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Values, preferences, and the citizen–consumer distinction in cost–benefit analysis

Shepley W. Orr

University College London, UK

abstract

This article examines criticisms of cost–benefit analysis and the contingent valuation method from methodological and moral philosophical perspectives. Both perspectives argue that what should be elicited for public decisions are attitudes or values, not preferences, and that respondents should be treated as citizens and not consumers. The moral philosophical criticism argues in favour of deliberative approaches over cost–benefit analysis. The methodological perspective is here criticized for overemphasizing the importance of protest responses and anomalies and biases in contingent valuation, and for failing to provide the necessary information needed to make public decisions over the allocation of scarce goods. The moral philosophical perspective is criticized for: failing to provide criteria for distinguishing between values and preferences, assuming impartiality requires expression of values and not preferences; failing to recognize the diversity of forms of expression of values, including expression of values through monetary evaluation; and assuming that cost–benefit analysis is necessarily an implementation of a utilitarian political philosophy. The article concludes by showing that deliberative decision-making mechanisms can be overly demanding on citizens, and argues for greater openness in the potential moral justifications of cost–benefit analysis.

keywords

cost–benefit analysis, values, preference aggregation, democracy, willingness to pay

1. Introduction and statement of the problem

Criticisms of cost–benefit analysis (CBA) have come from many theoretical positions. In this article, I want to focus on one in particular. It is the problem that

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Shepley W. Orr is Senior Research Fellow at the Centre for Transport Studies, Department of Civil and Environmental Engineering, University College London, London, UK [email: s.orr@ucl.ac.uk]

CBA attempts to measure *preferences* using the contingent valuation method (CVM),¹ when what it should be measuring are *values* or *attitudes* (using the philosopher's and the psychologist's lexicon, respectively).² From the *methodological* point of view, the criticism is that the CVM exhibits a failure of construct validity. That is, the conceptualization of the phenomenon to be measured is mismatched to the phenomenon itself: hence the operationalization of the construct to be measured is misguided. From the *moral philosophical* point of view, this mismatch of the conceptualization and the phenomenon is morally wrong because public decisions are made in which the wrong kind of information is used to determine the outcome.

Let us call these two forms of criticism the 'methodological critique' (MC) and the 'moral philosophical critique' (MPC). The upshot of the MPC is that public decision-making should take place through deliberative mechanisms; the MPC argues that a *deliberative democratic mechanism* (DDM) should be used to make public decisions.

These criticisms can be seen as part of a larger debate concerning whether democracy should be concerned with aggregation or deliberation (that is, the 'deliberative turn' in democratic theory generally), or what Kymlicka calls 'vote-centric' and 'talk-centric' views, respectively.³ Although there are independent arguments made for the method of deliberative democracy,⁴ I will focus in this article on the justification for deliberative democracy as a consequence of the arguments of the MC and MPC. That is, I will focus specifically on the arguments that CBA (as opposed to voting) is a flawed approach to making public decisions. I will argue that both the MC and MPC are only partially correct and, correspondingly, that the use of CBA is appropriate in some cases.

The deliberative democrat states that because people approach these issues as citizens with a conception of the good, it follows necessarily that deliberative methods must be used to make public decisions. That is, as a form of *judgement* or *knowledge*, the only correct forum for decision-making is *debate* and *argument*. Welfare economists too have begun to note the importance of this issue: 'the aggregation exercise in the collective choice literature can be split into several distinct types – one of the distinctions being based on whether the exercise is one of aggregating the conflicting *interests* of different people, *or* one of aggregating the conflicting *judgements* of different people as to what should be done'.⁵ The concern of this article is to show how far we should follow the latter path as a model of making collective choices. I will be specifically examining whether a hard and fast distinction between values and preferences exists. That is, can we defend a distinction which is sufficiently robust to decide clearly in all cases whether a deliberative or aggregative mechanism for collective decision-making should be used? It should be said that my own position can remain agnostic on whether there *really* is a distinction between values and preferences. As the authors I address (Anderson, Barry, and Sagoff) invoke the distinction themselves as part of their argument against CBA, the burden of argument is on them

to show that the distinction between values and preferences is sufficiently robust to provide arguments for rejecting CBA. To defend a limited role for CBA, I need only show that the MPC's invoked distinction between values and preferences will not do the work that they claim it will. To the extent that my arguments are correct, we may assume that there is still *some* role for CBA in the formation of public policy.

To foreshadow slightly how I will make this case, we can imagine a view of individuals having only two frames for making decisions: one a consumer frame, the other a citizen frame. The resulting picture is shown in Table 1.

Table 1 **Issues for citizen and consumer frames**

Issue	Frame	
	Citizen	Consumer
Type of motivation	Reasons, values, attitudes	Preferences, desires
Proper forum	Politics	The market or market-like mechanisms
View of the good	The public interest The common good	Satisfying individual preferences (utilitarianism?)
Source of public decision-making	Offering good Reasons Deliberating about right answers Expressing attitudes	Eliciting and aggregating individual preferences

In general, I will argue that the authors who criticize CBA hold such a dichotomous view regarding politics and individual motivations, and it is this aspect of their thought which, they argue, justifies why CBA is an inappropriate means of making public decisions. The degree to which I am able to show that the aforementioned dichotomies do not hold, the critique of CBA is thereby weakened.

This article proceeds as follows. In Section 2, I criticize the MC for over-emphasizing the importance of protest responses and anomalies and biases in contingent valuation, and for failing to provide the necessary information needed to make public decisions over scarce goods. In Section 3, I criticize the MPC as discussed by Sagoff, showing that his distinction between values and preferences is underspecified, and that he mistakenly assumes that impartiality in collective choice requires elicitation of values. In Section 4, I show that Anderson's criticism of cost–benefit analysis requires an overly demanding form of expressing values. Section 5 shows that there are inherent limits to deliberative approaches to democracy based on the likelihood of reaching consensus, and

that therefore some preference-aggregation mechanism needs to be used. Lastly, Section 5 argues that CBA is consistent with non-utilitarian approaches to political justification. Section 6 concludes.

2. The moral dimension of the methodological critique of CBA

Let me first offer a cursory introduction to CBA using the CVM. Suppose there is a question as to whether a public highway should be built. This project will significantly decrease travel times for one group, call them the 'commuters'. The project will also impose significant costs in terms of noise from the highway on another group, call them the 'residents'. So to decide on whether the project should go ahead, a survey is undertaken asking each of the commuters what they would be willing to pay for the existence of the highway. Then another survey is undertaken in which each of the residents are asked how much they would be willing to accept for the increased noise caused by the highway. The amount from each group is then aggregated, and if the aggregate willingness to pay for the highway of the commuters exceeds the aggregate willingness to accept the noise by the residents, then the project goes ahead. That is, the survey indicates that a potential compensation to the residents is efficient, and constitutes a potential Pareto improvement (PPI).⁶

There are two main methodological arguments against the use of the CVM in CBA studies. The first is protest responses (explained below), the existence of which seems to suggest that the CVM poses the wrong kind of question. The second is the existence of anomalies, which further suggest, says the MC, that preference-elicitation devices are being used where analysts should be measuring attitudes.

