

Is a bird in the hand worth two in the bush?

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'A bird in the hand is worth two in the bush' is thought to originate from mediaeval falconry! There are a number of variations on the theme – apparently in central Europe the saying is 'a sparrow in the hand is worth a pigeon on the roof'!

A number of cognitive biases are at play here, in particular the 'endowment effect' – (applying greater value to something that is owned than what would be paid to acquire the same thing) and 'hyperbolic discounting' (smaller immediate rewards being preferred to larger ones in the future). The 'neglect of probability' also has a role to play, this is more likely to occur when the outcomes are emotionally charged or potentially painful (in one experiment a typical subject was willing to pay \$10 to avoid a 99% chance of an electric shock, and \$7 to avoid a 1% chance of the same shock).

Is the proverb always applicable? Given the biases involved is it any surprise that we can't seem to adopt the policies and behaviours to tackle climate change and other significant challenges, where the benefits, although large (particularly to future generations) are in the future, while the costs appear to be much shorter term.

In a mediation parties will often have to weigh up the value of concluding matters on the day against the uncertainty and delay of allowing a court or other third party decide. The mediation process will also allow parties the opportunity to be more considered in their calculation of value, probability and choice and application of discount rates, to counter the impact of any cognitive biases.

Another dimension of assessing value is to consider it in different contexts – for example, what might be a costly waste to one may be a potentially valuable input to others. This is exemplified in the film 'Closing the Loop'. The documentary looks at practical examples of companies across the world who are applying 'circular economy' principles (moving away from the traditional linear model of 'take, make, dispose', to one built on renewable resources which is more 'make, use and recycle') and achieving business success in the process.

This consideration of value also has application in a mediation context. While the value of possible outcomes might be expressed in monetary terms for ease of comparison, it may be useful to dig a bit deeper to make sure we really understand what lies behind each party's valuations to see if the pie to be divided is potentially bigger than it might at first appear.

So is a bird in the hand worth more than two in the bush? Maybe, but you really need to know much more about the birds, how and why they are valued, how those involved value the future and what the probability is of there being a bush with birds in it when they get there!