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Economic valuation in context: Insights from an experiment in public dialogue.

Improving decisions at the food, water, energy and environment nexus: Values and valuation

Friday 28 November 2014

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Brief context

- 2014 Public dialogue project on the UK National Ecosystem Assessment
- Exploring public aspirations and concerns about the **valuation of nature** was one thread of this dialogue
- Considered valuation **rationales, techniques** and **applications**



Contextual remarks on decision making

Participants generally take a dim view of decision making with respect to their local environments

Decision making is variously characterised as:

- Driven by narrow sectoral and market based interests;
- Too incrementalist in outlook, leading to a really bad deal for communities in the long term;
- Operating in a democratic shell - susceptible to interest capture, apathy and ignoring salient local concerns.

C.80% of participants viewed the long term prospects for their local natural environment pessimistically at the outset of our dialogue.

Views change when set in the context of the **ecosystem services framework & the valuation of ecosystem services**

Ecosystem processes/ Intermediate services	Final ecosystem services	Good(s)*	Well-being value		
			Economic	Health	Shared social
Primary production	Crops, livestock, fish	Food	£	+/-	⊕/⊗
Water cycling	Trees, standing vegetation, peat	Fibre	£	+/-	⊕/⊗
Soil formation	Water supply	Energy	£	+/-	⊕/⊗
Nutrient cycling	Climate regulation	Drinking water	£	+/-	⊕/⊗
Decomposition	Disease & pest regulation	Natural medicine	£	+/-	⊕/⊗
Weathering	Detoxification & purification in air, soils & water	Recreation/Tourism	£	+/-	⊕/⊗
Ecological interactions	Pollination	Pollution/noise control	£	+/-	⊕/⊗
Evolutionary processes	Hazard regulation	Disease/pest control	£	+/-	⊕/⊗
Undiscovered	Noise regulation	Equable climate	£	+/-	⊕/⊗
	Wild species diversity	Flood control	£	+/-	⊕/⊗
	Environmental settings	Erosion control	£	+/-	⊕/⊗
	Undiscovered services	Aesthetic/Inspiration	£	+/-	⊕/⊗
		Spiritual/Religious	£	+/-	⊕/⊗
		Undiscovered	£	+/-	⊕/⊗



Publics generally value the **holistic** ambitions of this framework:

Recognition of complexities but systematic and pragmatic.

With certain caveats monetary approaches to the valuation of ecosystem services considered important tools for **communicating and thinking** about values within decision making

“It’s always about the money, honey”

- **Dialogue a microcosm of wider philosophical debates surrounding this paradigm:**
 - Small number of participants take immediate issue with the language of ‘services’ and ‘values’: terms sound quite ‘consumerist’; implies decision makers looking to commodify and profit from nature
 - Discussion tends to gravitate towards a position generally consistent with the direction of policy and science.....

Valuing Nature



Kofi, Glasgow

“Money seems to be spent on other things [than the environment].

You can see it, you can feel it, you can hear it, but there’s no price for the government to say I am going to give you ‘x’ amount of money.

I don’t know. I just feel there needs to be a value in a way in how its put forward and can benefit everyone”

“It’s always about the money, honey”

- Eliciting monetary values for ecosystem services viewed as a tactically useful thing to do in terms of:
 - ***Communicating up*** - pushing nature up political agendas and unlocking treasury budgets (“A blank cheque would be lovely but the exchequer might disagree”)
 - ***Communicating out*** - making nature’s value clear at a broad societal level. (“May help when informing the electorate”)
- Money is a language people can understand even if they may be ambivalent about it (“a nervous common denominator”).
- Subtle differences are important in messaging [e.g. “investment in ecosystems services not payments for ecosystem services”]

Is monetary valuation enough?

- Monetary valuation viewed as a **necessary** but not **sufficient** basis for decision making – something to **unlock debate** around wider non monetary values ('to push against')
- Participants generally put more conditions on valuation evidence the **closer to home** the decision gets (more personal and proximate), and the more **risks and uncertainties** the decision seems to be addressing.
- Recurring examples where monetary valuation would not be enough:
 - *Building more homes; building new airport runways; Building new rail links; citing waste disposal units in neighbourhoods; adapting to local flood risks.*
- Monetary approach = an **input** into a more complicated, interpretative, and ultimately political, decision making cycle, not something that can make decisions by itself.

Is monetary valuation enough?

- In general this reasoning is associated with a concern to put valuation on a more participatory footing:
 1. The need to understand locality and be sensitive to the cultural and historical context of change;
 2. The need to appraise decisions from an ethical starting point: rights and wrongs; winner and losers;
 3. The need to test abstract facts with stories and interpretations.
- Participants effectively invent the **balance sheet** approach to decision making outlined in the National Ecosystem Assessment

Generic qualities of good valuation

Finally not so much that monetisation is valued *per se* as a basis for decision making, but rather, the **generic qualities of monetisation methodologies**.....

Monetary valuation evidence generally viewed as:

- ***Tangible*** - evidence that you can “put your finger on” & “values you can see”;
- ***Logical*** - evidence produced through a reasoned process and calculations where the underlying assumptions are clear;
- ***Uniform*** - evidence that gives results in units you can compare;

None of these qualities are unique to monetisation of course.

In summary

- Dialogue suggests generally strong support for ecosystem services framework primarily because it engages with complexity and interdependencies of systems
- A generally pragmatic and nuanced view of why and where monetary valuation is useful – communicating up and out
- Monetary valuation as a necessary but not sufficient input in decision making – as the stakes rise and the issues become local and personal– the case for a participatory approach grows
- Monetary valuation is given credence by people because of the general qualities these techniques exhibit, not because they are monetary per se.

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