

## CHAPTER 11

### ANIMAL WELFARE AND ECONOMIC CONSIDERATIONS

11.1 It has become apparent in the course of this inquiry that animal welfare affects the economics of the live sheep trade and vice versa. In particular, the AVA stated:

'We support the principle that animals should be slaughtered as near as practicable to the point of production, but recognise that both interstate and overseas transport is necessary to ensure the flexibility and economic viability of the Australian livestock industries.'

11.2 Before considering whether the export of live sheep does ensure the 'economic viability' of the Australian livestock industries, the relationship between economic considerations and animal welfare needs to be examined.

#### Welfare and Profitability

11.3 A common assertion is that welfare and profitability go 'hand in hand'. With regard to the live sheep trade this is true in many instances but there are circumstances where profitability and welfare conflict. It has been claimed that if the stocking densities aboard the carriers are reduced by ten per cent, the cost of sheep landed in the Middle East will increase by five per cent; that ration formulations are prepared with regard to cost and not to adequate nutrition; that if sheep are removed one day earlier from the feedlot, the financial cost of the deaths of sheep who have not adapted is more than

balanced by the savings in feedlot costs. These examples indicate that welfare and profitability, of themselves, are not necessarily complementary.

### Economic Value

11.4 Profitability is an economic value. Just as Dr Roger Meischke has commented that measuring stress is like attempting to measure love and hate<sup>2</sup> so the Committee has found it difficult to reconcile economic value with animal welfare. At the first public hearing of the inquiry, the NFF drew attention to Mary Midgley's book 'Animals and Why they Matter'<sup>3</sup>. In this book she refers to those people who operate with a simple contrast between values which they see as real and those which they see as unreal - that is economic and non-economic values. It is a notion of reality as coextensive with economics. She comments:

'Money is a useful means, but it cannot possibly be an end, let alone the only real end of life ... you certainly can't eat it. A romantic obsession with it does indeed give meaning to some people's lives. But there is no sort of reason for the rest of us to accept their short cut through the business of understanding and comparing values ... These questions about priority among values are the central business of morality ... We are still concerned ... with getting animals an admission ticket to the moral scene at all. We are still confronting the rationalist notion that they fall outside it.'<sup>4</sup>

11.5 The eighteenth century German philosopher Immanuel Kant argued that rationality and intelligence were the only criteria for moral consideration. Only rational beings, and therefore human beings, were ends in themselves and possessed intrinsic value; that is, they were not to be treated simply as a means to some end. The Kantian argument has had considerable currency as an attempt to impute value on grounds of morality, albeit confined to human beings.

11.6 In response to Midgley, the BAE agreed that there are 'obviously other values than economic values' but continued that 'although money is not everything, what comes second is often a long way behind'.<sup>5</sup> When asked whether these other values take precedence over economic values the reply was that this required a 'value judgement', that the weighing up of values, 'be they economic or other values, are really for politicians to decide'.<sup>6</sup> At a later point in the questioning, the Acting Deputy Director of the BAE stated that 'the whole of economics boils down eventually to a matter of value judgement, let us face it'.<sup>7</sup>

#### Fact and Value

11.7 The BAE reply incorporated an ethical distinction in that the term 'value judgement' reflects the long standing ethical controversy between 'fact' and 'value', that values are in some way independent of facts, that for it to be otherwise is to commit the supposed 'naturalistic fallacy'.<sup>8</sup> Concerning fact, the ALEA commented that Singer's 'distortions of fact and logic discredit the basis of the Animal Liberation movement's attitude on livestock industries ... for the attack of animal liberation to be taken seriously by livestock industries (and researchers), the movement must adopt a factual, objective stance and make a more positive contribution to the complex question of animal welfare'.<sup>9</sup>

11.8 Professor Singer replied that there is a philosophical fallacy involved in deducing values from facts. He commented:

'It is not one that I have committed and I would certainly have liked the Livestock Exporters Association to attempt to document the places in my books ... where I have made errors of logic.'<sup>10</sup>

If you have a series of purely factual statements with an evaluation built into them - sometimes factual statements have evaluations built in with them, for instance if you describe an action as "courageous" that is both factual and evaluative - I do not believe that you can logically deduce any purely evaluative judgement from it. You need to have some kind of ethical or value premise in at the top to get an ethical or value conclusion out at the bottom.<sup>11</sup>

11.9 Consideration of the dichotomy of fact and value has not been confined to moral philosophy. It is an important consideration for government policy making and also the social sciences. Facts, or empirical information per se, are not able to provide a basis for policy choices. Rein has stated:

