Introduction

The issue of intrinsic values is often a point of disagreement and sometimes confusion between ethicists and economists. Ethicists often criticise economic modes of valuation for failing to take account of intrinsic values. In response, economists have proposed a number of different types of value meant to account for intrinsic values within an economic framework. However, many ethicists have criticised these notions as inadequate substitutes for ethical understandings of intrinsic value. One reason for confusion about this issue is that there are many different meanings of ‘intrinsic value’ within ethics. This chapter will identify those meanings and the differences among them, and then go on to consider how well the types of value proposed within economics can capture them.

Ethics and value

Understanding the debate requires some background on ethical theories and their differences. There are three primary theoretical approaches within ethics:

1. **Utilitarianism** is a version of consequentialism, which is the view that the right action is that which produces the best consequences. Utilitarians are those consequentialists who evaluate consequences in terms of their utility, which they take to be the equivalent of welfare or well-being. Some theories of welfare define utility as a matter of preference satisfaction/frustration; other theories define it as a matter of pleasure/pain or happiness/suffering; still others define it as a matter of the gain/loss of certain specified components of human flourishing. (Note: ethicists define ‘utility’ as welfare, leaving it open whether welfare consists in preference satisfaction or something else, while economists define ‘utility’ as preference satisfaction. Hereinafter, I will assume the economists’ definition.)

2. **Deontology**, or duty-based ethics, evaluates the rightness of an action by looking at the type of action it is rather than by looking at its consequences. Deontologists regard the right action as that which conforms to a particular set of duties, often lexicographically ordered and sometimes conceived of as issuing from rights. On this view, certain kinds of action can be wrong independently of the amount of utility they produce in the world.
Virtue ethics evaluates the rightness of an action by looking at which character traits the actor expresses through undertaking the action. Virtue ethicists regard the right action as one that expresses virtuous character traits. As in deontology, an action’s rightness or wrongness is not just a matter of how much utility it produces in the world. In virtue ethics, an action can fail to be virtuous because it is performed out of vicious motives, even though it produces high levels of utility.

Thus, for example, a utilitarian might object to lying on the grounds that it produces disutility, a deontologist on the grounds that it violates an ethical duty to tell the truth, and a virtue ethicist on the grounds that it is disrespectful or manipulative.

Mainstream economic valuation is most consistent with utilitarianism, particularly versions of utilitarianism that understand welfare to be a matter of preference satisfaction. Economic valuation compares courses of action in terms of the aggregate utility they produce. It neither accepts lexicographically ordered principles nor evaluates actions in terms of their motives or expressive meanings. Thus economists and non-utilitarian ethicists often disagree about which aspects of a course of action to evaluate and how conflicts should be resolved and possible trade-offs assessed.

The standard versions of all three types of ethical theory include claims about intrinsic values. Utilitarians take welfare to be intrinsically valuable; deontologists take individuals or the conformity to principles of right action to be intrinsically valuable; virtue ethicists take virtue (or, in some versions, the good life that it is said to produce) to be intrinsically valuable. However, intrinsic value plays different roles in each of these theories. Not only are such differences significant among these three basic theoretical approaches, there are also important differences among particular theories within each approach. As a result, the claim by ethicists that something has intrinsic value can have very different meanings in different contexts (Jamieson, 2008; McShane, 2007; O’Neill, 1992). In ethics, the most common meanings associated with intrinsic value, attributed to an entity X, are:

- **Overriding value**: the value of X should override or trump non-intrinsic values in cases where they conflict.
- **Special value**: the value of X has greater importance than non-intrinsic values simply because of the kind of value it is.
- **Moral considerability**: moral agents have a duty to treat the interests of X as morally important.
- **Inherent worth**: moral agents have a duty to treat X with respect.
- **Unconditional value**: X has value in every circumstance; its value does not depend on any of its contingent features.
- **Internal value**: X is valuable because of its intrinsic properties alone.
- **Objective value**: the value of X does not come from being valued by valuers.
- **Nonanthropocentric value**: the value of X does not come from serving human interests.
- **Noninstrumental value**: X has value beyond merely being a means to an end.
- **End value**: X is properly cared about for its own sake rather than for the sake of some other good.

