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Cost-Benefit Analysis and Procedural Values

Abstract: One argument against using cost-benefit analysis to justify policies aimed at promoting human life and health or protecting the environment is that it requires putting a price on priceless goods. This distorts the value of these goods, and it can affect their value by cheapening them. This argument might be rejected by a moral consequentialist who believes that a rational agent should always be able to reflect on his values, even priceless goods, and assess their costs and their importance. This article defends the argument against cost-benefit analysis and suggests that a proper understanding of priceless goods shows that they also raise difficulties for consequentialist moral theories.

In 1981, Steven Kelman published an article entitled "Cost-Benefit Analysis: An Ethical Critique" (Kelman 1981). It was written not for philosophers, but for policy makers, scientists, and other professionals and analysts who have an interest in public policy, and it appeared at a time when debates surrounding cost-benefit analysis in the US had reached a near feverish pitch. The article received considerable attention, prompting critical attacks with replies in the next two issues of the journal in which it appeared. It survives today as an often reprinted article in textbooks and anthologies in which cost-benefit analysis is a subject.

1. Kelman's Objections to Cost-Benefit Analysis

Kelman focused explicitly on "cost-benefit analysis as applied to environmental, safety, and health regulation" (Kelman 1981, 33) and he raised three kinds of objections to its use in these areas. The first was a claim that cost-benefit analysis is basically an application of utilitarian moral theory. Utilitarianism, he claimed, is subject to serious criticisms as a moral theory and is therefore rejected by a majority of philosophers today. He remarked that, "it is amazing that economists can proceed in unanimous endorsement of cost-benefit analysis as if unaware that their conceptual framework is highly controversial in the discipline from which it arose – moral philosophy" (Kelman 1981, 34). Kelman's second and third objections addressed the problems involved in putting dollar values on non-marketed goods.

His second objection was that the best methods for doing this are not very good. Few analysts would want to dispute this claim. Two general methods have been developed for assigning surrogate prices to goods like extended life,

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improved health, and environmental protection. The first looks at behavior that implicitly reveals a willingness to pay for non-marketed goods. Clean air, for example, is not marketed, but houses in more or less polluted areas are. The premiums people pay for houses in environmentally desirable areas should reveal an implicit economic value for cleaner air. But many factors determine why prices vary for houses in different areas and why people choose to live in one area rather than another. It is a daunting task to attempt to isolate a factor that correlates with preferences for pollution levels.

To take another example, life is not marketed, but jobs with greater risk of death are. Some analysts have looked at wage differentials for occupations that have different risk levels but are otherwise similar, in order to reveal the implicit price of accepting an incremental risk of dying. In order for wage differentials to reveal the price of a risk of death, however, workers must be aware of the levels of risk they face, they must be free to choose different jobs with different risk levels, and they must be satisfied with their compensation for the level of risk they have accepted. These are rather strong assumptions, and it is a rare situation in which they are all well justified. These examples indicate the kinds of problems we face when we look at economic behavior to reveal preferences for non-marketed goods.

An alternative method for attributing prices to non-marketed goods is to ask people directly what they would be willing to pay for them if the goods were marketed. Here the worry is whether people will express their true preferences when they answer the questions that are put to them. There are several problems, one of which is that the preferences people express in these situations can be artifacts of the way the questions are framed. Kelman mentions studies that show that the expressed preference for environmental protection varies significantly according to whether people are asked how much they would be willing to pay for a good that they do not own or how much they would demand in compensation to give up a good that they do own. In many cases the question can be framed either way. We can assume that people have a right to live in a safe and healthy environment and ask them how much they would demand to give up some of this good, or we can assume a somewhat risky status quo and ask how much people would be willing to pay for better health or a cleaner environment. The expressed preference for the good will be determined by the assumptions that guide the framing of the questions.

These objections are well known to economists. Nobody pretends that the methods for revealing or expressing preferences yield precise prices for non-marketed goods. The question is whether they can generate information that is useful enough for making the necessary comparisons, and whether cost-benefit methods, rough though they are, are nevertheless better than the alternatives for evaluating decisions and policies. These are empirical questions, of course, and a satisfactory answer to them will require a detailed assessment and comparison of alternative methods.