'Policy recommendations are by their nature based upon verified fact statements as well as arbitrary value judgements, and they will naturally be accepted by those who agree with both. The problem is how to link the factual and arbitrary components.'<sup>12</sup>

#### Animal Welfare and Economic Considerations

11.10 The House of Commons Agriculture Committee on Animal Welfare in Poultry, Pig and Veal Calf Production, meeting in the 1980-81 session, considered the policy issue of animal welfare and economic consequences. They noted that discussion on animal welfare had reached 'a degree of philosophical subtlety worthy of the mediaeval schoolmen',<sup>13</sup> but were not impeded by Thomist or indeed, Singerian arguments. They stated that:

'society has the duty to see that undue suffering is not caused to animals, and we cannot accept that that duty should be set aside in order that food may be produced more cheaply. Where unacceptable suffering can be eliminated only at extra cost, that cost should be borne or the product foregone. On the other hand all methods of domestic livestock rearing entail some loss of freedom, and where an imperfect but not

unacceptable system can be improved only at disproportionate cost, it may be unreasonable to insist that this be done. Once again a balance has to be struck, and this can only be done in the light of subjective judgement.'<sup>14</sup>

11.11 In Australia there appears to be a division between Singer and other welfare advocates on the one hand and sources of primary industry opinion and influence on the other. The latter seem unwilling, unable or reluctant to consider questions of value. Conversely, animal welfare groups seem unwilling, unable or reluctant to consider the question of economics. For example, RSPCA (Victoria) argued that the live sheep trade should be terminated on welfare grounds. When asked what the cost of that proposal would be they answered that 'it would be quite considerable'.<sup>15</sup> No monetary value of the cost of the cessation of the trade was given. On the other hand, in its 1983 report, the BAE attempted to isolate and quantify the costs of various methods of restricting the supply of sheep to the Middle East, but when asked if any money value had been assigned to the disutility and deaths experienced by sheep aboard the carriers, the answer was that the Bureau had not looked at the money value of deaths on ships and the question of disutility was not considered.

#### Utility and Utilitarianism

11.12 The concepts of utility and disutility are fundamental to economics. Douglas Evans defined utility as:

'the capacity to satisfy human wants. This capacity may be found in goods or services, and the worth of such goods and services to the consumer is determined by the degree to which they are capable of satisfying his wants. While this degree cannot be objectively measured it is reflected in the price which the consumer is prepared to pay. And in economic theory the theory of value is often equated with the theory of prices.'<sup>16</sup>

11.13 The concept of utility is also central to the ethical tradition to which Professor Peter Singer subscribes, that is utilitarianism. This holds that the ultimate good is the greatest happiness of the greatest number and defines the rightness of actions in terms of their contribution to the general happiness. Singer derived from this tradition the principles of equal consideration of interests. Singer has not been able to ignore the economic dimension of animal welfare. Professor Tom Regan, whose arguments for animal welfare are essentially moral rights arguments, not utilitarian, has commented that 'the animal industry is big business',<sup>17</sup> that employs hundreds of thousands of people who in total have hundreds of thousands of dependents. Although it is no defence of an immoral practice to plead that some people profit from it, Regan argues that, as a utilitarian, Singer must insist on the relevance of these people's interests and also the relevance of those additional people who might be affected by 'its sudden or gradual cessation'.<sup>18</sup> A utilitarian argument must have the hard data to show that a humane alternative is not only possible but is at least probable and, judged on utilitarian grounds, desirable. It is not obviously true that the consequences for all involved would be better if, for example, the live sheep trade were terminated. Regan argues that considerable calculation would be necessary. 'Even the most sympathetic reader, even a "fellow traveller" like myself will fail to find the necessary calculations in Singer's work. They simply are not there.'<sup>19</sup> In short, the assessment of value, from a moral point of view, cannot be quantified.

#### Moral Values, Economic Values and Social Policy

11.14 Conversely, economic values may become 'rubbery'. What time period is used to amortise the investment in a live sheep carrier? What are the social costs of antibiotic resistance induced by administration of antibiotics in the sheep water

supply? Further, economic values may not conform to moral values. One economist has suggested that the market for heroin is just another market. Dr Robert Marks, senior lecturer at the Australian Graduate School of Management has argued that the costs to society of prohibition far outweigh the costs of a policy of decriminalising heroin and thereby possibly making it more freely available.<sup>20</sup> This argument does not address the ethical dimension of addiction. This dilemma for social policy of possible conflict between moral values and economic values has an extended history. Child labour and prohibition of alcohol are notable examples, animal welfare has become another.