

REITH LECTURES 2009: A NEW CITIZENSHIP

Presenter: Professor Michael Sandel

Lecture 1: Markets and Morals

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SUE LAWLEY: Hello and welcome to the Radio Theatre in Broadcasting House for the first in this year's series of Reith Lectures. Their title is 'A New Citizenship', addressing the prospect of a new politics for the common good. There could probably be no better time to tackle such a challenging subject. In America, a new President, very different from his predecessor, is trying to give new direction to a country that many people feel had begun to flounder beneath the complexities it faces. In Europe, the financial crisis, tinged in Britain by recent revelations of parliamentary misbehaviour, has felt as though it might undermine the whole structure of government.

This year's lecturer believes we need to think afresh about what we mean by 'the common good'; to think about whether we need to foster deeper moral and spiritual values in our public life. Our social, sexual, economic and scientific freedoms throw up many difficult ethical questions. How, he asks, should we develop the moral systems we need to cope with them? He's one of today's most eminent philosophers and political thinkers. His course on justice at Harvard University is one of the most oversubscribed in the history of the place. And his books have received worldwide acclaim. So I ask you, please, ladies and gentlemen, to welcome the BBC Reith Lecturer for 2009: Michael Sandel.

(APPLAUSE)

SUE LAWLEY: Welcome, Michael. First, and most importantly of all, I gather you have been the inspiration for a character in *The Simpsons*?

MICHAEL SANDEL: Have you checked for sure, Sue? You know that it's true?

SUE LAWLEY: (*over*) I've checked for sure, and I know it's one of the nastiest, most unjust, amoral characters called Montgomery Burns. Is that right? (LAUGHTER)

MICHAEL SANDEL: Thank you for pointing that out. (LAUGHTER) What a great way to begin. This is ...

SUE LAWLEY: (*over*) But why you?

MICHAEL SANDEL: This is urban legend. Its rumours among the students. But it is true that a lot of the writers for The Simpsons went to Harvard. Many of them took the course. So if they took liberties with their professors - or this one - maybe that's how it happened.

SUE LAWLEY: That's how you ended up in there. But 15,000 students have taken your course over the past 30 years at Harvard. I mean it's difficult to ask you to answer this without you know sounding immodest, but why do you think a course on justice has been so popular, *is* so popular?

MICHAEL SANDEL: It's a chance for students not just to read what philosophers in the history of ideas said, but to challenge their own ideas about morality and politics and justice. There's something dangerous in that, but also exhilarating, and I think that's at the heart of the appeal.

SUE LAWLEY: But you've told me that you might have been a journalist, you might have been a politician. You were thinking about, as you were becoming an academic, of studying Economics further; and then you decided, you decided it was "a spurious science". Your words. Why?

MICHAEL SANDEL: Economics.

SUE LAWLEY: Why, why?

MICHAEL SANDEL: It's a spurious science in so far as it is used to tell us what we ought to do because questions of what we ought to do in politics or as a society are unavoidably moral and political, not merely economic questions, and so they require democratic debate about fundamental values. Economists can inform us about possible implications of policy choices, but they can't tell us - and they don't really claim to tell us - what's right and wrong, what's just and unjust. So I decided to veer into that line of work.

SUE LAWLEY: But we're hoping that's what you're going to tell us during the course of these lectures. Hence, your first salvo: markets and morality. Michael, can I invite you to deliver Lecture number one? Thank you.

MICHAEL SANDEL: Well, I'll give it a try.

(APPLAUSE)

MICHAEL SANDEL: Well thank you, thank you very much. Thanks to you, Sue, and what a great pleasure and honour it is to be here. The Reith Lectures have a storied tradition of bringing together the world of ideas and the public realm, and so it's really a great privilege to join you in this tradition.

We live in a time of financial crisis and economic hardship - everybody knows that - but we also live in a time of great hope for moral and civic renewal. We saw this hope in the election of Barack Obama as President of the United States. In many democracies around the world, there's a similar hope, a restless impatience with politics as it is. In Britain, the public has been outraged by revelations that Members of Parliament have claimed reimbursement for inappropriate housing expenses. Whatever reforms may emerge, one thing is clear: the better kind of politics we need is a politics oriented less to the pursuit of individual self-interest and more to the pursuit of the common good. That at least is the case I shall try to make in these lectures.

