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Valuation as Revelation and Reconciliation

TIM O'RIORDAN

*School of Environmental Sciences
University of East Anglia
Norwich NR4 7TJ, UK*

ABSTRACT: Valuation is portrayed here as a dynamic and interactive process, not a static notion linked to willingness to pay. Valuation through economic measures can be built upon by creating trusting and legitimising procedures of stakeholder negotiation and mediation. This is a familiar practice in the US, but it is only beginning to be recognised as an environmental management tool in the UK. The introduction of strategic environmental and landuse appraisal plans for shorelines, estuaries, river catchments and rural landscapes, combined with the mobilisation of protest around landuse proposals that are not seemingly justified on the basis of 'need' (incinerators, landfills, quarries, reservoirs, roads) suggest that a more legitimate participatory form of democracy is required to reveal valuation through consensual negotiation.

KEYWORDS: Valuation, empowerment, legitimacy, negotiated consent, mediation

SYNOPSIS

The pages of this gentle journal are replete with accusations, criticisms and rebuttals of the neo-classical economics approach to valuation of those qualities of human existence that lie beyond the market, but which divert resources to protect. The issues of *Environmental Values* of Winter 1994 (vol. 3 no. 4) and Spring 1997 (vol. 6 no. 1) particularly spring to mind. One aspect of much of this discussion is the claim that preference ordering by some ingenious means of trying to solicit how and why individuals value things actually distorts their sense of valuation. The very act of trying to force people to set one set of valued experiences and preferences against another, when the consequences for third parties whose views are unknown are not available, means that players may mislead themselves as to what really is the sum of social welfare.

We all recognise that we cannot get what we want, and even if we could, we would be hurting others in the process. Politics is the art form of seeking to allocate values in a competing maelstrom of preferences and wants. The political process does this very imperfectly according to rules that in turn reflect patterns

of power and influence as well as the statutory protocols that guide decisionmaking. For example cost benefit analysis is not just an object of frustration for critics of economic approaches to valuation (see, for example, Norton 1994: 325-326). Cost benefit analysis is often a statutorily required procedure to justify levels of spending in, say flood defence or water allocation, or management of a wilderness. True, the procedures for determining some of the values for the cost benefit analysis can be adjusted to take account some of the criticisms of too narrow an economic approach. But the basic tool, with all its flaws for environmentalists and for those who advocate moral norms as guides, remains a strong feature of finance ministry control. Like it or not, cost benefit analysis as a valuation tool will not go away.

This essay takes as its cue a pluralistic view of the policy process, and seeks to find a way of accommodating the confines of statutory guidance to the opportunities of participatory decisionmaking in an age where interested parties actively seek more direct involvement in decision taking. The analysis also advocates the view that valuation is not handed down either by an elite acting in the interests of others, nor by intermediaries who claim to broker public preference by academic techniques. Rather valuation is achieved by the process of reconciling to the interests of other legitimate players, and in so doing, revealing inner feelings about the moral qualities of a collectively reached outcome. To do this, the process of negotiation has to be open and trustworthy, and the inhibitions (where also revealed) of statutory impediments and financial requirements fully understood, before any reconstructions are attempted. The target therefore becomes the decision process and its restraints, as much as it is the objects to be valued.

Much of this is well argued elsewhere, for example by Drysek (1990) and by O'Neill (1996, 1997). What this essay hopes to contribute is the case for a more mediation-focused consultative process through which difficult choices are argued out through a series of steps of give and take, and mutual understanding, to the point where the final outcome is the creation of a collective consciousness, and not just a mutually acceptable choice. One sees examples of this approach, for example, in waste management procedures and the siting of incinerators or landfill sites (see Petts 1995). These procedures are necessary because trust and accountability have become important precursors to the handling of environmentally risky activities. And trust and accountability are matters as much for procedure as for outcome. Increasingly as water supply and coastal management futures become more and more contested in a world undergoing climate change, and where future states are matters for reconciliatory debate rather than scientific modelling, this approach to valuation should provide an opportunity to prove itself.

To justify the theory, let us first look at two very real case examples to show how and why the mediated participatory approach to valuation might work better than present arrangements.

