Ethics of Assigning Monetary Value to Human Life

Posted on November 1, 2018

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Abstract:

This paper aims to discuss the worth of human beings in the context of economic value that is often associated with human life. We generally assume that human life cannot be measured in terms of money. However, there seems to be evidence against the fact that human anatomy and ability do not have a monetary valuation and, therefore, are, in fact, victims of capitalism and commercialization. This paradox limits the life of human beings as mere commodities and disregards the moral aspect of attaching costs to human life. Health, labor and human bodies are just some of the examples of commodification. The paper will offer insights into the drawbacks of the commodification of life. The paper will further present a literature review that will support this claim and debate the ethical approach regarding this issue.

Why Is This Issue Important?

This essay will focus on the moral basis of the commodification of human life in addition to how economists, or people in general, attach a monetary value to it. Life is invaluable, so weighing it in dollar terms comes off as a controversial issue. The idea of human life commodification can include anything and everything that adds to the value of life; this could range from prostitution to wages to genome patenting to online organ sales. The paper will highlight the debate on why we cannot commodify everything, especially human life and ability. It would critique how in today's market-dominated society, we still have not been able to derive human worth with respect to money.

Methodology And Structure

Taking the evidence to support our argument from different online sources and the works of recent economists, we will try to develop this debate further and look at it in the bigger picture, i.e., the moral implications of assigning monetary value to human life. The structure of this paper would begin with the introduction, which would give us an insight into this long-standing issue. This would be followed by a description and our analysis of how economists tend to place value on life. The paper will discuss different flaws that occur due to the commodification of life. It would build more upon the

moral standing of this issue and why attaching money value remains a controversy.

The Skeptical Economist: Revealing The Ethics Inside Economics

The chapter “Pricing Life and Nature” in The Skeptical Economist by Jonathan Aldred presents a critical analysis of the commodification of human lives. He challenges the view of certain analysts regarding measuring human life by assigning a monetary value to it. He credits the idea of commodification of human life to the growth of capitalist markets whose primary motive is to maximize profits. In this chapter, he offers his insights by referring to the model of Cost Benefit Analysis. He mentions how the CBA model is used to counter the challenges of climate change (Aldred, 2010).

Using different approaches, the Intergovernmental Panel on Climate Change (IPCC) assigns a monetary value to human life. For instance, by asking how much extra compensation they need to cover for the extra risk or how much more they are willing to pay for the increased threat to their lives. He simply rejected this approach on ethical grounds that owing to higher wages in rich countries, people in poor countries will be valued less. Another approach to monetizing human life is Wage differential. This is when two equal-looking tasks are compared to one another, with one of them involving a higher risk. The difference between the wages is said to represent the amount a person is willing to accept for a higher risk. This methodology was also criticized on the grounds that, in reality, people do not or cannot measure the amount of risk involved in every task they take part in. However, he believes that these measurement problems can be improved, but the real issue is something else. He states: “It is problems with the underlying framework for valuing life, rather than measurement difficulties, which deliver the fatal blow.”

He discusses this idea by referring to the approach of valuing life by increased risk to life. He says that as long as the risk of death is of an unknown person, CBA will continue to approve the project and will assign a limited monetary value to it. Whereas, if we know for certain that a potential person’s life is at risk, there is no monetary value that can compensate for that. Therefore, despite knowing that projects will have an impact on human lives, we continue to go ahead with the project just because we are unaware of the identity of that person.

Aldred has completely rejected the idea of commodification of Life. A better approach to weighing life is needed.

“The Value Of Life For Decision Making In The

Public Sector”-Dan Usher

The author presents his views on value-of-life calculations trying to differentiate between our actual lives and statistical value. From an ethical approach, there is much objection to the fact that life is too precious and priceless to be weighed against dollars. He further evaluates whether human life can be either infinitely precious or worthless and tries to establish a monetary link with human life (Usher, 1985).

In the context of the public sector, the numerical value associated with life often reflects monetary compensation for continuing to improve quality of life or avoid dying through medical procedures that quantify the value of living. Additionally, he tries to establish a relation between the value of life perceived in the public sector and the individual’s personal valuation of life.

The value of life can be seen in a broader aspect. Health and insurance provide a cost-benefit analysis of personal welfare and the value of life. Measuring this numerical value of life can be illustrated by situations where people are ready to purchase or sell risks of death. This reflects an economic activity taking place within a market spectrum. Apart from the willingness to pay to avoid death or a bad quality of life, life can also be calculated as the risks, wages and mortality rates that help assess individual behavior.

Some economists might view life as a commodity that can be weighed against other goods or other lives, disregarding any aspect of morality. However, the government or market forces do not allow the actual trade or exchange or even the selling of human lives; therefore, the true worth of human life can never be truly numerically measured. It may differ from one person to another, and depending on the quality of health, education, lifestyle and other factors, people may have different prices attached to their lives.

“What Money Can’t Buy: The Moral Limits of Markets,” a text written by Michael J. Sandel, highlights an imperative issue in our society. One that has arisen from the widespread implementation and development of the free market and capitalist system is the exchange of people for money. More specifically, babies. Such a practice has long been going on in many countries around the globe. As Sandel describes, a black market for the buying and selling of babies is not negligible. It exists and is profitable for many. However, such a practice is clearly frowned upon. As Sandel cites a contractual surrogacy case fought in two United States courts, the New Jersey Supreme Court claimed that “There are, in a civilized society, some things that money cannot buy” (100). This claim is important to our present discussion for what it represents and for what it does not. It accurately highlights the moral dilemma that arises from even attaching a value to babies. Human life is considered priceless, and commodifying it leaves us with an existence that is entirely economic in nature, with every single aspect of our being reduced to a simple mechanism of buying and selling, from our ideas and our experiences to our ability to recreate and bring new life into the world (Sandel, 2012).

However, at the same time, it is imperative to recognize that the statement given by the New Jersey

Court fails to recognize the depths of poverty that have come into shape in developing and underdeveloped countries. Of course, the court was only speaking in the context of American society. However, when we come to less-developed societies, we see a different dynamic. Many people use this huge market for babies to try to lift themselves out of poverty. They see it as an opportunity to earn money to meet their basic needs; needs which are not being met by the responsible government agencies. As Sandel notes, babies are sold at high prices. Because of a constant threat to life that has arisen from the commodification of basic amenities, people (especially poor people) are forced to forego their morals in favor of survival. Morals are part of a "civilised society". If there is one thing that must be considered completely separate from free and capitalist market mechanisms, it is human life.

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