Kelman's third objection was that the very practice of finding a willingness-to-pay for goods that we normally regard as priceless or sacred can alter their value for us and lead us to think of them as ordinary commodities, like those we exchange and consume in the normal course of our everyday lives. He likened cost-benefit analysis to "the thermometer that, when placed in a liquid to be measured, itself changes the liquid's temperature" (Kelman 1981, 38).

He suggested, incorrectly I think, that markets govern our private transactions but that, when we act as citizens in the public forum, we give expression to different and higher values. But his central point was that some goods are cheapened when we try to attach a price to them. His examples included goods that are connected with honor or love, and he clearly thought that the goods of life, health, and environmental protection also fall within this class of values. According to Kelman, we can alter and thereby increase the value of these goods by proclaiming that they are "not for sale".

Interestingly, Kelman also claimed to be describing what most people believe, as a matter of common sense. He suggested that analysts who think that the value of any good may be expressed in terms of a willingness to pay for it are out of touch with common sense about priceless values. He wrote:

> "Economists tend to scoff at talk of pricelessness. For them, saying that something is priceless is to state a willingness to trade off an infinite quantity of all other goods for one unit of the priceless good, a situation that empirically appears highly unlikely. For most people, however, the word priceless is pregnant with meaning. Its value-affirming and value-protecting functions cannot be bestowed on expressions that merely denote a determinate, albeit high, valuation." (Kelman 1981, 40)

I think Kelman is right to say that most people believe some things are priceless and that it is wrong to regard those things as marketed commodities. I also believe that this sentiment underlies much of the widespread suspicion of cost-benefit analysis and antipathy to its use, especially in making decisions about saving lives, promoting health, and protecting the environment. But there is disagreement among economists and philosophers about whether these beliefs are reasonable and can be justified. This is the issue I want to examine in the remainder of this article.

I will not comment further on the difficult, mostly empirical issues raised by Kelman's second objection about the inadequacy of preference theories for determining our willingness-to-pay for non-marketed goods. I must say something about his first objection, however, which links cost-benefit analysis to utilitarianism, because it raises an issue that relates to our understanding of priceless values and their connection to procedures, which I want to consider.

2. Cost-Benefit Analysis, Utilitarianism, and Consequentialism

Kelman describes a number of objections to utilitarianism that support the conclusion that "some acts whose costs are greater than their benefits may be morally right and, contrariwise, some acts whose benefits are greater than their costs may be morally wrong" (Kelman 1981, 35). For example, an act whose costs are greater than its benefits might be right because it is just or fair, and an act whose benefits are greater than its costs might be wrong because it violates someone's rights.

Now, I happen to agree with Kelman's conclusion, but it is not altogether clear how these arguments count against cost-benefit analysis. Kelman thinks the arguments against utilitarianism carry over directly to cost-benefit analysis, because he regards cost-benefit analysis as merely an application of utilitarian moral theory. But the relationship between utilitarianism and cost-benefit analysis is not that simple. Kelman takes them to be closely connected, I suggest, because there is at least one important and obvious similarity between them. Utilitarianism says (leaving some subtleties aside) that the right action is the one that produces the best consequences overall, and cost-benefit analysis prescribes that among a set of feasible alternatives, one should choose the alternative that maximizes net benefits or minimizes net costs. Despite this similarity, however, it is a mistake to see cost-benefit analysis as merely an application of utilitarianism.

There are two complications. The first is an ambiguity in the meaning of "utilitarianism". Sometimes "utilitarianism" is used to refer to a moral theory, and sometimes it is used to refer to a normative or prescriptive principle for guiding actions. As a theory, utilitarianism says that *what makes acts (or policies) right or wrong* is their consequences, and in particular the amount of happiness and suffering, or pleasure and pain, that they produce. As a normative principle (again, leaving subtleties and variations aside), utilitarianism prescribes *doing that act* which maximizes happiness or minimizes suffering. These are not equivalent statements. Utilitarian moral theory neither implies nor is implied by the utilitarian normative principle.

