

COMMENT

## The political valuation of life

### A comment on W. Kip Viscusi's "The devaluation of life" (*Regulation & Governance*, 2009)

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#### Introduction

Squaring life with money was never, in any society, a simple affair. Even in our highly commercialized world, the valuation of human existence through pecuniary means continues to be surrounded by all kinds of moral prohibition. Thus institutions dealing in the monetary commensuration of life (or death) often need to carry out a considerable amount of symbolic work before they succeed in making their business acceptable. It is through such cultural elaboration, for instance, that companies proposing life insurance policies (insurance policies tied to the life of an individual) and, later, viatical settlements (the purchase of life insurance policies for a cash fee, typically from owners with shorter life expectancy) were able to obtain social approval for their activities (Zelizer 1979; Heimer 2003; Quinn 2008) or that a partial market for human tissue finally developed in the US (Healy 2006). But other similar trades are still illegal today.

Yet it is also true that dollars and life (as well as, correlatively, death) get mixed much more often than we are willing to recognize. In advanced industrial societies, the process of monetary commensuration is often controlled by large, bureaucratic organizations endowed with what Max Weber (1978) called rational-legal authority. Public policy agencies and courts but also corporations or insurance companies concerned with risk management routinely rely on economic methodologies to compensate relatives for a personal loss, chart courses of action in health or environmental policy, or choose between programs of workplace safety. Under their influence, the highly moral and emotional boundary between life and death has undergone a rationalistic conversion, which has both managed to keep the moral issues hidden and permitted a pragmatic expansion of economic calculus to promote various public or corporate goals.

#### The problem

The "value of statistical life" (VSL) – an economic measure of a person's readiness to trade money for small reductions in mortality risk – is a wonderful example of such a conversion. The phrase VSL itself is abstract and technical; it carefully eludes a direct association between "value" and "life" through the insertion of the term "statistical" in between. Substantively, understanding the concept of the VSL demands a certain

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familiarity with the conceptual framework of microeconomics: a dollar number, it is calculated as the willingness to pay for/willingness to accept changes in the probability of death for an individual, divided by that change in probability. The VSL does not claim to be about moral judgment, but about objective valuations that can be captured by either surveying the population about its monetary choices or imputing monetary values on the basis of already observed behavior. Whether in the form of preferences that are “stated” in a survey, or through the more traditional means of “revealed preferences” (e.g. by measuring how much people already pay to prevent small life-threatening risks in labor markets, or in housing or product markets), these methods produce an explicit or implicit measure of the value people place on their own lives. Architects and supporters of the method thus point toward its objective (scientific) basis: “the VSL is not an accounting-based measure calculated by an economist or a government official, but instead represents the willingness to pay for risk reduction by the person who is exposed to the risk” (Viscusi 2009, p. 106). By aggregation, the measure thus represents the collective preference of the exposed population. Another “pro” argument has to do with the very clear and pressing practical demands that institutions face regarding their courses of action. What pollution level is acceptable? How should we compensate victims of tobacco-related illnesses? While not perfect (and definitely perfectible), the method allows – or so the argument goes – for a dispassionate treatment of sensitive issues and provides a clear decisionmaking criterion in regulatory matters.

This is pretty much where W. Kip Viscusi stands in his careful and provocative piece on “the devaluation of life” (Viscusi 2009). Taking aim at the controversies sparked by two recent attempts by the US Environmental Protection Agency (EPA) to lower the VSL – one to introduce a senior discount in VSL calculations, the other to adjust the VSL used by the EPA Air Office downward across the board – Viscusi castigates the public’s “irrational aversion” to such adjustments, and warns of the possibly dramatic consequences of politics’ intrusion into expert matters. Interestingly, Viscusi makes sense of the public’s reaction in a behaviorist framework. Thus his first charge is that lay critics and the politicians who supported their effort to intervene in the EPA’s VSL calculations fell “prey to a class of well-known behavioral anomalies” (Viscusi 2009, p. 104) in their approach to risk, which psychologists and sociologists have exhaustively documented (see e.g. Heimer 1988 for a review). In particular, critics of this change in the VSL displayed their inability to resist common “status quo biases:” a strong preference for existing arrangements and for using already institutionalized values as the normal frame of reference, and an aversion to losing on something they feel entitled to. The implication is that if people were fully rational, such reactions would not take place.

