

# Economic and ethical dimension of the theory of the value of human life

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**Abstract:** The article, prepared by an interdisciplinary approach to economics and ethics, presents reflections on the possibilities of evaluating human life from the perspective of the public sector. When applying various processing methods (especially analysis and comparison), it will always be clear that the calculated value of life is and will always be only indicative. Nevertheless, it is important to address the value of life, as it can serve as an important support tool in various decisions within the public sector, where final decisions will always be in the interest of political will.

**Key words:** Economic and ethical dimension of value, appreciation of human life

## 1 Introduction

In the economic dimension, value means the amount of monetary units that can be obtained for a particular good on the principle of exchange. However, human life is not exchangeable for money. Therefore, in constructing the determination of its value, it is necessary, in contrast to purely economic principles and approaches, also to focus interest on ethical dilemmas, namely in the dimension of the theory of utility and the theory of moral categories. Based on the theory of utility (eg, Jeremy Bentham, 18th century, England), a moral solution is maximizing the utility of an act (Mlčoch, 2005). Each benefit can be quantified, then it is justified to calculate the value of the expected economic activity of a person or similar parameters. According to ethical theories, life is the highest value, which is fully in line with the theoretical concept of natural law according to John Locke. It was based on the idea that man is endowed by God with a "natural right" to life, freedom and property (Štěpánková, 2014). Thus, the right to life is inalienable and one cannot give it up even on the basis of consent, as is the case with two fundamental rights, which are freedom and property (Haškovcová, 2012).

For the above reasons, the academic debate on the theory of the value of human life at first sight is an ethical question, where the first reaction is to consider life as a value in itself, as an invaluable and highest value. In reality, however, many of us value our lives quite normally, and behave accordingly, and therefore this theory acquires the appropriate microeconomic and macroeconomic dimension with due reflection in the system of auxiliary, sectoral and cross-sectional economic disciplines (economic statistics and sociology, health economics and social services, security economics, financial theory, etc.), which narrow their research to a certain specific area of economic processes.

## 2 Aim and methods

The aim of the paper is to point out the concept of the theory of the value of human life in many dimensions, namely in economic, ethical, deontological, philosophical, medical, theological, legal, criminological, victimological, etc. Therefore, its interpretation can contribute experts with the adjective of helping - doctors, psychologists, paramedics, social workers, teachers, clergy, etc.

The article is elaborated by the method of interdisciplinary approach of social sciences and humanities (especially economics, ethics, deontology, philosophy).

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### 3 Results

#### 3.1 The basic philosophy of the issue - from Christian ethical concepts to economic ones

Since the Great French Revolution, the rarity, uniqueness and incalculability of the value of human life has been discussed in Europe. This idea coincides with the context of the ethical and theological dimension of the value of human life. It is based on the Bible and according to it, the value of human life, as well as dignity and rights, is a gift that comes from God (Sokol, 2010). In the language of ethical philosophy of the 18th century, these are rights that one cannot lose under any circumstances (Hanuš, 2009), even in a situation where he suffers from an incurable disease, senility or in a coma. When excluded from active activity (due to illness, injury or age), no person's life loses its value and meaning, but even at this time he can live and act in a way that is beneficial for his person and family. The value of human life does not depend on visible results, which can be expressed in quantities of state or flow, ie recalculated, measured, weighed, or even how other members of society evaluate its life (Singhapakdi, et al.). The often heard claim that human life has incalculable value, ie many times exceeds the boundaries of the economic dimension (Sirůček, Džbáňková; 2008). Therefore, every life is valuable, regardless of the social role in society, whether it is an entrepreneur, a socially excluded individual in material need, the homeless, a scientist, a doctor, a patient in the terminal stage, a newborn or an old man (Matoušek, Havrdová; 2021).

The doctrine of the sanctity of human life states that every human life, regardless of its modality (developmental stage, conditions of its realization) is sacred, which can be interpreted in the language of morality. Sacred life is an intrinsically valuable life, the bearers of which are members of an unstratified moral community in which it is impossible to distinguish between more and less valuable life. If we claim that human life has an intrinsic value, we portray it as worthy of moral protection, not subject to the random whims of utilitarian calculus: if one has the right to life, this right is absolute and cannot be relativized to various situations and moral calculus (Hlaváček, 1999).