2.1 Protest responses

Protest responses are responses to a willingness-to-accept (WTA) question that are outrageously high, or responses to a willingness-to-pay (WTP) question which are outrageously low, or sometimes a subject refuses to answer the question altogether. The responses are 'outrageous' in the sense that they fail to register a respondent's real concern for the good in question. As an example, a respondent may be asked how much they would be willing to pay (or whether they would be willing to pay £100) in order to clean up an oil spill: a respondent may resent that they have to pay for environmental damage caused by a private firm and hence say that they would pay nothing, even though they are strongly in favour of the oil spill being cleaned. Alternatively, consider a respondent who is asked how much he would be willing to accept for a firm to destroy a certain amount of woodlands in order to make a profit selling wood. A respondent may respond that he would only accept £5m, because he simply believes that nature should not be for sale for profit, even though he might, in some other circumstances, allow some woodlands to be used for a timber company in order to pro-

vide jobs for the unemployed. As summarized by one such study, ‘Participants are prone to respond with indignation to compensation they would require to accept pollution of the Grand Canyon National Park, or of an unspoiled beach in a remote region. The indignation is expressed by the rejection of the offered transaction as illegitimate, or by absurdly high bids.’⁷

While the MC sees protest responses as a methodological failure of the CVM, as it does not take a moral evaluation into account that should be taken into account, for the MPC these responses are evidence of the moral unacceptability of CBA. These protest responses, from the methodological point of view, are assumed to be caused by the fact that respondents are trying to express their *attitudes* (in particular, their moral attitudes) through monetary valuations. Thus, the method used assumes that people have simple preferences over the environment, when in fact what they have is an attitude, which can only be expressed in more complex, qualitative formulations.⁸

So, what is the problem with CBA such that it gives rise to protest responses? There seem to be a number of candidates for explaining the phenomenon. I will discuss here what I will refer to as the ‘property rights problem’ and the ‘intrusive market problem’. All of these cases rely on the argument that respondents have attitudes to express that CBA does not allow, and hence CBA ought to be rejected as a means for making public decisions. I will also discuss another problem for the MC of CBA, which is that attitude elicitation is not necessarily a substitute for the kind of information needed to make public decisions.

First, it appears that what gives rise to protest responses is *not* the fact that people wish to register an attitude and not a mere preference, but that people have *particular* attitudes about the assignment of property rights. It would seem that many respondents have attitudes about nature that suggest that nature is not to be owned by particular people, least of all firms. In their view, one assumes, nature is owned either by the people of that locale (a county, a nation-state, and so on) or nature is owned by everyone. This corresponds to the view that there is ‘world ownership’ of nature.⁹ Hence, buying or selling environmental property rights is morally unacceptable.

However, does this reason for protest responses suggest that the problem respondents have with a contingent valuation question is that it fails to respect their having an attitude? Only partly. It is just as likely that you have an attitude about nature being a good to be used as people wish if so doing will contribute to economic surplus, and this would issue in no protest response at all. That is, it is not the case that *every* respondent to a contingent valuation study provides a protest response – only some do. So having an *attitude* about property rights does not mean that the CVM cannot elicit a response from someone: only if the attitude opposes the *particular* assignment of property rights will a protest response occur.

Consider next the related idea that people have an attitude that some issues should not be subject to a market-like test. Many theorists have made this argu-

ment, and it seems to underlie many protest responses. For instance, suppose that there was a decision to be taken on whether the UK should reintroduce the death penalty: it may be the case that most people would find it odd (if not inappropriate) if the issue were to be decided by seeing who was willing to pay the most for it to be reintroduced. Alternatively, take an issue of fairness: should kidney dialysis machines be allocated solely on the basis of who wishes to pay most for them? Most people think this is the wrong test for making distributional decisions of such resources.

So it may be the case that certain objects of attitudes should not be decided by CBA. But what lessons do we learn from this? Is the sole problem that there are certain attitudes about certain goods that preclude them from being subject to a market-like test? Not necessarily.

Now, it might be conceded that certain types of question ought not to be decided by CBA (for example, whether the death penalty should be allowed or whether prostitution should be legalized). But two points can be made here in defence of CBA against the intrusive market objection. First, it is not the fact that attitudes are not being measured that is the problem. As in the case of the property rights problem, the problem with market intrusion into certain public decisions concerns the fact that people have *particular* attitudes about what goods are to be subject to the market. But note that some people might not have those attitudes, and would not give protest responses at all. In this case, not measuring attitudes is not the problem, but simply that certain attitudes are anathema to the market-like mechanism.

Second, to recall a point made above, not everyone shares the same opinions about the proper scope of the market. In these cases, how is it to be decided whether a market-like test is to be used? Is there a clear set of criteria determining what issues should be decided by a market-like mechanism versus a deliberative mechanism? Although theorists have written a great deal on this, there does not seem to be a clear consensus. In the absence of such consensus, should those who oppose market-like mechanisms be allowed to overrule those others who have no problem with them? This could be, on the one hand, seen as a kind of 'tyranny of the deliberators', 'deliberators' being those who think no public issue should be decided by a market-like mechanism and that everything should be decided by a DDM. On the other hand, if one went ahead and used the market-like mechanism for all public decisions, then the deliberators are in a bind: either they violate their moral sense and say how much they are willing to pay to implement a certain policy or they waste their vote with a protest response.

This leaves us with a further problem: how to decide what issues should be decided by market-like mechanisms when there is no consensus on the issues. It would seem unfair to decide this by a market-like mechanism, for obvious reasons, but will deliberation help us decide this matter? This would require that deliberation results in a consensus on issues where moral disagreement exists, and there is no reason to assume that moral conflicts can be resolved by dis-

course. Hubin notes that there is a regress lurking in the idea that CBA could be used to determine whether CBA should be used.¹⁰ This seems to suggest that, as Elster puts it: ‘The idea of voting over arguing versus voting or bargaining runs into an infinite regress, which can be cut short only by assuming that the first decision to decide by voting is reached by arguing. In this sense, arguing is logically prior to all other modes of collective decision making.’¹¹ The point here is that just because *some* people wish to have a DDM for an issue is not sufficient for it to be so.

2.2 Anomalies in the contingent valuation method

Another line of criticism taken by the MC is that it must be *attitudes* that are to be elicited, because the existence of choice anomalies in the use of the CVM indicates that trying to elicit preferences for certain goods yields systematic noise. In defence of the CVM, I will argue that although anomalies do exist in the use of the CVM for public goods, the *same anomalies* exist in eliciting valuations for purely *private* goods. Since this is the case, it impugns the MC’s argument that anomalies exist because CBA in general and the CVM in particular should be eliciting attitudes and not preferences. This is the core of the methodological critique of the CVM.

For instance, it is argued by Kahneman, Ritov, and Schkade that the existence of preference anomalies and biases in such disparate contexts as environmental valuation and legal compensation claims is partly because those goods concern ‘public’ or ‘moral’ issues which evoke attitudes.¹² However, as Sugden has pointed out, almost every anomaly which can be found for the CVM for public goods can also be found for private goods as well.¹³ Thus, although the fact that anomalies and biases in choice exist suggests problems for the CVM in general, this directly argues against the point made by Kahneman et al. that the anomalies and biases are due to the fact that preferences and not attitudes are being elicited.

