Interestingly, Richard Titmuss’s *The Gift Relationship* was partly responsible for the organization of the blood supply in the United States. The book’s message was so successful that many social scientists and the public generally still believe that the U.S. blood supply rests mainly on for-profit sales of whole blood, when this has not been the case for thirty years. In fact, the most notable practical effect of *The Gift Relationship* was that it prompted a reorganization of the U.S. system along voluntary lines. Changes in law and government policy encouraged people to donate their blood rather than offer it for sale. Accepting the arguments of *The Gift Relationship*, the U.S. government tried to ensure a clean and safe supply by removing the profit motive from the whole-blood business. However, the system’s reaction to the appearance of AIDS between 1981 and 1983 shows that while Titmuss was right that the composition of the donor pool depended on the social relationship between suppliers and recipients, the link between the gift relationship and the quality of supply is subtler than he realized.

Titmuss compared the social organization of the blood supply in England and the United States in the late 1960s and early 1970s. He argued that the then largely commercial, market-driven system of the United States was demonstrably inferior to England’s voluntary system. In the United States, hepatitis was a chronic problem in the blood supply, whereas in England it was almost entirely absent. Titmuss claimed that if blood is a commodity, those who wish to sell theirs will have an incentive to lie about their health. Unsuitable suppliers will come forward and will be paid for a bad product. The people most likely to sell their blood are also those most likely to transmit disease. (Titmuss referred to them as “skid row” suppliers.) In addition to contaminating the supply, these commercial blood suppliers tend to drive volunteer donors away. By contrast, in an altruistic system there is no such incentive to lie; thus no one from “skid row” will donate blood and the supply will stay clean. In addition—and ultimately most importantly—altruism is morally better for society than the market. Markets are both inefficient and morally bankrupt. If blood remains a gift, then the system will stay efficient and the bonds of community will remain strong.

*The Gift Relationship* presents a strong mix of empirical facts and moral
charges. The response to its argument was generally favorable at the time and has remained so. A few economists objected that Titmuss's argument underplayed the virtues of the market, but for once they were ignored. In 1973, the Department of Health, Education, and Welfare announced the National Blood Policy, which recognized that reliance on "commercial sources of blood and blood components for transfusion therapy has contributed to a significantly disproportionate incidence of hepatitis, since such blood is often collected from sectors of society in which transmissible hepatitis is more prevalent." The policy aimed to eliminate pernicious commercialism in the blood supply by instituting an all-volunteer system for the collection of whole blood.

From the perspective of economic sociology, Titmuss's book is an exemplary case of the "boundless model" of markets. The market is a voracious entity liable to eat up whatever it can get its hands on. Everything is in danger of becoming commodified, with the consequent destruction of social relationships and moral goods that cannot be measured in terms of money. The only defense against the market is the "legal preservation of selected items or activities outside of the cash nexus." Some things—blood, for instance—should be kept sacred. Although motivated by a deep disgust with the market, this view nevertheless accepts that markets really are laws unto themselves, unbehind to any social or cultural dampers.

Titmuss did not simply want to make a moral argument for the superiority of voluntary donation over for-profit sales. He thought that an altruistic system could beat the market at its own game. A gift-based system not only delivered a product that we could feel better about from an ethical point of view, he argued, but also one that was more efficiently obtained and of higher quality. The argument depended on two conditions being met. First, there had to be a clear way to link the organizational form of the collection system to the quality of the blood it procured. Some mechanism had to exist that ensured the one would affect the other. Second, this link would have to be unmediated by any other factors, so that the logic of the market and the logic of the gift could always be counted on to have their characteristic effects. Both of these assumptions were plausible when Titmuss made his argument, but it turns out that the link between a particular organizational form and a clean supply is contingent. More broadly, the form of the exchange relation is only one of several forces that impinge on the supply. It is not difficult to show the contingent nature of the connection between the form of the exchange and the quality of the supply. Understanding how the logic of gift and market exchange was mediated by other aspects of the organizational environ-
ment and the social structure will take us into a more detailed investigation of the HIV disaster.