In search of a landscape value

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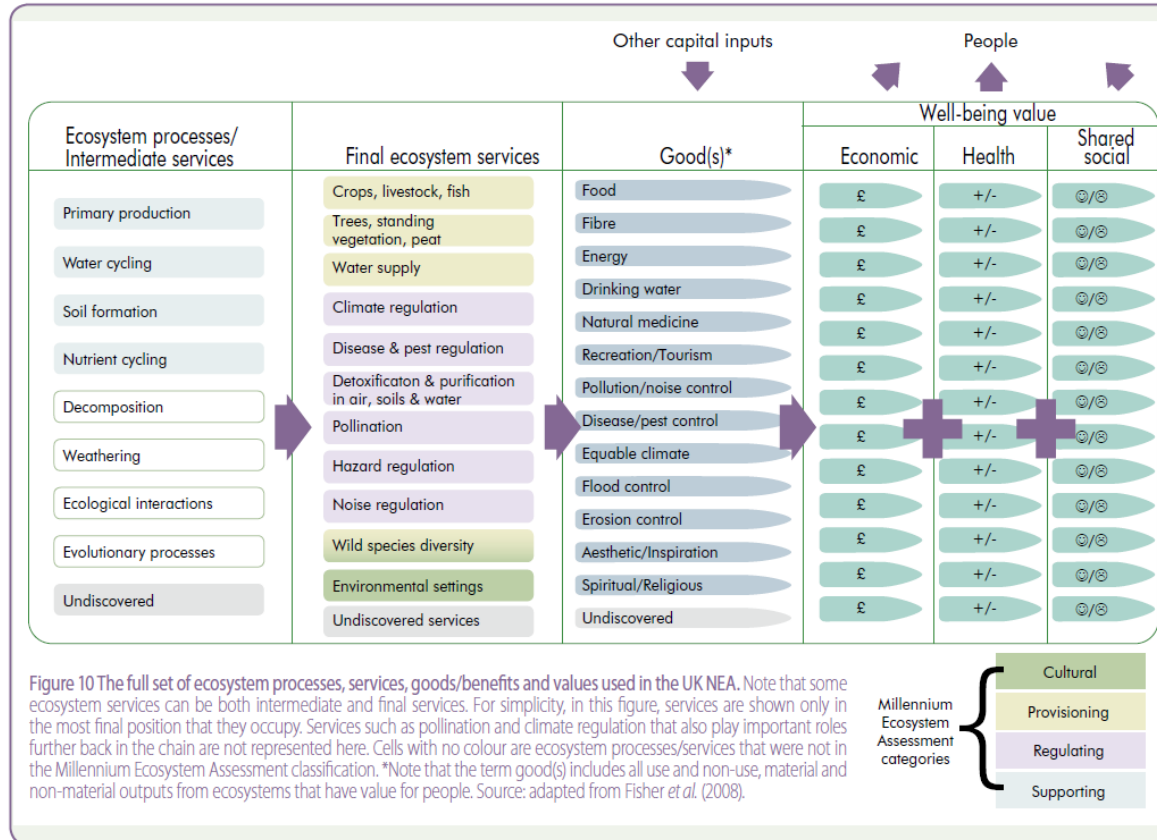Valuing Landscape Conference 2018