It is not easy to say exactly what a moral theory is, but theories are not just a collection of normative rules or a statement of the most basic or fundamental rule. A moral theory generally aims to address a level of thought beneath these action-guiding norms. It usually takes a more external perspective on morality and attempts to explain its subject matter – for example, the nature and meaning of moral concepts, and how they relate to moral reasoning and to motivation and the will. It is possible, therefore, that a utilitarian theory might not support the utilitarian principle as an action-guiding norm. The principle might be self-defeating, for example, because if people tried to guide their actions by it, they might produce less happiness than if they guided their actions by some other normative principle or rules. Converseley, a non-utilitarian theory might defend a utilitarian normative principle for reasons other than the likelihood that following such a rule would produce the greatest happiness or the minimum of suffering.

John Harsanyi (1982) and Richard M. Hare (1982), for example, both argue from non-utilitarian theoretical assumptions to some kind of utilitarian normative principle. Similarly Herman Leonard and Richard Zeckhauser defend cost-benefit analysis on contractualist grounds, arguing that cost-benefit analysis is justified as a prescriptive principle for choosing policies not because it has the expectation of maximizing net benefits, but because it is a principle for selecting policies that would be chosen by all rational individuals (Leonard/Zeckhauser 1986). It appears possible, therefore, to defend cost-benefit analysis for non-utilitarian reasons, so arguments against utilitarian moral theory do not necessarily count against cost-benefit analysis.

The second complication involves distinguishing utilitarian moral theory from the more general class of consequentialist theories to which it belongs. Utilitarianism, as we have noticed (and, once more, leaving subtleties aside), claims that an act or policy is made right or wrong by its consequences. That action is right which produces the greatest good. This maximizing conception of right action is the essence of consequentialism, and it is shared by cost-benefit analysis. Some of Kelman's objections to utilitarianism, however, which aim to show that an action may be right though its costs outweigh its benefits, are not in fact objections to this maximizing conception of right action. Rather, they challenge a particular conception of value or goodness that is to be maximized. He argues, in effect, that the sum of costs and benefits is not all there is to determining the rightness and wrongness of an act or policy.

The classical utilitarian conception of goodness or moral value is individual happiness, which is in turn explained in terms of pleasure and the absence of pain. Consequentialist moral theories, however, are not committed to this utilitarian conception of goodness. A (non-utilitarian) consequentialist, for example, might regard equality, justice, and respect for rights as parts of a consequentialist conception of the good. He might argue that a state of affairs in which happiness is distributed more equally, or in which people act justly and respect the rights of others, is morally better than states in which the total amount of happiness remains the same but the distribution of happiness is very unequal or people act unjustly and violate the rights of others. Consequentialism avoids some of the objections to classical utilitarianism by adopting a broader conception of goodness or moral value. It can include anything in a state of affairs that we regard as morally relevant, including the ways people act to bring about other consequences.

A consequentialist might thus grant that some acts are right though they do not produce the greatest possible happiness, and a consequentialist might also agree with Kelman that some acts are right though their costs outweigh their benefits and some acts wrong though their benefits outweigh their costs. A consequentialist might agree with Kelman that cost-benefit analysis does not always prescribe the policy that it would be right to adopt. He might agree with Kelman's objections to pricing non-marketed goods. Perhaps a consequentialist could also agree that if certain ways of thinking and reasoning would in fact cheapen important values in our lives, then we should not think or reason in these ways.

I want to explore this last claim in particular. This is the issue that is raised by Kelman's third objection to cost-benefit analysis. I will not explore in detail how cost-benefit analysis is related to an utilitarianism or to consequentialism. That is a complicated subject that demands extensive treatment. I will instead consider the objection to using cost-benefit analysis to measure priceless goods. This objection raises issues that are also problems for utilitarian and consequentialist moral theories, so it has interest for moral philosophy as well as for public policy analysis.

3. Procedural Values and Priceless Goods

I think the best way to understand our thoughts about priceless values and our reluctance to treat some kinds of valued things as if they were commodities is not in terms of a special kind of intrinsic value that priceless or sacred goods have, but rather as placing a kind of procedural demand on us. The issue is about different ways of thinking and deciding and acting, and about which ways are appropriate and which are not.

To amplify this claim, let us begin with John Rawls's now familiar distinction between "perfect procedural" values and "pure procedural" values (Rawls 1971, 85-6). We often care not only about the consequences of our actions and policies but also about the ways in which the outcomes are determined. If the value of the consequences of different alternatives is determined independently of the way in which the alternatives are chosen or realized, it may be true nevertheless that some procedures for selecting an alternative are better than others. A perfect procedure, in Rawls's sense, would be one that always realized the best outcome. We value such procedures highly, of course, but the value of perfect procedures is instrumental. They are effective means for realizing the best outcomes.