While this list treats these forms of intrinsic value as distinct from one another, in practice they are often combined in different ways within particular ethical theories. For example, theories utilizing the concept of inherent worth typically treat it as a value that is also objective and non-instrumental. However, none of these conceptions posit a notion of value that is entirely ‘valuer independent’ (cf. Justus et al., 2009). While each denies a particular kind of relationship to
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valuers, none denies all such relationships. For example, all of the conceptions above are compatible with the view that values are nothing more than social norms governing the attitudes of valuers.

There is a difference worth noting between the way that philosophers use the term ‘value’ and the way that it is used by mainstream economists and social scientists more generally. Philosophers accept a conceptual distinction between what is valued and what actually has value—between the valued and the valuable. When philosophers discuss ‘value’, they mean by this ‘the valuable’ rather than ‘the valued’. This usage differs from that in the social sciences, where value is more typically used to mean the valued (Lockwood, 1999). Regarding the valuable as distinct from the valued is important within ethics in order to preserve the conceptual possibility that valuers can be mistaken in their valuations. If ‘to be valuable’ just meant the same thing as ‘to be valued’, it would be conceptually impossible to be mistaken in one’s valuations, for anything that was valued would by definition be valuable. Distinguishing between the valued and the valuable as a conceptual matter does not rule out the substantive position that ‘all and only that which is valued is valuable’. Within philosophy, however, this is a substantive claim (and not a very well-accepted one); it is not a claim derived from the very meaning of the concepts involved.

This terminological point might seem to be a mere technicality, but it is the root of important disciplinary differences in the way that economists and philosophers discuss value, and it is responsible for at least some of the misunderstandings between the two disciplines. Philosophers view value as ‘the good’ and often raise questions about whether people’s actual desires, preferences, and so on, are in fact preferences for what is good [see also Chapter 22]. Social scientists more typically claim to be agnostic about which things in the world are good, and instead simply study how people’s behaviour reveals what they take to be good. Ethicists recommend that people subject their preferences to critical scrutiny and reform their desires to better conform to what really is good in the world, while economists take the content of preferences as a given and scrutinise instead the efficiency with which individuals, institutions, and policies satisfy them.

When addressing policy, direct conflict between ethicists and economists tends to emerge. Assessments of policy that consider options only in terms of their utility miss a great deal of what ethicists think should guide policy choice—consideration of what would be good, not just of what people desire. As a result, the expansion of economic modes of assessment to non-market values, due to the increased interest in cost-benefit analysis as a tool for policy choice, has caused ethicists great concern. Insofar as cost-benefit analysis aims to offer a comprehensive analysis of the advantages and disadvantages of policies, and insofar as it uses economic methods of valuation to do so, ethicists worry that it fails to capture many features of policies that are relevant to the choice among them. In particular, economic modes of valuation have difficulties capturing some of the types of intrinsic value listed above.

Value in environmental economics

Value, from a standard economic perspective, is just utility—the satisfaction of a human preference—where the amount of value is determined by the strength of the preference, represented by a utility function. This is closest to the view of anthropocentric preference-satisfaction utilitarianism. Utilitarianism assumes a welfarist theory of the value—it reduces ‘the good’ to ‘the good for’. Goodness or value, on this view, just is welfare or well-being (Sen, 1979). Preference-satisfaction utilitarianism further accepts an account of welfare whereby welfare consists entirely in the satisfaction of preferences. Anthropocentric preference-
satisfaction utilitarianism involves the additional claim that only human preferences matter morally. Thus, anthropocentric preference-satisfaction utilitarians identify preference satisfaction with individual human welfare, and they identify individual human welfare with goodness itself.

Many economists, however, do not wish to identify utility with welfare or with goodness, and for understandable reasons. Anthropocentric preference-satisfaction utilitarianism is not regarded by most philosophers as a plausible ethical view, nor is the preference-satisfaction account of welfare regarded as a plausible theory of welfare (Griffin, 1986; Parfit, 1984). Not only do many economists not want to take on implausible ethical assumptions, many of them wish to avoid doing ethics altogether. Thus some economists have argued that utility should be treated as a technical term within economics, representing the satisfaction of preferences but presupposing no view about whether satisfying preferences is good for individuals or good in general (for discussion, see Broome, 1999). Treating utility as merely a technical term, however, has drawbacks. Although assuming no necessary connection between utility and welfare, or goodness, might be compatible with sophisticated analyses of consumer behaviour, why would anyone want to assess public policies in terms of their utility unless utility had some connection to welfare or goodness? Choosing policies with greater expected utility only makes sense if utility is a good thing.