This conclusion motivates a second point in Viscusi’s critique: the necessity to reaffirm the boundary between science and politics. If the public is irrational, then its influence on setting VSL amounts needs to be carefully controlled and harnessed. Thus a legislation proposal by senator Barbara Boxer to prevent the EPA from ever lowering the VSL and from making adjustment to the VSL on the basis of demographic characteristics (such as age, income, race, disability) is portrayed as a rather dangerous encroachment on the place of “sound economic science” (Viscusi 2009, p. 120) in the policy process. Such an intrusion, in fact, calls for an urgent effort to depoliticize the debate and put it back in the hands of scientists, who know better and who will judge the matter in a dispassionate, rational manner, guided by the best science. Thus Viscusi strongly suggests that the EPA’s efforts to revise VSL calculations were entirely commendable from the point of view of

the body of expertise that guided them, even though he finds them somewhat problematic as to their particular methodological implementation. Interestingly, Viscusi's paper is remarkably brief on the authors and arguments of the political criticisms waged against the EPA's actions, as if the latter's misguided nature ought to be self-evident to the reader.

### The VSL as "trust in numbers"

But it isn't self-evident. When commenting on Viscusi (2009), we have two main choices. First, we can take the VSL for granted and focus solely, as the author does, on economic methodology: How sound was EPA's work given what we know about the VSL from previous economic research? This strategy compels us to remain strictly on the epistemological terrain delineated by the author. But an alternative strategy is to give at least some credence to critics and to acknowledge and analyze the contested character of the VSL as a problem in the politics and sociology of science, professions, and knowledge. The debates singled out by Viscusi in his paper are certainly not the first controversies generated by economic methods of valuation of intangibles. Scholars – in ethics and philosophy notably – have criticized the treatment of life (or health, or nature) as commodities since these methods' inception (Anderson 1995; Ackerman & Heizerling 2004; Sagoff 2004; Satz forthcoming). And the methodology of willingness to pay has also been faulted for forcing the formulation of pecuniary alternatives on people who may not even think, or want to think, about the problem in those terms (e.g. see Lohmann 2009 on nature).

What Viscusi takes as behavioral "biases" or "anomalies" from the point of view of the rational agent models of economics may be seen as normal politics from a sociological point of view. Furthermore, this is a politics in which, crucially, economic experts and the EPA are themselves deeply embedded (as opposed to these agencies being simply a scientific buffer against a politics that would be waged "outside of" and "back onto" them). Thus historian of science Ted Porter (1995, p. 189) argues that reliance on numbers is a way to produce public trust – "trust in numbers." For instance, the spread of cost-benefit techniques (including the ones at issue here) in the US, which led to the quantification of an ever wider and more diverse array of public policies, was driven by "bureaucratic conflict in a context of overwhelming public distrust" of government action. From the 1920s onwards, US federal agencies began developing economic techniques of cost-benefit analysis as a way to establish their place against the rush of contradictory political claims coming out of Congress. They also began incorporating a gradually broader swath of values into these calculations to justify an increasingly proactive role for government in project management and economic regulation, thereby engaging in what Andrew Abbott (1988) calls "jurisdictional expansion." Unsurprisingly, major infrastructural agencies – the Bureau of Reclamations, the US Army Corps of Engineers, the Department of Agriculture, and, after its creation in the 1970s, the EPA – were at the forefront of the development of these new methodologies.