A new politics of the common good isn't only about finding more scrupulous politicians. It also requires a more demanding idea of what it means to be a citizen, and it requires a more robust public discourse - one that engages more directly with moral and even spiritual questions. And so in the course of these lectures, I'll explore the prospect of a new citizenship and I'll be asking what a more morally engaged public life might be like.

If we're to reinvigorate public discourse, if we're to focus on big questions that matter, questions of moral significance, one of the first subjects we need to address is the role of markets, and in particular the moral limits of markets. Which brings me to the topic of this first lecture. We're living with the economic fallout of the financial crisis and we're struggling to make sense of it. One way of understanding what's happened is to see that we're at the end of an era, an era of market triumphalism. The last three decades were a heady, reckless time of market mania and deregulation. We had the free market fundamentalism of the Reagan-Thatcher years and then we had the market friendly Neo-Liberalism of the Clinton and Blair years, which moderated but also consolidated the faith that markets are the primary mechanism for achieving the public good. Today that faith is in doubt. Market triumphalism has given way to a new market scepticism. Almost everybody agrees that we need to improve regulation, but this moment is about more than devising new regulations. It's also a time, or so it seems to me, to rethink the role of markets in achieving the public good. There's now a widespread sense that markets have become detached from fundamental values, that we need to reconnect markets and values. But how? Well it depends on what you think has gone wrong. Some say the problem is greed, which led to irresponsible risk taking. If this is right, the challenge is to rein in

greed, to shore up values of responsibility and trust, integrity and fair dealing; to appeal, in short, to personal virtues as a remedy to market values run amuck.

We might call this diagnosis 'the greed critique'. But the greed critique is flawed or, at best, partial. Markets have always run on self-interest. From the standpoint of economics, there is no real difference between self-interest and greed. Greed is a vice in personal relations, but the whole point of markets is to turn this vice into an instrument of the public good. This is the moral alchemy that markets are said to perform. We learn this from Adam Smith who said, "It is not from the benevolence of the butcher, the brewer or the baker that we expect our dinner, but from their regard to their own self-interest". "We address ourselves not to their humanity", Smith said, "but to their self-love. Nobody but a beggar chooses to depend chiefly upon the benevolence of his fellow citizens". This was Adam Smith. So it's tempting to say that all we need to do is rein in greed and restore integrity among bankers and business executives and politicians, but this response is mainly hortatory: comforting for a time, but not really much help in rethinking the role that markets play in our societies. So what's the alternative? The alternative is to re-think the reach of markets into spheres of life where they don't belong. We need a public debate about what it means to keep markets in their place. And to have this debate, we have to think through the moral limits of markets. We need to recognise that there are some things that money can't buy and other things that money can buy but shouldn't.

Looking back over three decades of market triumphalism, the most fateful change was not an increase in the incidence of greed. It was the expansion of markets and of market values into spheres of life traditionally governed by non-market norms. We've seen, for example, the proliferation of for profit schools, hospitals and prisons; the outsourcing of war to private military contractors. We've seen the eclipse of public police forces by private security firms, especially in the US and the UK where the number of private guards is more than twice the number of public police officers. Or consider the aggressive marketing of prescription drugs to consumers in the United States. If you've ever seen the television commercials in America on the evening news, you could be forgiven for thinking that the greatest health crisis in the world is not malaria or river blindness or sleeping sickness, but a rampant epidemic of erectile dysfunction. (LAUGHTER) Or consider some recent proposals to use market incentives to solve social problems. Some New York City schools are trying to improve academic performance by paying children 50 dollars if they get good scores on standardised tests. In Dallas, they're trying to encourage reading by paying children 2 dollars for each book they read.