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AN AUSTRALIAN EXAMPLE: VALUING WETLANDS VIA THE APPLICATION OF PRECAUTION

The Murray River, a muddy and modest flow nowadays, supports 75 percent of Australia's agriculture and provides water for households and industry across four states. Everyone wants a piece of that flow, hence its modest capacity. Yet the Murray is more than a source of water for human enjoyment. Its riparian forest wetlands provide vital ecological functions in regulating water flows, trapping sediment, providing habitat for fish, insects and their predators, and removing excess nutrients (Rogers et al., 1996: 14). Yet these wetlands are under pressure from upstream damming for urban water supply and irrigation abstractions for agricultural produce. The Murray-Darling Basin Commission is considering four options for the future water allocation for these riverine wetlands.

- (i) Maintain the current situation with no water being specifically allocated to the forest-wetland except in times of relative plenty.
- (ii) Allocate 100 gegalitres per year to the forest-wetland according to seasonal rainfall variability and priority ecological area management.
- (iii) Increase allocation of water to 912 gegalitres per year during the wetter seasons, but cutting down the allocation in the drier years to capitalise on the natural fluctuations of rainfall and runoff, yet recognising traditional economic priorities during times of low flow.
- (iv) Maintain near natural flows, by reallocating water to the river away from irrigation by 50 percent of existing irrigation diversions

The economists looking at these four options in an interesting interdisciplinary manner found that no option was uniquely preferred to any other. Either the uncertainties were too great to provide support for the choices being made, or the possible loss to the local economy of diverting scarce water to nature reserves and ecological processes was regarded as too problematic for local farmers who were influential players in the local politics, and who had powerful legal rights to financial compensation on their side. So the decision rules of both cost benefit analysis and the precautionary principle could not hold. There were simply too many variables whose effects and environmental characteristics were unclear and indeterminate. The political solution was for option (ii) the most 'fudged' of the four, yet insufficient to guarantee the integrity of the forest wetlands over any extended time horizon. The ecological and precautionary option (iv) relies on the premise that reduction in irrigation water availability will result in subsequent changes in water application and in cropping practices so that the opportunity costs to agriculture of the diverted water could be less than those calculated at the outset of the decision frame.

The Murray-Darling Basin Commission did not conduct a participatory consultative process. Rather it approached parties in the commonly followed manner of hearing representations, modelling outcomes and achieving the 'best' solution, namely a compromise that satisfied immediate political pressures. It is worth contemplating whether a more open, participatory and trustworthy process might have led to an allocation close to option (iv). Perhaps with better compensation available for the truly drought years, and much more attention to inducing farmers and domestic consumers to adopt water conserving measures, including judicious use of pricing, a deal favouring option (iv) might have been struck.

A UK EXAMPLE: VALUING WILDLIFE HABITAT ON A RETREATING NORFOLK COAST

The marshes of Cley and Salthouse on the North Norfolk coast form part of a series of internationally recognised bird reserves lying between Hunstanton to the west and Cromer to the east (see Figure 1). The Norfolk Wildlife Trust own the Cley site, the Royal Society for the Protection of Birds (RSPB) own Titchwell and Holme reserves to the West, and the National Trust manage Blakeney, Moston and Brancaster in between. By any standards this is prime nature conservation territory. It is wild, it is popular, it is vulnerable to the sea. But in its purely natural state, it is a coast that is adaptable and resilient.

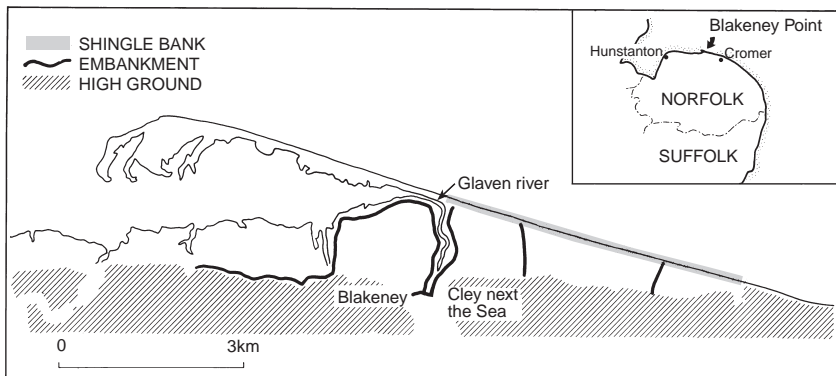


FIGURE 1. The Cley-Kelling artificial shingle wall, the Blakeney spit and the Cley Reserve freshwater grazing marshes in North Norfolk.

