market as a field. Inside interface, where competition is divided according to cooking styles and profit strategies followed by every restaurant, we show that restaurants' owners tend to "observe themselves" (White). Inside the field, where efficient types of capital are detected (economic, gastronomic and culinary), we distinguish an oligarchy of restaurants' owners who own formal status (it means that they possess the highest volume of one or several types of capital). Social network analysis leads us to link status' possession to centrality among networks: the oligarchs tend, on the one hand, to concentrate exchanges flows, and on the other hand, to exchange social resources among themselves in order to preserve their dominant position. More precisely, they tend to organize themselves in social niches. The way niches and status are melt allows for an understanding of how social processes of bounded solidarity and regulation work.

Social niches of bounded solidarity tend to emerge among restaurants' owners who have a formal status. And, it is both inside and between these social niches that the competition runs for acquisition and preservation forms of status. We lead a systematic analysis of the functioning of each type of status. Culinary status, stemming from professional experience and degree, tend to be socially non congruent with the economic status measured by the restaurants' market shares; at the opposite culinary status tends to constitute a fundamental condition for the accumulation of the gastronomic status which stems from gastronomic guides (for example *Le Guide Michelin*) and peers-competitors (the professional "milieu"). The practice of social resources' exchanges tends to develop mainly among restaurants' owners who take part in the competition for gastronomic status; at the opposite, it tends to be prohibited for those who owned an economic status. On the one side, the recognition of peers appears essential; on the other side, economic competition plays the main part.

The study of social processes also invites us to consider that a market can be sustainably established only on some collective basis, willing to regulate some effects of economic competition, and allowing for social competition to spread through formal procedures of ranking and symbolic recognition: this is precisely the role of, first, honorific associations which work by cooptation and, secondly, gastronomic guides, recognized by the professionals themselves, and which distribute awards (for example the "Etoiles Michelin"). Informal exchanges of social resources do not only appear anymore in their functional dimension but also in their symbolic dimension, while contributing to the necessary collective building of a gastronomic social capital. This conclusion breaks with the neoclassical conception of the market as an auto-regulatory price mechanism, and it rather suggests a conception in terms of "institutionalized process" (Polanyi). In this conception the *homo œconomicus* figure is not relevant, since it does not help in understanding the functioning of an empirical market where tradable and non tradable aspects, formal and informal meanings, and where, paradoxically, asymmetric competition and bounded solidarity go hand in hand.

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