# Ecocentrism, economics and commensurability

Adam Dickerson

"Whatsoever is not conscious of itself and not master of itself is a thing. Whatever is conscious of itself and master of itself is a person. [...] Man alone is a person; minerals, plants and animals are things. From the rational point of view, the purpose of things is under the dominion of the purpose of persons. [...] If there were only one man in the world he would be master of all things."
(Walras, 1954: 62)[1]

The discourse of economics – at least in its orthodox, 'neoclassical' form, as taught to tens of thousands of university students every year – wields tremendous institutional, and therefore social, power. One very significant form that that power takes is via the centrality of quantified cost–benefit analysis to government policy making around the world. Consider, for example, the rules for policy formulation laid down in the UK Treasury's 'Green Book', or by the US's little-known but powerful Office of Information and Regulatory Affairs.[2] In each case, the possible forms that policies can take, and which policies are adopted and which rejected, hinge on the outcomes of cost–benefit analyses. The result is that, whilst experts in the field (such as climate scientists or ecologists) may receive a hearing in policy formulation, the last word on the matter often goes to the economists.

Given this influence and power, it is essential for us to ask whether there could be an *ecocentric* economics – and what it might look like. Ecocentrism is an ethical stance built around the proposition that other-than-human nature possesses intrinsic value. Is that ethics compatible with economics? Or is economics, as a discipline, committed in some basic, fundamental way to anthropocentrism? Certainly, the latter thought is encouraged by passages like the one quoted above from Léon Walras's great founding text of neoclassical marginalist analysis, the *Éléments d'économie politique pure* (4th edition, 1899). But perhaps passages like this, extolling human mastery over non-human nature, are inessential to economics proper; perhaps they are of no more relevance to economics than Newton's occultism is to the theories of classical mechanics.

That would certainly be the mainstream view, in which economics is conceived of as a 'positive science' whose relationship to ethics is easily stated. According to this view, ethics sets the *ends* (or goals) and economics studies *the most efficient means* to achieve those ends. This conception is expressed, for example, in Lionel Robbins's famous definition of economics as "the science which studies human behaviour as a relationship between ends and scarce means which have alternative uses" (Robbins, 1935: 16). It's a conception that is central to the self-understanding of mainstream economics, and that is found, in various formulations, repeated in textbook after textbook. On this view, economics is the systematic study of the most efficient means to achieve any given end. The rational principles of efficiency – getting more output from less input – are, it is claimed, able to be theorized and described independently of the specification of any end.

If this view is correct, then economics is not intrinsically anthropocentric. Indeed, on this conception, it makes no ethical assumptions, and is thus compatible with any ethical stance whatsoever. An

**About the author**

Adam is a philosopher who has taught at universities in the UK and Australia. He is the author of *Kant on Representation and Objectivity* (Cambridge University Press, 2004) and various papers in philosophy, aesthetics, and cultural history.

**Citation**

Dickerson A (2020) Ecocentrism, economics and commensurability. *The Ecological Citizen* **3**(Suppl B): 5–11.

**Keywords**

Ecological economics

'ecocentric economics' would therefore not be a distinctive approach to economics; it would simply be economic reasoning in the service of ecocentric ends. From this perspective – of economics as the ethically neutral science of instrumental rationality – a polity could choose to set ecocentric goals as its ends, and then economics would help to work out the most efficient means to achieve those ends.

However, things aren't that simple. Even this very abstract account of economics – as *the systematic study of efficiency in means* – already implicitly embeds a substantive ethics. Namely, it presupposes an anthropocentrism, in which humans are conceived of as the 'masters of all things'.

To see why this is the case, let us consider an artificially simple case. Suppose there are two different processes for producing a given material good. Which of the two is more efficient? In order to make this judgement, we need to see which process involves a *smaller quantity* of inputs (given the assumption that both processes produce an identical output). If the inputs to a production process were all of one homogenous type, then this comparison would be easy. But this is not the case, for any production process will involve many heterogeneous inputs. One process may involve a certain amount of skilled labour time, while the other may use more labour time but at a lower skill level. One may rely on a small amount of capital in the form of simple machines, while the other may involve much more complex machinery. The two processes will use up different quantities of resources (including energy) in the production of the good, and will produce different waste products that will need to be dealt with in different ways. Now, given the variety of inputs to the two processes, how are we to judge which is more efficient – that is, which one uses less inputs in order to produce the good as an output? In order to rank the two processes in this way, it seems that all the complex inputs of each process need to be valued using a *common measure*. This common measure is, of course, exchange value or *price*. The most efficient means is that which produces the greatest exchange value at the lowest cost.

