

# Value Theory

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## Value Theory

**Primary Disciplinary Field(s):** Philosophy (Axiology, Ethics, Aesthetics), Economics, Sociology, Psychology, Anthropology.

### 1. Core Definition and Scope

Value theory is the comprehensive academic field dedicated to understanding the nature, creation, justification, and experience of **value**. It seeks to answer fundamental questions regarding why, how, and to what extent people, communities, and societies deem certain ideas, objects, experiences, or states of being as desirable, important, or worthwhile. This field transcends simple categorization, acting as an integrative discipline that examines both normative (what ought to be valued) and descriptive (what is valued) claims, aiming for a complete account of human valuation.

The scope of value theory is exceptionally broad, encompassing every item or concept that can be assigned worth, whether tangible or intangible. These items of value can include concrete commodities, abstract moral principles, aesthetic qualities, personal relationships, or political ideals. Historically rooted in ancient philosophical inquiries concerning the "good," modern value theory integrates rigorous, scientifically empirical methods from the social sciences--particularly psychology, sociology, and economics--to provide a robust, evidence-based understanding of human valuation processes. The synthesis of philosophical justification with empirical observation allows value theory to address both metaphysical questions about the existence of value and practical questions about its measurement and influence on behavior.

In essence, value theory attempts to decode the complex mechanism through which worth is assigned. This assignment of worth is crucial because it drives human motivation, dictates resource allocation, frames ethical systems, and ultimately shapes cultural priorities. Value theory, therefore, serves as a foundation for understanding ethics, political philosophy, consumer behavior, and social structure, examining the underlying mechanisms that transform mere preference into recognized worth across diverse domains of human experience.

### 2. Philosophical Foundations (Axiology)

Value theory finds its philosophical anchor in **Axiology**, the specialized branch of philosophy explicitly concerned with the systematic study of value. While value discussions are perennial in philosophical discourse--with ancient thinkers like Plato and Aristotle establishing frameworks for the good life (Eudaimonia), intrinsic moral worth, and the nature of beauty--Axiology solidified its position as a distinct, systematic discipline primarily during the late 19th and early 20th centuries. This development was fueled by philosophers, often associated with Neo-Kantianism, who sought to formally separate discussions of moral judgment and aesthetic evaluation (the realm of value) from objective empirical facts (the realm of existence).

Philosophical value theory is predominantly concerned with **normative claims**: defining the standards, criteria, or universal principles by which things should be judged as good or bad, right or wrong, or beautiful or ugly. Various foundational traditions contribute differing answers to the source of normative value. Utilitarianism, for example, posits that value is determined consequentially by maximizing overall happiness or utility, suggesting that actions are valuable only in so far as they produce the greatest good for the greatest number. In contrast, deontology argues that certain duties, moral rules, or rational imperatives possess inherent, non-consequential moral value. Furthermore, virtue ethics focuses not on actions or outcomes, but on the intrinsic value of developing and exhibiting desirable character traits.

The philosophical inquiry into value extends beyond morality (ethics) into aesthetics (the value of beauty and art) and political philosophy (the value of justice, liberty, and equality). Central debates within axiology revolve around whether value is objective (existing independently of human perception, perhaps as Platonic forms or divine commands) or subjective (a projection of human feeling, desire, or interest). This foundational work attempts to establish a coherent, non-contradictory hierarchy of values, providing the crucial justification needed for ethical systems and rational decision-making.

### 3. Economic Value Theory (Classical and Modern)

Within economics, value theory is fundamentally concerned with the principles governing the formation of prices, the determination of exchange rates, and what constitutes the inherent worth of tradable goods and services within a market system. The classical school of economic thought, prominent from the 18th century through the mid-19th century, was dominated by the **Labor Theory of Value** (LTV). Major proponents, including Adam Smith and particularly David Ricardo and Karl Marx, asserted that the fundamental, objective value of a commodity is derived from the amount of socially necessary labor time required to produce it. For Marx, the LTV was crucial for explaining surplus value and exploitation, positing that market price might fluctuate, but the true underlying value was rooted in production inputs, specifically human effort.