2.3 Will eliciting attitudes help to make public decisions?

For my third defence of the CVM against the MC, let us now turn to what I have called the ‘attitude measurement problem’. This problem is as follows: CBA is concerned with finding the answer to a particular policy question where a project should be undertaken or not, but more often the question that CBA seeks to answer is one where trade-offs are concerned. CBA can happily concede that it is not the best means for deciding all questions of public policy, but it is particularly equipped for making decisions where trade-offs have to be made. In as much as CBA is concerned with the allocation of scarce goods where trade-offs are made, I show that the MC of the CVM fails to provide an alternative means of making the decision. This fact is a corollary to the ‘postponing the inevitable’ criticism of the MPC made below.¹⁴

As an example of the methodological failure of the CVM, Kahneman et al. discuss the ‘focusing’ effect: by focusing on only one issue (say, the amount of

nitrate in drinking water), the CVM leads individuals to think only about the good in question, and not about trade-offs between goods. But this would hold for the elicitation of attitudes as much as for the use of a CVM. However, note that the CVM *does* provide a way of ‘thinking at the margin’, that is, of making difficult trade-offs.¹⁵ The model of the DDM which the idea of attitude expression gives rise to does not deal with trade-offs, although it may *allow* citizens to make compromises. But what is in favour of CBA is that it has a *model* of trade-offs that follows naturally from asking a series of pairwise comparisons of states of affairs that describe differing levels of two goods.¹⁶

Lastly, the DDM does not provide a mechanism for making trade-offs between values or for efficiently allocating resources. The MC relates to the MPC in that the MC seems to provide evidence for the fact that CBA is morally suspect. But as I shall show in the next section, just as the MC discussion of protest responses does not impugn the CVM as inappropriate, nor does the MPC, for similar reasons, entail rejecting the use of CBA as immoral. Let us now turn to the MPC argument against CBA.

3. The moral philosophical critique of cost–benefit analysis I: Sagoff on values and preferences

Here, I will examine the particular arguments of moral philosophers against CBA, where these moral philosophers object particularly because CBA elicits preferences when, as they argue, public decisions should elicit attitudes or values. I will examine, first, Sagoff’s argument, primarily as presented in his 1986 article ‘Values and Preferences’ and also in his 1988 book *The Economy of the Earth*.¹⁷ I will then, in Section 4, examine further arguments inspired by his position made by Anderson, and in Section 5 present a general argument about the limits of deliberative democracy if meta-ethical non-cognitivism happens to be true, and some related arguments made by Brian Barry.

Sagoff begins by noting the attitudes–preferences distinction as I have discussed it here, and clearly favours the view that public deliberation is the aim of public decision-making, not some aggregative conception such as majority voting or CBA. He states: ‘In a democracy the application of a cost-benefit formula cannot replace the public discussion of ideas; it is not what the individual *wants* but what he *thinks* that counts.’¹⁸ Sagoff notes that satisfaction of preferences is not justified as a good in itself, as many consumer choices do not promote well-being.¹⁹ With reference to more familiar versions of the problem in parentheses, let me list Sagoff’s criticisms of consumer sovereignty: (1) our preferences can be adaptive to poor situations (the happy slave problem), (2) we have changing preferences, some of which we may later regret (the Ulysses and the sirens problem), (3) as soon as we satisfy one desire, we may then have aspirations to better goods which may not be available, leaving us no better off than when we started (the hedonic treadmill argument), and (4) because some preferences are sadistic or

envious (the objectionable preferences problem), they should not enter a social calculus.

Not only is consumer sovereignty questionable, so it is argued, but the other primary economic goal of efficiency is not desirable in itself, for efficiency can mask gross injustice. In a society without child labour laws, a minute increase in pay for a 10 year old working for £1 a day which results in greater productivity which benefits his employer is surely a Pareto improvement, but is no state of affairs which is ethically acceptable. (I do not disagree; see below on the second theorem of welfare economics.)

Lastly, Sagoff argues that democracy is not about bargaining for what one wants, but is concerned with what is good for *everyone*. Hence, as he later puts it, to assume that our values are mere preferences is a category mistake, and hence Sagoff endorses the idea of the MC that in eliciting preferences when we should be eliciting value judgements (attitudes), we have failed to achieve construct validity. The difference is that, as a normative theorist, he is claiming that such a mistake is a morally bad one.

Sagoff suggests that given the fact that preference satisfaction is not a good in itself and that efficiency is a morally suspect criterion, we are naturally led to the conclusion that democracy should concern itself with opinions about the good. That is, it seems to follow that since preference satisfaction is not an intrinsic good and that policies designed to maximize this objective are also morally suspect, the result is that considering preferences is no *good* at all, and this is why (deliberative) democracy should not be concerned with preferences, but with value judgements about what is good (or right). Each of these steps in the argument should be examined.

First, CBA can begin by retreating from the defence of the PPI criterion as being good because it *satisfies preferences*. Instead, PPI can be seen as good because it *respects people's autonomy in choosing*, regardless of whether what they choose is good for them. In this way, welfare economics in general can reject the assumption of consumer sovereignty and instead embrace a non-welfarist justification for defining the good as a procedural one which allows people to do what they wish. Such a move rejects the justification of the Pareto criterion as leading to a 'socially optimal' outcome, because it is the *freedom to choose*, and *not the outcome*, with which welfare economics (and CBA) ought to be concerned.

Second, CBA can again retreat and simply accept the fact that efficient outcomes may be unjust or morally undesirable, but that is not the purpose of CBA (indeed, it is not a retreat because CBA is never justified as being a general theory of the social good). In a discussion by Copp defending CBA against the equality objection, he invokes the argument made by Mishan and developed by Musgrave, namely, that CBA is concerned with *allocative*, not *distributive*, decisions.²⁰ That is, while it may be the case that social decision-making should be concerned with distributive justice, it is simply not the job of CBA to rectify

injustice, but instead to allocate resources or goods to those who want them and to compensate those who suffer negative externalities from the allocation. So, while critics of the foundations of welfare economics such as Sen and Gibbard note, I believe rightly, that the two fundamental theorems of welfare economics do not necessarily lead to morally desirable outcomes,²¹ this is not what justifies CBA as applied to particular decisions.

This lack of normative significance particularly holds for the second theorem, which partially addresses the question of whether competitive equilibria are good (are Pareto optimal). That is, the second theorem states that for some given initial endowment of resources, every Pareto optimal state is a competitive equilibrium; but what makes that initial endowment of resources *itself* good? If that initial endowment is morally bad, so *may* be any resulting competitive equilibrium.

Again, an initial injustice in the acquisition of resources is unlikely to be corrected, and indeed may be worsened, through the use of CBA. But this is not a case for the complete rejection of CBA, for there can be distributive corrections made by government after allocative efficiency is achieved through the use of CBA.

So, the first two arguments of Sagoff's do not seem to suggest that there is any reason to think that democracy ought to be in the business of expressing attitudes. He has presented good arguments against preference satisfaction and efficiency as the basis of *all* public decisions, but this does not warrant his conclusion in favour of deliberative approaches, nor has he shown that we must reject the use of CBA.