The independence of economic theory with the start of a modern type of society is associated with the classical school of political economy, representing the first comprehensive and elaborate theoretical system at the turn of the 18th and 19th centuries. With this period, Europe was also accompanied by the Napoleonic Wars (1803-1815) with a total balance of 3.2 - 3.6 million victims (Šetek, 2015). In this context, the leading French liberal economist Jean-Baptiste Say (Šetek, Petrách; 2016) developed the economic dimension of the theory of the value of human life in connection with war conflicts. By following the Napoleonic Wars, he theorized that the loss of human life in armed conflict meant the loss of the country's wealth as it invested in human life. Say's theory has its justification, which can be substantiated by evidence of the effects of war conflicts. This is evidenced, among other things, by Swiss scientist J. J. Babel in war statistics. According to his statistics, the number of armed conflicts up to the 1960s is estimated at 14,500, in which more than 3 billion people died (Šetek, 2015).

#### 3.2 Theoretical construction of the value of human life

The construction of the value of human life is based on a theoretical discussion of the measurability of the value of human life and whether this quantity is constant or variable. To date the beginnings of these considerations is largely based on the ideas of J. B. Saye already mentioned. The course of human life in this construction is divided into three stages - pre-productive, productive and post-productive. (Šetek, 2020)

In the pre-productive part, the calculation is based on costs - the investment in the individual. These costs include average social expenditures on individual education and health expenditures. These costs accumulate from the beginning of life to the beginning of a person's productive age, when they begin to be evenly dissolved by the end of the productive period. Another part of the calculation can be applied by the so-called production function, which expresses the average annual production of gross domestic product of an individual of productive age. This function can calculate the average wages depending on age. In the last part of the calculation, the orientation is to determine the social value of an individual in the post-productive age. This construction is based on the assumption that the company "invests" in this group of individuals as much cost as they value. This part includes the state's social expenditure on individuals in the post-productive age and the average cost of health care for this group (Šetek, 2020).

There are two possible views on the value of human life. For simpler representation, let's name them as vertical and horizontal conceptions of the value of life (Matoušek, Havrdová; 2021). The horizontal concept takes us through time. The more time we have left, the more valuable our lives are. After all, this is in line with the approach of the courts, but also of hospitals in times of crisis. The more economic activity, but also social contacts we can expect from an individual until the end of his life, the greater his value. The vertical view is completely opposite. It reflects the overall lifelong contribution of man to his loved ones, family, other people and society. It is an inverted view, an inverted concept. It is the individual who, through his efforts, his activities, ie his life, has created the most values, goods or works that has a "greater" value. Here, then, we do not look at man through the lens of future returns, that is, what he will do for society

(Alina, Šetek & Poláček; 2018). We look at him from the other side, what everything he brought to society, what he contributed to it for most of his life, what is his work (Džbáňková, Sirůček; 2013).

### **3.3 Valuation of human life in the economic dimension**

The most common example can be seen in financial theory, specifically in life insurance. This method of valuation is based on the amounts paid out of any loss of life. In essence, they represent the algorithm of the insured person, ie. what amount he is willing to give up for the benefit of his loved ones in case he loses his life (Pelinescu, 2015).

Another possibility is a relatively extreme approach, followed by economics, criminal law and criminology (Šetek, Petrách; 2016). It is based on the value that assassins attach to human life. Among other things, the theoretical interdisciplinary concept of economics and criminology of G. Becker deals with this. According to him, the way of evaluating human life primarily reflects what kind of assassins have alternative earning possibilities and how they evaluate the risk of their capture, conviction and subsequent punishment. In this context, it can also be stated that the level of risk incurred by the assassin in connection with the "contract" is determined by many aspects, which analyze a wide range of conflicting decision-making situations that can occur wherever there is a conflict of interest, which can be interpreted through conceptual apparatus of strategic game theory, with a non-zero sum, where some results bring the total net benefit greater than or less than zero (Šetek, Petrách; 2016). Two players in the role of "potential prisoners" ("the contracting authority and the assassin") have the option of cooperating or not cooperating "with investigators" and the final time of the sentence depends on the decision of each of them. This is a model situation typical for business in the illegal sphere, so the mentioned theory finds its application for both economics and criminology. A possible approach also lies in the cost of risk. It is based on the principle that some jobs hide a larger number of fatalities than others (eg mining, construction, etc.). On the other hand, riskier employment is better valued. The structure of the cost of human life is based, for example, on the following data: in the United States, an average of \$ 500 per year is paid on average for increasing the risk of ten deaths per 100,000 workers (Kay, 2006). From this it can be calculated that for saving one fatal injury, workers are willing to give up the order of \$ 5 million. The search for the values of human life can also be based on Czech legislation, in the context of criminal law. However, a superficial search will fail. In a more detailed analysis, interesting equivalents can be found for assessment. Thus, the Czech criminal legislation imposes a sentence of at least 10 years for murder, less for homicide, etc. In this context, it is possible to calculate which crime expressed in monetary units (theft, robbery, embezzlement) is the same as for murder or homicide.