Sometimes, however, an outcome is good or valuable only because it is the product of following certain procedures. The value of the outcome is, in this sense, not independent of the procedure that generates it. This is what Rawls calls a pure procedural value. He says, for example, that a good criminal justice system is a mixture of pure and perfect procedural values. A good system convicts the guilty parties and acquits the innocent, but guilt and innocence are only partially determined by independent criteria. They are also functions of following the rules themselves. In some cases a fair trial does not merely discover guilt or innocence but determines it. Or, to take another example, if two people in a situation have equal claims to an indivisible good, we may flip a coin to see who gets it. The coin does not discover and track desert, it determines who deserves the prize. The coin flip has pure procedural value.

I assume that we all understand and appreciate procedural values, including pure procedural values. But procedures, like ceremonies, can be costly, and unless we are obsessively ritualistic, we must admit that it is possible that a way of deciding or acting that has pure procedural value might nevertheless cost more than it is worth. The cost-benefit analyst has a suggestion for how we might keep track of the costs of different ways of deciding and acting. What are we willing to pay for them? We can also put this point in more abstract consequentialist terms. A pure procedural value is a valued way of thinking and deciding. A procedure is also part of a state of affairs that we can evaluate together with other consequences. How valuable are these procedures? Is the state of affairs in which we follow them better, all things considered, than the alternatives?

Kelman appears to be opposed to our asking these questions in certain situations. He claims that the very act of raising these questions can distort certain procedures and cheapen their value. He was probably right to say that economists tend to scoff at such a suggestion, for the published responses to his article all took him to task for this claim. Robert Solow objected that monetizing benefits and thinking of things in terms of our willingness to pay for them are not the central issues of cost-benefit analysis at all. The underlying rationale, Solow insists, "is that the cost of the good thing to be obtained is precisely the good thing that must or will be given up to obtain it. Wherever he reads 'willingness to pay' and balks, Kelman should read 'willingness to sacrifice' and feel better." (Solow 1981, 40) But the point of Kelman's objection, I believe, is not essentially tied to thinking of the value of goods in terms of money. It is an objection to thinking of some goods as commodities which can be compared to other goods and presumably exchanged for them. Interestingly, Solow, almost in spite of himself, seems to have some sympathy with this point. He writes: "It may well be socially destructive to admit the routine exchangeability of certain things. We would prefer to maintain that they are beyond price (although this sometimes means only that we would prefer not to know what the price really is)." (Solow 1981, 40)

It may help to think about some examples of things we prefer to maintain are beyond price. Here is one. When a human life is in peril, we immediately mount a rescue mission. We do not ask whether it would be economically beneficial to do so, and indeed it would seem inappropriate and perhaps morally wrong to deliberate in this way. On the battlefield, rescue missions are undertaken even to retrieve the corpses of slain soldiers. Great risks are sometimes taken in such missions, and they certainly seem to defy any simple economic rationalization. In the introduction to his fine book about the US war in Vietnam, Philip Caputo writes:

> "I have also attempted to describe the intimacy of life in infantry battalions. ... Two friends of mine died trying to save the corpses of their men from the battlefield. Such devotion, simple and selfless, the sentiment of belonging to each other, was the one decent thing in a conflict noted for its monstrosities." (Caputo 1977, vii)

I think it strains credibility to say that the benefit of retrieving corpses outweighs the cost of two lives, but Caputo obviously does not think of this event in these terms. He speaks instead of devotion and the sentiment of belonging to each other. These are values that require certain attitudes and ways of acting.

The value of human life must be understood in a similar manner.[1] What does it mean to regard human life as sacred? Kant famously proclaimed that rational beings have dignity and that whatever has dignity is "above all price, and therefore admits of no equivalent" (Kant 1911, 434-5). Perhaps in interpreting this passage in Kant, we have been mislead by focusing on the phrase "above all price". The more fundamental idea, I would urge, is that it "admits of no equivalent". This invites us to think of the value of dignity as being worth more than other values, or as being worth any cost. It suggests that all the resources in the world do not amount to enough to compensate one person for the loss of her dignity. As Kelman points out, this is not what we normally mean when we think of a value as sacred. We would do better to focus on the expressive aspects of values and to understand sacred values in these terms.