So what is the defence of using the citizen perspective? Sagoff contrasts the kinds of approaches that emerge from our personal preferences that are then plugged into a veil of ignorance situation in order to set up the basic structure of society²² with those in which we express impersonal preferences (or values) over the general good.²³ He specifically notes that the latter covers issues of regulatory policy such as environmental quality and workplace safety. As Sagoff says of such impersonal preferences: 'Many people believe that pollution should be strictly controlled, wilderness areas preserved, and the safety of workers assured not because these goals promise advantages to them but because they conform to their conscientious idea of what a good society stands for or obliges itself to do.'²⁴ This seems to suggest that the citizen perspective induces new values in individuals that are substantively different from their preferences as consumers. But is this actually different from the kinds of neutrality that restrict competing conceptions of the good in order to determine the basic structure of society? I believe not. Consider the following elaboration of this idea by Sagoff:

The values which motivate Americans to reform the workplace, control pollution, and improve public safety and health are not always self-interested; they are often impersonal and ethical. As consumers, indeed, we buy the least expensive goods, and in that way reveal a preference for lower worker safety standards, since they bring lower prices

with them. Yet as citizens we may regard ourselves as Americans together and therefore as responsible for the decency of workplace conditions. Likewise, many of us who will never visit a magnificent landscape may believe nevertheless society has a duty to preserve it. Concerns such as these – impersonal values rather than consumer preferences – may become more important to us than our personal economic interests.²⁵

Now, all of these considerations in the above two quotations, bar the concern for the existence value of the environment, are perfectly consistent with the kinds of personal *preferences* one would bring to the original position. That is, I could imagine that if I were to be a worker in a factory, I would be concerned with worker safety. As someone who might be affected by pollution, I have an interest in controlling it from behind the veil of ignorance. Thus, as both Rawls or Harsanyi would say, one derives one's impersonal, ethical preferences, from one's personal preferences.²⁶ But note that both of these authors refer to the results of being behind a veil of ignorance as impersonal, ethical *preferences*: they are not substantive values or forms of knowledge about what is good for a society, but what is good for *each* individual in a society, which are discerned by introspecting one's own set of (possible) *preferences*.

Further, while it may be that concerns for the existence values of natural goods are substantive values that we have as citizens, even then we can imagine putting ourselves in the original position and seeing if our concern for the environment ought to outweigh other concerns for workplace safety, pollution, and so on. That is, one can just as easily conclude from Sagoff's argument that there is no 'attitude' about the environment which has to be debated through a deliberative mechanism which seeks a right answer to determine what is good, but instead a concern for the environment which one may have to trade off against other people's concerns for the environment and other goods.²⁷ Such a debate may help to transform what a person may choose, and this debate may be the result of individuals expressing attitudes, but it does not follow that just because one has an attitude about an environmental good that a public decision needs to be made through a deliberative mechanism. A perfectly just, albeit not perhaps 'good', decision can still be made on the basis of expressing preferences that are based in attitudes, without the need for a forum in which the attitude itself is expressed. (See below where I discuss the nature of expressing attitudes.)

It does not seem, then, that there is any argument that consumer preferences viewed impartially through a veil of ignorance are in any sense substantively distinct from attitudes or values that we might have when making public decisions. I conclude from this discussion of Sagoff that what he means by the 'citizen perspective' is mostly just what individuals think is a just demand on collective resources, not a substantive principle of what is good.²⁸

One last argument against Sagoff's variant of the MPC is that it fails fully to define what a value is, such that the possession of a value is sufficient to warrant the use of deliberative methods over CBA. That is, if the litmus test (or necessary and sufficient condition) for an issue to be decided by deliberative methods is that

the issue concerned is a matter of persons' (values/)attitudes, an attitude must be defined clearly enough such that legislators and citizens know that it is worth the cost to undertake a DDM. It would seem that the issue is a simple one of distinguishing attitudes from preferences, or objects that concern judgement about matters of normative fact from 'mere tastes'. That is, if the issue is one that concerns attitudes, a policymaker should only use attitudinal measures, and, further, only employ a DDM to decide the issue.

On further inspection, I believe this argument moves far too quickly in defining a value. Sagoff defines values as a species of preference which:

Reflect a considered judgment the individual makes about what is right or good or appropriate in the circumstances . . . we may . . . inquire about their justification; that is, we can ask the individual why he or she holds these values or views . . . (public) officials might respond to the reasons and arguments citizens offer to justify their opinions.²⁹

Now consider what I shall call the 'unfair to strawberries' argument. Say there is a person who is passionate about strawberries. He knows a great deal about the attributes of strawberries, what makes them sweeter or more sour, what makes them firmer or softer, what contributes to the graininess of the texture, and so on. Suppose then that this person is asked how much he is willing to pay to provide strawberries instead of baser fruits (for example, green apples) to the poor, in the hope that the poor will begin to appreciate good fruits and improve their health. This subject may then provide a protest response of £0, because he thinks simply throwing any old strawberry to the poor will do them no good at all, and, further, comparing strawberries to green apples offends his sensibilities of the beauty of the strawberry.

Now, does he have an attitude to strawberries? According to Sagoff's definition, he does. He has *knowledge* of matters of fact concerning strawberries, and he can offer *reasons* and *arguments* for what makes them better or worse. Would we consider the fact that he has an attitude to strawberries, a good that most consider to be an object of mere taste, sufficient to warrant the use of deliberative methods? I think not. For a start, the strawberry fanatic's reasons or his knowledge may not move me whatsoever. Further, it would seem unfair and overly demanding to require other persons to attend a deliberative forum to determine the distribution of strawberries. Let us conclude here with the following summary: many tastes may resemble attitudes in respect of requiring knowledge and judgement in order to make a 'right' decision, but this alone does not warrant a more costly (and unwieldy) method of deliberation to make the decision.³⁰

There is a further and more endemic problem in defining values, which pertains to Humean theories of practical reason, and just what it means to have a 'considered judgement' about what is 'right or good or appropriate', or what it is to have 'reasons' for one's preferences such that one can 'justify' one's 'opinions'. Although I do not wish to wade too deeply into these waters, I would like

to point out that, for political purposes, this appears a dangerous doctrine indeed. Imagine that I think that building a public park is a matter of preference, whereas you think it is a matter of value. If I attempt to offer an account of why I think a DDM is unnecessary, you can simply say, ‘I’ve considered it; I have reasons and I can justify why a park is good.’ But what if I am not persuaded, not by your arguments, but that it is a matter of argument at all? You are able to level a charge of irrationality at me, without justifying or explaining that criterion of rationality itself.³¹

As an aside it is worth noting that there is a simple interpretation of the consumer–citizen distinction, which is that we might wish to have certain institutions designed so that we do not always act on our personal preferences. Such cases exist in situations of the prisoner’s dilemma type, where, as Hardin puts it, we have an *interest* in an external institution being established to force us to cooperate against our self-interested *preferences*, based on our inability to achieve a mutually beneficial outcome.³² This is the interpretation of one author³³ of what consumer and citizen perspectives mean. But there is no content added in the move from consumer preferences to citizen ‘values’: all that is concerned is that there be a basic, impartial structure, which maximizes one’s own material gain. Note that in this case Sagoff does not show that impersonality leads to any fundamental shift in the type of content of preferences (that is, they still concern *gain*), the agent has merely shifted to reasoning about the *probability* of satisfying one’s preferences from behind a veil of ignorance.

Sagoff concludes that we should think of states, organizations, or any collective agent as having a kind of supra-individual set of intentions and goals, which are made up of individuals acting on behalf of that collective. Although such approaches to collective agency have become a popular mechanism in modelling and explaining cooperation in the prisoner’s dilemma, it has yet to be convincingly argued that such a mode of thinking (say, ‘citizen thinking’) leads individuals to have a fundamentally different kind of *content* to their reasoning. Both citizens and consumers on these models *maximize* preferences. The question is: *which agent’s preferences*,³⁴ the individual’s or the collective’s, are to be maximized? Thus, the idea that citizen thinking is inherently about values and not preferences is questionable.

