

Can Donated Goods be Distributed in the Market?

-- Ethical Reflection on the Market Boundary

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Abstract

Since the outbreak of COVID-19, some charitable items donated to Wuhan were distributed on the market. The logic behind it is that the market itself is value-independent, and market distribution can fully guarantee the freedom of choice and improve the efficiency of distribution. Based on Marxism and communitarianism, this paper examines this logic from different perspectives. Communitarianism generally holds that the way of market distribution is in fact not value-free, and market distribution erodes the intrinsic value of charitable donations, while Marxism believes that freedom of choice in the market is not real freedom, and a single market distribution exacerbates inequality. At the present stage, China should define market boundaries and adopt manifold distribution according to attributes of different resources.

Keywords

COVID-19; Wuhan; Market Boundary; Distributive Justice; Value Monism; Manifold Distribution.

1. Introduction

Following the outbreak of the COVID-19, Wuhan government took the interests of the whole into account and ordered a lockdown. While the lockdown effectively curbed the spread of the epidemic, it also caused a relative shortage of daily necessities for Wuhan citizens. Under this circumstances, people all over China actively donated money and materials to Wuhan, exemplifying the virtues of "helping those in need when disaster struck". After a batch of fresh vegetables donated by Shandong province arrived in Wuhan, the charitable donations were not distributed as things usually happen; instead, the batch of vegetables were sold on supermarkets. This way of distributing donated goods through markets sparked controversy, and people's reaction to this was mixed. This paper reflects on this controversy from the perspective of distributive justice.

2. The Logic of Market Distribution

2.1. Event Review

With the outbreak of COVID-19 and the consequent lockdown, Wuhan experienced the inconvenience of material transportation and the shortage of supplies and the normal life of Wuhan citizens was affected. On January 29, 2020, 350 tons of fresh vegetables donated by the Shandong provincial party committee and provincial government arrived in Wuhan, but the Commerce Bureau of Wuhan organized supermarkets to sell the vegetables at below market prices. In the face a barrage of doubts and criticism, the Commerce Bureau of Wuhan replied on its official website that this was done to protect people's freedom of choice and improve the efficiency of the vegetables to reach people's table as soon as possible because fresh vegetables are not easy to store, so the donated vegetables were distributed on the market and the proceeds after deducting the cost were used for the prevention and control of COVID-19. Some

supporters argue that market distribution is beneficial to the optimal allocation of vegetables and this reflects the superiority of the market. But there are also voice of objections. A Shandong citizen called the Wuhan Mayor's Hotline to report that the vegetables donated by Shandong were to give the front-line medical staff and people in need rather than to be sold on the market, saying that selling this batch of vegetables on the market was not acceptable for her and her feelings were hurt.

2.2. Reasons for Market Distribution

As social animals, human beings must work with one another in social production and living. Meanwhile, for reasons of natural conditions and level of productivity and so on, resources are always insufficient to serve human needs, which means resource allocation is a must in our society. Human beings have invented a variety of distribution principles, such as equal distribution, distribution according to demand, random distribution based on luck, distribution based on political power, distribution based on consanguinity, distribution according to talent and effort. Generally speaking, for a particular society in a historical stage, human beings use different principles to allocate resources with different attributes, such as material products, educational resources, political power, honor and prestige and so on. Since modern times, market has gradually become a major player in the allocation of resources, which is generally referred to as market distribution. Traditionally, general market distribution is found mostly in commercial activities instead of charitable donations. However, during the COVID-19 epidemic, the Commerce Bureau of Wuhan innovatively adopted market distribution to sell the donated vegetables on the market. The theoretical basis for doing so can be summarized into the following two points:

One is individual freedom of choice, which is the basic principle of market distribution. Political philosophers represented by Robert Nozick argued that market allocation of resources can fully guarantee individual freedom of choice and keep individual freedom inviolable. Compared with distribution based on consanguinity or administrative power, market distribution advocates that people should trade and consume freely to cater to a wide variety of real individual needs. In this case, people's needs for vegetables are diversified: some people need vegetables while some people don't, and some people are fond of cabbages while some people are fond of potatoes. Only by way of market sales where people are provided with a platform to freely purchase the vegetables they need can Wuhan citizens' individual freedom of choice be guaranteed.