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1 I am here repeating but also developing an argument that I presented in MacLean 1986.

Durkheim regarded sacred values as elementary forms of religious life, by which he meant that even in secular societies there remains a need that traditional religions fulfilled in older or more primitive cultures. This need involves finding rituals that strengthen social integration. "There can be no society", he wrote, "which does not feel the need of upholding and reaffirming at regular intervals the collective sentiments and the collective ideas which make its unity and its personality". (Durkheim 1915, 417) Rituals are ways of upholding and reaffirming these sentiments, because they can express certain meanings. Their ability to express these meanings is their symbolic potential. This potential will of course depend on context and convention. It can require special, even otherwise non-rational behavior, because this behavior can draw the attention of the community to objects or relationships that have a special place in the life of the group.

Durkheim's claim is that although this behavior will be conventional and will differ from group to group, the form of the behavior will be universal. He suggested that we can find it especially in those areas of life in which we feel the need to "humanize" aspects of our existence. Thus we will find rituals especially surrounding the animal parts of our existence, such as birth, eating, sex and procreation, and death and the taking of life. We can also locate the importance of expressive procedures in areas where we convey love, respect, and other characteristically interpersonal attitudes.

Consider next a more mundane example. A man suggests to his wife that, instead of buying her a present for her birthday, he will give her money and let her buy her own present. When she expresses her annoyance at this suggestion, he explains that he will give her a bonus as well. In addition to the amount of money he would normally spend on a present, he will give her an extra amount to compensate her for the time it takes her to buy something she would enjoy, and he will give her still more, a further bonus, so to speak, in order to compensate her for whatever loss she feels as a result of receiving the good in this way, rather than receiving it in the traditional manner of gift-giving, which she obviously prefers. His wife might reasonably find this suggestion wildly inappropriate, if not offensive. And the issue would not be about the amount of compensation being offered. The more the husband shows a willingness to raise the price, the more upset she might reasonably become. It simply makes it all the more clear how he misses the point.

The gift a person buys for his beloved has a price, but the act of gift-giving and what it expresses are priceless. A procedure or way of acting is being valued, and it is valued in a way that seems to defy at least some attempts to see its value as equal to its cost. The value of these procedures or ways of acting is their potential for expressing certain thoughts and feelings. These expressions are especially important in personal relationships. They are connected essentially to our ideas of respect, dignity, concern, and love. They do not translate easily to ideas of welfare and happiness.

Here is a third example of a priceless good. I have in my dining room an antique Russian samovar. I believe it dates from the mid-nineteenth century, and I am sure that its authenticity would be reflected in its economic value. A modern reproduction might sell for $100, but, for all I know, mine might fetch thousands. There is a market for antiques, and people are willing to pay for them. It is one of the few antiques I own. I have not bothered to find out its price, however, because it is not for sale. It is a family heirloom that goes back several generations on my mother's side. Fleeing persecution, her parents came to the US with the few family treasures they could transport. They gave these to my mother, their only child, and she recently passed them on to her children. I got the samovar. I don't particularly like it, I don't know whether it works, and I can't imagine an occasion where I would want to serve tea for thirty in my home. I am, in fact, stuck with it. But it is the only heirloom I possess, and so of course I would never sell it.

I recognize that this example of a priceless good stretches the concept of procedural value beyond any common meaning we take the term to have. There are no rituals associated with my samovar, but it is connected in the relevant way to the other values I have been discussing. Because it is an heirloom, it has a special significance for my life and calls on me to express that fact through certain appropriate responses. Or rather, in this case, it calls on me to express its value by refraining from responding inappropriately – by selling it, for example.

Suppose a wealthy house guest, upon admiring my samovar, were to say that he simply must have it and would offer me any price to get me to sell it. The correct response would be, "It's not for sale", not "You couldn't afford it". I don't think it makes sense to say that the value to me of having the samovar, or the cost to me of keeping it, is whatever the wealthy guest would be willing to pay for it. Suppose my mother gave the samovar to my brother, and he died with instructions in his will to sell all his possessions at auction. How much would I bid for it? Something, surely, because of the family history, but not very much, given that I don't really like it. I can easily imagine being outbid by my wealthy house guest. It's the same samovar, but the situation is different. It doesn't make the same demands on me as it does if it is bequeathed to me. I don't express the link to my past by buying it that I do by refusing to sell it.