It must be stressed again that reasoning impartially is not having different preferences per se, but merely to have one’s preferences filtered through a device of being justifiable to everyone. To summarize, impartial reasoning is not the same thing as reasoning collectively, nor is reasoning collectively to reason as a citizen, and none of these types of reasoning engender the content of reasoning to shift from preferences to attitudes. Thus far, then, the MPC has not shown that attitudes are the only mode of input for public decision-making, and hence we need not reject CBA in favour of a DDM.

4. The moral philosophical critique of cost-benefit analysis II: Anderson on rational attitudes and their expression

In Anderson's book, *Value in Ethics and Economics*,³⁵ a more developed philosophical argument about the nature of values and the citizen perspective is presented, one which is similar to, and draws on, Sagoff's work. I will here present briefly this argument, and show that it too, like Sagoff's, suggests a switch to the DDM instead of CBA, but fails to show us that doing so is *necessary* or even better than CBA. Like Sagoff, her position suggests that there are good reasons for adopting a DDM, but, I argue, *not* that one is morally required to do so.

Drawing on theories of framing well known in rational choice theory, Anderson argues that different types of goods have different 'modes of valuation'. Hence, to value something is to express a certain kind of relation with that object, which she calls a 'rational attitude', as the content of the attitude is subject to debate, criticism, and change. Thus, she develops what she calls a 'rational attitude theory of value'.

This theory rests on controversial premises that include rejecting consequential evaluation of outcomes, the plurality and incommensurability of values, and the necessary role of endorsing values in providing a narrative unity to a life that leads to self-understanding. It will become clearer below that it does not matter why her theory is controversial, only *that* it is controversial, and hence cannot support her rejection of CBA in favour of a DDM.

In criticizing CBA, Anderson exemplifies the MPC's argument, in which it follows that because of a particular theory of valuing (that is, the rational attitude theory of value), a DDM is required. Consider the following quotes from her critique of CBA:

cost-benefit analysis assumes that the influence of one's valuations should be determined by the money one is willing to pay to promote them, rather than how well they stand up in public debate.³⁶

Cost-benefit analysis ignores information about individuals' valuations discoverable only through voice and provides no integrated mechanism for enabling people to express valuations of goods that essentially require voice.³⁷

Note that there are two errors made here. Regarding the first quote, it should be noted that CBA does not require that the influence of one's willingness to pay is all that matters as a valuation. If one is willing to pay for a good, any number of values can be *expressed* by that action: paying to reintroduce wildlife to an area after a natural disaster can express that one believes preserving natural variety is important, that wildlife is good for hunting, that preserving environmental beauty is important for future generations, or whatever. CBA does not preclude *expressing* attitudes, it just does not *elicit* them.

Second, the second quote reveals a peculiarity of Anderson's expressive theory

of rational action. That is, she claims that certain ‘valuations of goods . . . essentially require voice’³⁸. But why assume that these attitudes *essentially* require voice? If a person has an intrinsic valuation of preserving natural variety, he can still express his valuation of that good by paying to promote it: it is not *essential* that he express his attitudes about why he is doing so. One can just as easily argue that it is a form of vanity in one’s attitudes if one demands that one not pay to promote environmental quality unless one is able to say why one is paying for it.

This last argument seems a very limited view of expressive action if it is limited to statements.³⁹ To show the limitations of Anderson’s approach, take the following example. Suppose there is a community, say, a state called Caringville, all of whose members passionately oppose the death penalty. This fact is also common knowledge among the members of Caringville. Now suppose that the federal government decides to allow each state to make its own decision on the issue of implementing the death penalty. Each state can choose its own method for making the decision. The legislators for Caringville, knowing the widespread opposition to the death penalty, call for a CVM study to make the decision, with the proponents of the death penalty asked to state the positive amount they would be willing to pay to implement the death penalty and the opponents asked to provide the amount they would require in compensation for the death penalty being implemented. Now, because of the consensus, each citizen states that they would require some amount $\$X$ (where $X > 0$) in compensation for the death penalty to be implemented, and no one offers any willingness to pay to implement the death penalty. Thus, the proposal to implement the death penalty is defeated.

Of course, the residents of Caringville could just as easily have had a vote, as the intensity of preference registered by their WTA was registering a strict ‘no’ vote. However, according to Anderson’s definition, the opponents of the death penalty have been untrue to their values, because these values essentially require voice. But elsewhere her theory is referred to as an ‘expressive’ theory of rational action. Furthermore, have not the citizens of Caringville *expressed* their values by publicly providing a willingness to accept values such that the proposal is defeated? Would they really require a DDM to articulate their opposition, to give reasons, and so on, given the common knowledge of their opposition to the death penalty? Anderson’s account seems to suggest ‘yes’, but the case shows her position to be incorrect, for while the expressive account of rational action may be correct, Anderson is mistaken in thinking that values can only be expressed through voice.⁴⁰ If the argument is that use of an aggregative mechanism (voting or CBA) is insufficient, because certain attitudes should be *expressed*, this is not sufficient for saying that these attitudes require *voice* (that is, through a DDM).

What is more problematic is that Anderson does not offer an explicit theory of what is an object of preference and what is a substantive value. Instead, she uses the term ‘rational attitude’ to define what makes something a value instead of a preference.⁴¹ This laxity in defining what makes a preference ‘rationally’ framed potentially enables Anderson and proponents of the DDM to define arbitrarily

what they think to be substantive values requiring discussion, and then to level a charge of irrationality against anyone who wishes merely to express their valuation through money.

Anderson is especially disapproving of CBA's supposed elicitation only of the selfish preferences of consumers:

The preferences people express in their roles as consumers therefore do not capture all the concerns they have. So people in their roles as citizens debating public policy do not and should not take the preferences they express in their market choices as normative for public purposes . . . The norms of consumers' sovereignty amount to a tyranny over citizens when applied to the domain of public policy.⁴²

In defence of CBA, it does *not* assume that consumer roles express all the concerns individuals have. Indeed, CBA may question whether the image of a consumer as amoral is actually correct. It is just as impoverished a conception of the *consumer* that assumes they never express their normative opinions in their role as a consumer as it is an impoverished conception of the citizen that assumes that citizens are purely self-interested (contra public choice).⁴³ Consumers express moral attitudes by shopping and investing ethically. It can be further argued that the distinction between consumer preferences and citizen values is too radical. That is, one may well wonder what kind of person thinks that their behaviour as a consumer takes place in a moral-free zone, but then radically changes their valuations when they are citizens.

Further, many CVM studies do elicit preferences where questions are framed in terms of citizen motives and altruistic willingness to pay for others to consume.⁴⁴ In addition, while it may not satisfy Anderson's need for the valuation of attitudes, cost-benefit analysts have long employed distributional weights to take account of inequalities in income in making public decisions. While this move may not elicit citizen's attitudes, it does not treat individuals as mere consumers, for such a move treats individuals as having an equal capacity to influence public decisions.⁴⁵

Lastly, I noted above that it seemed particularly self-important to argue that one will not pay for a good unless one can express one's reasons for so doing. The flip side of this complaint is that it seems a particularly demanding (and high-minded) form of citizenship to see being asked to pay for a public good without the benefit of discussion as *tyrannical*.