Or consider the vexed issue of immigration policy. Gary Becker, the Nobel Prize winning free market economist at the University of Chicago, has a solution: to resolve the contentious debate over whom to admit, the US, he says, should simply set a price and sell American citizenship for 50,000 dollars, or perhaps 100,000. Immigrants willing to pay a

large entrance fee, Becker reasons, would automatically have desirable characteristics. (LAUGHTER) They are likely to be young, skilled, ambitious, hardworking; and, better still, unlikely to make use of welfare or unemployment benefits. (LAUGHTER) Becker also suggests that charging admission would make it easier to decide which refugees to accept - namely those sufficiently motivated to pay the price. Now you might say that asking a refugee fleeing persecution to hand over 50,000 dollars is callous. So consider another market proposal to solve the refugee problem, one that doesn't make the refugees themselves pay out of their own pockets. An American law professor proposed the following: that an international body assign each country a yearly refugee quota based on national wealth. Then let nations buy and sell these obligations among themselves. So, for example, if Japan is allocated 20,000 refugees per year but doesn't want to take them, it could pay Poland or Uganda to take them in. According to standard market logic, everyone benefits: Poland or Uganda gains a new source of national income; Japan meets its refugee obligations by outsourcing them; and more refugees are rescued than would otherwise find asylum. What could be better?

There is something distasteful about a market in refugees, even if it's for their own good, but what exactly is objectionable about it? It has something to do with the fact that a market in refugees changes our view of who refugees are and how they should be treated. It encourages the participants - the buyers, the sellers and also those whose asylum is being haggled over - to think of refugees as burdens to be unloaded or as revenue sources rather than as human beings in peril. What this worry shows is that markets are not mere mechanisms. They embody certain norms. They presuppose, and also promote, certain ways of valuing the goods being exchanged. Economists often assume that markets are inert, that they do not touch or taint the goods they regulate. But this is a mistake. Markets leave their mark. Often market incentives erode or crowd out non-market incentives.

Let's go back to the case of cash for kids who make good test scores. Why hesitate to pay a child for getting good marks or for reading a book? The goal, after all, is to motivate the child to study or to read, and the payment is an incentive to promote that end. Economics teaches that people respond to incentives, and while some children may be motivated to read books for the love of learning, others may not. So why not use money to add a *further* incentive? Economic reasoning would suggest that two incentives work better than one, but it could turn out that the monetary incentive undermines the intrinsic one, leading to less reading rather than more, or to more reading in the short-run but for the wrong reason. On this scenario, the market is an instrument but not an *innocent* instrument. What begins as a market mechanism becomes a market norm. The obvious worry is that the payment may habituate children to think of reading books as a way of making money, and so erode or crowd out or corrupt the intrinsic good of reading.

A study of some Israeli childcare centres offers a good real world example of how market

incentives can crowd out non-market norms. The centres faced a familiar problem - parents sometimes came late to pick up their children, and so a teacher had to stay with the children until the tardy parents arrived. To solve this problem, the childcare centres imposed a fine for late pick-ups. What do you suppose happened? Late pick-ups actually increased. Now if you assume that people respond to incentives, this is puzzling. You would expect, wouldn't you, the fine to reduce, not increase the incidence of late pick-ups? So what happened? Introducing the fine changed the norms. Before, parents who came late felt guilty; they were imposing an inconvenience on the teachers. Now parents considered a late arrival a service for which they were willing to pay. Rather than imposing on the teacher, they were simply paying her to stay longer.

Part of the problem here is that the parents treated the fine as a fee. It's worth pondering the distinction. Fines register moral disapproval, whereas fees are simply prices that imply no moral judgement. When we impose a fine for littering, we're saying that littering is wrong. Tossing a beer can into the Grand Canyon not only imposes clean-up costs; it reflects a bad attitude that we want to discourage. Suppose the fine is 100 dollars and a wealthy hiker decides it's worth the convenience. He treats the fine as a fee and tosses his beer can into the Grand Canyon. Even if he pays up, we consider that he's done something wrong. By treating the Grand Canyon as an expensive dumpster, he's failed to appreciate it in an appropriate way.

Now the distinction between a fine and a fee is relevant to the debate over how to reduce greenhouse gases and carbon emissions. Should government set limits on emissions and fine companies that exceed them? Or should government create tradable pollution permits? The second approach says in effect that emitting pollution is not like littering; it's simply a cost of doing business. But is that right, or should some moral stigma attach to companies that spew pollutants into the air? To decide this question, we have to do more than simply calculate costs and benefits. We have to decide what attitudes toward the environment we want to encourage.

