

## 70 FAITH & ECONOMICS

### **Animals and the Economy.**

Steven McMullen. 2016. Palgrave Macmillan UK. ISBN 978-1-137-43473-9, \$109.99.

*Reviewed by James Halteman*

There is considerable resistance to changes that impact long-standing practices in any culture. When these practices bring existing human preferences into competition with the welfare of non-human animals, the resistance to change gets more intense. Because this is the situation facing us today, we need constructive dialogue that considers the economic, social, political, and ethical aspects of the topic. *Animals and the Economy* does this effectively by consulting a wide range of literature and offering proposals that can bring meaningful change.

McMullen begins the discussion on this important topic with two key questions: “Why do so many animals live such short lives in terrible conditions?” and “What could realistically be done to change their lives?” (p. 1). The word “realistically” becomes a guiding principle in the entire book and makes the proposed solutions seem feasible. McMullen clearly shows how an anthropocentric approach to economic analysis works against animal flourishing. Then a public policy strategy within a market-based economy is proposed and evaluated as a solution to the misery many animals experience in their lives cut short for human benefit.

The argument is clearly made that our mistreatment of non-human animals is built into the institutional structure of the economic system. Viewed as creatures designed to enhance human wellbeing, most rights and privileges that would normally be protected for sentient beings are considered irrelevant. The practices of animal agriculture, animal experimentation, and even the way the pet industry is structured, result in a lifetime of suffering and premature death for many animals. McMullen describes how human-based competitive market outcomes become the primary concern for most, and moral issues related to animal treatment are typically ignored. But this book is not a critique of market capitalism as a social system. The solutions to the mistreatment of animals presented in this book clearly fit into a market-based economy.

Readers from all disciplines will benefit from the discussion of economic methodology and the ways in which ethical reasoning is typically ignored in market analysis. Numerous qualifications to that methodology are discussed early in the book, and these concerns become important

background material for the policy suggestions in later chapters. For example, how can animal welfare be compared with human welfare? What external costs exist when some human individual preferences for more humane animal treatment are unable to alter deeply entrenched institutional practices? If veganism limited the number of animals born, what is the cost of an animal not being born even for a brief and somewhat painful life? These questions clearly require moral input that is typically overlooked in economic analysis, but they need to be addressed if animal welfare is given a viable place in efficiency considerations.

Despite these methodological shortcomings, McMullen works from a basic microeconomics framework to show why animals are mistreated and how we might improve the quality of living for nonhuman animals. Consumer theory is examined to see how individual concern about the treatment of animals might offer a path for change. In this case the institutional patterns of operation, such as political pressure from interest groups along a relevant supply chain, can overwhelm the efforts of reformers. Government subsidies and advertising campaigns that promote the commodification of animal products tip the scale against meaningful change. Also, consumers cannot easily acquire full information on how their choices impact individual animal lives. Thus, given the complexity of supply chain activity and unavoidable consumer ignorance of all the issues involved, actual consumer demand may be a poor representation of fully-informed market demand. However, market demand at its best may not incorporate the ethical dimensions of animal welfare. To act ethically, one must know the consequences of one's actions and be able to make alternative choices where necessary.

McMullen suggests that consumers with ethical concerns about animal treatment might have alternative choices that could make a difference. First, with mostly constant long-run supply prices, the dietary changes of one person will mean that at least a few animals have not had to suffer. The more people who join the movement, the greater are the effects along the supply chain of animal products. Hopefully, behavioral changes can reach a tipping point that can overcome the institutional resistance to more humane animal treatment. Buying food from local producers can also help consumers close the information gap. However, because the market share of local output is shrinking, regulations requiring more extensive product labeling may be necessary to help consumers make more informed ethical choices.

Because the change in consumer preferences is likely to have limited short-run impact, other options are considered that can complement consumers' efforts. Because animal industries involve environmental and health externalities, a tax to internalize those costs would be appropriate. The tax would result in higher consumer prices and therefore less animal suffering, but ethical behavior is not just a cost-benefit calculation. We do not refrain from unethical action just because its price goes up due to a tax. Legal action regulating the mistreatment of animals can restrict the abusive action of all producers. Appropriate regulation levels the playing field for all producers so those most concerned about animal treatment can compete in an ethical manner. McMullen clearly makes the case that action must be taken on multiple fronts to reach the desired ethical outcomes.

