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BOOK REVIEW

Quest to Quantify the Unquantifiable

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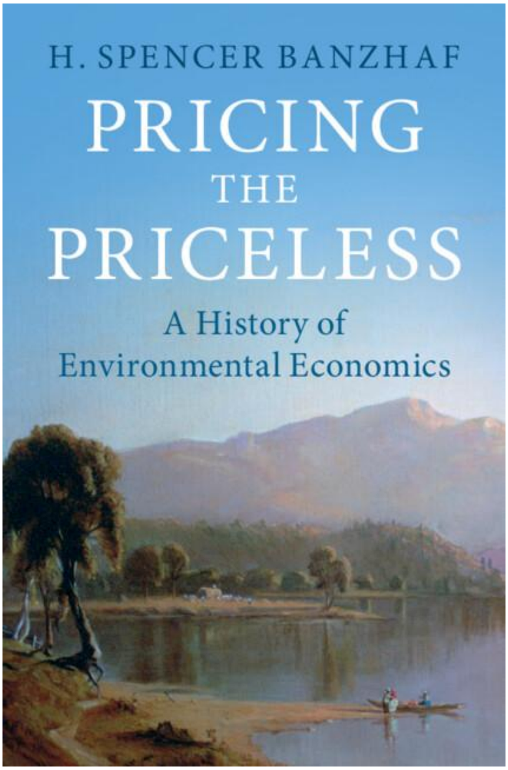
Banzhaf, H Spencer. 2023. *Pricing the Priceless: A History of Environmental Economics*. Cambridge University Press. 298. ISBN: 9781108867184.



My interest in environmental economics was shaped by growing up in a small town in Gujarat, where I had access to green spaces and clean air and water, and then moving to New Delhi for my higher education and work, where the environmental degradation is hard to ignore. This lived paradox of high income but low environmental quality drew me to the subject. However, for a long time, I struggled, like many, with a curious question: What does it actually mean to be an environmental economist?

The book *Pricing the Priceless* by Spencer Banzhaf engages with this question and shows how the field has expanded

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to include not only policy issues but also moral debates about nature and the environment. More importantly, it examines the challenge of utilizing natural resources while preserving environmental quality. The book delves deep into the intellectual history of environmental economics in the context of the United States (US). It provides rich critical context that is often missing from the classroom teaching of environmental economics.

As historians often put it, "the near history is messier than the rosy distant past". Similarly, the book engages with turbulent debates and contested ideas that continue to evolve. It confronts one of the most enduring paradoxes of modern development: how societies can reconcile material progress with the preservation of nature and the environment, and how economic reasoning has become central to navigating this trade-off. Scholars trained in science, technology, engineering, or mathematics often treat nature as a physical system rather than a social one. This book offers a powerful reframing of what it means to study the environment through an economics and policy lens. Banzhaf also offers an impressive intellectual genealogy of the field, situating environmental economics within broader economic thought.

Comprising nine chapters and an epilogue, the book introduces the key figures and institutions that have guided the discourse on environmental economics. The opening chapter, "Introduction: Environmental Economics in Context", should be mandatory reading for students of environmental economics, as it explains why the field was founded. Banzhaf revisits early conservation debates amongst well-known figures in US environmental history, such as Gifford Pinchot and John Muir, who were committed to conservation but divided in philosophy. Pinchot's utilitarian, scientific approach to resource management stood in contrast to Muir's ethical and aesthetic admiration for the wilderness. These debates were not merely ideological; they shaped the institutional and analytical foundations of modern environmental policy. The historical excavation of how economic thinking came to be applied to environmental and natural resource issues in the chapter "Do Economists Know about Lupines? Economics versus the Environment" lays a strong foundation for the rest of the book.

One of the book's major strengths is its attention to institutions. Environmental economics did not develop in academic isolation; it evolved through close engagement with policymaking bodies and public agencies. Banzhaf provides a comprehensive account of how institutions such as the US Army Corps of Engineers, Bureau of Reclamation, US Forest Service, National Park Service, and Fish and Wildlife Service helped create the demand for a systematic cost–benefit analysis. These agencies faced pressing investment challenges related to large-scale infrastructure projects across the country, and the expertise of economists became integral for conducting the rigorous cost–benefit analyses required to pass the federal government's litmus test.

Equally important is Banzhaf's discussion of the intellectual ecosystems that nurtured environmental economics. Institutions such as Resources for the Future, the RAND (Research and Development) Corporation, and the Harvard Water Program played a pivotal role in fostering mathematically robust and interdisciplinary research and methodological innovation. Foundations such as Ford and Sloan provided critical early financial support, enabling economists to engage in long-term, policy-relevant research. The book carefully documents how these networks sustained debates both within and beyond academia on public goods, externalities, and valuation methods.

The book's focus on US environmental policy is both a strength and a limitation. On the one hand, the US provides a uniquely well-documented case of environmental governance that views nature through a rational utilitarian lens. On the other hand, the book largely treats the US experience as analytically self-contained, offering limited engagement with environmental economic thought in the Global South and other regions. While Europe's contributions to early forestry and resource management are acknowledged briefly, readers from the Global South may notice the absence of parallel histories from their countries. This book may not be a global history of the field, but it provides a template for how such stories can be written by incorporating local agents and institutions.

The epilogue brings the book to a full circle. It connects the founding understanding of consumption and economics to contemporary challenges such as climate change, biodiversity loss, and sustainable development. It emphasizes that valuing nature is not about commodification for its own sake but about enabling informed, transparent, and accountable decision-making.

In conclusion, Banzhaf suggests that environmental economists bear a heavy responsibility to translate ecological complexity into analytical frameworks that policymakers can use, without losing sight of ethical concerns and distributional consequences. *Pricing the Priceless* helped me better understand what it means to be an environmental economist: not to place a price tag on nature as if it were for sale but to recognize that economic decisions are inevitable, trade-offs are real, and ignoring value does not make it disappear.

Banzhaf quotes Lord Kelvin, who we all know invented the absolute temperature scale:

> When you can measure what you are speaking about, and express it in numbers, you know something about it; but when you cannot measure it, when you cannot express it in numbers, your knowledge is of a meager and unsatisfactory kind: it may be the beginning of knowledge, but you have scarcely, in your thoughts, advanced to the stage of science. (2023, 225–226)

As the modern-day discourses for environmental conservation evolve to be scientific, this "quest to quantify the unquantifiable" can be a guiding principle for collaborative science for a better environment for all. For students, researchers, and policymakers alike, this book is a timely reminder that the future of environmental governance depends as much on sound rational reasoning as it does on scientific understanding and moral imagination.

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