This is precisely the conclusion reached by Ludwig von Mises in his post WW1 debate with Otto Neurath over the possibility of rational economic planning in a socialist economy. Drawing on his experience as a war time economist, Neurath (2005) had argued that economic planning could and should be done 'in natura' – that is, in terms of the actual quantities of real things involved (so much iron ore, so much copper, so much timber, so many hours of human labour, *etc.*). In response, von Mises argued that although very simple cases can be compared using *in natura* measures, any matters of real complexity can be rationally compared only through the use of market-discovered prices. "Without such assistance," von Mises writes, "in the bewildering chaos of alternative materials and processes the human mind would be at a complete loss. Whenever we had to decide between different processes or different centres of production, we would be entirely at sea" (1951: 118).

Von Mises's response to Neurath has since become part of the received common-sense of mainstream economics: that rational assessment of efficiency demands the use of price as a common metric. In turn, this entails that all values (at least, all values of relevance to economic planning) are *commensurable*.[3]

It is precisely this commensurability that gives economics so much of its institutional power; what so often gives it the 'last word' in battles over policy formulation. For commensurability seems to hold out the promise of a purely technocratic mode of governance – in which the apparent objectivity of a cost–benefit analysis replaces all the messiness and inconclusiveness of politics and ethics. For if all values are commensurable through price, then it might seem that all economic decisions can be made – indeed, are most objectively and properly made – via cost–benefit analysis.

Hence, commensurability can appear to entail that, rather than having to sort out conflicts between different values

"It is precisely this commensurability that gives economics so much of its institutional power; what so often gives it the 'last word' in battles over policy formulation."

through the usual human practices of argument, persuasion, compromise, *et cetera*, collective decision making can become a technical exercise in accounting. This is attractive to the bureaucrat, who can then appear to govern in a way that is purely a technical, algorithmic exercise, outside of politics and ethics. And it suits those who want to see the socio-economic *status quo* maintained, because of the way it excludes the public by making policies that systematically benefit the wealthy appear to be matters decidable only by experts – preferably from behind a screen of mathematics.

There are many ways of criticizing this claim of universal commensurability by price. For example, there are various technical criticisms that could be, and have been, made of the methods (contingent valuation, hedonic regression, *etc.*) that are used to place a 'shadow price' on things that are not (yet) bought and sold in real markets. These methods were pioneered in so-called 'environmental economics', and have been applied – or misapplied – to produce claims such as that whales are "a one trillion [US] dollar asset to humanity" (Stone, 2019), and that the exchange value of 'ecosystem services' to human beings is "US$125 trillion per year" (Costanza et al., 2014).

But let us here focus on a deeper problem than the technical. Whatever its proponents might like to suggest, commensurability via price is not 'ethically neutral'; it is not 'above' or 'prior to' ethics; it is not a 'merely technical' or 'formal' or 'algorithmic' exercise. *It is an ethics.* To make different values commensurable in this way is to create a particular moral community, and a particular sort of moral actor. It is to create a community in which all and every value is rooted in a thing's status as a commodity – something able to be exchanged, in order to satisfy subjective human preferences.

Taken literally, the protest that 'a price cannot be placed on nature' is thus wrong – the danger is precisely that it *can* be. That price is then given social reality by the institutions (financial markets, government cost–benefit analyses, insurance company practices, contracts, and so on) that are in place. However, what has occurred here – and what is really underpinning that protest – is that the pricing is not merely an explicit *recognition* or *revelation* of an underlying value that 'had been there all along' (only implicitly). To assign a price to something – whether via a market mechanism or in some other way, such as a Pigovian tax on 'externalities' like pollution – is to *transform* the relationships we have to that thing; it is to form a different moral community.

The commensurability thesis is intrinsically anthropocentric. For the valuation of nature is given by us (human beings) – by *our preferences*, by our willingness-to-pay-for or our willingness-to-accept-compensation-for. Other-than-human nature has no say in this (*cf.* Spash and Clayton, 1997). Hence, the idea of commensurability through price should be rejected by anyone committed to ecocentrism. The very idea of commensurability through price embodies the anthropocentric idea that, in the words of Walras quoted at the start of this essay, human beings are the 'masters of all things'.

Three things immediately follow from a rejection of commensurability. First, there is no technocratic substitute for ethics and politics – that is to say, there is no technique that can be used to make collective decisions, where that technique is somehow 'above' or 'beyond' ethics and politics. A cost–benefit analysis, for instance, always embeds ethical and political assumptions. Just to take one example, any cost–benefit analysis must make use of a 'discount rate' to assess the value of things that will happen in the future. But the choice of discount rate is never a 'merely technical' exercise. *Whichever* rate is chosen implicitly involves ethical presuppositions about such matters as the appropriate responses to risks and uncertainty, the value of things to future generations of human beings, the value of things to non-human animals, and so on and so forth (*cf.* Spash, 1993).