But the anthropocentric foundation of microeconomic theory and the evolution of the animal industry continue to press hard against change. Farming grew from smaller diversified farms to large technological single-product enterprises. While this move fits economists' definition of efficiency, it offers less leeway for individual operators to adopt animal-friendly practices, and so compliance with mass production methods is required for survival all along the supply chain. Before delving more deeply into the suggested solutions to the problem, McMullen summarizes the challenge animal advocates face. "The market for animals is mired in a stable but unethical equilibrium, where animals are disregarded and no one has the economic power to improve their lives" (p. 94).

Despite the headwinds against change, McMullen does provide hope. In the last half of the book, the current state of industry regulation is evaluated and proposals for reform are offered. As is usually the case, regulation involves increased cost and higher prices for food except where pets are involved. Thus, food animals are generally not protected while violence against pets is prohibited. The case for improved regulation can be made if animal care is presented as a public good where animals are endowed with certain rights. McMullen does this by examining the excludability and marginal cost factors involved in more extensive regulatory rules. Regulation could also enhance the ability of many to follow preferred ethical values that are difficult to practice when uniform compliance is absent.

In the chapter on animal use for scientific experimentation, McMullen illustrates the similarities that exist for both the food and experi-

mentation uses of animals. Alternative scientific approaches might be as effective, and inadequate consumer information is inevitable. This topic highlights the degree to which human and non-human animal welfare appears to be in competition. To sort out this issue, the book then turns to the basic economic principle of property rights and the implications of ownership. Reform in these areas becomes the key to effective outcomes.

Property rights can be viewed as inherent in nature, as John Locke proposed, or they could be seen as assignments by authorities in a manner consistent with social values and institutions. Property rights determine, to a large degree, how resources are allocated. In an anthropocentric economic system, resources that have economic value are assigned to humans and are used to maximize human preferences. The environment and animals have limited rights and thus receive minimal protection from abuse. Markets can adjust if market demand shifts in a more ethical direction, as with meat substitutes, but animal advocates are not optimistic that this will stop animal abuse. An alternative is to assign property rights to animals. McMullen carefully sorts out the issues that are involved in the debate about appropriate ownership and concludes that there are some feasible adjustments that could improve the human/non-human animal relationships.

The final chapters of the book explore “A New Kind of Ownership” designed to increase animal welfare. Four principles are listed for adjustments to property status of non-human animals. First, laws must more specifically recognize the intrinsic value of animal interests. Second, stricter limits on animal abusive practices can alter economic incentives for producers. Next, animals cannot advocate for themselves so laws must be structured so their owners become better advocates for them. Finally, human agents could advocate for animals in a court of law if owners do not comply with the new laws. These principles will make owners act as trustees or guardians rather than absolute owners. When careful regulation, effective property rights reform, and more ethical sensitivity toward animals are achieved, then animals can live the lives they were intended to live. In the process, human welfare can be enhanced rather than diminished.

There are many reasons why I can recommend this book to anyone who is willing to consider the place of animals in our economy. First, it is an excellent case study of microeconomics in action, and I recommend it for use in any microeconomics class. Nearly all the nuances of market

theory are examined, including the ethical divide, the role of property rights, the meaning of efficiency, the nature of public goods, and the role of government in the system. The role of institutional structures in affecting behavior is also an important feature in the understanding of how our social system treats animals. How all of these can come together in a market system to achieve a humane, meaningful solution to a real problem will also be instructive to a broad audience.

Christian economists could be leaders in sorting out the complexity of this important topic. Animals suffer enormously every day so that human preferences can be accommodated. If we are complicit in these widespread institutional practices, it is important to be fully informed and prepared to respond effectively in ways that bridge the positive-normative divide. This book is a valuable resource in pursuing that goal.

While this book is not intended to be a theological presentation, some readers may wish for a discussion of the biblical material that speaks to the relationship between humans and non-human animals. The book focuses primarily on industrial animals and domestic pet ownership, but a reader may wonder how the arguments relate to other living creatures as well. Some may question any additional intrusion of government into animal markets, or wonder if the added costs of regulation hurt the poorer segments of society. The fact that this book brings these additional issues to mind is important because it furthers the discussion on a topic that Christians often choose to avoid. It is much easier to promote changes in behavior when only others are affected, but animal ethics is something in which we all are involved. Earlier, after reviewing the book proposal, I was confident that the finished project would further our understanding of animal ethics for a broad audience. Now, I can clearly say that the book has exceeded my expectations. ■