

LET'S GET

**ETHICAL**

ETHICS, ECONOMICS, AND SOCIAL ISSUES

# Ethics Economics, and Social Issues

A new curriculum for introductory economics courses to add ethics to the economic way of thinking

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Should We Allow a Market  
for Transplant Organs?

# What is economics? What is ethics?

- Economics is the study of how people choose
- Ethics is the analysis of right and wrong.
  - Ethical frameworks help explain human behavior and evaluate policies, even if the frameworks seem to conflict with one another.





**Who wants this?!**

Is the item scarce?

How do we decide  
who gets it?



# Today

In this economics lesson, students will analyze and debate the ethical considerations for dealing with a shortage of transplant organs.



# Transplant organs in the US

- There is a large and growing shortage of transplant organs in the United States.
  - Because of this shortage, many people die while waiting for a transplant, and others must use expensive medical procedures and equipment to stay alive.
  
- **Shortage** occurs when
  - the quantity demanded is greater than the quantity supplied at the market price, meaning...
  - there are more people that want or need an organ than organs available.



# Activity 9.1 Kidney Candidates

**Your task:** You are the leader of a Transplant Team, as the leader you must decide who gets a kidney. Using any of the criteria listed below or criteria you came up with on your own, select one (1) patient for a kidney transplant. **Assume that all suffer equally and the matter is urgent, they are all a match to the available kidney, those who do not receive a kidney will die within a year.**

List of criteria for consideration:

- Their need
- Merit
- Contribution to society (past or present)
- Their ability to pay
- Their age
- Some other criteria



Access the  
candidates  
needing a  
transplant here

# Discussion

1. Was it hard to decide who got a kidney?
2. What strategies were used?
  - a. Did you use an alternative criteria? Why? Which one?

Who gets the  
Kidney?

# What's a market?

- A market is a place where buyers and sellers go to negotiate the price for goods or services
- In our current market for a kidney there were six (6) people who wanted a kidney (demand or buyer) and only one (1) kidney available (supply or seller)

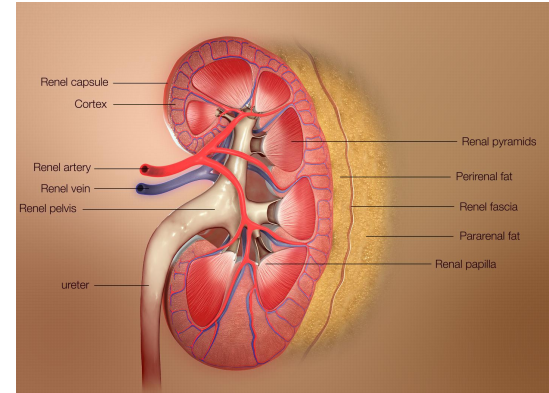
What does that mean?



# What is the difference?



Vs.





# Organ Transplant Market: Quantity Demanded Exceeds Quantity Supplied

Federal law prohibits buying and selling organs for transplant.

In 2022:

- Doctors transplanted more than 42,800 organs in the United States—setting an annual record.
  - More than 34,000 from deceased donors and about 6500 from living donors
- Around 8000 patients die every year while waiting for a transplant. That is about 22 people per day and almost one an hour.
- As of April 2023, there are currently over 103,000 patients on the waiting list (all organs).
  - Nearly 89,000 for a kidney, over 10,000 for a liver, and almost 3,400 waiting for a heart
- The waiting list for transplants increases at twice the rate of donations.
- Survival rates for transplant recipients continued to increase.

Source: U.S. Organ Procurement and Transplantation Network, administered by the United Network for Organ Sharing. More recent data are available at <https://optn.transplant.hrsa.gov/data/view-data-reports/national-data/>



# What if we could buy and sell organs? Would that help?

Work on Activity 9.2 A Market for Kidneys in groups of 2-3.