At the Kyoto conference on global warming in 1997, the United States insisted that any mandatory emission standards would have to include a trading scheme, allowing countries to buy and sell the right to pollute. So, for example, the US could fulfill its obligations either by reducing its own greenhouse gas emissions, or by paying to reduce some other countries' emissions. Rather than tax gas-guzzling Hummers at home, it could pay to restore an Amazonian rainforest or modernise an old coal-burning factory in a developing country.

At the time, I wrote an opinion piece in the New York Times arguing against the trading scheme. I worried that letting countries buy the right to pollute would be like letting people

pay to litter. We should try to strengthen, not weaken the moral stigma attached to despoiling the environment, I thought. I also worried that if rich countries could buy their way out of the duty to reduce their own emissions, we would undermine the sense of shared sacrifice necessary to future global cooperation on the environment.

After my piece ran, *The Times* was flooded with scathing letters - mostly from economists (LAUGHTER), some from my own university. I utterly failed to understand the virtue of markets, they said, or the efficiencies of trade, or even the most elementary principles of economic rationality. Amidst the torrent of criticism, I did receive a sympathetic email from my old college Economics Professor. He understood the point I was trying to make, he wrote, but could he ask a small favour: would I mind not publicly revealing the identity of the person who had taught me Economics? (LAUGHTER)

I've since reconsidered my views about emissions trading to some extent, but I continue to think that in addressing this question most economists miss the crucial point: norms matter. In deciding how best to get global action on climate change, we have to cultivate a new environmental ethic, a new set of attitudes toward the planet we share. We're unlikely to foster the global cooperation we need if some countries are able to buy their way out of meaningful reductions in their own energy use.

Perhaps the best-known example of market norms eroding or crowding out non-market norms involves the case of blood donation. The sociologist Richard Titmuss compared the United States system, which permitted the buying and selling of blood for transfusion, with the system in the UK which banned financial incentives and relied wholly on donated blood. Titmuss found that rather than improve the quality and supply of blood, the commercialisation of blood led to shortages, inefficiencies and a greater incidence of contaminated blood. His explanation: putting a price on blood turned what had been a gift into a commodity. It changed the norms associated with blood donation. Once blood is bought and sold in the market, people are less likely to feel a moral obligation to give it out of altruism.

The late pick-ups at childcare centres and the bad blood brought about by the use of market incentives are cautionary tales. They remind us that markets leave their mark on social norms. This does not by itself establish that marketising goods always changes norms for the worse. To decide where the market belongs and where it should be kept at a distance, we have to decide how goods and social practices are properly valued. How to think about this will be the subject of my next lecture.

My general point is this. Some of the good things in life are corrupted or degraded if turned into commodities, so to decide *when* to use markets, it's not enough to think about

efficiency; we have also to decide how to value the goods in question. Health, education, national defence, criminal justice, environmental protection and so on - these are moral and political questions, not merely economic ones. To decide them democratically, we have to debate case by case the moral meaning of these goods in the proper way of valuing. This is the debate we didn't have during the age of market triumphalism. As a result, without quite realising it, without ever deciding to do so, we drifted from having a market economy to being a market society. The hope for moral and civic renewal depends on having that debate now. It is not a debate that is likely to produce quick or easy agreement. To argue about the right way of valuing goods is to bring moral and even spiritual questions into public discourse. Is it possible to bring moral and religious disagreements into public life without descending into intolerance and coercion? That is the question I'll turn to in the next lecture. Thank you very much.

(APPLAUSE)

SUE LAWLEY: Michael Sandel, thank you very much indeed. Now I want to open up the subject to the floor and invite questions from the audience. Would you like to ask a question, sir?

OLIVER KAMM: My name is Oliver Kamm. I'm a leader writer for The Times. Is it not simply a more pragmatic way of approaching debates over market provision to ask the question of efficiency? Both food and the provision of medical care are essential to public health, yet we distribute these goods differently - food by the market and health care in the UK by public provision regardless of ability to pay.