All scientists and experts engage in elaborate "boundary work" to protect their professional autonomy, jurisdictional claims, and ability to act. Such work is of course especially crucial in those areas where the pressures from politics and morality are being felt very strongly (Gieryn 1999). The fact that the VSL is now well accepted within the broader field of economics and as a decisionmaking tool in regulatory agencies should not lead us to obscure the process that produced this particular settlement, and finally turned the VSL into an artifact that public agencies routinely work with. Notwithstanding

Viscusi's claim that "the VSL is not an accounting-based measure calculated by an economist or a government official" (Viscusi 2009, p. 106), it was never a hard fact waiting to be discovered "in nature." The VSL was, in fact, calculated by government agencies and economic consultants using methodologies they crafted especially for that purpose. This, of course, does not imply that the VSL does not capture something important about the way people relate to life in monetary terms, that there is no economic reality out there! But it does mean that the process through which the VSL became an institutionalized "fact" was a sociological one: it necessitated the enrollment of political allies, the alignment of various interests, the settlement of credibility struggles among economic experts, and even the mobilization of the lay public who has to bend itself to the discipline of surveys (Bourdieu 1975; Latour 1988; Latour & Woolgar 1986; Gieryn 1999). Any economic measure bears that quality. The concept of "quality adjusted life-years" (QALYs) developed by British health economists in the 1970s (Ashmore *et al.* 1989) is like that. And the most familiar economic indicators, such as cost-of-living level indices (Stapleford 2004) or the Gross Domestic Product (Block 1985), are no exception. It is through such naturalized objects that the analytics, conceptual framework, and language of economics have become entrenched in public policy, sometimes successfully displacing other occupations with legitimate claims on this jurisdiction.

If we take this more historical and political view, we might find ourselves less surprised by the putative "irrationality" of the American public's reaction vis-à-vis the EPA's attempts to change the VSL. As power gets increasingly rationalized, hidden from view, and incorporated in knowledge tools and specialized disciplines (Foucault 1981), we should not be surprised that it is the tools themselves that become the target of political struggles. New modes of social and economic regulation will of necessity open up new political spaces and new political strategies (Ferguson 2007). Granting experts decision-making power on ever more remote aspects of people's lives will bring up the never closed debate about the place of expertise in a democracy. Measuring up people's economic discipline through credit scores will make scoring companies and techniques more salient to consumer protection movements and regulators (Hunt 2005). Entrenching the principle of the VSL in institutional practices brings to the fore its political implications. It makes politicians and activists curious about the technique and its particular application to concrete problems. Expertise is often celebrated – as it is in Viscusi's paper – as a way to de-politicize issues by subjecting the processes whereby decisions are reached to clear and unwavering standards of accountability (Sunstein 2002). But if de-politicization means taking politics out, it also means taking out that basic democratic right to have a say, however "irrational" it may be.

### VSL politics

There is no easy way out of this dilemma, and I will not pretend here to have found a satisfactory resolution to the struggle between politics and science. Suffice for me to point out that the debates surrounding the VSL provide ample evidence that economic science is not morally neutral. Viscusi presents the valuations obtained (whether based on active or passive use) as reasonably hard facts, though laboriously produced. Yet as we know from sociological studies, there is sometimes a wide gulf between people's motivations, their actual behavior, and their retrospective moral justifications for action (Vaisey 2009). The methodologies used by economists to elicit VSL amounts are behaviorist (market-

based valuations) or motivational (contingent valuations). And while surveys may reveal that people treat the value of different types of individual lives differently in practice (e.g. young/old; female/male; rich/poor; collective death/individual death), these behaviors do not necessarily map well onto their posthoc justifications. The gap between, on the one hand, the fairly consistent empirical finding of a discounted VSL for older individuals, and, on the other, the outcry provoked by the stated intention to implement such a thing as part of a regulatory policy – or even the very idea of valuing life through money – is an excellent illustration of this point. The symbolic order has its own logic, also embedded in institutions: treating older Americans differently, for instance, conflicts with the very powerful culture of formal and procedural equality, and its translation in antidiscrimination laws. From this point of view, legal scholars are just as justified as economists in entering the VSL debate.