One way out of this problem is to claim that there is a significant but contingent overlap between: (i) what people prefer (utility) and what is good for them, and (ii) what is good for people and what is good, all things considered. So understood, utility would be something necessarily valued, but not always valuable. Accepting this view of utility would avoid relying on implausible ethical views about the nature of welfare or goodness. Most ethicists do accept that as an empirical matter people often (though not always) prefer what is good for them and that having at least some of one’s preferences satisfied is part of what makes up a good life for humans. They also typically accept that what benefits humans is good, though perhaps not the only good. Accepting these relationships among utility, welfare, and goodness as a contingent and empirical matter would at least make clear why utility is something one might want choices and policies to generate. However, this acceptance would clearly leave open the possibility that utility is not the only aspect of choices and policies worth caring about.

In any case, if economic value is understood as a matter of preference satisfaction, it is clear why market goods would not be the only bearers of value: people have preferences about a great many things in the world (clean air, friendship, endangered species) that are not traded in markets. Among these non-market goods, some are valued for the ways they might be used; others are valued independently of how they might be used. This difference has been the basis for distinguishing between use and non-use values in economics. As many writers have noted, however, the distinction between use and non-use is a blurry one—exactly what constitutes ‘using’ a good is not always clear. Does enjoying a beautiful sunset constitute ‘using’ it? Some theorists think that what constitutes use is a matter of how direct a person’s interaction with the good is or where the person is when the benefits are acquired (Krutilla, 1967; Madariaga and McConnell, 1987; More, Averill and Stevens, 1996; Turner, 2004). Others classify all intangible goods as having non-use value on the assumption that they cannot be ‘consumed’ in the same way as can physical goods (Turner, 2004).

To avoid debate about what constitutes a ‘use’, the term ‘passive use value’ has been introduced as an alternative to ‘use value’ (Arrow et al., 1993). On this model, all economic values are assumed to involve some kind of ‘use’; the question is just whether that use is active or passive, direct or indirect (Spash, 2008). However, the assumption that all economic values must concern some sort of use is unjustified. There is no reason to think that a
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preference that tigers continue to exist for their own sakes must really involve a passive ‘use’ of tigers or their existence. While it is true that the satisfaction of preferences has utility, this does not mean that all preferences must involve use, whether active or passive. Whatever their etymological relationship, utility is not the same thing as use. (To avoid confusion, in what follows, I will refer to the alternative to use values with the combined term ‘non/passive use values’.)

In an effort to make cost-benefit analyses more comprehensive, mainstream environmental economists have developed a rich typology of non/passive use values and associated methodologies for measuring them. The most common of these are:

- **existence value**: the existence value of X is the satisfaction of one’s preference that it continues to exist, independently of any use (or active use) one might make of it (Krutilla, 1967).
- **bequest value**: the bequest value of X is the satisfaction of one’s preference that future generations be able to continue to benefit from X (Krutilla, 1967).
- **option value**: the option value of X is the satisfaction of one’s preference that one’s option to use X in the future be preserved (Weisbrod, 1964). Option value is sometimes classified as a use value, since one’s own future use is the basis of the preference (Crowards, 1997).
- **altruistic/philanthropic value**: the altruistic/philanthropic value of X is the satisfaction of one’s preference that others be able to benefit from X (Kolstad, 2000).

The relationships among these types of value are not always clear. Some environmental economists classify bequest and option value as forms of existence value that simply specify particular (non/passive use) reasons for preferring the continued existence of a thing (Brookshire et al., 1986). Others treat existence value as a preference that something exist ‘for its own sake’ and the other categories of value as preferences that it exist for other (ultimately use-related) reasons (Gowdy, 1997; Turner et al., 2003). Some consider existence value (Aldred, 1994) or even all non/passive use value (Crowards, 1997) to be by definition forms of altruistic value; yet others define existence value as a kind of non-altruistic value (Davidson, 2013). Furthermore, the legitimacy of these values as forms of economic value has been controversial within the economics literature (Aldred, 1994; Brookshire et al., 1986). Nevertheless, empirical studies suggest that these forms of value often play an important role in the preferences people have regarding the natural environment, and so understanding them is crucial to understanding conservation values (Crowards, 1997).