It should not be difficult to see how concerns similar to those I have been discussing might apply to our most public actions – public policies – that have the goal of saving or prolonging human life. One of our rational aims in this area must surely be to spend resources efficiently, so that we can save more lives and improve the health of more people for longer periods. A second aim must be to balance the costs of these policies against other demands on our resources. In this respect, Solow is right to insist that the cost of anything is precisely the good that is given up to obtain it. But a third aim of these policies, which Solow's account cannot capture, is to express our commitment to human life and to maintain its value as sacred. This goal requires thinking about life in certain ways, inculcating certain attitudes toward the value of life, and finding the appropriate expression for those thoughts and attitudes. The relation between this goal and a concern for the costs of the procedures that give expression to these values remains problematic.

The same kind of reasoning applies to environmental protection. Many people are concerned not only to preserve and use efficiently the resources that nature provides us but also to live in a certain relationship with nature and the environment. This relationship is characterized by certain attitudes, which are similar to those marked by sacred values. Many people feel comfortable talking about our relationship to nature in terms of respect or reverence. These attitudes also are a product of culture and context, and they will vary accordingly, but our attitudes toward nature are similar in this respect to our attitudes toward other priceless goods, and are too pervasive simply to ignore or dismiss.

4. Priceless Goods and Sophisticated Consequentialism

Suppose we agree, therefore, that sacred or priceless goods exist, that they make procedural demands on us, which call for appropriate expressive actions. It is not yet clear whether these facts together provide a sufficient basis for objecting to cost-benefit analysis or to consequentialism. For it is also true that expressing procedural values can have costs, and we don't yet know whether there are any restrictions on using an analytic method to take these costs into account.

Our discussion so far, however, leads us at least to the following conclusion. The values we realize may depend on the very ways we make decisions or respond to the objects of those values. To adopt cost-benefit analysis as a decision making tool is to choose a way to make decisions, so it is at least possible that it can interfere with important values. A parallel issue has been discussed in the literature on consequentialism, and we can learn from that discussion.

Suppose you accept a hedonistic conception of goodness and believe that you should do whatever maximizes your own happiness. If as a result of believing this you adopt hedonism as a subjective guide to actions and decisions, you will surely fail to achieve your goal. This is the paradox of hedonism. Constantly aiming at your own happiness will lead you to regard all your actions and all other people as having only instrumental value. You will come to see them as important only to the extent that they contribute to your happiness, and this will interfere in serious ways with your achieving real happiness. Happiness comes to those who can form commitments and be directly engaged in projects because the objects or goals of those projects are valued in themselves, as ends. Consequentialists realize this and respond to the paradox of hedonism by saying that consequentialism should be seen as an objective principle for determining the rightness of actions, not as a subjective principle for guiding actions. As one consequentialist puts it, "*Objective hedonism* is the view that one should follow that course of action which would in fact most contribute to one's happiness, even when this would involve *not* adopting the hedonistic view in action." (Railton 1988, 102-3)

Sophisticated consequentialists recognize the paradox of hedonism and insist that consequentialism is a theory of what makes acts right, not an action guiding principle. But if we ask whether consequentialism plays any practical role whatsoever in sophisticated consequentialism, then we get a further division, or at least the hint of one. The extremely sophisticated consequentialist allows that consequentialism might require its own rejection, even as a criterion of right action.

This could happen, for example, if the consequentialist were to think that God forbids any happiness to come to anyone who believes in consequentialism, even as a theory of what makes normative principles right. The extremely sophisticated consequentialist would then want all traces of consequentialism to be erased from human history.