### **3.4 The value of human life from the perspective of the actors of group evil - terrorism and organized crime**

From the point of view of the interdisciplinary approach of economics, criminology and victimology, it can be stated that human life "is valued" by the components of group evil - ie terrorist organizations and various forms of organized crime. The ideology of terrorism with political goals does not respect the value of human life. His struggle is also armed directly against the values of human life - "destroy most values", meaning the number of people killed in terrorist acts (Conley, 1976). However, unlike wars, it does not respect any ethical rules and legal norms for the protection of the value of human life in armed conflict. The ideology of a group connected to organized crime is monetary fetishism, which is also based on human trafficking. This can also be called modern-day slavery and its occurrence is mainly supported by criminological aspects such as imbalances in international economic relations, poverty, tolerance for human rights violations and political instability in countries of origin, etc. (Šetek, 2015). Illegally obtained money from human trafficking is a potential investment vehicle in other developed accelerating forms of organized crime, namely drug and arms trafficking, corruption, etc.

### **3.5 Valuation of human life in marginal situations**

There are borderline situations where a person or community is forced to choose between human lives. In some situations, such as a sinking ship, people make decisions based on established patterns based on certain generally accepted values tested by history (Alina, Šetek & Poláček; 2018). For example, children are saved first, then women as carriers of the future of human life. However, there are other patterns that say that the weakest and most vulnerable should be saved first because, unlike the strong, they have less chance of saving themselves. In both models, the moral category of respect for human life is applied, and in both, on this basis, a rational reflection on the consequence of the decision is manifested (Weber, 2019). It can be seen that in real life the two theories do not have to stand against each other.

### **3.6 Legal profit from the loss of human life in the modern information society**

The current postmodern society with the attribute "information" gives economic operators in the media markets to profit from the lost values of human lives in various disasters, traffic accidents, natural and environmental disasters, terrorist acts, war conflicts, etc. (Egorov, Harstad; 2017). These tragic events mean a "positive externality" for the media

economy. One way to prevent media market players from "unethical" profiting from these tragedies would be to ban the publication of acquired photographic and cinematic recordings. However, such a measure would be completely contrary to the principles of a democratic political system. Business entities in the field of journalism would raise arguments for violations of freedom of speech. It is almost certain that any democratic state, while respecting freedom of speech, would lose possible litigation arising from lawsuits of economically "damaged" business entities in the field of media resources. It is also impossible to rule out possible financial sanctions against the state, in the form of compensation for lost profits as a result of "established censorship" against the media (Šetek, 2017).

#### 4 Conclusion

It is obvious that the calculated value of human life according to a set formula - the method of a certain field (insurance, social security, law) is and will always be only indicative. However, it is important to address the cost of life, as it can serve as an important support tool in various decisions, which can be struggled especially by helping professions or the public sector (Egorov, Harstad; 2017).

The aim of the presented paper was to point out the possible aspects and perspectives of the theory of the value of human life. An economic view of the matter is only one of the possible ones. Within this view, the category of value is clarified mainly in the positions of labor value theory (Linnerooth, 1979). In this situation, the terms of trade (or determination of equilibrium relative prices) are determined on the basis of the amount of work expended to produce a unit of product. The one-factor theory of labor value considers work carried by man as the only source of value - other factors do not create value (Galor, Tsiddon; 1997). It is certain that this carrier is specific by various factors, which over time lead to a reduction in performance, so there is a proper physical and moral depreciation of human capital (Frey, 2000). In this context, the company is exposed to ethical challenges (in the contexts of the theory of circular economics) to ensure adaptation processes as a result of innovation tenders, especially in the contexts of Industry 4.0 technologies. The challenges are to respect the principles of social responsibility towards individuals who, for specific reasons, are unable to adapt to technological innovation. In this context, it is necessary to apply circular methods in the employment of these interested persons (Šetek, 2020).

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