The last part of the assignment has you do a cost-benefit decision

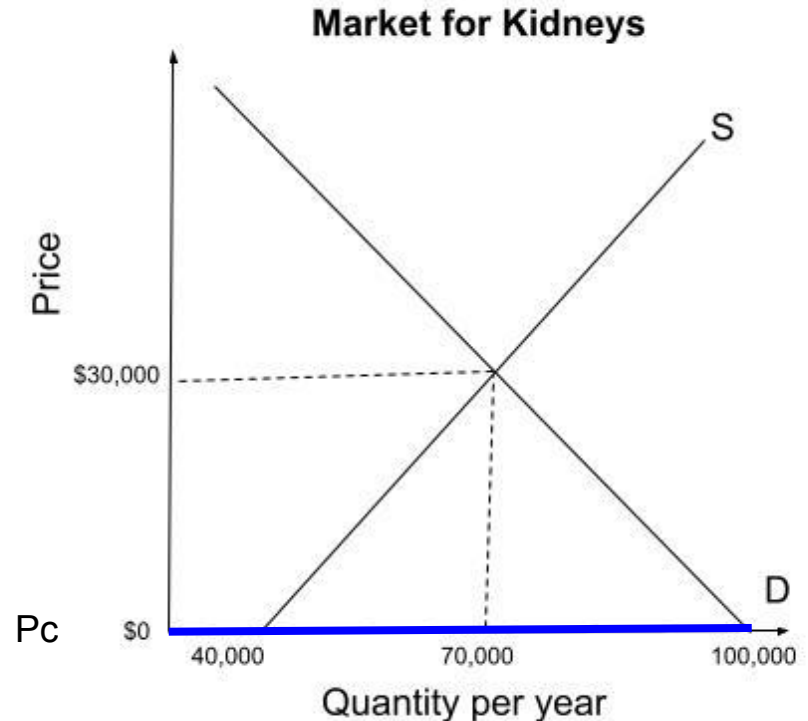
- **cost-benefit decision** is a tool to make decisions based on the expected costs of the decision and the benefits that people would receive from that decision

Use Ethics and Economics to help you make the decision!



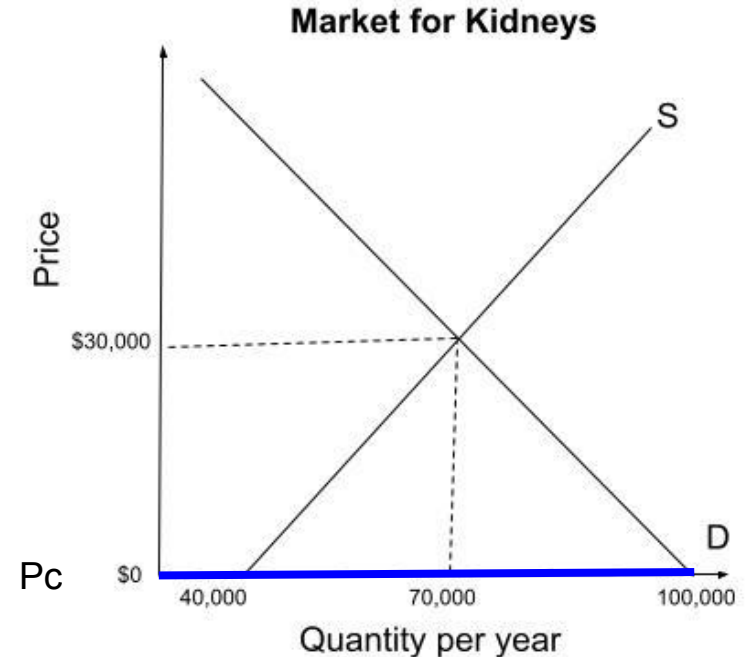
# Graph of Kidney Market and Price Ceiling

1. Federal law currently bans the sale of kidneys. This effectively establishes a maximum legal price for kidneys of \$0. This is called a price ceiling. Because of the ban, doctors may use only donated kidneys for transplants. Based on the graph, how many kidneys will people supply (donate) for transplanting when the price is \$0?
2. Why would anybody donate a kidney if the price is \$0?
3. Based on the graph, how many kidneys do patients demand when the price is \$0?
4. The shortage in kidneys is the difference between the quantity demanded and the quantity supplied when the price is \$0. Based on the graph, what is the amount of the shortage?
5. What do you think caused the shortage?



# Graph of Kidney Market and Price Ceiling

- Suppose the federal government repealed the law banning the sale of organs. If this were to happen, some consumers on the waiting list would begin to offer higher prices for a kidney. The market would eventually reach equilibrium where supply and demand curves intersect. At this equilibrium, what is the market price? What would be the equilibrium quantity of kidneys people would buy?
- How has the rise in price affected the behavior of suppliers? Hint: compare the new equilibrium quantity with your answer to Question 1. How much of a shortage exists at the equilibrium?
- Why do you think people would sell a kidney for the equilibrium price vs. donating a kidney at \$0?
- Assuming all other factors are constant, would an open market for kidneys result in more or fewer kidney-related deaths each year?
- Would an open market in kidneys be equitable among people with different incomes? Argue both sides of this issue.



# Ethical concerns

The following ethical frameworks that are key to the decision-making process.