More interesting for the purposes of assessing cost-benefit analysis, however, is the mildly sophisticated consequentialist. This kind of consequentialist accepts the paradox of hedonism and allows that the best consequences can frequently be realized when one is motivated to achieve goals other than the best consequences. This kind of consequentialist will respond to the demands of love and friendship, the demands of family and history, the appropriate expressions of sacred values, and so on. But the mildly sophisticated consequentialist will insist that consequentialism still has a practical role to play. She will say that an essential property of rational beings is that we can stand back on our practices and assess them from this reflective point of view. We can detach ourselves from our commitments and, in reflective moments, even from the ways we stand ready to act and decide. In those moments, we can take some measure of their importance or their costs. The mildly sophisticated consequentialist believes that we can do this without destroying our ability to act from the more engaged, non-consequentialist perspective. She believes that a rational being must detach herself from her engagements and assess them from time to time, in order to know that her passions and commitments are not obsessions.

Allan Gibbard believes that this kind of detached rational perspective can be taken even on our sacred values. "In a cool hour," he writes, "we should be willing to reflect on what we regard with reverence in normal life. I do not see why such reflection should loosen those of a person's attachments he finds most productive of intrinsic reward." (Gibbard 1986, 105) Similarly, when a critic of simple consequentialism insists that a person can get the benefits and happiness that come from close personal relationships only if she forms commitments to the other person that mean treating that person as irreplaceable, a mildly sophisticated consequentialist will agree with James Griffin that although an important value for us may be a loving relationship in which we regard our beloved as irreplaceable, we should nevertheless be able to reflect on the importance and the value in our life of having loving relationships. Griffin puts this point in the following way.

> "On the face of it, commensurability implies replaceability. But clearly some objects are uniquely valuable, beyond substitution or compensation. Without such objects certain central human emotions would not even make sense. One could not grieve for a loved spouse or child, if every lost object could be replaced. ... But we must steer clear of a type-token confusion. The prudential value is *deep loving relationships to particular persons.* It can be realized, of course, only in a relationship to this or that particular person. The particular person cannot be replaced, but the prudential value can have a new instantiation....The irreplaceability of individuals is not the incommensurability of values." (Griffin 1986, 337-8, n.18)

Whether this kind of reflection and assessment is possible without distorting or destroying the values reflected upon is, I suggest, a complicated psychological issue. It is not obvious, I think, that this sort of neutral detachment is always possible, nor is it obvious that a rational person will always be able to act on the conclusions she reaches from this perspective.

The paradox of hedonism tells us that we cannot reflect on the happiness we get from some activities, while engaged in them, without destroying their value. If someone points out to you how much you seem to enjoy the game of tennis you are playing or the symphony you are hearing, while you are engaged in these activities, this can destroy the enjoyment. But these activities are short-lived, and we can think about them at some other time. Some of our other engagements, however, are not short-lived, and it does not seem impossible at all that reflecting on their value or their costs might necessarily change that value or destroy it.

Here is one possibility. A person who is happily engaged in his work is suddenly confronted with a new offer. It wouldn't have occurred to him to look around for a different position, but another university or firm is trying to recruit him. It would be unreasonable for him not to think about the offer, so in a cool hour he begins the kind of reflection about his current situation that mildly sophisticated consequentialists seem to recommend. In the end, he decides to turn down the offer and remain where he has been happy. It is not at all unlikely, however, that this process will have changed his attitude toward his current position and perhaps also changed its value for him. Small costs and annoyances that he did not notice before begin to loom larger, and his knowledge that he made a choice to stay where he is may color things for him in more pervasive ways.

A commitment to a lover or a friend may also preclude some kinds of reflection without necessarily becoming an irrational or obsessive relationship. The paradox of hedonism tells us that we cannot incessantly be monitoring the value and the costs of such a relationship without destroying it, and of course this is true. But the point I want to emphasize is that it seems possible for some kinds of values to engage us in ways that preclude the possibility of practical deliberations about their worth. The mildly sophisticated consequentialist must insist on the model of rational engagement with our values or projects that always allows for the occasional cool hour of detachment from them, during which we take some measure of their role in our lives and their costs. But it is not obvious that all our values and commitments satisfy this condition, or that this model is a realistic ideal of our actual moral psychology. It seems more typical, I think, for people to have some kinds of commitments that do not allow for detached assessments of their worth. It seems more typical, at any rate, for a person to throw herself into personal commitments not with the idea that she will monitor the costs and benefits from time to time, in a cool hour, but with the faith that this is the right thing to do. She may feel the costs of such a commitment but will be able to stand back from them and weigh them only when they reach an overwhelming level. It is all too common for people to fail quickly to extricate themselves from costly relationships. The results of these failures, as we know, range from emotional stress to serious physical harm. There may of course be many causes of such failures, but the nature of some commitments that are not intrinsically irrational may be among them. Though such commitments sometimes result in serious harms, we must also bear in mind that this same kind of unquestioned commitment also helps to keep parents devoted to their unruly children and to keep families together through hard times.