Consider one final argument from Anderson: 'Politics is a domain for criticizing and changing desires through reasoned debate, not merely for aggregating given desires. This activity is partly constitutive of autonomy.'⁴⁶ Now, while reasoning about and debating one's values is part of having a meaningful life, it is not sufficient to make one autonomous. Imagine a person who deliberated about their values all the time, but never resolved to act on any of them, instead staying in and deliberating further and further and further. Such a person would hardly be autonomous if they were only capable of deliberating about projects

and never of acting on them. That is, a theory of autonomy would require not just a procedural theory of deliberation, but a substantive theory of good which states why certain conclusions of deliberation have normative force. On this question, Anderson asserts that autonomy must relate to deliberation over substantive values, but has not only failed to define values in contrast to preferences, but has not shown what values make for good autonomous lives, and hence what leads to action.⁴⁷

Further, it again seems to be a demanding version of what makes an agent autonomous that they deliberate, discuss, and express their values in the forum of public policy. Is it not sufficient if they were to do so in the pub, at church, with friends at home, or some other forum? It is an odd theory of self-realization that achieving autonomy requires that it take place in the public arena, and that expressing one's values can only take the form of talking about them in the public arena.⁴⁸

I have, in this section, shown that the MPC as advocated by Anderson is generally over-demanding. In the next section, I try to show that even when a DDM is implemented, there may still be a need for an aggregative mechanism to make a public decision. If this is so, then it is unfair to say that CBA is inherently utilitarian.

5. Conflicts of values, meta-ethics, consensus, and the limits of deliberative democracy

I want here simply to register some further sceptical complaints against the DDM. First, note that part of what justifies CBA is that it is a method for *resolving* disagreements over what ought to be done so that *some* action can be taken. Now, the proponents of the DDM cited here hold a particular value theory, which is best described as being from a cognitivist meta-ethical position. Such a position entails that judgements of value are capable of truth and falsity, and hence resolving disagreements about matters of moral, or public, importance can be resolved by discussion. But as I have said, this position is extremely controversial in meta-ethics. Many expressivists about ethics argue that while values have an objective status, they are not subject to claims of truth and falsity.⁴⁹

Now, if it is the case that cognitivism is false, then we have an immediate reason to be suspicious of the DDM. If public values concern 'final' ends (which on the expressivist view are not subject to rational criticism), then there is no reason to suppose that a DDM will result in any decision whatsoever. A DDM requires either a consensus or a reasonable compromise to be reached. But if cognitivism is false, there is no reason to suppose that any such consensus or compromise can be reached.⁵⁰ Deliberative democrats often draw on the Rawlsian idea of public reason, which suggests that despite people's differing conceptions of the good, any conception of the good allows a corresponding theory of public reason that seeks compromise among competing conceptions of

the good. However, the argument that such a public conception of reason exists seems to exist as much as a hope as from real argument into the structure of existing values. And again, the public reason view requires that we have a litmus test to distinguish between objects of preference and substantive values such that we know just what objects of decision must be made through a DDM.

But my criticism here can take a weaker form. I need not rely on noting that the meta-ethical grounds for the DDM may be false, in which case the assumption that the normative truth of a given issue may not be found. It is perfectly reasonable to look instead at the low empirical likelihood of given groups, especially large ones, reaching consensus. Enough results from social psychology show us that individual biases in reasoning can prevent people from accepting what is otherwise recognizably true to subjects without any such cognitive bias.

Thus, whether we think that value conflicts are endemic because meta-ethical cognitivism is false or because we simply think that groups in the real world are unlikely to achieve consensus, we can say that compromise through deliberation may not be achieved. Thus, we will then need some method for aggregating opinions or judgements such that some action can be taken. If this is the case, then we have no recourse except to some form of aggregation of preferences, be it voting or CBA. This is the 'postponing the inevitable' response to the MPC arguments mentioned above. That is, even if a compromise of some degree can be reached through deliberation, there may be *some* residual disagreement. If *any* disagreement remains about a public project going forward or not, then either one puts aside the project completely or, as a last step, one can carry out a referendum for a project or employ CBA to find out if, despite residual disagreement, individuals are willing to put forward a sufficient amount of funds for the project to go forward. Thus, unless deliberation results in consensus or a compromise acceptable to all, at least some aggregative mechanism will have to be involved.

Now, if there is bound to be disagreement after discussion, and a decision must be made using some aggregative mechanism, then the subsequent form of aggregation is consistent with any number of moral theories, including, but not limited to, utilitarianism. In the next two paragraphs, I criticize Brian Barry for making this mistake in thinking that CBA must necessarily be justified by utilitarianism, and, in fact, I hope to show that CBA is compatible with his own theory of justice as impartiality.

Barry uses the CVM as a 'test case' to show that the ordinary conception of justice as impartiality is not an aggregative, utilitarian theory of justice.⁵¹ In particular, Barry claims that the existence of protest responses shows that:

respondents are refusing to accept that their views on environmental policy are being appropriately elicited by asking them what they would need to compensate them personally for the loss of utility that they would feel from either experiencing or simply knowing about some degradation of the environment. What they want is to be asked for their views as citizens about the right environmental policy . . . they want to state their convictions about the right thing to do.⁵²

Now, first of all, Barry himself notes that, at most, up to half of respondents will provide protest responses (and this only rarely). So why does his variant of justice as impartiality require favouring the protesters' response votes against CBA, instead of the implicit favouring of CBA by those who do not provide protest responses? It would seem that the answer lies in the widespread assumption that CBA is a utilitarian theory, and that utilitarianism, in our post-Rawlsian world, is an unacceptable political ethic. But, again, CBA is not necessarily justified by utilitarianism, nor is it necessarily justified by any *one* political theory.⁵³

The claim against Barry is that if justice as impartiality is concerned with procedures and not outcomes, then there is no reason to think that CBA is any different than a DDM in terms of justice. That is, if everyone in a community could reasonably agree to resolve a disagreement by CBA, then justice as impartiality can, presumably, allow it. It is my contention that, in fact, what most proponents of DDMs do not recognize is that democratic procedures should themselves be democratically chosen, and not imposed because they are 'what is best' or seen as required because the public issue involved concerns a value. That this view may lead to a regress I must leave to another occasion.⁵⁴ As a corollary of the view that democratic procedures should themselves be democratically chosen, we might consider the possibility that certain types of democratic mechanisms may have a property of *expressive efficiency*. Expressive efficiency would be achieved by a democratic mechanism when it efficiently allows the expression of attitudes, values, and opinions about a particular issue. A deliberative forum has high expressive efficiency, while the expressive efficiency of the CVM and CBA is very low. Thus, that the CVM does not facilitate great expressive efficiency (but, lest it be forgotten, does facilitate allocative efficiency), need not trouble us in those cases in which more than one type of democratic mechanism is in place in a political society. It may, in fact, be itself politically efficient to have a division of labour between different democratic mechanisms, some facilitating allocative efficiency, others expressive efficiency.⁵⁵