Second, economics is no 'master discourse', within which all problems can be framed, and which legitimately has the

"The commensurability thesis is intrinsically anthropocentric."

'last word'. Considerations of efficiency are, of course, relevant to some decisions in some contexts, but they are never 'trump cards' that automatically override other values. That is, efficiency is *a* value, but not *the* value. As Neurath pointed out long ago in his debate with von Mises, if there is no commensurability, then economic choices must be judged directly and holistically. Or as O'Neill and Uebel (2015: 50) sum up Neurath's point: "In the absence of a single unit of measurement for decision making, choice requires direct comparisons of alternatives in different dimensions. The consequence is that there is no possibility of excluding political and ethical judgments from even 'technical' decisions". That is, in the words of Aldo Leopold: "Examine each question in terms of what is ethically and esthetically [*sic*] right, as well as what is economically expedient" (1989: 224).

Finally, if there are non-commensurable values then there must be institutions other than market mechanisms to enforce those values – for markets respond only to prices.

What does all this entail for the question with which we began: what does it tell us about the possibility and shape of an *ecocentric economics*? There are at least two salient implications of the rejection of commensurability:

First, there is no 'value free discipline' or 'positive science' to be had here. When it comes to questions about how we should live and act, technical questions are such only against a backdrop of settled ethical and political assumptions. One of the roles of an ecocentric economics must precisely be to unsettle and disrupt the anthropocentric assumptions that structure so much current economic thinking (both capitalist *and* socialist).

Second, an ecocentric economics must, of necessity, overlap with much broader questions of ethics, politics and governance. Most crucially, it must tackle the profoundly difficult problem of how the intrinsic moral value of other-than-human nature can be embedded within economic decision making and governance. Approaches to this could include, for example, ideas of ecodemocracy, and the broadening of legal personhood and legal rights to other-than-human nature (*e.g.* Gray and Curry, 2019; Wilson and Lee, 2019).

"An ecocentric economics must tackle the profoundly difficult problem of how the intrinsic moral value of other-than-human nature can be embedded within economic decision making and governance."

In ecological economics, in steady-state economics, in green political economy and in other heterodox areas of economic thinking, there are rich bodies of thought that a future ecocentric economics can draw from, and build upon. What is needed, however, is not a 'merely intellectual' change, but a change in those social practices and institutions that give orthodox economics such power and influence. And that change will have to be part of a broader transformation of our society, for the institutional authority of orthodox, neoclassical economics is the ideological mirror of the fact that we live under global capitalism. Just as orthodox economics conceives of the world as a collection of commodities and reduces a plurality of incommensurable values to a monism of price, so does global capitalism make a monoculture of the world, our communities and our values.

* * * * *

The critique of neoclassical economics, of neoliberalism, of productivist assumptions and of capitalism is the topic of this special issue of *The Ecological Citizen*. It presents a collection of articles that examine some of the relationships between the ecological crisis and key economic ideas. The overarching question is: How can we organize the economy so that it can provide for the flourishing of both human beings *and* other-than-human nature?

Sam Alexander provides the introduction to this issue, with a broad survey of what a post-capitalist economy might look like. Josh Farley diagnoses the key problems in the endless pursuit of GDP growth and a blind faith in 'market solutions', and looks at the possibility of new economic institutions built around cooperation and altruism. Troy Vettese digs into the intellectual history of steady state economics, and argues that it is deeply influenced by neoliberal assumptions – assumptions that must be discarded

if we are to build a genuinely ecological economics. Richard Smith, as an argument for eco-socialism, looks at what might be involved in seriously reducing emissions from automobiles, as a case-study of how capitalism cannot make meaningful moves towards ecological sustainability – driven, as it is, by structural imperatives of growth and profit. Tony Lynch and Tanzimuddin Khan provide a powerful critique of the very idea of 'sustainable development' and argue for an ecocentric socialism. Finally, John Barry, working from a green political economy perspective, gives a critique of the economic logic of work, and the instrumentalism that it embeds.

Not all the thinkers here would be comfortable describing themselves as ecocentric. They also disagree widely amongst themselves – for example, about the extent to which tools of orthodox economics can be turned to ecological purposes, and about the extent to which market mechanisms can be made compatible with ecological ends. But – as noted above – ecocentric thinkers need to draw widely on the many strands of critical work in heterodox economics and political economy if we are to succeed in our fight against the dominant economic orthodoxies. Nor is work about human flourishing irrelevant to ecocentrism; for it is a key part of ecocentrism that human flourishing is intrinsically connected to the flourishing of other-than-human nature.