MICHAEL SANDEL: I don't think that efficiency is the only thing that we take into account even in the two cases that you mention. In the case of food, we do in most welfare societies have provision that those who are without means and who would otherwise go hungry should be provided some form of subsidy or support for food. That's a moral decision. It's true there are more externalities perhaps in the case of public health, but there are lots of ways of trying to sequester or cabin the public health effects of ill health that wouldn't require a full-scale commitment to provide for the basic health of all citizens.

SUE LAWLEY: Do you want to come back quickly on that?

OLIVER KAMM: My point is that moral values are incommensurable. They are not necessarily judged on the same scale. Arguments about efficiency are easier to come by and, thus, easier to come to a social consensus about.

SUE LAWLEY: What would have happened in your example of blood donation, which you say was counterproductive; you know the market mechanism worked against it?

MICHAEL SANDEL: Right.

SUE LAWLEY: What would have happened if the market mechanism had improved the supply of blood?

MICHAEL SANDEL: If it turned out that commercialised blood was a more efficient system, then you would have a straightforward moral choice to make: do you sacrifice some efficiency for the sake of preserving a certain value? The refugees case brings this out most starkly because the way of testing this idea is to say suppose it were true? Suppose it actually found more homes for more refugees than muddling along the way we do it now? Would you be willing to do it? Even if we decided, Sue, to do it, we should do it fully acknowledging that we've made a devil's bargain. Or we may decide the other way, that the devil's bargain isn't worth taking.

SUE LAWLEY: (*over*) What does our audience think of that?

OWEN: Yeah hi, my name is, a citizen of Great Britain. My question would be that Australia tried that policy where they paid the Pacific Islands to take refugees that they weren't prepared to take themselves.

MICHAEL SANDEL: How did it work out? Do you know?

OWEN: Well it worked out very well for Australians. (LAUGHTER) But not so sure for the refugees though.

MICHAEL SANDEL: There are two questions to be asked of that policy. One is, how was it for the refugees and did their treatment reflect having been turned into objects or commodities? And the broader question would be what would be the longer term effect on the public culture and on the norms surrounding refugee policy more generally?

SUE LAWLEY: What's your answer on the refugee issue?

MICHAEL SANDEL: Prima facie, I find it appalling. But if some experiment were done of this kind, then I would want not only to count the number of refugees who were given asylum under the new policy as against the old. I would also want to know more about the

public culture in the societies that received the refugees, that refused to receive the refugees, the attitude toward immigrants, the quality of life and the self-esteem of the refugees and of immigrants. Those are among the things that I would want to look at.

SUE LAWLEY: We've got a hedge fund manager here, Hugh Hendry. Where is he?

HUGH HENDRY: Michael, hi. Clearly I welcomed your comments in dismissing the greed of critique. I think you were concluding to say greed is good. Now if that's the case ...

SUE LAWLEY: Were you saying greed is good?

MICHAEL SANDEL: I was saying if greed is useful, let's use it provided we can very carefully keep it in its place, and we've not done a very good job of doing that lately.

SUE LAWLEY: Okay, Mr Hendry?

HUGH HENDRY: So greed is good then. Erm ... (LAUGHTER)

MICHAEL SANDEL: (LAUGHS) Not exactly, but ...

HUGH HENDRY: I want to put to you: if my presumption that greed is good, is altruism bad? And I say that in the context of the capitalism which is under fire today. The reviled bankers of today, their mistake is that they showed no prejudice. You could have no job, no income, no assets, and bankers said yes. We had a generation of bankers that were benevolent, and that's why we have the losses of today. (LAUGHTER/AUDIENCE REACTION)

MICHAEL SANDEL: I don't think so, I don't quite agree.

SUE LAWLEY: The bankers of the last few years have been highly moral and deeply altruistic then?

MICHAEL SANDEL: Yes. Now to say that they gave loans to people who wouldn't normally or properly qualify for the loans may be true enough, but to conclude therefore that they were acting benevolently (APPLAUSE) I think is rather a threat. What they were doing, the reason they were doing that - and you know this better than I do - the reason they were doing that was not out of some sudden benevolence or altruism. It was because

they knew they would not have to hold those mortgages. They could bundle them, chop them up into very small pieces, sell them off to other people and never have to bear the consequences. It was that, not benevolence, and surely you know that.