University of Greenwich

6-7 September 2018
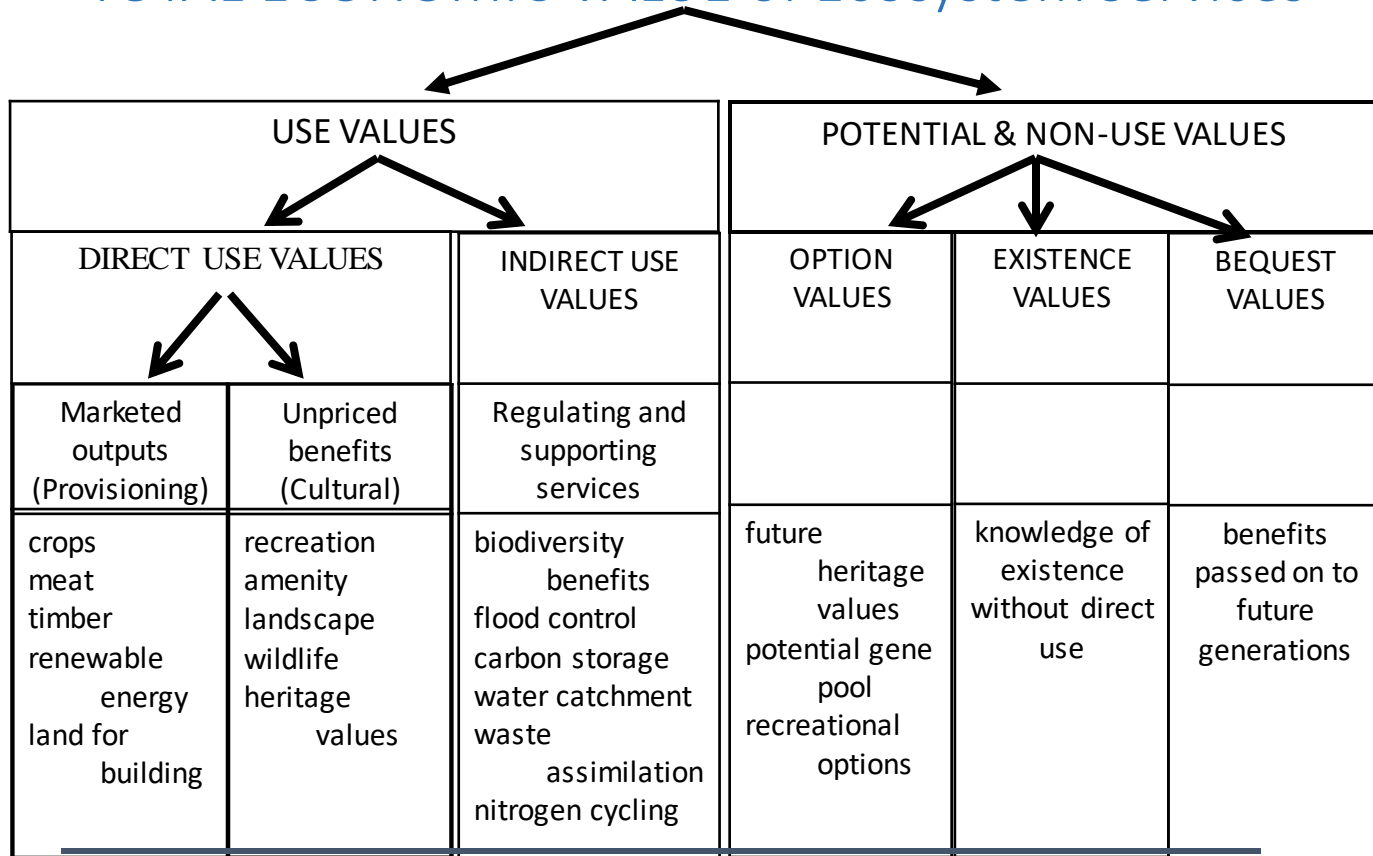
In search of a landscape value

- What are the sources of landscape values?
  - An ecosystems approach

- How can we conceptualise those values?
  - Total Economic Value

- Can different values be compared in common units?

- How do economists determine values?
  - Willingness to pay (or Willingness to accept?)
  - Valuation methods

- What economic values do and don't tell us:
  - 'is some number better than no number?'

Ecosystem processes, services, goods and values in UKNEA

Figure 10 The full set of ecosystem processes, services, goods/benefits and values used in the UK NEA. Note that some ecosystem services can be both intermediate and final services. For simplicity, in this figure, services are shown only in the most final position that they occupy. Services such as pollination and climate regulation that also play important roles further back in the chain are not represented here. Cells with no colour are ecosystem processes/services that were not in the Millennium Ecosystem Assessment classification. *Note that the term good(s) includes all use and non-use, material and non-material outputs from ecosystems that have value for people. Source: adapted from Fisher et al. (2008).

UK National Ecosystem Assessment (2011) The UK National Ecosystem Assessment: Synthesis of the Key Findings. UNEP-WCMC, Cambridge.