Neither is economic science economically and politically neutral. Viscusi justifies the large spread of VSL amounts across public agencies as a normal consequence of the fact that different policies target or cater to different populations. But another way to think about the problem is to see that the same differences might also reflect the different play of interests in those agencies, and different configurations of power and organization among the targeted populations. Viscusi's own mention of the successful efforts by the automobile industry to thwart the Federal Aviation Administration's (FAA's) plan to raise the Department of Transportation's VSL estimates (as a way to account for the higher incomes of air travel customers) suggests that much. Similarly, the mobilization of the financially powerful AARP is probably not irrelevant to the remarkable political access achieved by the "anti-VSL" campaign. Acrimonious debates surrounding international organizations' use of widely different VSL estimates in developed and developing countries are also indicative of these broader political issues.

When society looks at death, what it sees is a web of moral relations. As Viscusi himself points out, and as the "senior discount" controversy demonstrates, it is often not only the VSL levels that are at stake. Sometimes it is the whole legitimacy of the VSL exercise itself. In this case, the VSL may be rejected en bloc because people do not relate to its logic or because it stands for something else: the corrupting influence of money on personal relations. Thus it is not uncommon for interviewees to deny any legitimacy to a survey question that seeks to commensurate risk with money because they consider that the risk should not be allowed at all, or that the choice offered to them is culturally illegitimate – see for instance the Native Americans' attitudes toward the commensuration of their land (Espeland 1998). Most of the time, the rationalistic–bureaucratic logic simply bypasses such objections because the "infinite" values they produce simply cannot be squared with the majority of survey answers. Such values are routinely thrown out by experts, or assigned an arbitrary number. They become invisible. Society as reconstructed by the method of economics is made up only of individuals who have been "framed" to behave like rational calculative agents, both performatively through the routine operation of the method (Callon 1998) and through the active political exclusion of those agents who do not comply with the framing.

Cross-national differences also provide striking evidence of the controversial nature of the VSL approach. Willingness-to-pay surveys may seem like a reasonably natural exercise for a broadly receptive public in Anglo-Saxon countries, but they may look like an exceedingly odd enterprise to be carried out among people who are unconvinced and sometimes frankly hostile. No society in the world has institutionalized VSL studies and

VSL-driven routines in regulatory matters to the same extent as the US. A 2000 survey of 69 VSL studies throughout the world found data for only 13 countries (Miller 2000). Of these, 39 were carried out in the US. The next most “active” country on the list, the UK, had done seven. The majority of countries had only one, and some studies (for instance France’s or Japan’s) had such large internal variations that standardization into an average number was probably meaningless. In their meta-analysis of 60 VSL studies, Viscusi and Aldy (2003) similarly found that only 10 countries had carried out credible studies, and that the US had originated half of the total. Thus many societies, including wealthy ones, do not rely systematically on economic knowledge to produce monetary values for life. Furthermore, even where VSL estimates exist, their relevance as a policy guide might vary a lot, too. Does this mean that people value life less? Not necessarily. It may mean, for instance, that money is less acceptable as a yardstick of value, or that social and political institutions favor other ways of appeasing the “collective consciousness,” as Durkheim (1997) would have said, when risks to human life are involved. A good example of this is the adoption, by the European Union and many of its constituent member states, of a “precautionary principle,” which effectively shifts oversight in environmental matters toward strict normative controls by state administrations on the one hand, and citizen politics on the other.

The monetary valuation of life comes, ultimately, from society: not simply from the economic benefits of life, but also from our emotions and our moral assumptions about risk and just compensation. There would be no VSL without those, even though the same emotions might have given rise to different valuation technologies. It is only natural, then, that the valuation of statistical life will periodically return to society. Certainly VSL expertise may have a perfectly legitimate place from a practical, policy oriented point of view; and certainly the public may have demonstrated fairly predictable “cognitive biases” in its reactions to expert-driven VSL changes. But describing those as “irrational” misses the point. What these reactions display, more than anything else, is the public’s right to enter a domain that is, after all, political through and through – even if its experts claim it to be just the opposite. As sociologists, we have a duty to study and explain this politics on its own terms, not simply as a technical issue for the initiated.

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