I thank all of the contributors for their generosity in contributing to this special issue.

On a more personal note, while I have been writing this editorial, my home, Australia, has been suffering from historically unprecedented bushfires. At the time of writing (late January 2020), approximately 11 million hectares have burned (equivalent to 90% or so of the area of England), an estimated one billion mammals, birds and reptiles have perished, and many species have likely been driven to extinction. I want to express my deep gratitude to the brave volunteers of both the Rural Fire Service and the Wildlife Information Rescue and Education Service (WIRES) for their extraordinary efforts in these dark times. Meanwhile, 'economic growth' is still the cry on the lips of my coal-smeared prime minister. In the words of Karl Marx, "*Après moi le déluge!* is the watchword of every capitalist and of every capitalist nation" (1954: 257). *Le déluge*, it seems, is almost upon us. ■

> "'Economic growth' is still the cry on the lips of my coal-smeared prime minister."

## Notes

1 I am very grateful to my fellow editors, to Monica Carroll, and to Troy Vettese, for their generosity in commenting critically on previous drafts of this editorial. It is all the better for it – but, of course, any errors and infelicities that remain are entirely my own responsibility.

2 The latest edition of the 'Green Book' is HM Treasury (2018). OIRA's mandate – giving its economists veto power over all policy formulation – comes from Executive Order 12,866 (available at https://is.gd/Pn5p7w), which was first signed into law by Bill Clinton in 1993.

3 Non-commensurable values – or 'lexicographic preferences' as they are termed in economics – are little studied by economists, and certainly play no significant role in the orthodox mainstream. This is for the simple reason that, without commensurability, *none of the maths works any more* (*cf.* Spash, 2000). For an excellent discussion of the significance of commensurability to ecological ethics, see O'Neill (1993: ch. 7).

## References

Costanza R, de Groot R, Sutton P *et al.* (2014) Changes in the global value of ecosystem services. *Global Environmental Change* **26**: 152–8.

Gray J and Curry P (2019) Ecodemocracy and political representation for non-human Nature. In: Kopnina H and Washington H, eds. *Conservation: Integrating social and ecological justice.* Springer, Cham, Switzerland: 155–66.

HM Treasury (2018) *The Green Book: Central government guidance on appraisal and evaluation.* London, UK. Available at https://is.gd/41H7zA (accessed January 2020).

Leopold A (1989) *A Sand County Almanac and Sketches Here and There*, special commemorative edition. Oxford University Press, Oxford, UK.

Marx K (1954) *Capital*, volume 1. Progress Publishers, Moscow, USSR.

Neurath O (2005) *Economic Writings: Selections 1904–1945* (ed. Uebel T and Cohen R). Kluwer, New York, NY, USA.

O'Neill J (1993) *Ecology, Policy and Politics: Human well-being and the natural world.* Routledge, London.

*References continue on page 11*

# OUR NATIVE ANIMALS NEED YOU NOW MORE THAN EVER

Please give to WIRES today to give animals like Poppy a second chance

wires.org.au

1300 094 737

WIRES

O'Neill J and Uebel T (2015) Analytical philosophy and ecological economics. In: Martínez-Alier J and Muradian R, eds. *Handbook of Ecological Economics*. Edward Elgar, Cheltenham, UK.

Robbins L (1935) *An Essay on the Nature and Significance of Economic Science* (2nd edition). Macmillan, London, UK.

Spash C (1993) Economics, ethics, and long-term environmental damages. *Environmental Ethics* **15**: 117–32.

Spash C (2000) Multiple value expression in contingent valuation: Economics and ethics. *Environmental Science and Technology* **34**: 1433–8.

Spash C and Clayton A (1997) The maintenance of natural capital: Motivations and methods. In: Light A and Smith J, eds. *Space, Place and Environmental Ethics*. Rowman and Littlefield, Lanham, MD, USA: 143–73.

Stone M (2019) How much is a whale worth? *National Geographic*, 24 September. Available at https://is.gd/zia9Od (accessed January 2020).

von Mises L (1951) *Socialism: An economic and sociological analysis* (trans. Kahane J). Yale University Press, New Haven, CT, USA.

Walras L (1954) *Elements of Pure Economics* (trans. Jaffé W). Allen and Unwin, London, UK.

Wilson G and Lee DM (2019) Rights of rivers enter the mainstream. *The Ecological Citizen* **2**: 183–7.