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TOTAL ECONOMIC VALUE of Ecosystem Services

USE VALUES			POTENTIAL & NON-USE VALUES		
DIRECT USE VALUES		INDIRECT USE VALUES	OPTION VALUES	EXISTENCE VALUES	BEQUEST VALUES
Marketed outputs (Provisioning)	Unpriced benefits (Cultural)	Regulating and supporting services			
crops meat timber renewable energy land for building	recreation amenity landscape wildlife heritage values	biodiversity benefits flood control carbon storage water catchment waste assimilation nitrogen cycling	future heritage values potential gene pool recreational options	knowledge of existence without direct use	benefits passed on to future generations

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Alternative conceptions of value

- Consequentialist argument: Things have value because they lead to something good (esp. human welfare) – Instrumental values = Standard approach in economics: cost benefit analysis
  - Road provision?

- Deontological argument: Human actions may be right irrespective of their consequences – Rights based arguments
  - Capital punishment?

- Intrinsic value: Value of something in and of itself independent of humans – but how can we know what this is?
  - Species extinction?

Standardising valuations across different people

- Deriving values from individual preferences as experienced by all individuals affected

- Measure in common unit: money

- Willingness to pay for a benefit
  - What is someone willing to forego in order to gain a benefit?

- Willingness to accept a cost
  - What compensation would someone need in order to be indifferent to whether do or don't bear cost?

Looking for evidence: Monetary valuation methods

EXPRESSED PREFERENCE *(what people say)*	**REVEALED PREFERENCE** *(what people do)*
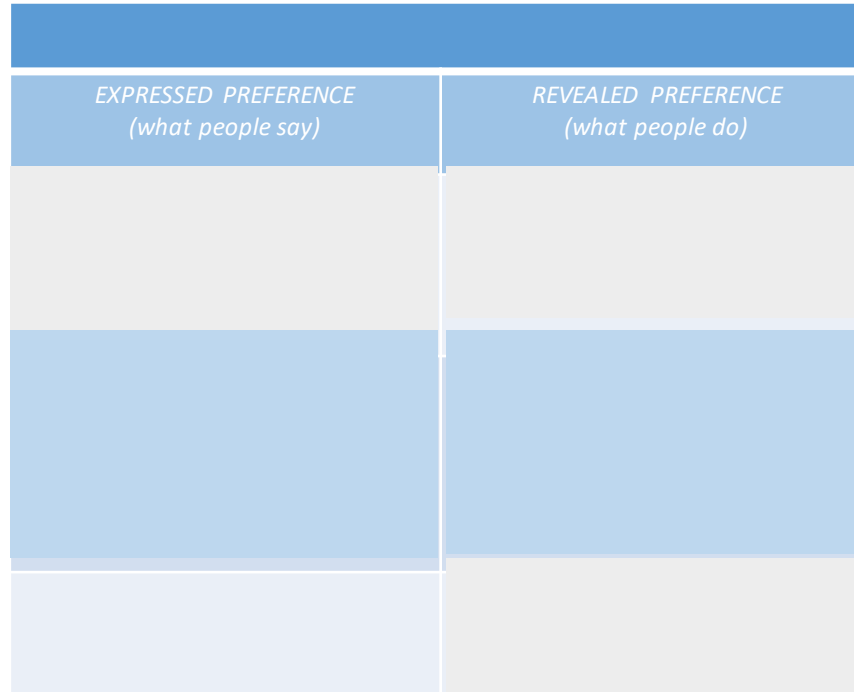
Rights and wrongs of economic valuations?

For

- Choices necessarily imply valuations anyway
  - Decision to proceed implies benefit > cost
- Hard numbers persuade politicians
  - Most don't interrogate assumptions and methods
- Even if 'wrong' gives an indication of importance

Against

- Discriminates against unvalued aspects
- Buries unidentified assumptions in valuation process
- Accepts income distribution for weighting preferences
- Data and methodology may be weak
  - Most don't interrogate assumptions and methods

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'Is some number better than no number?'

- Do we think of landscape in terms of the benefits we get from it?
- Are there plausible methods for deriving economic values for landscape?
  - Different aspects of landscape values?
- Do 'decision-makers' respond more to numbers than to reasoned argument?
- Do economic valuations miss out too much to be helpful?