

REPLY TO JONES-LEE¹

JOHN BROOME

University of Oxford

It is not the job of philosophy to give direct practical advice either to people or to governments. Nevertheless, moral philosophy is immensely significant in practical matters. It influences the way we think and act, but only slowly as it filters through the process of public debate. I hope *Weighing Lives* will have a practical influence, but it is not meant to be a directly practical guide.

However, decisions about life and death are made daily. Individuals decide what measures to take to extend their lives, and what risks to take with their lives. Governments make similar decisions on behalf of their people. If a government's decisions are made badly, they will be very wasteful of people's lives. For example, the UK government seems willing to impose very high standards of safety on the railways, so that a lot of money is spent on the railways for each life saved, whereas in the UK health service life is much cheaper. Many more lives would be saved if resources were moved from the railways to the health service.

So we urgently need these decisions to be made well. Fortunately, there are good practical thinkers who contribute to making them. They look for practical ways to assign value to the saving of lives. Michael Jones-Lee is one of the most influential. He has done us a great service by improving public decision making in matters of life and death.

Jones-Lee is particularly associated with the "willingness-to-pay" approach to valuing lives. To speak very roughly, this approach values a person's life on the basis of what she is willing to pay to extend it. An alternative is popular among those who work in public health. They value

¹ This response to Michael Jones-Lee's preceding comment on *Weighing Lives* is also published as section five of John Broome's "Replies" in the March 2007 issue of *Economics and Philosophy*. Due to an editorial oversight, the review was not included in that issue.

lives in terms of QALYs – quality-adjusted life years – or similar quantities. One limitation of the QALY approach is widely recognized. Its unit of value, the QALY, is not comparable with the value of economic goods. In particular, it is not comparable with the costs of extending people's lives in the health service, on the railways, or elsewhere. This means the QALY approach cannot tell us how much it is worth spending to save lives. It can tell us how life-saving resources can best be used, but not what quantity of resources we should devote to life-saving in the first place. On the other hand, willingness-to-pay gives the value of lives directly in terms of money.

In recent years there has been some convergence between the two approaches. Jones-Lee mentions a project to set a willingness-to-pay money value on a QALY. This will be an important advance. For one thing, the willingness-to-pay approach will be improved by recognizing that saving a person's life is more valuable when she has many years to live than when she has few. For another, it will assign QALYs a value that is comparable with the value of other things such as the costs of life-saving.

But I must reiterate a cautionary remark I made in *Weighing Lives*. Willingness-to-pay makes the value of QALYs comparable with other things. However, without adjustments, it is no good for assessing the relative values of things to different people – for “interpersonal comparisons”, as economists say. Suppose one person is willing to pay £100,000 to extend her life by one year, and another £10,000. It does not follow that a year of the first person's life is worth ten times a year of the second person's. The difference may be caused entirely by the different values that money has for the two people. Money is generally more valuable to a poor person than to a rich one, because a poor person has more urgent needs to satisfy. Money is generally more valuable to someone who is more remote from death (younger, perhaps) than to someone who is closer to death, because she has more opportunities to spend her money. Willingness-to-pay cannot properly be used to value lives or anything else, unless the differing values of money are corrected for.

There are ways of correcting for them. One crude correction is mentioned by Jones-Lee: the UK Department for Transport assigns the same value to each person's life, whether she is rich or poor, near to death or far from it. This is too crude, since not all lives have the same value. Still, to treat each person's life as having the same value is certainly closer to the truth than to treat money as having the same value to everyone.

However, although corrections can be made, practitioners of willingness-to-pay seem unable to purge themselves entirely of the assumption that money has the same value to everyone. Jones-Lee makes this assumption himself at one point in his comment. “For simplicity”, he says (Section 2), “we set the marginal social welfare of wealth ... equal to unity across all individuals”. That is the assumption, expressed in

economists' terms.² It remains pervasive and potentially dangerous. For example, one report of the Intergovernmental Panel on Climate Change suggested that American lives might be assigned 15 times the value of Bangladeshi lives, on the grounds that Americans are willing to pay 15 times as much as Bangladeshis to extend their lives.³ Here is a more recent example. The US Office of Management and Budget instructs federal agencies to assign more value to a year of an older person's life than to a year of a younger person's, on the grounds that "senior citizens may have accumulated savings to spend on their health and safety".⁴ What sort of grounds are those? The OMB must be saying that an older person, having accumulated savings, may be willing to spend more on extending her life. But this does not show a year of her life is worth more. It shows money is worth less to her, because she has more of it.

If we are to trust the willingness-to-pay approach, it must cast off this prejudice about the value of money.

REFERENCES

- Baker, R., S. Chilton, M. Jones-Lee, and H. Metcalf. 2006. 'Valuing lives equally – a theoretical justification', *Newcastle Discussion Papers in Economics*.
- Office of Management and Budget. 2003. 'Circular A-4: regulatory analysis', 17 September 2003.
- Pearce, D. W., W. R. Cline, A. N. Achanta, S. Fankhauser, P. K. Pachauri, R. S. J. Tol, and P. Vellinga. 1996. The social costs of climate change: greenhouse damage and the benefits of control. *Climate Change 1995, Volume III: Economic and Social Dimensions of Climate Change*. Intergovernmental Panel on Climate Change, Cambridge, Cambridge University Press, 179–224.

² Jones-Lee and his colleagues correct it in a later paper: Baker *et al.* 'Valuing lives equally'.

³ Pearce *et al.* 'The social costs of climate change', pp. 195–8.

⁴ Office of Management and Budget, 'Circular A-4', Section E.