

Values and institutions of biodiversity and ecosystems

Franz Gatzweiler

The loss of biodiversity and ecosystem goods and services is frequently not detected by the current market system because they have no value and are treated as if they were free gifts of nature. This blindness of the market towards the values of nature is also referred to as market failure or as an economic compass which needs to be fixed in order to guide human behavior into the desired direction. Fixing the compass is done by economic valuation. This is the idea behind *The Economics of Ecosystems & Biodiversity (TEEB)* that constitutes a “major international initiative to draw attention to the global economic benefits of biodiversity, to highlight the growing costs of biodiversity loss and ecosystem degradation”.

Explaining biodiversity loss by market failure, however, is only as useful for solving real-world problems as the real-world conditions match the pre-analytic concepts and assumptions of the theory. Accepting market failure as the (only) reason for biodiversity loss, assumes that with non-failing markets, biodiversity would not be lost. Unfortunately the economic model of human behavior and the features of biodiversity are modeled too simple and do not take account of system complexity and value plurality, although both have been explicitly recognized by the Convention on Biological Diversity.

Despite its usefulness in expressing value in one unifying language understood by all, the problem with economic valuation is that underlying the attempt to attach a value to biodiversity components are perceptions of value and ethics held by economics itself. These values are reproduced by the attempt to attach an economic value; thereby narrowing down the options for choosing how to value and make decisions. The concept of economic values refers to instrumental values and neglects a further reaching discussion of ethics, which is essential for making significant and long-lasting gains in biodiversity conservation. However, values of biodiversity are neither merely instrumental nor merely intrinsic; and above all they do not necessarily exist independently to be discovered as objective truths. The meaning of ethics is therefore essential for conserving biodiversity, as ethics reflects worldviews and norms of how societies think the world around us is supposed to be and we should decide. Understanding values as mechanisms to reproduce existing institutions, such as the market, leads to the second order question of which value articulating institutions we choose. It is a choice we need to make to escape the predominant and invasive culture of valuing purely economically.

The course will focus on and provide food for thought and insight with regards to the following questions:

- 1) What is value and the value of what?
- 2) Whose values count and why value?
- 3) How to value and how to choose how to value?
- 4) How does the socio-cultural context influence valuation?