SUE LAWLEY: But why do you think there is a need to do any of this? I mean the implication is that you think we have, for want of a better phrase, lost our moral compass.

MICHAEL SANDEL: The public life of democratic societies is not going all that well and there is a tremendous frustration - a frustration with politics and with politicians - and the debates we have in public life are really not about the things that matter most.

SUE LAWLEY: And why is that because we used to have such debates? Why are you suggesting that is?

MICHAEL SANDEL: I think it has partly to do with the momentum and the appeal of markets and the promise of delivering the goods, which was intoxicating over the three decades ...

SUE LAWLEY: (*under*) Sure.

MICHAEL SANDEL: ... when markets were triumphant and largely un-criticised. I think that's part of it. Another is a worry that's been voiced in some of the questions here. If we try explicitly to engage in public debate with hard, contested moral issues, we're going to have disagreement. Democracy is not neat and systematic. It's messy, it's contentious, it's argumentative - at its best.

SUE LAWLEY: Talking about looking back across the past few decades and how we've arrived here, sitting here is Shirley Williams, Baroness Williams, who of course has been a very active politician during all of that time. Your point?

BARONESS WILLIAMS: Let me roll back for a minute in history, back to the 18th century. You have largely private police. The Peelers didn't come in until 1840. All schools were either charitable or private independent schools which were fee-paying. Most health was in the same category. The public service isn't a concept that means very much. Now the Victorians in Britain and Bismarck's groups in Germany produced the concept, I think, in the modern sense of public service; and in doing so, they underpinned societies. The question I want to ask, therefore, is this: do you think there's any chance of creating what one might call the underpinning of democratic societies without having the sense of public

service revived? And, if so, does that imply that you would only get the kind of balanced society you want to see by essentially regarding all markets as being subject in the end to ethical principles?

SUE LAWLEY: Would you want a re-moralised politics?

MICHAEL SANDEL: I do. My answer, Shirley, is yes I do want all markets to be answerable to ethical principles and to principles of social justice.

BARONESS WILLIAMS: Well I think what we're looking at is the dissolution of professional ethical standards. Bankers used to be thoughtful grandfathers who told you you couldn't afford this kind of thing. They aren't anymore. Politicians used to be people that you thought would look after our interests. Now nobody thinks they do. And so it goes. It's the micro professional ethics as well as the societal ethics that seem to me to have begun to disappear.

SUE LAWLEY: But that is an ambition to put the genie back in the bottle, isn't it Michael?

MICHAEL SANDEL: Are we sure, Sue? I would like to add one other resource. It has something to do with the project of building a common life, of shared citizenship. A lot of our public institutions - public libraries, public transportation, public parks and recreation centres - are only partly for the sake of looking after those who couldn't afford those services left on their own. They are also traditionally sites for the cultivation of a common citizenship, so that people from different walks of life encounter one another and so acquire enough of a shared ... sense of a shared life that we can meaningfully think of one another as citizens in a common venture.

SUE LAWLEY: I see sitting over there David Willetts MP, Shadow Innovation, Universities and Skills. Mr Willetts, your question?

WILLETTS: I just wanted to come back to your argument about this moral framework that we should judge everything by because for me, personally, I think where we're failing is properly valuing the future - properly valuing the interests of our children and grandchildren and the sustainability of the way we live. But you can actually capture that in an economic argument that we're not properly putting a price and a cost on the environmental degradation or the exploitation of future generations; and I wonder if that, even if it sounds less noble, isn't actually the best way of winning the argument?

MICHAEL SANDEL: Why do you want or should *we* want to price the environment in a way that takes account of the interests of future generations, people we will never know? I think there's no good answer to that question that doesn't draw on some notion of intergenerational justice. So the price mechanism there, as I hear it, is precisely in the service of a certain conception of justice that's been missing from current policy. Would you disagree with that?

DAVID WILLETTS: I accept that there is a moral framework to markets, but I think you have to recognise the power of the market is one of the most effective ways we've got of measuring the use of resources and putting a value on them.