6. Conclusion

To avoid further repetition, let me keep my conclusion brief. This article has attempted to defend a limited case for CBA against claims that it is an inappropriate form of public decision-making because it elicits preferences and not values or attitudes. I have argued that it is not necessary that all forms of public decision-making require a DDM. I have further argued that even if it was the case that it was certain that an issue (for example, the death penalty) was a matter of attitude and not preference, this is not reason alone to require a DDM over CBA, as attitudes can be expressed through the CVM. This is not to say that a DDM is not a good thing, however: public reasoning about preferences and values often improves the quality, as well as the legitimacy, of public decisions. But CBA can

be justified by many different normative theories, given that CBA is but one form of social decision-making among others. The crux of the argument is that the expression of attitudes can take many forms, *including monetary expressions*, and to assume that persons' attitudes as citizens must be expressed in the form of a DDM may be an overly demanding (and costly) form of citizenship. What is needed for any one political theory which seeks to use CBA in some form is to know where its use is appropriate, and given the many advantages of using CBA in efficiency terms and its ever-increasing use, this is a pressing challenge for all political theory.

notes

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1. There are many different forms of CBA, and not all require the use of the CVM, or inputs from the CVM, but I will be discussing the variant in which a public decision is made *only* through the use of the contingent valuation method. In this article, CVM will refer *specifically* to the elicitation of preferences for cost–benefit analysis, and CBA will refer to the specific case in which the sole input for a public decision using cost–benefit analysis is the CVM information. The methodological critique is generally concerned with problems in the CVM, whereas the moral philosophical critique is more concerned with the use of CBA for making public decisions on the whole.
2. As the term to contrast with preference, I will use 'value' for what philosophers are concerned with and 'attitude' for the concern of psychologists throughout this article, though philosophers and psychologists do overlap in their use of the terms. On this point, see Gerald Gaus, *Value and Justification: The Foundations of Liberal Theory* (Cambridge: Cambridge University Press, 1990), pp. 112–18. As I am primarily concerned with the moral philosophical critique of CBA, however, I will focus more on the philosophical concern with values versus preferences.
3. Will Kymlicka, *Contemporary Political Philosophy: An Introduction*, 2nd edn (Oxford: Oxford University Press, 1990), p. 290.
4. For instance, James Bohmann and William Rehg (eds), *Deliberative Democracy: Essays on Reason and Politics* (Cambridge, MA: MIT Press, 1998); Jon Elster (ed.), *Deliberative Democracy* (Cambridge: Cambridge University Press, 1998); James S. Fishkin and Peter Laslett (eds), *Debating Deliberative Democracy* (Oxford: Blackwell, 2003).
5. Amartya Sen, 'Personal Utilities and Public Judgements, or, What's Wrong with

- Welfare Economics?’ *Economic Journal* 89 (1979): 544.
6. This is what is known as passing the Kaldor–Hicks compensation test, which constitutes a potential Pareto improvement. The Pareto test is ‘potential’ because those who express a willingness to accept (the residents in this case) will not in reality be compensated. For general introductions, see E.J. Mishan, *Cost-Benefit Analysis: An Informal Introduction* (London: Allen and Unwin, 1975); Robert Sugden and Alan Williams, *The Principles of Practical Cost-Benefit Analysis* (Oxford: Oxford University Press, 1978).
 7. Daniel Kahneman and Jack L. Knetsch, ‘Valuing Public Goods: The Purchase of Moral Satisfaction’, *Journal of Environmental Economics and Management* 22 (1992): 69 (quoted in Brian Barry, *Justice as Impartiality* [Oxford: Oxford University Press, 1995]). I use this quote to illustrate how CVM analysts explain protest responses partly because I will be discussing Barry’s interpretation of it below.
 8. Recall that the subject participating in a CVM is seeing CBA as part of the decision-making procedure as a whole, so their issue is with CBA, not the CVM.
 9. See Jonathon Wolff, ‘Economic Justice’, in *The Oxford Handbook of Practical Ethics*, edited by Hugh LaFollette (Oxford: Oxford University Press, 2003), pp. 433–58. The emerging literature on left-libertarianism discusses various versions of the world ownership thesis.
 10. Donald C. Hubin, ‘The Moral Justification of Benefit-Cost Analysis’, *Economics and Philosophy* 10 (1994): 175 footnote 9.
 11. Elster, *Deliberative Democracy*, p. 10. I am not sure that this claim is true, but I discuss the issue briefly in the Conclusion.
 12. Daniel Kahneman, Ilana Ritov and David Schkade, ‘Economic Preference or Attitude Expression: An Analysis of Dollar Responses to Public Issues’, *Journal of Risk and Uncertainty* 19 (1999): 203–35. An anomaly or bias in choice theory is any *systematic* departure from the axioms of rational belief or expected utility theory. A good overview can be found in Jonathan Baron, *Thinking and Deciding*, 3rd edn (Cambridge: Cambridge University Press, 2000).
 13. See Robert Sugden, ‘Anomalies and Biases in the Contingent Valuation Method’, in *Transport Policy and the Environment*, edited by David Banister (London: E & FN Spon, 1999), pp. 298–319; Robert Sugden, ‘Alternatives to the Neo-Classical Theory of Choice’, in *Valuing Environmental Preferences: Theory and Practice of the Contingent Valuation Method in the US, EU and Developing Countries*, edited by Ian J. Bateman and Kenneth G. Willis (Oxford: Oxford University Press, 1999), pp. 152–80. The anomalies discussed, which hold for public and private goods, include the embedding effect (insensitivity to scope), reference-dependent preferences and loss aversion, part/whole bias, and strategic bias. Space limitations will not allow a full discussion of each anomaly.
 14. To foreshadow briefly, I will claim that unless deliberation returns a consensus, some aggregative mechanism will have to be employed.
 15. Interestingly, it is claimed by Sunstein, in contrast to Kahneman et al., that in fact CBA using the CVM *reduces* cognitive distortions, including what we here call the ‘focusing effect’, by forcing subjects to focus on trade-offs through decreasing the effects of the availability heuristic, being alerted to benefits to costs (and vice versa), and decreasing the ‘separate evaluation’ of goods. See Cass R. Sunstein,