**Current assessment of major issues**

Existence value is the type of non/passive use value that is usually claimed to be an adequate substitute for intrinsic value (Pearce, Markandya and Barbier, 1989: 62; Aldred, 1994; Davidson, 2013). Assuming this to be correct, how well does existence value capture the various kinds of intrinsic value listed earlier? If by ‘intrinsic value’ we mean overriding or special value, then existence value will not be able to capture what is meant when intrinsic value is attributed to an object. To see something as special, perhaps overriding so, does not imply that one values its continued existence. As Elizabeth Anderson points out: “it may make sense for me to love a person, but this does not imply that I must want that person to continue living. If he is gravely ill, it may be the best expression of my love for him to wish that he die quickly and mercifully (1993: 26)”.

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Overriding value and special value indicate how conflicts among different kinds of value should be handled. However, how one should handle cases of conflict among values is an entirely different question from whether one should prefer that a bearer of value continue to exist. Furthermore, overriding and special value come from deontological ethical theories that treat values lexicographically rather than aggregatively; they cannot be captured within a framework that treats values as utilitarians do (Davidson, 2013; Spash, 1997).

Likewise, moral considerability and inherent worth are moral statuses that concern how one is to treat something in one’s moral deliberations, not whether one prefers the continued existence of that thing. To say that a thing is morally considerable is to say that its interests ought to matter to one, not to make a claim about the content of those interests. Of course, some things do have an interest in their own continued existence, but even then, this will be only one interest of many. To say that a thing has inherent worth is to make a claim about how one ought to treat it (namely, with respect), not to make a claim about whether one should want it to exist. One can respect people while at the same time being perfectly comfortable with the fact of human mortality. Again, how one ought to treat something and whether its continued existence is a good thing are different issues.

Attributions of unconditional and internal value are claims about the metaphysical status of a thing’s value. They are meant to capture the idea that some things do not get their value from contingent facts about their circumstances or from their relations to other things, but rather they have value in their own right. The philosopher G.E. Moore (1873–1958) was most closely associated with this conception of intrinsic value. He proposed an ‘isolation test’ to determine whether things have it: if a universe containing only the object would be better than a completely empty universe, Moore claimed, then we know the object has intrinsic value (Moore, 1903/1993). Moore’s understanding of value has been criticised on meta-ethical grounds too complex to take up here, but there are very few environmental goods that people value in this way. Extrinsic properties such as rarity or ecosystemic function are much more common bases of environmental values (O’Neill, 1992). Biodiversity is probably the best candidate for this kind of valuation—some people do seem to think that a biodiverse world is simply a better world. Yet, even in that case, if biodiverse environments were harmful to the individual organisms within them, or if biodiversity were associated with ecosystemic degradation rather than resilience, the reason for continuing to value biodiversity would be unclear.

Objective value is also a claim about the independence of a thing’s value: for a thing to be objectively valuable is for it to be valuable regardless of whether valuers in fact value it. At first it might seem as though objective value is wholly incompatible with economic valuation, since one of the presuppositions of economic valuation is that value comes from being the object of a preference. However, three points are worth noting in this regard. First, economic valuation need not be committed to the view that welfare (or goodness) is a matter of preference satisfaction. As seen above, the most plausible understanding of utility regards it as contingently associated with welfare and goodness rather than as constituting those things. Second, even if economics were to accept preference-satisfaction utilitarianism, that theory does accept the objectivity of at least one value, namely the satisfaction of preferences. So claims about objective value being incompatible with preference-satisfaction utilitarianism are wrong; the disagreement is not about whether values can be objective, but rather about which values are so. Third, it is not necessarily a problem for economists if the content of the preferences they are measuring involve different presuppositions about value than their own presuppositions. Just as virtue ethicists can judge the character of utilitarians who are indifferent to character, so economists can take account of the preferences of people who are unconcerned with preference satisfaction. That said, existence value still fails to capture intrinsic value in the sense of objective value.
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can prefer that polar bears continue to exist independently of any (active) use I might make of them but also think that my preference is what makes their continued existence valuable. The existence value of things is compatible with objectivism about value and with subjectivism about value.

Existence value also fails to capture intrinsic value in the sense of nonanthropocentric value. Whether a thing should continue to exist and whether its interests are morally important are distinct matters. As with humans, one can think that a nonhuman’s interests matter morally and yet think that in some cases those interests tell in favour of a merciful death rather than continued existence.