SUE LAWLEY: We've got somewhere here the Secretary of State. Where is he? Ed Miliband, where are you? Secretary of State for Energy and Climate Change. Where is he? Oh there he is. I'm sure you might care to comment?

ED MILIBAND: What I find in my work is that lots and lots of people in the private sector want companies that live by their values, and their values go far beyond market values. But I wondered if you'd comment on people in this because I think people have a yearning for the kinds of things you're talking about and we see it in people in the private sector and in the public sector and elsewhere?

MICHAEL SANDEL: I think that vis-à-vis the economists and the economic thinkers I'm criticising, I'm more optimistic about human nature than they are in the following respect. Altruism, civic spirit, benevolence, fellow feeling - there is not a fixed supply of these sentiments. To the contrary. I think those moral sentiments are less like scarce resources that are drawn down with use than like muscles that are increased and strengthened with exercise. And that's a fundamental difference, I think, between the way I view the moral psychology of markets and the way most defenders of economic reasoning do.

SUE LAWLEY: It's a wonderfully reassuring thought. I'm going to take just a couple of quick questions because we're coming to the end of our time now. Woman in red in the middle there.

NICOLE MARTIN: Nicole Martin. I'm a student. There's been all this talk about spheres of life where markets shouldn't be and markets are separate from morality. Here's another view. Markets aren't just a mechanism which we can judge in virtue of their consequences. They're how we should do morality in the first place. In a free market, nobody's coerced and we're held responsible for our decisions. Even in a hypothetical situation where

everybody had a decent standard of living and we all had roughly equal resources to begin with, I still think there would be something objectionable with treating markets as we do morality?

MICHAEL SANDEL: If we had a perfectly equal society, would my objections to markets fall away? Is that what you're asking?

NICOLE MARTIN: Yes. (LAUGHTER)

SUE LAWLEY: Are you sure?

MICHAEL SANDEL: Go ahead! If I've got it wrong ...

NICOLE MARTIN: Well, yeah, that's basically my question. If we had a perfectly equal society, do you think there's anything more to morality than just markets ...?

MICHAEL SANDEL: (*over*) Yes, yes I do.

NICOLE MARTIN: ... and people making decisions between each other?

MICHAEL SANDEL: Yes. Even in an equal society, equality and distributive justice and fairness are very important values, but they are not the *only* values.

SUE LAWLEY: I'm not going to come back because we're pressed on time. I've got one more question - what we call in cricket a googly - but I'll tell you what that is in a minute.

MICHAEL SANDEL: (*over*) Does that mean an easy question?

SUE LAWLEY: No, it means the opposite. (LAUGHTER) No, it doesn't come from me. It comes from someone called Roz. Where is Roz? Has she deserted us? It says Roz here - R.O.Z. There is no Roz. They now think it's *Rod* and it's a man at the back! (LAUGHTER) Man at the back called Rod - for heaven's sake, stand up. He's chickened out. Okay, how immoral of him. Let me put this to you. 'Love has become a major market nowadays. Valentine's Day, dating sites and the controversial market in foreign brides are helping people and contributing to their finding somebody. If *love* is not out of bounds, how do we decide what is?' (LAUGHTER)

MICHAEL SANDEL: It's an interesting question (LAUGHTER) whether it's possible - never mind moral - whether it's possible if you're friendless to buy a friend. And we've been talking in this lecture and discussion about things that arguably money should *not* buy. What this question about love raises is whether there are some things that money can't possibly buy.

SUE LAWLEY: Money can't buy me love.

MICHAEL SANDEL: Maybe. But actually the distinction between the question of what money *can't* buy (like maybe love) and what money *shouldn't* buy (like maybe kidneys for transplantation) is actually a subject that intrigues me a lot because I think they're connected. And believe it or not, Sue, I'm going to try to take that up in the next lecture. (LAUGHTER)

SUE LAWLEY: Michael, thank you very much indeed. Thank you to you all. Next week we'll be in Oxford where Professor Sandel was a Balliol man back in the mid-70s, and there he'll be discussing morality in politics. I hope you'll tune in then. For now, Michael Sandel, Reith Lecturer 2009, thank you very much indeed. Thank you.

(APPLAUSE)