

FREAKONOMICS

Flesh Trade

By Stephen J. Dubner and Steven D. Levitt

July 9, 2006

Weighing the Repugnance Factor

How's this for a repugnant situation? Take someone you love, perhaps your spouse or your sibling, and find a stranger who will accept a really big bet that your loved one will die prematurely — and if indeed that happens, you pocket a few million dollars.

This, of course, is how life insurance works. And most Americans don't find this idea repugnant at all. They used to, however. Until the mid-19th century, life insurance was considered "a profanation," as the sociologist Viviana Zelizer has written, "which transformed the sacred event of death into a vulgar commodity."

Alvin Roth, a Harvard economist who studies the design of markets, has done a lot of thinking about repugnance. On some issues, he notes, repugnance will recede, as with life insurance — or, even more momentously, the practice of charging interest on loans. In other cases, the reverse happens: a once-accepted behavior like slaveholding comes to be seen as repugnant.

One case of repugnance is far from settled: the dispute over how human organs for transplantation should be allocated — and, perhaps, even sold. If you happen to have a failing heart or liver or kidneys, you will almost certainly die without a transplant, but if you aren't lucky enough to get an organ through an official registry, you can't legally purchase one at any price. So instead of a free market in organs, we have a volunteer market. Some people agree to give up their usable organs once they die. In the case of a living donor, someone sacrifices a kidney or a portion of a liver to a recipient, most likely a family member.

In the space of just a few decades, transplant surgery has become safe and reliable (to say nothing of miraculous). But success breeds demand: as more patients get new organs, more patients want them. In 2005, more than 16,000 kidney transplants were performed in the U.S., an increase of 45 percent over 10 years. But during that time, the number of people on a kidney waiting list rose by 119 percent. More than 3,500 people now die each year waiting for a kidney transplant.

To an economist, this is a basic supply-and-demand gap with tragic consequences. So what can be done to increase the supply of organs?

A big problem is that would-be suppliers are not given very strong incentives to step forward. In much of Europe, the choice is made for them: instead of "opting in" to donate, the default assumption is that your usable organs will be harvested upon your death unless your family "opts out." But Europe, too, still has a sizable organ shortage, in part because traffic fatalities — which tend to produce desirable organs for harvest — are on a downward trend in Western countries.

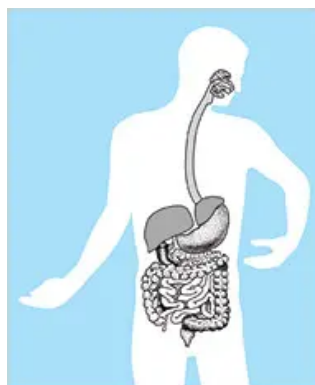


Illustration by Paul Sahre

If it's hard to get people to give up their organs upon death, consider how much harder it is to persuade a living person to donate a kidney. (From a medical perspective, a kidney from a living donor is far more valuable than a cadaver kidney.) Even though most people can live safely on one kidney, there is still a price to be paid in discomfort, risk, fear and lost wages. But the United States, like pretty much every other country in the world, forbids a donor to collect on that price, or any other.

It is hard to find an economist who agrees with this policy. Gary Becker and Julio Jorge Elias argued in a recent paper that "monetary incentives would increase the supply of organs for transplant sufficiently to eliminate the very large queues in organ markets, and the suffering and deaths of many of those waiting, without increasing the total cost of transplant surgery by more than 12 percent."

Some noneconomists may well find this reasoning repugnant. There are many reasons, after all, for banning the sale of organs. Some people consider it immoral to commodify body parts (although it is now commonplace to not only sell sperm and eggs but also to rent a womb). Others fear that most organ sellers would be poor while most buyers would be rich; or that someone might be pressured into selling a kidney without fully understanding the risks.

But why, Becker and Elias ask, should poor people "be deprived of revenue that could be highly useful to them"? Even more compelling is the fact that a poor person is just as likely as a wealthy person (if not more so) to need a new kidney — and, with no legal market for organs, is just as likely to die while waiting on a list.

Alvin Roth, even though he is an economist, is smart enough to realize that repugnance will keep Americans from embracing a true market for organs anytime soon. So, along with several other scholars and medical personnel, he has helped design a clever alternative, the New England Program for Kidney Exchange. Imagine that you have a wife who is dying of renal failure, and that you would give her one of your kidneys, but you are not a biological match. Now imagine that another couple is in the same bind. The kidney exchange locates and matches the couples: you donate your kidney to the stranger's wife, while the stranger gives his kidney to your wife; the operations are performed simultaneously to make sure no one backs out. Although this system has yielded only a couple dozen transplants so far, it illustrates an economist's understanding of incentives: if you can't get someone to give an organ out of altruism, and you can't pay him either, what do you do? Find two parties who are desperate to align their incentives.

Otherwise, who in his right mind would step forward to donate a kidney to a stranger? In fact, we recently spoke to one such potential donor who asked to remain anonymous. Donor is married, with four children and a precarious financial situation. Because Donor had a sibling who nearly needed an organ transplant, the idea got into Donor's head to perhaps sell a kidney to a stranger. Through a donor Web site, Donor met a potential recipient, whom we'll call Recipient. It wasn't until the process was well under way that Donor learned it was illegal to be paid. In the end, however, Donor's moral mission overrode the financial need, and Donor decided to go ahead with the transplant.

Donor has undergone extensive testing at the hospital where Recipient will have the transplant. Both Donor and Recipient have had to lie repeatedly to the doctors, pretending they are old friends. "If they find out you met on the Internet," Donor explains, "they assume it's for money, and they'll call off the operation."

If all goes well, the transplant may happen soon. Consider the parties who stand to profit from this transaction: Recipient, certainly, as well as the transplant surgeons, the nurses, the hospital, the drug companies. Everyone will be paid in some form — except for Donor, who not only isn't being paid but, in return for carrying out a deeply altruistic act, also has to pay the additional price of lying about it.

Surely there are some people, and not just economists, who would find this situation — well, repugnant.