- 'Cognition in Cost-Benefit Analysis', in *Cost-Benefit Analysis: Legal, Economic and Philosophical Perspectives*, edited by Matthew D. Adler and Eric A. Posner (Chicago, IL: University of Chicago Press), pp. 229–36. For a similar point regarding the need for the CVM to provide a model of trade-offs, as opposed to eliciting attitudes to goods in isolation from attitudes from other goods, see Hal H. Varian, 'Commentary on "Economic Preferences or Attitude Expressions: An Analysis of Dollar Responses to Public Issues" by Kahneman et al.', *Journal of Risk and Uncertainty* 19 (1999): 241–2.
16. With reference to the improvements in the CVM when elicited as a tax (as almost all CVM for public issues now employs a tax referendum format), see Donald P. Green, Daniel Kahneman and Howard Kunreuther, 'How the Scope and Method of Public Funding Affect Willingness to Pay for Public Goods', *Public Opinion Quarterly* 58 (1994): 49–67. What these authors do not discuss is the importance of trade-offs that must be made in collective choice. Most binary discrete-choice approaches to preference elicitation measure trade-offs in a way that attitude measures would not, both *within* levels of provision for a good (see Richard T. Carson, Theodore Groves and Mark J. Machina, 'Incentive and Informational Properties of Preference Questions', working paper [San Diego: University of California, 2000]) and *between* differing levels of provision of different goods or attributes (see Vic Adamowicz and Peter Boxall, 'Future Directions of Stated Choice Methods for Environment Valuation', in *Choice Experiments: A New Approach to Environmental Valuation* [2006, forthcoming]). I do not dwell further on issues of multi-attribute utility here.
 17. Mark Sagoff, 'Values and Preferences', *Ethics* 96 (1986): 301–16; Mark Sagoff, *The Economy of the Earth: Philosophy, Law and the Environment* (Cambridge: Cambridge University Press, 1988).
 18. Sagoff, 'Values and Preferences', p. 302.
 19. *Ibid.*, pp. 302–5. For a similar argument, see also Tyler Cowen, 'The Scope and Limits of Consumer Sovereignty', *Economics and Philosophy* 9 (1993): 253–69.
 20. David Copp, 'The Justice and Rationale of Cost-Benefit Analysis', *Theory and Decision* 23 (1987): 72–4; Mishan, *Cost-Benefit Analysis: An Informal Introduction*. The original discussion of the distinction between allocative and distributive functions of economic policies is Richard A. Musgrave, *The Theory of Public Finance* (New York: McGraw-Hill, 1959), pp. 5–27. A similar argument about the use of CBA on Rawlsian grounds is made by Jonathan Wolff, 'Making the World Safe for Utilitarianism', *Philosophy* (2006, forthcoming). Wolff argues that the worst-off in society can benefit from the use of CBA's efficiency gains, even if they may lose out in any one case. Redistributive policies will then, in Wolff's approach, be employed to raise the fortunes of the worst-off. See also Olof Johansson-Stenman, 'Distributional Weights in Cost-Benefit Analysis: Should We Forget About Them?', *Land Economics* (2006, forthcoming); Louis Kaplow, 'On the (Ir)Relevance of Distribution and Labor Supply Distortion to Government Policy', *Journal of Economic Perspectives* 19 (2004): 159–75.
 21. Amartya Sen, 'The Moral Standing of the Market', in *Ethics and Economics*, edited by Ellen Franken Paul, Frank D. Miller, Jr and Jeffrey Paul (Oxford: Blackwell, 1985), pp. 10–14; Alan Gibbard, 'What's Morally Special about Free Exchange', in *Ethics and Economics*, edited by Ellen Franken Paul, Frank D. Miller, Jr and Jeffrey

- Paul (Oxford: Blackwell, 1985), pp. 26–7.
22. Sagoff, 'Values and Preferences', p. 308.
 23. *Ibid.*, p. 311.
 24. *Ibid.*
 25. *Ibid.*
 26. John Rawls, *A Theory of Justice* (Cambridge, MA: Harvard University Press, 1971); John C. Harsanyi, 'Cardinal Welfare, Individualistic Ethics, and Interpersonal Comparisons of Utility', *Journal of Political Economy* 63 (1955): 309–21.
 27. In fact, in a veil of ignorance situation, the discount rate should be zero percent, and so the existence value for future generations would be incorporated as a *current* concern in the original position.
 28. In as much as Sagoff draws his view of the public interest as a Rawlsian notion, we may note that his interpretation of Rawls as having a view of the public interest is not orthodox by any means.
 29. Sagoff, *The Economy of the Earth: Philosophy, Law and the Environment*, p. 9.
 30. Of course, a hard and fast distinction between knowledge and preference, or judgement and taste, may not really exist. As Dworkin has argued: 'Even most of what we might more naturally call "tastes" are soaked in judgment.' See R. Dworkin, *Sovereign Virtue: The Theory and Practice of Equality* (Cambridge, MA: Harvard University Press, 2000), pp. 290–1.
 31. This same point applies to Anderson's discussion of her 'rational attitude' theory of value, and the importance of self-criticism for self-understanding and autonomy.
 32. Russell Hardin, *Morality within the Limits of Reason* (Chicago, IL: University of Chicago Press, 1998).
 33. Daphne Lewison-Zamir, 'Consumer Preferences, Citizen Preferences, and the Provision of Public Goods', *Yale Law Journal* 108 (2002): 377–406.
 34. For a discussion of this issue of maximizing reasoning and individual and collective units of agency, see Susan Hurley, *Natural Reasons: Personality and Polity* (Oxford: Oxford University Press, 1989), pp. 136–59.
 35. Elizabeth Anderson, *Value in Ethics and Economics* (Cambridge, MA: Harvard University Press, 1993).
 36. *Ibid.*, p. 194.
 37. *Ibid.*
 38. *Ibid.*
 39. It also ignores the tradition of research on 'expressive voting' in political economy. See Geoffrey Brennan and Alan Hamlin, *Democratic Devices and Desires* (New York: Cambridge University Press, 2000).
 40. Recall from Grice that a necessary and sufficient condition for meaning is common knowledge of a particular use of a sign. See Paul Grice, *Studies in the Way of Words* (Cambridge, MA: Harvard University Press, 1989 [1957]), Ch. 14.
 41. Anderson, *Value in Ethics and Economics*, especially Chs 4–5.
 42. *Ibid.*, pp. 209–10.
 43. That practitioners of the CVM have recognized the major difficulty of separating out consumer from citizen responses in CVM studies shows that the strict distinction argued for by Anderson is suspect.
 44. I review many of these studies in Shepley Orr, 'Citizen Attitudes and Preference Anomalies in the Contingent Valuation Method: Philosophical and Methodological

Implications' (under review).

45. Whether distributional weights should be employed or whether such weights have distortionary effects on the economy which may make the poor worse off is still debated. See Johansson-Stenman, 'Distributional Weights in Cost-Benefit Analysis: Should We Forget About Them?'; Kaplow, 'On the (Ir)Relevance of Distribution and Labor Supply Distortion to Government Policy', pp. 159–75.
46. Anderson, *Value in Ethics and Economics*, p. 211.
47. See the complaints made *supra* note 37.
48. For a related argument, see Kymlicka, *Contemporary Political Philosophy: An Introduction*, pp. 248–52, 294–9.
49. See Simon Blackburn, *Ruling Passions: A Theory of Practical Reason* (Oxford: Oxford University Press, 1998) for a recent comprehensive statement of non-cognitivism and expressivism in meta-ethics.
50. Elster, *Deliberative Democracy*, p. 11 considers the possibility of a Humean problem for deliberative democracy, but quickly dismisses it without argument. This approach is typical of many who have seen in the Condorcet Jury theorem a new justification for deliberative democracy. But if deliberation is over values which may not possess truth status, the Condorcet justification is inapplicable, for the theorem holds only for judgements of *fact*.
51. Barry, *Justice as Impartiality*, p. 156.
52. *Ibid.*
53. The assumption that utilitarianism is the natural interpretation of CBA is also assumed by Russell Keat, 'Citizens, Consumers and the Environment. Reflections on *The Economy of the Earth*', *Environmental Values* (3) 1994: 483. Against this interpretation, see David Schmidtz, 'A Place for Cost-Benefit Analysis', *Philosophical Issues* 11 (2001): 152. For the view that CBA is consistent with any number of moral theories, see Hubin, 'The Moral Justification of Benefit-Cost Analysis'.
54. See notes 10 and 11 above.
55. I discuss the idea of expressive efficiency more extensively in Orr, 'Citizen Attitudes and Preference Anomalies in the Contingent Valuation Method: Philosophical and Methodological Implications'.