The other is optimum efficiency. Economists represented by Friedrich August von Hayek argued that allocation of resources can be optimized through market allocation. In this case, a host of miscellaneous problems were difficult to unravel and transportation of Wuhan was hindered during the outbreak of the epidemic. Although the donors were meant to deliver the vegetables to those who needed them most, the costs of screening were enormous. Furthermore, as the donated vegetables were hard to store, they can be delivered to people's tables as early as possible through allocation of market, and the funds from selling the vegetables were used for prevention and control of the epidemic, which is in line with the original intention of donation.

3. Reflection on Market Distribution

For all the above reasons, it seems to be indisputable that the market distribution of donated vegetables practiced by the Commerce Bureau of Wuhan is commendable. In fact, a considerable amount of public opinion was rallied in its favor. For instance, the Beijing News praised this move as innovative and pragmatic. However, the statement that market allocation is conducive to individual choice of freedom and efficiency is worthy of reflection.

3.1. Reflection on Freedom

In fact, market distribution does not guarantee individual freedom of choice. Individual freedom in the market is merely a kind of pro forma, abstract freedom rather than true freedom. This can be exemplified by the following cases: a penniless worker does physical labor with strong intensity for 16 hours every day; a poor student is forced to leave his beloved school; a patient gives up his treatment for economic reasons.

In such cases, it is difficult to argue that individual choice is exercised voluntarily: they only have pro forma and abstract freedom, which is impossible to be transformed into real freedom and they do not have freedom in essence. In other words, in market distribution, it is money rather than individual that enjoys freedom, and individuals without money do not enjoy freedom at all. [1] Market distribution does not reflect the genuine needs of free choice as people expect, because the willingness of market participants to purchase resources depend not only on their individual needs but also on their purchasing power. Resources allocated through the market tend to be distributed to people with stronger purchasing power than people in greater need. This is the intrinsic reason why the scenario described by the ancient Chinese poet Du Fu happens: “while the rich wine and dine, the poor die of cold by the roadside”. Even in the case of selling donated vegetables in Wuhan, it is questionable that market allocation ensures the free choice of those in need. Indeed, market sales do provide people with freedom to choose different vegetables, but such freedom of choice comes with latent cost: those who make free choice need to have money, time and the ability to travel and purchase, which are what those who need donations the most are missing. During the epidemic, the poor in Wuhan lacked money to purchase, the doctors and nurses who were working on the front line lacked time to purchase, and those who were sick at home lacked the ability to travel and purchase, but in reality these three groups of people were those who needed the donated vegetables the most. However, due to the lack of purchasing power, those who are truly in need did not receive the charitable donations, so market allocation can only ensure pro forma freedom of choice rather than true freedom.

3.2. Reflection on Efficiency

The primary reason for the Commerce Bureau of Wuhan to resort to market allocation is the improvement of efficiency, because the cost of identifying who need the donation is enormous, and the mature logistics system of supermarkets means that customers can bring the purchased vegetables to their homes, which spares the Commerce Bureau of Wuhan the trouble of having to transport the vegetables, thus achieving maximum efficiency. Through analysis, it is found that the improvement of efficiency is in fact lies in two aspects: one is the removal of screening, but the cost is that the charitable donations are not targeted enough, which means the donations cannot be distributed to those who need them the most, and the original plan of targeted donations fell through; the other is the removal of vegetable transportation, which is essentially transfer of transportation cost: the relevant department transferred the workload of transporting the donated vegetables from the donors to the beneficiaries through the market where customers themselves had to carry the purchased vegetables home. In summary, the improvement of efficiency brought by market allocation comes with cost, that is, donations are not targeted enough and beneficiaries have to bear part of the transportation costs.

4. Market Boundary

4.1. Erosion

In addition to these two reflections on freedom and efficiency, this paper also reflects on the value erosion of market to charity. Charitable donations are generally not distributed by market allocation. The words of the Shandong citizen who called the Wuhan Mayor’s Hotline embody

a sincerity and simplicity: she spoke out against the move of the Commerce Bureau of Wuhan, saying that how can you sell our donations? Her words seemed to resonate with people. This paper argues that what she did should not be simply interpreted as a kind of inopportune stubbornness due to the lack of knowledge about the principles of economics. There are profound insights behind it, that is, market produces some kind of value erosion to charity.