Reflecting on my samovar raises similar issues. I see it basically as a burden, although a small one. I have doubts about whether the kind of family attachments and the commitment to honoring elders, to which I find myself bound, have any relation to my happiness at all. But neither do I believe that I have much choice in the matter. A commitment to one's family can be a severe burden and can exact a heavy toll. People frequently make extreme sacrifices in response to it. But I don't think we have grounds for determining that such a commitment is irrational, and a cost-benefit assessment of it seems pointless. So this is an example of a value that perhaps cannot reasonably be responsive to at least some kinds of reflective evaluation.

5. Sophisticated Consequentialism and Cost-Benefit Analysis

These observations are certainly not conclusive. They are meant to suggest only that the claims of the mildly sophisticated consequentialist are not obviously true and not easy to assess. Now, what do these reflections about consequentialism and the paradox of hedonism tell us about cost-benefit analysis?

There is no analog for cost-benefit analysis in the reply to the paradox of hedonism taken by the extremely sophisticated consequentialist. Cost-benefit analysis is essentially a principle for guiding actions and decisions. The proponents of cost-benefit analysis discuss whether the method should be applied as an algorithm that generates a decision or policy as an outcome, or a tool that gives not necessarily all but some of the important information to a decision maker, who must then make a decision on perhaps other or more inclusive grounds. Most proponents of cost-benefit analysis argue that it should be used in the latter way, either because of the problem of the unreliability of measurements, or because they recognize that not all values can be included in the method. So the interesting question is whether cost-benefit analysis is similar to mildly sophisticated consequentialism. Is it always the case that it could give us useful information about our policies and our ways of making policies, without interfering with other important values?

The foregoing observations about mildly sophisticated consequentialism suggest that here, too, we have reasons to be skeptical. The most important reason is that government agencies and administrators inescapably have expressive and symbolic functions. They have a role in the rituals that, especially in sophisticated and technologically advanced societies, express the priceless values of nature, life, and health. It is precisely because health and safety decisions have obvious economic consequences, and we are often acutely aware of these consequences, that we need to guard against treating life and the environment in a way that leads us to regard them as exchangeable commodities. We should be willing to tolerate some costs, some pockets of inefficiency even, in order to maintain these values for what they are.

But I may seem here to be conceding the consequentialist's point. Aren't I saying merely that there is a reason to protect procedural values and special attitudes in certain ways? And can't we also keep a watch on the cost of doing so and be ready to intervene when that cost becomes too high? The answer to the first question is, in a sense, yes. We certainly do need to protect the expressive potential of procedural values and foster such attitudes that add meaning and depth to our lives. But my aim in this article has been to raise doubts about whether the ability to stand back and monitor the costs of our commitments to feel and act and decide in certain ways is a realistic rational requirement of beings we recognize as human or of societies composed of people like ourselves. Even government agencies exist and live within a social and cultural context. They are not detached manipulators of the stage in which we live our lives. They are actors, like the rest of us, and they are acting in the public realm.

Kelman commented that "John Kennedy in his inaugural address proclaimed that the nation was ready to 'pay any price [and] bear any burden ... to assure the survival and the success of liberty.' Had he said instead that we were willing to 'pay a high price' or 'bear a large burden' for liberty, the statement would have rung hollow." (Kelman 1981, 40) It may be true that a good and reasonable nation is not willing to pay any price for liberty, but it may also be true that this is not something we can let ourselves think about too seriously without distorting the value of liberty for us and affecting our commitment to it. Cost-benefit analysis urges us to face this kind of issue explicitly. Like mildly sophisticated consequentialists, its proponents think it is rationally necessary to do so, and that we can examine them, in a cool detached hour, without affecting our engagement with priceless goods and sacred values. I believe there are strong reasons to doubt whether they are right.[2]

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