The shingle wall is eroding shorewards, threatening to cut off the Glaven river exit to Blakeney creek. This would disturb the water regime for the marshes and might alter the shingle flow to Blakeney spit. The Shoreline Management Plan consultative process is grappling with the handling of this stretch of coastline.

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The North Sea is a constant danger. Storminess is increasing for a variety of reasons, so any property on the present coastline is at risk. Storm surges of high tides driven by furious northerlies can move vast amounts of protective sediment and inundate flimsy defences. The prospect of sea level rise (of possibly up to 40 cm by 2100) is viewed with alarm, as this is not a defensible coastline. Some form of designed retreat of the coastal defence is the only viable option if natural shoreline processes are to be retained throughout the area. The North Norfolk Coast Shoreline Management Plan (Mouchel, 1996) is premised on this assumption.

The Cley wildlife reserve is particularly vulnerable. Protected by a shingle bank that is constantly dredged and profiled by the Environment Agency, now responsible for coastal management and flood protection, the site is readily overrun by storm waves breaching or overtopping the bank. Such an event occurred on 17 February 1996, flooding the freshwater bird reserve with debris and shingle laden salty water, and lapping against the houses in the former coastal villages of Cley and Salthouse. Normally 800m from the sea's edge, these pleasant hamlets are in effect safeguarded by a freshwater grazing marsh, managed for wildlife.

This breach was a sign of times to come. It cost £125,000 to repair and replace the protective bank. Yet in the process, the new shingle required to maintain its height came from very close offshore, deepening further the wave approach, and providing more erosive power for the next storm surges. The Environment Agency spends £30,000 annually on the repair and maintenance of the bank. It now realises that this cannot be justified, so a policy of progressive neglect is being considered with slow but steady inundation of the freshwater marsh. That marsh not only houses a variety of wading birds and other migrant species, including bittern, redshank and curlew. It is also safeguarded by a variety of wildlife and countryside management agreements to keep it in grazing.

The value of the Cley site is at least £100,000. That is what the Norfolk Wildlife Trust earned via an appeal to replace damaged car park and boardwalk. The management agreements for the grazing marsh established through English Nature grant aid are worth a similar amount annually. An unpublished contingent valuation study yielded a popular valuation of half a million annually (Klein and Batman, personal communication). So by conventional and unconventional forms of valuation, the annual expenditure on the shingle bank is worth it. The trouble is that it is not possible to maintain that bank, because the shingle source is not available in sufficient quantities as to justify its continued existence. In any case the offshore shingle is required to feed Blakeney spit, a National Trust owned reserve of enormous ornithological and geological importance. Some more inland basis of defence is required.

The draft Shoreline Management Plan for that part of the coast envisages an option of holding the bank for ten more years, then withdrawing to a series of protective clay walls around the coastal villages, leaving the rest to natural

reorganisation of the grazing marsh into tidal creeks, mudflats and saltmarsh (Mouchel, 1996). Because of the recognised storminess of the North Sea, the Environment Agency has reduced the 'holding the line' option to two years.

The Environment Agency have no legal obligation to protect the Cley site, even though this delightful spot attracts 100,000 visitors per year and is the coastal jewel of the Norfolk Wildlife Trust's acquisitions. Nor need the Agency compensate the Trust for the loss of its attraction. In the interests of prudent coastal protection, and to ensure the integrity of coastal processes generally, the Agency has powers to protect or retreat as its Local Flood Defence Committees finally determine, subject of course, to consultation and the cost-benefit guidelines of the Ministry of Agriculture Fisheries and Food (MAFF) (1993). These guidelines stipulate that each specific item of coastal defence must be justified on the basis of discounted costs being more than met by discounted benefits. The art of non market valuation, as discussed in a series of essays edited by Housman (1993) and pursued by this journal, is an imperfect one. MAFF need persuasive evidence, resting on more than on contingent valuation, that a site of no commercial interest should be safeguarded. In this case, though no decision has been taken, the signs are that the economic justification of saving Cley marshes against an increasingly unfriendly sea cannot be made, at least according to MAFF cost-benefit guidelines. However, this did not stop the Wildlife Trust from commissioning a contingent valuation study to improve its negotiating position.