One might think that the clearest way in which existence value could serve as an adequate proxy for intrinsic value is if intrinsic value were understood as non-instrumental value or end value. Non-instrumental value is the value that a thing has beyond its value as a means to an end, and end value is a matter of how a thing ought to be cared about (for its own sake, rather than for the sake of something else). Existence value also seems to be a way of valuing things for reasons other than their (active) uses and so might seem to fit both conceptions nicely. However, even here, one must be careful. While wanting something to continue to exist might be involved in valuing it non-instrumentally, such a desire is not required for non-instrumental valuation. As Robin Attfield has pointed out, what many people who care about the welfare of nonhuman animals prefer is their flourishing rather than simply their existence (Attfield, 1998). While there might be some environmental preferences for the mere existence of particular things, more typically people want individuals, species, or ecosystems to flourish; they want ecological relationships maintained; and they want to prevent damage and harm. Further, many preferences for the continued existence of endangered species, for example, are really preferences their extinction not be caused by humans. Natural extinctions are disvalued far less than anthropogenic extinctions. So even existence itself is often valued in a way that is sensitive to causal context (Brookshire et al., 1986; Crowards, 1997).

Moreover, things can have existence value without non-instrumental or end value, and things can have non-instrumental or end value without existence value. For an example of the former, I might value spotted owls as a means to preserving old-growth forest ecosystems, and care about them for the sake of those ecosystems, but still prefer their continued existence independently of any (active) use I will make of them. For an example of the latter, a Buddhist can value her friends as ends in themselves and care about them for their own sakes while accepting the impermanence of all things and not forming desires that oppose this doctrine. As the earlier discussion noted, loving someone and preferring their continued existence are different matters.

Future directions

Existence value is thus a poor way to represent most claims about intrinsic value. This is unsurprising; capturing all the senses of ‘intrinsic value’ within the same concept, when they operate so differently, is difficult (perhaps impossible). Yet if public policies are to be assessed in part by looking at their effects on what people value, then understanding the nature of those values is a very important task.

Some instruments of policy choice have already been formed to try to address this problem. Multiple criteria decision analysis [Chapter 30], qualitative and semi-qualitative evaluation methods [Chapters 31 and 32], and deliberative models [Chapters 33 and 34] all aim to inform policy choice in a way that does not require the use of existence values as a proxy for intrinsic values. In this respect, they are superior to methods that do. Such methods need further
development, however, and their adequate treatment of intrinsic values requires that they be
developed in such a way that they remain sensitive to the differences among different types of
intrinsic value.

Concluding remarks

People’s preferences sometimes operate differently from the way that economic analyses assume
they do: standard economic assumptions about commensurability, aggregation, and substitution
are often rejected by those whose preferences are being assessed. Understanding intrinsic values
can help us to see why this is so. Some senses of intrinsic value are really claims about
lexicographic ordering of values; others invoke complex social norms about how we should
respond to an object; others are claims about the sources of an object’s value or its metaphysical
status; others aim to present an object as something we have responsibilities to rather than
something that should be regarded as a resource. These are not differences in how much we
value things but rather differences in how we value things.

In order to understand the effects that policies will have on the things that people care about,
understanding the differences in the ways that they care about these things is important. In this
regard, policy analysis needs good psychology, sociology, and anthropology as much as it needs
good economics. (It might also need good ethology: after all, humans are only some of the
creatures with preferences.) However, policy analysis must consider not only what we do
prefer, but also what we ought to prefer. Actual preferences are often short-sighted, destructive,
and ignorant, making them a poor basis for policy choice. A sense of what constitutes human
flourishing and the flourishing of other species, as well as what moral responsibilities we bear to
one another and to other things in the world, is crucial for the formation of wise environmental
policies.

Note

1 Editor’s Note: Option, existence and bequest value were originally employed by environmental
economists working on contingent valuation to explain the substantial non-equivalence of use value
and willingness to pay. There was no altruism beyond that for future generations (i.e. bequest value),
which logically is a subcategory of altruistic value (a much later addition). All economic altruism is
paradoxically selfish, i.e. self rewarding (Spash, 2006).

Key further readings cited

Davidson, M.D. (2013). On the relation between ecosystem services, intrinsic value, existence value and

Other literature cited

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