There is in fact a hidden precondition/hypothesis behind market allocation of charitable donations: market is merely a way of allocating resources—it is value neutral and does not change its attributes during commercialization of resources. This argument, however, was opposed by Michael J. Sandel, an activist who believes that markets leave their mark and sometimes market values squeeze out some non-market values worth our concern.[2] Revisiting history may lead us to find that there are different modes of distribution throughout human history, which are often consistent with the intrinsic attributes of resources, and once allocated by different ways, resources no longer have the meaning that they originally have. In other words, market distribution erodes the value of such resources. For example, certificates of merit are symbols of honor which aim to recognize the excellence of the receiver, but they become worthless waste papers once they are bought as commodities. One might be able to purchase an Olympic gold medal for sprint, but he or she can never win the recognition by purchasing the gold medal for sprint on the market. Furthermore, even if the non-market distribution modes still exist, such erosion persists as long as some products are allocated through markets. Take blood donation as an example. Your voluntary blood donation symbolizes you are involved in a social mutual aid, and once blood is allowed to be traded in markets, your act of blood donation no longer means a social mutual aid but becomes a trade of the poor who sell their blood for a living.

Likewise, the sales of the donated vegetables in Wuhan also eroded the charitable value embodied in these vegetables. In markets, relationships between humans are materialized into unclad monetary transactions.[3] Donation itself represents another possibility of human relations in monetary relations –caring for each other and helping each other as members of community. In addition to use value, the donated vegetables conveyed the donors' care for their fellow countryman suffering from the epidemic in Wuhan, but market distribution eroded such value. When Wuhan citizens purchased the donated vegetables in supermarkets, they could not feel the concern and support from the donors, and the donors' goodwill simply becomes a commodity, which shows that market distribution erodes the charitable value peculiar to donated goods.

4.2. Manifold Distribution

The reason for the emergence of distribution is that: objectively, people need to cooperate with each other in social life and the resources are relatively limited; subjectively, people are more concerned about their own interests over the interests of others. John Bordley Rawls summed it up as “moderate scarcity” and “mutual indifference”. [4] This shows that the fundamental solution to the problem of distribution lies in the vigorous development of productivity and the elimination of the relative shortage of resources, so as to achieve a “freeman association society”. By then, people “take what they take and do what they can”, and distribution naturally becomes a pseudo-problem. Before the advent of communistic society, distribution is still a realistic problem faced by China. In the case of this epidemic, distribution of all kinds of donated materials is needed.

Since the reform and opening up, market distribution has spawned enormous prosperity to China's economy, but as discussed earlier, the principle of single market distribution erodes much value in non-market areas. The communitarianism philosopher Michael Walzer stressed that the boundaries of the market should be established to prevent the logic of market transactions from spreading to non-market areas. [5]

In fact, behind the simple market logic is the philosophical thought of value monism, which holds that different values in the field of distribution are commensurable and exchangeable. This paper argues that value monism is very dangerous. As Isaiah Berlin said: "Human goals are diverse, not all of them are covenants, and they are often in a state of permanent hostility to each other. Suppose all values can only be measured by one yardstick, so that... we can decide which is the highest, which in my opinion violates the knowledge that humans are free subjects.[6] Imagine if money can buy the winning or losing of sports competitions, then sports will lose the meaning of challenging the limits of the body; if money can buy the research results of intellectuals, then there will be no more truth for mankind; if money can buy college entrance examination scores, then universities will be full of students of the elite, and humble families will no longer have a chance to change their destiny. In these cases, money becomes a dominant force, as Marx criticized: "Money is the highest good, so its holder is also good." The most typical example of single axiology is a "gold standard" or "official standard" society that has been long criticized, in which truth, goodness and beauty disappear, and everything is monopolized by money or power.

5. Conclusion

This paper concludes that it is inappropriate to distribute charitable donations through the market. Market distribution of charitable donations can only be taken as an expedient measure in case of emergency instead of a common means, because market behavior erodes the intrinsic value attribute of charity. Value is pluralistic, and the distribution of resources should also be pluralistic. Different resources should be allocated according to their attributes, historical and realistic conditions. For example, basic education and survival necessities should be equally distributed to ensure people's basic needs; hedonic commodities or services should be distributed through markets; higher education resources should be distributed according to capabilities; charitable donations should be distributed according to needs so as to help the poor and the needy. In fact, in the treatment of the patients infected with the coronavirus during the COVID-19 epidemic, the principle of distribution according to needs was adopted. The patients received free treatment according to the severity of their physical conditions, which fully demonstrates the superiority of the socialist system.

Different ways of distribution should be used only in the areas where they apply, and should not cross each other's boundaries to erode other areas. Only by resorting to manifold distribution, adhering to the boundaries of the market, can various values restrict each other and the gap between the rich and the poor be narrowed, thus helping us cope effectively with all kinds of natural and man-made disasters and build a society of equality and common prosperity. This is also a lesson we should draw from China's success in fighting against the COVID-19.

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