So much for the economics. Any contingent valuation study that is undertaken is bound to be biased. Such is the high public profile of the Cley location, and so vivid is the storm surge in the popular mind that a very high collective valuation figure is inevitably going to be calculated. There is always the difficulty in any contingent valuation survey that a request for willingness to pay to protect a very popular, but threatened site will elicit an unrealistically excitable response. This is not to say that contingent valuation has no place in the order of things, merely that its role should be carefully assessed in the context of the politics of environmental safeguard. Knetsch (1994) provides some salutary lessons in this regard.

The Cley site is soon to be designated as a special area of conservation (SAC). This is a European designation under the Habitats Directive as laid down in British legislation. SAC sites contain special safeguards against damage or loss on planning or development grounds. These guidelines are laid down in *The Conservation (Natural Habitats etc) Regulations* (1994) as Statutory Instrument No 2716, 1994. But there is no clearly defined safeguard against coastal loss caused by sound coastal management principles. If, for example, the continued erosion and accretion of sediment on an unprotected Cley coast was shown to be cost effective in providing natural protection for other parts of the north Norfolk coast, then it is unlikely that the Norfolk Wildlife Trust would have a case in contemporary planning law for compensation.

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Yet under the Habitats Directive, as laid down by the British Regulations, SACs and their sister designation under the Birds Directive, Special Protection Areas (SPAs), are regarded as 'critical natural capital' or sites whose loss in the order of things cannot take place unless the Euro-principle of 'maintaining overall conservation status' is adhered to. What that principle means is anybody's guess. Right now there is no agreed mechanism for defining it. There is a presumption that if an SPA or SAC is lost in the interests of good shoreline management, such 'critical' capital should be replaced by appropriate investment and management in alternative sites elsewhere. This would obviously take a long time, perhaps a century. Compensation may require European Community funding as well as national cash. To date no policy has been announced as to whether, and through what sources, any alternative conservation sites would be found, designated and financed. Nor is there any guaranteed mechanism for acquiring the necessary area for such reconstruction or replacement to take place: certainly not by compulsory means. So both the existing legal and political arrangements are murky and contested.

This ambiguous legal and political position is significant, for it affects how any informed member of the public would arrive at a willingness to pay, if asked, and any future negotiating position of the Norfolk Wildlife Trust. If there is no money for both researching an alternative location and for acquiring it when such a site is identified, then one would imagine that the Trust's valuation of its losses would escalate and its negotiating position would noticeably harden. It would obviously be to the Trust's advantage for any contingent valuation study to produce spectacularly high figures. This point is made to stress that any quasi-economic valuation may be significantly influenced by the status of law, politics and international moral obligation. The arrival of the concept of 'criticality' in the assessment of shoreline natural assets, partly a consequence of economic thinking and partly a reflection on the European Community designation of SAC and SPA, means that valuation by bargaining or through willingness to pay takes on a whole new meaning. The policy context, with its opportunistic but fettered cost benefit analysis, its scope for applying contingent valuation procedures, its accommodation to criticality, and its ambiguity over compensation, opens up the scope for reconstructing the valuation process.

LESSONS FROM THE CASE STUDIES

Both the Murray-Darling water diversion proposals and the Norfolk Coastal retreat options are set in a world where climate change will induce unpredictable uncertainties on the future pattern of rainfall, wateruse, and coastal processes. Even without climate change, the present state of affairs is unstable, with various interests clamouring for a reassessment of present arrangements. Economic appraisals help and should not be ignored. But in the hothouse of contested

negotiations and highly fickle policy biases, where redesign of both policy guidelines and compensatory arrangements cannot be ignored, there is scope for developing a more mediated process to valuation, reconciliation and compensation that moves well beyond the realm of market simulation and into the world of participatory democracy. That world is by no means ready for this opportunity, so its potential remains to be realised. Yet the scope is now there for more pluralistic approaches to valuation to be put in place.

VALUATION IN A PLURALISTIC DEMOCRACY

Politics, like so many mediating concepts, defies simple definition. The commonest summary is that politics is the allocation of values according to the distribution of power (see Cox et al., 1986: 47). Power is the ability of one individual or group to influence the thinking and/or behaviour of others in a manner that is advantageous to them. Power therefore creates power. Power is also a function of legal rights, moral obligations, political norms and social convention. Power can be exercised by coercion, force, manipulation or persuasion, or, by authoritative respect. Sometimes the presence of reasoned analysis is enough: more commonly, power is exercised by political, economic, and legal institutions that grant some status over others.