The dominance of the LTV was challenged and ultimately overturned by the **Marginal Revolution** of the 1870s, which introduced the **Subjective Theory of Value**. Developed independently by economists such as William Stanley Jevons, Carl Menger, and Léon Walras, this perspective fundamentally shifted the locus of value determination away from objective production costs and towards subjective, individual preferences and utility. The subjective theory posits that value is not intrinsic to the object itself but depends entirely on the marginal utility--the satisfaction or benefit an individual derives from consuming one additional unit--that a consumer assigns to it. Value, in this modern view, is intensely personal, context-dependent, and constrained by scarcity.

Contemporary neoclassical economics relies almost entirely on the subjective theory, utilizing tools

like indifference curves and consumer surplus to model how market prices emerge from the aggregation of countless individual valuation decisions. This theoretical shift moved economic inquiry from the macro-level focus on objective production to the micro-level analysis of individual choice and preference formation. While the philosophical and sociological fields continue to grapple with intrinsic value, economic value theory primarily addresses **instrumental (extrinsic) value**, quantifying worth in terms of potential exchange and utility within a market context.

#### 4. Sociological and Psychological Perspectives

The social sciences approach value theory descriptively, focusing on how values function in practice within human societies and individual minds. Sociological value theory examines how shared values and moral ideals are formed, maintained, transmitted, and enforced within social structures, institutions, and cultures. Sociologists treat value systems as critical components of social cohesion, stratification, and conflict, analyzing how societal norms dictate which beliefs, practices, statuses, or achievements are deemed highly valuable (e.g., educational attainment, wealth accumulation, or adherence to religious dogma). Thinkers like Émile Durkheim analyzed how collective effervescence reinforces shared sacred values, while Max Weber explored the relationship between values (e.g., the Protestant ethic) and economic behavior (e.g., the rise of capitalism). Sociological investigation often highlights the **relativity of value**, observing how different cultures and historical periods prioritize fundamentally different sets of ideals.

From a psychological standpoint, value theory investigates the cognitive, emotional, and motivational mechanisms underlying individual value judgments and behaviors. Psychologists focus on identifying universal structures of human values. A prominent example is Shalom Schwartz's Theory of Basic Human Values, which identifies approximately ten broad, motivational value types (e.g., self-direction, security, benevolence) hypothesized to be recognized across cultures. Psychological studies examine how these underlying values influence motivation, goal setting, attitude formation, and complex decision-making processes, serving as guiding principles in a person's life. Research also explores how values are acquired through childhood socialization, parental influence, and ongoing life experiences. These empirical approaches aim to descriptively model and measure the intensity and consistency of existing human preferences, providing data that informs both economic modeling and ethical policy formation.

#### 5. Key Conceptual Distinctions (Intrinsic vs. Extrinsic Value)

A crucial and foundational distinction in philosophical and ethical value theory is the differentiation between **intrinsic value** and **extrinsic (or instrumental) value**. This bifurcation helps clarify why something is valued and provides a framework for evaluating the ultimate ends of human action.

**Intrinsic Value:** Intrinsic value refers to the worth that an item possesses purely in and of itself,

inherently, and independent of any consequences it might produce or utility it might offer. An intrinsically valuable entity is valued as an **end in itself**. Examples frequently cited include happiness, knowledge, moral goodness, justice, or the existence of a healthy ecosystem. Identifying which things truly hold intrinsic value is a primary objective of ethical axiology, as these foundational values provide the justification for all other actions and systems.

**Extrinsic (Instrumental) Value:** Extrinsic, or instrumental, value is the worth an item possesses only as a means to achieve some other desired end or consequence. It is valued because of its utility or its capacity to produce something else that is valuable. For instance, money is almost universally considered extrinsically valuable because it is useful for purchasing food, housing, or educational services, which may, in turn, contribute to intrinsically valued concepts like security or knowledge. A surgical knife has instrumental value for saving a life. Most economic goods and services fall under this category, as their worth is derived from their function in satisfying human desires or needs.

