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# Book Reviews

## **Unpriced Values: Decisions Without Market Prices,**

John A. Sinden and Albert C. Worrell, New York:  
John Wiley & Sons, 1979. Pp. xvi, 511. \$23.60.

The growing pre-occupation with the environment and the overall quality of life has added a complex dimension to the making of decisions involving our diminishing natural resources. It is no longer sufficient to base such decisions solely on the comparison of the estimated benefits and costs when there may be considerations of importance to others which cannot be directly valued by the conventional market mechanism. A proposal to dam a stream to provide a water supply should be based on more than just the comparison of the financial benefits and costs of constructing the facility. The likely costs to the environment and the value of the potential recreational benefits provided are a few of a long list of questions that need to be considered. The problem is how to evaluate these considerations in a rational economic manner.

It is timely that a comprehensive reference has recently appeared on this complex area of economic theory—the evaluation of goods and services for which market prices either do not exist or are difficult to establish.

*Unpriced Values* is a detailed review of the methods by which unpriced benefits and costs can be economically evaluated. The book is the result of an extended collaboration between Jack Sinden (Senior Lecturer in Agricultural Economics at the University of New England) and Albert Worrell (Professor of Forest Policy at Yale), which was established during their reciprocal sabbaticals over the mid 1970's. It is a collation into an economic context of a substantial volume of literature concerning the valuation of unpriced benefits and costs. The results of their endeavours should appeal to a wide cross section of professional decision makers and the growing band of students undertaking natural resource oriented studies.

The book is written in three parts and has twenty chapters. Part 1 (six chapters) discusses the nature and measurement of values and the economic basis for valuation, introduces the important concept of utility, and indicates the kinds of value information required for all aspects of decision making. Part 2 (Chapters 7 to 17) contains a full review and discussion of the many methods of valuation and their application to the problem. Important concepts discussed include opportunity cost valuation, economic surplus analysis, non-monetary indices as measures of value, the analysis of decisions involving multiple objectives, and the utility approach to valuation. Of particular interest is a discussion in Chapter 14 of the various means of obtaining values through questioning procedures.

A major feature of this book is the liberal reference to many studies (over 320) from a wide range of disciplines which have utilized various methods to estimate unpriced values. By providing working illustrations as to how the procedures can be applied to a variety of decision situations, the reader can readily appreciate the complexity of the problem of unpriced values and the procedures necessary for their estimation. Perhaps the general conclusion is that despite their variety, the methods of valuation—or combinations of them—can provide useful indications of comparative values for their particular situations.

Nevertheless, the analysis of decisions involving unpriced values is widely considered to be difficult or even impossible; a view that the authors suggest stems from misconceptions about the problem area and other factors which influence the decision making process. Part 3 (three chapters) analyses why decisions involving unpriced values are considered difficult and demonstrates how the methods previously discussed can be used to overcome such difficulties. Again the discussion contains numerous references and practical examples to demonstrate the application of the concepts.

The book covers most of the problem areas that are likely to confront decision makers in the valuation of unpriced goods and services. There are several notable omissions including methods of forecasting future values, the costs of collecting data, and the analysis of risk and uncertainty. Although the book is not particularly well indexed, a detailed table of contents allows the reader quick reference to all aspects of the subject matter. Of additional value is an extensive bibliography from a wide range of disciplines including agricultural economics, environmental and urban planning, medicine, defence, and highway construction.

*Unpriced Values* is a welcome contribution to an area in which much has been written but to date, not collated into an economic context. The valuation of unpriced benefits and costs is an area of increasing social importance and this book should be relevant (and represent good value) to all those involved in making decisions, whether public or private. Students however would most likely appreciate a cheaper edition.

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