Elite theories of power rest on the presence of a small number of influentials who gather around them communities of political interest (or policy communities) whose job it is to protect their collective interest by means such as information gathering, resource mobilisation, sanction or threat. In the modern age, a variant of elitism, in the form of neo-elitist theories enable various coalitions of interests to mobilise and to form alliances, where any particular grouping may involve interests that are relevant for the issue in question. This variation of elitism allows for new groups or collectivities to emerge as policy arenas splinter or amalgamate.

This in turn means that the formerly somewhat stable collections of interests that circulate around policy actors, known as policy communities, are breaking up into less stable but more opportunistic policy coalitions (see Marsh & Rhodes 1992; Smith, 1993). Policy coalitions are a more pluralistic version of political entryism, who exploit the fact that many policy arenas are overlapping and require new and more complex patterns of support for their successful continuation. In the environmental arena, good examples can be found in the 'greening' of agricultural policy where non governmental conservation groups are allied to farming organisations in a common cause around new policies or landscape designations, or the more recent alignments of health and anti-road lobbies against the excesses of the motor vehicle (see Rawcliffe, 1995).

Neo-elitism therefore assumes some mobilisation of established or new interests, or social movements, into quasi-stable coalitions circling around

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policy arenas whose effectiveness depends on their formation and support (see Greenaway et al., 1992: 57-62). Pluralism takes this process one step further and presumes that power is relatively dispersed amongst a variety of actors and groups. Furthermore, pluralism presumes that the political system is sufficiently open and accommodating to allow such interests to form and to mobilise their bias in their favour. So pluralism requires an active citizenry, freedom or good circulation of information, and a willingness to form pressure points of political action, either in the form of protest or in the manner of social movements or interest groups. Dalton (1994) and Smith (1995) believe that modern environmental pressure groups are created by a combination of changing social concerns (womens rights, consumer protection, animal welfare, indigenous people's safeguards) and resource mobilisation caused by gathering information, using the media to advertise campaigns, and creating interconnecting organisational structures.

A pluralistic democracy has to be political active, open, accommodating, opportunistic and mobilisable. In general these conditions apply slightly more so nowadays than in the past, when elitist economic and class-based power tended to dominate. But neolitism around semi-stable coalitions of accommodating interests probably dominate more, even in this age of media excitement and group activism. Hence the caveat that pluralism is the exception rather than the rule. Ham and Hill (1993) cover the general principles of this theory in an admirable fashion. For a detailed exposition of this theory, see also O'Riordan and Jordan (1996: 121-169) and O'Riordan and Jäger (1996: 289-321) as these ideas apply to the politics of climate change. The analysis provided above is a highly truncated and simplified version of the arguments in the literature cited.

Valuation has to be seen in this political context. Cost benefit analysis does not take place outside of neo-elitist power arrangements. For the kind of valuation by negotiation and revelation, as urged in this essay, to be successful, a more obviously pluralistic political arrangement needs to be in place. In part that will only come about by a more participatory and trusting valuation process. Ironically it is the restriction on that opportunity, helped in part by neo-elitist inspired restraints on procedural innovation in valuation, that denies this transformation. Thus valuation itself is a reflection both of political structures and of opportunities for improving a sense of legitimacy in decision procedures.

ON TRUST AND FAIRNESS IN PARTICIPATION

Renn and his colleagues (1995: 1) point out that traditional 'topdown' consultative styles are proving both unsatisfactory and counter productive. They are unsatisfactory because they do not produce outcomes around which affected interests agree. They are counterproductive because they seem to generate rather than alleviate conflict. Why is this the case?

One reason is that the basis of assessment is shaped by scientific analysis including formal economic valuation involving cost benefit techniques. Another is that such approaches ignore local opinion as slight and anecdotal. In the so-called interests of legitimacy, the 'local pulse' is taken but rarely treated as representative or with respect. When perceived to be ignored or misunderstood, such opinion becomes antagonistic and uncooperative. Participation subsequently becomes manipulated or legitimated. There is no authenticity to the positions taken, and no obligation to reach consensus by negotiated agreement.

