



Methodological and Ideological Options

Agreeing to pay under value disagreement: Reconceptualizing preference transformation in terms of pluralism with evidence from small-group deliberations on climate change

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ABSTRACT

Plural values contribute to multiple arrays of expressed preferences. Conventionally, preference convergence toward consensus among initially disagreeing decision makers is understood in terms of diminishing value differences. A cogent account of consensual decision that respects non-diminishing value plurality is lacking. Instead there is a theoretic expectation for categorical consistency between subjective values and expressed preferences. Valuing agents in social interaction are expected to indicate identical preference orderings only if they hold correspondingly identical categories of values. This expectation precludes meaningful conceptualization of preference convergence under divisive normative dispositions. An alternative framework is proposed and illustrated by results from a designed deliberative forum on Australia's climate change policy. Data were analyzed based on Q methodology. Results show that small-group deliberations enabled effective communication between distinctive subjective positions and broadened understandings between individuals. While a consensual decision gained progress, no identified value discourse diminished below a significant degree. Observed changes in values did not run parallel to the converging preferences, suggesting a decline in value-preference consistency. These changes nonetheless are amenable to the principle of value pluralism. An alternative rationality concept is needed to account for this moral ideal within economics.

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1. Introduction

Communication can facilitate reciprocal understanding and recognition between individuals. Non-strategic cooperation under disputed values and beliefs¹ involves a form of rationality prevalent in the communicative practice of everyday life. The underlying rationality criteria could fruitfully inform articulation of plural values and reconstruction of the theory of environmental valuation toward value pluralism. Yet the idea remains a matter of normative advocacy in ecological economics in need of more conceptual coherence and empirical investigation.

Individuals have different normative dispositions concerning the allocation and distribution of public resources across sectors of society. Mainstream economists brush aside any category distinction and hold that such dispositions are reducible to a single metric, whereas ecological economists embrace the notion of value pluralism in an effort to reveal

the multiple facets of environmental values. Each of the two economic traditions has developed new approaches of environmental valuation in the wake of the deliberative turn (Lo and Spash, in press; Zografos and Howarth, 2008). They are nevertheless found to share a deterministic presupposition that precludes recognition of the rationality of informed and respectful communication which may seemingly imply the 'failure' of individuals to achieve defined moral ends.

In mainstream economics the individual is seen as a utility maximizer holding consistent, complete, and transient preference (Gowdy, 2004, 2007; Spash, 2007; van den Bergh, 1996). The ideal economic person would make choices as a rational consumer exclusively pursuing material self-interest. Preference utilitarianism constitutes an implicit value theory of economics (O'Neil et al., 2008; Söderbaum, 2008). Based on these assumptions, economists measure the value of environmental goods and services in monetary terms by constructing hypothetical markets or making inference from surrogate markets. In the valuation process, environmental values are treated as reducible to consumer preferences (Sagoff, 1988; Vadnjal and O'Connor, 1994; Vatn, 2005). Preference is elicited in ways that the implicit value theory permits, typically in the form of willingness-to-pay (WTP) or willingness-to-accept (WTA). Expressed WTP/WTA is expected to be consistent with the utilitarian conception of values. Any deviation from this assumption is regarded as irrational.

Ecological economics rests upon a different set of assumptions in contrast to the distorted picture of human behaviors and ethics depicted by

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¹ This paper focuses on the differences in values, beliefs and preferences between individuals. Values are understood as personal judgments or dispositions as to what is right or desirable, and assumed to be a fundamental subjective construct preceding formation of preference, which refers to a ranking of alternatives and is seen as the immediate precursor of personal choices. Neoclassical economics assumes the otherwise that preference precedes value. In this paper values and preferences are treated as two qualitatively different parameters, without addressing their cognitive sequence.

the neoclassical approach (Gowdy, 2007; Lo, 2012; O'Connor, 2000; Spash, 2012; van den Bergh et al., 2000; Vatn, 2009). Within the field there is increasing advocacy of deliberative research methods in an effort to broaden the scope of economics research (Christie et al., 2012; Kesting, 2010; Lennox et al., 2011; Norgaard, 2007; Zografos and Howarth, 2008) and 'moralize' preferences (Spash, 2007). Multidisciplinary efforts contributed to this deliberative turn,² which has produced alternative principles of social cooperation compatible with the concept of sustainability. Many practitioners are committed to the ethical and/or behavioral premises at variation with the neoclassical paradigm of personhood.

However, these alternatives do not constitute a defensible account of value pluralism. Lo and Spash (in press) have noted a remarkable division of practice in the methodological development of deliberative monetary valuation (DMV), which involves the use of deliberative methods in environmental valuation to support social construction and reconstruction of preference. Some DMV practitioners attempt to move economics away from value monism by introducing concepts of social interaction to address the failed neoclassical assumption of isolated individuals. Problems arise, however, as the reorientation of the established ethical or behavioral premises is predisposed to a particular system of values and preferences. Consequently these accounts of environmental valuation are caught in a conceptual incoherence of being compatible with tendency for diminishing value plurality.³

I shall argue that the conceptual resources essential to develop a pluralistic account of economics need not be sought from the antithesis of neoclassical economics. For pluralism requires the individual to be able to seek terms of cooperation that opponents accept. A model of rationality is required which moves beyond the present focus on the integrity of personhood and toward the capacity for reciprocal understanding and interpersonal coordination of actions. The concept of 'communicative rationality' could provide a basic theoretic structure for this endeavor.

