

PHIL2070 Quiz 5 answer key

1. How might an economist use willingness to pay (WTP) to evaluate whether a community should build a hydroelectric dam or conserve a watershed? (2)

One would first need to evaluate how much the affected parties are willing to pay for the watershed. This could be achieved by conducting a survey in which they are asked how much income they would sacrifice to preserve the watershed, for example, or by determining how much time they spend in the watershed and estimating what that time is worth. The next step is to calculate the economic benefits generated by the dam. Finally, one compares these respective values. Students should identify, in broad outline, some way of measuring WTP (1) and have an understanding of how this fits into the broader cost/benefit calculation (1)

2. Which project do you think would receive the higher WTP rating (briefly state why) (1)

This is a very open ended question which I leave to TA discretion.

3. Identify one of Sagoff's arguments suggesting that WTP cannot legitimately decide such matters.(2)

There are many possible responses here. Students were directed towards the section called Willingness to Pay on Pgs 30-32. There are two main arguments presented in that section:

1. No meaningful connection holds between WTP and any normative concept that is not trivially defined in terms of it. Sagoff also puts the point this way: An individual's preference for x might give him or her reason to pursue x, but does not imply anything about whether society should pursue x. Put differently, the aggregation of individual preferences do not translate into a basis for societal policies, values or judgments. He illustrates this point by noting that some individuals might prefer to support the KKK, but obviously this is not a good that society should pursue.
2. Sagoff argues that people are not only consumers, they are also citizens. WTP measures only our consumer preferences. It does not take into account what we regard as our duties as citizens. This is essentially the same argument that was mentioned in class. Namely, that people might personally prefer some good which they do not consider morally permissible or ethically valuable. For example, they might prefer to convert the Arboretum into a pub, but also insist that this would be wrong.
3. Students might also present Sagoff's argument that preferences are often context dependent. That is, they can vary according to one's social roles. And, he claims, there is no way to rank those roles/preference orderings according to their priority.

4. What sorts of questions would a Kantian ask in deciding whether to build the dam or conserve the watershed? (2)

Students could draw on some of the questions raised in pages 28-9. The Kantian, according to Sagoff, asks questions like these: "What do we stand for as a society? Which conception of the

common will or the public interest is correct? Which rules should we follow with respect to problems such as pollution, the extinction of species, or wilderness preservation given our history, culture or shared sense of identity”

Students should identify questions like these regarding our duties or motives in relation to our history, geography and environment. They should not raise questions about consequences with respect to welfare.

5. In discussing the "conflict within us," Sagoff asks, Why do environmentalists insist on justifying law and policy in economic terms instead of using ethical and aesthetic principles? How does Sagoff answer this question? (2) Why do you think that economic arguments are more popular than ethical/aesthetic ones? (1)

Here is what Sagoff says regarding the first part of the question: “I think the answers have something to do with the insecurity many of us feel when we find ourselves without ‘neutral’ theories and criteria against which to evaluate political, ethical and aesthetic positions. It’s scary to think about problems in their own terms; it’s easier to apply a methodology; it’s even more tempting to think about the problems raised by the methodology or to investigate the theory itself” (62). Students should answer along these lines for the first two points, and any reasonable opinion is good for the final point.