Yet participation is based on the principles of popular sovereignty and political equality (Webler and Renn, 1995: 21). The public must engage in political affairs to legitimise any action taken in their name by the state. The political equality component is that people 'learn democracy' by participating in it. As the argument above stated, pluralism can only come about through learned democracy: otherwise we are condemned to an unsatisfactory mixture of elitism and neo-elitism, with all the power manipulation and petty injustices that both sustain.

Various studies of participation suggest that the conditions of sovereignty and equality are best met when interests are treated with respect, so that when heard, such interests have the incentive to be as accurate, comprehensive and hence authentic as possible. This suggests a format that allows participants to feel at home, to use a language with which they are familiar, to speak for themselves and not through intermediaries, and to be able to appreciate and accommodate to the views and positions of others. This in turn requires a medium of participation that is friendly, sequential, bargain-based, mediation-orientated, and face to face. The best arrangements for achieving such conditions are round tables of representative interests that negotiate in good faith, and in a policy setting that is accommodative yet allocative when ready to implement.

All this begs a host of questions. For one thing it is impossible to be sure the groups are representative of all strands of opinion. For another, resources and information will be very unevenly spread, so some groups will not be equipped to know and to understand as well as others. Then there is the issue of who mediates for the groups and on what terms. Finally what happens if the state either cannot or will not adjust policy to allow a consensually reached solution to be implemented?

These are the reasons why valuation by participation requires the institutional setting of pluralistic democracy. Since such a setting does not properly exist, then valuation by participation is inevitably partial and flawed. This will be the case on the north Norfolk coast for the time being. The shoreline management plan process is frankly ill-suited to this style of consultation, and the current policy arrangements are inadequate to permit mediated compromise. Valuation is taking place by bargaining and posturing, not by revelation of each other's positions and by mediation. The distortions of valuation reveal the

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distortions of the institutional settings of powers. We will have to move cautiously yet purposefully to create conditions for legitimacy and participatory valuation.

CRITICISMS OF ECONOMIC AND PARTICIPATORY VALUATION

The late Lord Ashby (1978: 85-86) believed that environmental conflicts were socially and politically therapeutic, for they provoked

...a continuing debate about moral choice: choice between hard and soft values, choice between indulgence in the present and consideration for the future... Every choice redefines the good of environmental policy... and in the process... the protection of nature is becoming more securely implanted in the culture.

In a final sentence, Eric Ashby adds a touch of genius. 'The framework of choice', he commented, 'incorporates procedures for its own evolution'.

Ashby believed that pluralism in even a modest form was a vital part of democracy, and hence that valuation was reached, not by guessing willingness to pay, but by revealing negotiated outcomes through a mechanisms based on mutual understanding and respect. He was also reflecting the philosophy of Charles Frankel (1976: 102, 112) who saw in the concept of nature (as used by Ashby in the quote above)

... an order or structure unshakeable in its most fundamental characteristics. It imposes limits on human choice; individuals and societies seeking to live well by nature... means learning a discipline or regime... When people say 'nature has rights' they mean only to say that we ought always to have institutional protection against being carried away by temporary enthusiasms.

Frankel believed that the discipline of obedience to nature's laws was the discipline of recognising fundamental rights and social obligations, even at the expense of self interest. This is partly a defence mechanism. Humans can never know the full workings of the natural world. So an element of give and take is prudent. Similarly, according to the Ashby thesis, designing procedures for improving choice should bring about that sense of obedience and admiration for the values of nature and democracy.

So much for the ideal. When economists try to develop participatory valuation by means such as revealed or requested surrogates for willingness to pay, they come unstuck. Part of the reason lies in the points already raised. Single dimension evaluative techniques provide no insight as to how or why people give the figures they state, or behave in the way they do. Furthermore, such one-off, individually-focused approaches provide no clues as to how bargains might be struck amongst competing interests, where these interests have to be reconciled

if resources such as shorelines or water availability have to be allocated according to economic or ecological principles.

Judy Clark and Jacquie Burgess (1997: 14) followed up a CVM study of the Pevensy levels in Somerset by quizzing respondents over their views of the process itself. The Clark-Burgess study is already proving controversial as economists hear of it and the anti economists seek to exploit its findings. Before the conclusion of this study are summarised, it is important to point out that the sample of respondents selected for the focus group discussion were selected from those who indicated they were unhappy with the process. A more representative selection of respondents might have created a wider array of reactions.