This paper illustrates the idea and sheds light on a critical normative aspect of the prospective pluralistic economics. Specifically, it addresses the lack of a defensible account for value pluralism in the conceptual development of deliberative valuation methods. A retrospective interpretative framework is proposed for the analysis of deliberative WTP and policy recommendations.

An empirical study of DMV is presented using data from a designed deliberative forum on Australia's climate policy. Climate policy was chosen as the theme of the forum because it proved to be a highly contentious issue in Australia due to disappointing changes of official political commitments, motivating the divisive debates in the community at the time of research. This justified the use of the deliberative approach which presumes the existence of irreducible conflicts in values and beliefs (Dryzek, 2000; Lo, 2011a). The data are analyzed following the basic procedures of 'Q methodology' to ascertain the changes in values and beliefs as a result of deliberation. To begin with, I elaborate on an established epistemic premise that poses challenge to the endeavor of value pluralism.

2. Methodological Requirements of Value Pluralism

2.1. Economics in Search of Consistent Expression of Values and Preferences

Both traditions of economics seek to strengthen the internal consistency between the expressed preference and subjective state of the individual. That is, what they do or intend to do (means) should accord with what their desires or aspirations dictate (ends). Substantive

theories and techniques have been developed to attain desired ends at the expense of their alternatives.

Mainstream economists, along with some decision scientists, downplay the rationality of respondents failing to take utilitarian considerations as theory predicts (Lo, 2011a). There is an expectation that expressed preference should accord with the implicit economic theory of value or a modified one based on behavioral psychological models (Powe, 2007). Non-utilitarian preferences elicited from group processes are then deemed to be an erred expression in need of correction (Bateman et al., 2008; Hanley and Shogren, 2005). Decision support to modify preferences is seen as necessary when people make choice in ways that fail to address their values – defined mainly in utilitarian terms (Gregory et al., 1993). Thus the favored mode of DMV has been in the form of student tutorial (Gregory et al., 1993) or educational workshop (Urama and Hodge, 2006).

For example MacMillan et al. (2002, 2006) and Álvarez-Farizo et al. (2009) propose a 'market stall' approach of DMV predicated upon the idea that consumers do interact in markets rather than collect purchases in isolation. Participants are encouraged to make choices as a consumer and adopt the utility maximization rules, as in Gregory et al. (1993). To Zoltán (2011), DMV is a tool to reduce protest response to conform to standard economic theory. Clearly the objective has been to improve validity for an exchange value (Spash, 2007). Lo and Spash (in press) describe these attempts as "preference economisation", which pursues consistency between stated WTP and the standard economic theory of value.

Ecological economists favor a different set of principles by which expressed preference can be rendered rational. In general there is an affinity for a citizen frame based on the view that respondents making judgments on environmental issues should be enabled to articulate public-interested or even impartial preferences (Costanza, 2000; Pelletier, 2010; Sagoff, 1988, 1998; Vatn, 2009; Wilson and Howarth, 2002). This approach is built upon an alternative theory of value blending multiple philosophical accounts, of which the more influential are Sagoff's (1988) 'citizens values' thesis and John Rawls's (1971) theory of justice. There are variations as to which account is more plausible, but these have not precluded the evolution of a value theory and behavioral model that explicitly recognize environmental values and the well-being of the larger society and future generations (Douai, 2009; Gowdy, 2004; Söderbaum, 2008).

Innovative methods for preference elicitation have been proposed to fulfill this moral commitment. Plottu and Plottu (2007, p. 56), for example, develop a concept known as 'social cost-benefit analysis II and III', which is designed to support decisions that 'transcend purely individual horizon to symbolize collective and patrimonial stakes'. To elicit 'social WTP' Mill et al. (2007) modify the contingent valuation method by asking respondents to adopt a 'social/citizen viewpoint'. These attempts affirm the relevance and importance of collective values and, on this basis, develop conceptually (and ethically) consistent techniques. As Gasparatos (2010) suggests, the choice of evaluation tool should be consistent with the type of values being assessed; for example DMV is appropriate when altruistic values are concerned.

Attempts to advance the alternative theory of value characterize the 'preference moralization' approach of DMV (Lo and Spash, in press). This approach involves isolation of non-utilitarian or public-interested considerations by engaging respondents in group deliberations (Brown et al., 1995; Howarth and Wilson, 2006; Sagoff, 1998; Soma and Vatn, 2010). Advocates believe that deliberation is a proper site for valuation as people make judgments about environmental issues in the capacity of 'citizen' and citizens exchange opinions and deliberate in public arenas (Sagoff, 1988).

For example, Wilson and Howarth's (2002) DMV approach is based on Rawls's theory of justice and seeks to encourage individual participants to re-shape preferences in terms of consensus values for ecosystem goods and services. Construction of citizen-type preferences is treated as an end itself, whereas deliberation as a means to induce the

² The deliberative turn has been observed in many other fields, notably political science (Dryzek, 2000). The theoretical foundation can be attributed to the pioneering work of John Dewey (1923) and Jürgen Habermas (1984).

³ Value plurality means that a larger number of different types of values exist, whereas pluralism is a normative principle that allows for an appreciation of plurality.

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