1. **Outcomes-based ethics:** a moral philosophy that discerns right or wrong action based on the consequences produced by the action.
2. **Virtue-based ethics:** a moral philosophy that discerns right or wrong based on whether one's actions contribute to the formation of good character.
3. **Duty-based ethics:** a moral philosophy that discerns right or wrong based on the analysis of one's obligations.



# Donation only vs. Open Market policies

1. What concerns do you have about a donation-only policy for kidneys?
2. What concerns do you have about an open market, or a situation where people are buying and selling kidneys?



Use Jamboard to answer these questions. Add a sticky note or text box!



In all decisions an Economic Agent takes an action (or makes a choice) that is expected to produce certain outcomes.

# Thinking about the policies

3. What outcome do you hope to achieve with a kidney policy like donation only or open market?
4. Who makes the choice for how to decide who gets the kidneys?
  - The Health Resources and Services Administration (HRSA) with the Centers for Medicare and Medicaid Services (CMS), or Centers for Disease Control and Prevention (CDC).

While the outcome discussed and economic agent (HRSA) are similar the action might not be the same work individually to explore how ethics affect two kidney allocation policies—donation only or an open market.





# Closure

- Economics is the study of choices but how can ethical frameworks help make these choices?
- Scarcity necessitates that we allocate resources. How does the type of resource we are distributing affect the ethical decisions we make?

Explain why an ethical framework is needed depending on the type of good we are allocating? Provide 1-2 examples of goods or services that might need the ethical frameworks when considering who gets the good/service.



Use Jamboard to answer this question. Add a sticky note or text box!

# Homework

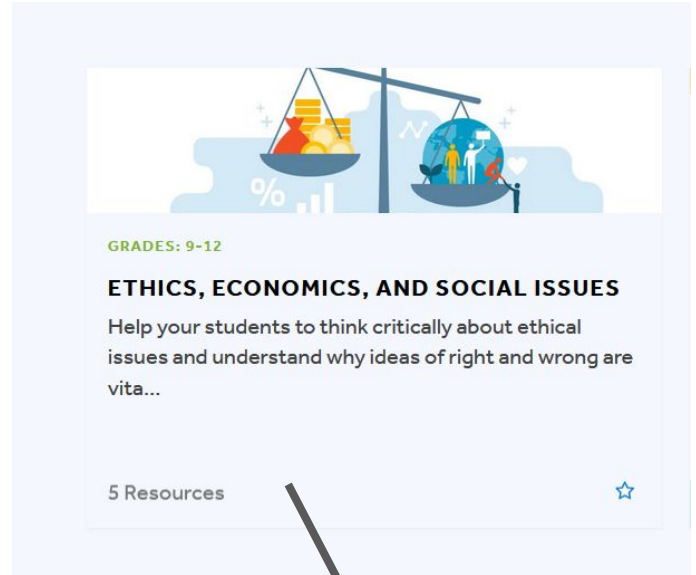
Your homework is going to be evaluating other options beyond the donation or open market policy. You will expand the economic and ethical frameworks to alternative methods to allocate a kidney.



# Ethics, Economics, and Social Issues

Available now via EconEdLink

- 7 live lessons
- April 2023/May 2023 (They are currently in graphics)
- 6 more coming Summer 2023



The screenshot shows a resource card with a header image of a scale of justice, a globe, and a bar chart. Below the image, the text reads: 'GRADES: 9-12', 'ETHICS, ECONOMICS, AND SOCIAL ISSUES', and 'Help your students to think critically about ethical issues and understand why ideas of right and wrong are vita...'. At the bottom, it says '5 Resources' and has a star icon.



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- How can you apply ethics and economics to any issue? A guide to the Ethics, Economics Curriculum-Jamie Wagner
- Do Businesses Have a Social Responsibility?-Chris Cannon
- Can you Conduct Research Ethically?-Matt Pierson
- How does Information and Ethics Impact Decision Making?-Chandler Jordan
- Is Efficiency Ethical?-Stephen Day
- Should I Join the Sweatshop Boycott?-Stephen Day
- Does Self-Interest Prevent Economic Justice?-John Kruggel
- Can you Allocate Efficiently?-Chandler Jordan
- Should We Allow a Market for Transplant Organs?-Jamie Wagner

**HIGHLIGHTED** lessons available NOW!

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- Global Income Inequality: What are the causes and consequences?-Chris Cannon
- What is the Most Ethical Way to Fund Public Schools?-Matt Pierson
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- Can You be Fashionable and Ethical?-Jamie Wagner
- Should Private Companies Operate Prisons?-Chris Cannon
- How should US Income Inequality be Addressed (if at all)?- Chris Cannon

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