Clark and Burgess found that many people did not understand why they were being asked to 'bid' a willingness to pay, failed to accept the premise of price surrogates to express their values, disliked the concept of utility to express what they saw as an emotional quality, and only partially appreciated what in the Pevensy marshes was worth saving. In short they neither knew what they were supposed to be valuing, nor did they trust the process of calculation. In that sense CVM may be threatening rather than accommodating, distorting rather than revealing.

In this context *trust* emerged as one of the most salient issues, and the extent to which people felt that neither national nor local authorities could be entrusted with the protection of locally valued environments was particularly striking ...It was impossible for respondents to express these essentially political views through the CVM survey (Clark & Burgess, 1997: 12).

Clark and Burgess (1997: 13) continue: 'if participants had been fully informed about the nature of the process in which they were participating, and its potential policy implications, they might well have refused to take part in the survey, or they might have responded differently'. The authors conclude that the solution

does not lie in forcing people to make inappropriate quantitative valuations. Rather, new ways of systematising qualitative valuations are needed and political and institutional reluctance to accept data that is expressed in non quantitative form has to be overcome. (Clark and Burgess, 1997: 13).

Enter mediation and round tables. But do these techniques really provide a solution? We have already commented that representativeness of participation, the use of a common language of understanding, and fairness of access to information and bargaining positions seriously detract from the equity and effectiveness of such approaches. Werner Northdurft (1995: 267-269), points out that there are few good evaluative studies of mediation exercises. This is partly because such exercises are closed, mostly for reasons of confidentiality. But it is also because there is a confusion in valuation between the process of debate and resolution and the political outcome being sought.

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The subject of study is no longer 'procedure' in the legal sense, but interactive phenomena in a socio-psychological or communicative sense (Northdorft, 1995: 269)

Thus, valuation may be more a matter of how people come to terms with each others' positions and interest outcomes, than in the failure (or appropriateness) of the policy setting and power arrangements in which a solution is being sought. The Clark-Burgess study suggested that when participants were alerted to the latter issues, they changed their perceptions of both the problem and their bargaining position. Such would probably be the case on the North Norfolk Coast, and, indeed, on the Murray basin, if the policy setting became incorporated in the bargaining discourse and not simply the mechanics of shoreline management and water resource allocation. But of course neither a mediator nor the Environment Agency itself nor the Murray Darling Basin Commission are in a position to bargain over policy. And those who might be in a position to do so would not be seen near a participatory round table.

PERSPECTIVE

Valuation can be a fascinating educational, revelatory and democratising process. More likely than not, however, valuation is an alienating manipulative and power reinforcing process carried out in the name of consultation and participation. The techniques of economic valuation need to be fully aware of these two interpretations before any meaningful analysis can be undertaken. Furthermore, to use money values on their own, even if only as a guide to decisionmakers, carries the severe danger of applying a unitary and 'snapshot' medium of exchange into a rich world of varied cultures, biases and expectations, and social learning. Thus undimensional measures of economic equivalents actually remove the hugely important subtleties of appreciation and interest formation that make up an outlook and a negotiating strategy for a stakeholder.

Yet the qualitative and participatory solutions of mediated outcome carry with them equally serious dangers. There is no such thing as a proper pluralistic democracy. So policy biases cannot be entered into the negotiating arena, because there is no institutional basis to allow for this. In the absence of a more rounded political discourse, any mediated bargain will come up against a lack of trust and respect for a meaningful outcome. At that point, valuation is just as distorted, but in hugely different ways, as it is in the economic model.

The answer lies in serious attempts to equate the two procedures. Genuine efforts to open up round tables should bring in interests and revealed positions that can be arranged so as to negotiate and to bargain. By so doing, original positions on costs and benefits, compensation and fair treatment should change. That critical process of change is itself both an economic phenomenon and a

political one. As the struggle to reach consensus is joined, so the policy deficits and the cost benefit analyses become items for continued and separate discourse. In this way, valuation becomes reconciliatory as well as educational. The shoreline management exercise in Cley marshes and the Murray-Darling water futures study both offer a wonderful opportunities to 'do different' - the Norfolk motto.

NOTE

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