The hierarchy of value is established by linking these concepts: instrumental values gain their justification from their connection to one or more intrinsic values. Much of ethical debate revolves around challenging presumed intrinsic values or reclassifying items as merely instrumental. Furthermore, complex entities, such as human relationships or education, are often argued to possess both intrinsic value (the joy of learning or companionship itself) and extrinsic value (leading to a better job or increased social networking capability).

## 6. Methodological Approaches (Empirical vs. Normative)

Value theory is characterized by the application of two fundamentally distinct, yet increasingly integrated, methodological streams: the normative and the empirical.

The **normative approach**, historically dominant in philosophical axiology and ethics, seeks to establish prescriptive rules or universal standards for value. This method asks the question: "What should we value, and why is this justification better than others?" Normative inquiries rely on logical argumentation, systematic ethical reasoning, conceptual analysis, and appeals to intuition or rational necessity to build systems of justification. The resulting theories, whether consequentialist, deontological, or based on contractualism, aim to prescribe moral actions and judgments based on recognizing or maximizing inherent value. For example, a normative theory might argue that human life possesses inviolable intrinsic worth, dictating specific moral duties regardless of consequences.

In contrast, the **empirical approach**, primarily utilized by social scientists (economists, psychologists, and sociologists), operates descriptively. This method asks: "What do people actually value, how intensely do they value it, and how does this affect behavior?" Empirical value theory relies heavily on scientific methodologies such as statistical surveys, controlled experiments

(e.g., behavioral economics), econometric modeling, and ethnographic observation to measure and model existing human preferences, choices, and valuation behavior. Psychologists use scales to quantify individual value priorities, while economists employ revealed preference methods to infer value from observable market choices. Crucially, the empirical approach aims to describe and predict behavior without necessarily making prescriptive judgments about whether those preferences are morally or aesthetically correct.

The increasing trend in modern scholarship is the integration of these two approaches. Behavioral economics, for instance, uses empirical data on human valuation anomalies (like irrational biases) to inform normative discussions about rational choice. Similarly, ethical AI research requires normative philosophical input (defining what values should be maximized) before using empirical methods to program and test those value systems in complex machine learning environments.

## 7. Contemporary Debates and Applications

Contemporary value theory grapples with significant challenges stemming from complex societal issues and the difficulty of applying traditional valuation metrics to non-market goods. A major debate concerns the valuation of **non-market goods**, such as environmental quality, biodiversity, public health, and human rights, where standard economic metrics (like price or utility maximization) fail to capture the perceived intrinsic or existence value. Policy applications often require economists to develop surrogate methods (e.g., contingent valuation or hedonistic pricing) to assign monetary proxies to non-market values, leading to significant ethical and methodological controversy.

Another crucial contemporary discussion centers on the tension between **universalism** and **relativism**. Universalists argue that certain fundamental values--like respect for persons, freedom from suffering, or basic justice--are globally valid for all people, transcending cultural specificity. Relativists, drawing heavily from sociology and anthropology, maintain that all values are culturally or individually determined and that judging another system based on external values is illegitimate. Modern value theorists seek frameworks that can accommodate cultural diversity while maintaining core moral standards necessary for global cooperation and human rights.

Applied value theory is central to numerous fields. It underpins **public policy** decisions, where cost-benefit analyses must weigh competing values (e.g., economic growth versus environmental protection). In **organizational ethics** and **leadership studies**, understanding stakeholder values is paramount for fostering trust and motivation. Furthermore, the rapid advancement of artificial intelligence has necessitated intense focus on **value alignment**, requiring researchers to define, formalize, and program machines with explicit ethical decision-making frameworks, forcing a precise examination of which values--and whose values--should govern autonomous systems.

## Further Reading

[Stanford Encyclopedia of Philosophy: Value Theory](#)

[Wikipedia: Value Theory](#)

[Encyclopedia Britannica: Axiology](#)

[Wikipedia: Subjective Theory of Value](#)

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