

# THE BUSINESS STANDARD

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## Efforts or contribution: What should we value more?

With our almost obscene infatuation with hard work and effort, we completely fail to acknowledge the contribution



Ahsan Senan. Illustration: TBS

The rickshaw fare to commute from my home to work is fifty takas. If I take a motorised rickshaw instead of a regular rickshaw, the fare is forty takas. A price differential means that the two products are different.

There is, however, no difference in availability; there seems to be an equal number of both. They can both take my preferred route. The sitting arrangement is identical and the customer service, as it goes, is also identical.

There are only two differences between a regular and a motorised rickshaw that I can identify. One is that the rickshaw-puller of a regular-rickshaw has to work harder. But as consumer theories go, that is not something I care about. My concern is only with the services that are provided. The second difference between the two products is that the motorised rickshaw will get me to my destination faster.

The motorised rickshaw, therefore, is the better product: I get all the features of a regular rickshaw in addition to its being faster. As a rational person, I should be willing to pay a higher price for this better product.

Why is it, in that case, that I act irrationally every day and overpay for the inferior product?

The answer is simple: at a very primal level, I, like many other people, innately and erroneously link worth and value with effort.

**How valuation is made**

Cultural wisdom says that if you work harder, you will be smarter, your output will be better, and your earnings will be higher. So, for example, if it is twice as hard to hunt rabbits as it is to hunt turkeys, then rabbit meat should be valued as twice as much as turkey meat. Anyone who undertakes the tougher activity - of hunting rabbits - should be rewarded by higher compensation at the marketplace.

This makes intuitive sense and seems to be built into our collective psyche.

Goods that are harder to produce and services that are harder to provide are more "valuable" and should be priced higher.

Life, however, is hardly this simple.

What if turkey meat is more nutritious than rabbit meat? What if turkeys are going extinct but the rabbit population is still high? What if turkey meat is our primary source of protein while rabbit meat is ceremonially important for the rituals of the community? How then should valuation be made?

The valuation of a product, and its price determination in a marketplace, is a complex and fluid process, difficult to understand. But our brains still want an easy answer. Unfortunately, easy answers are often reductive.

Let us move away from the hunter-and-gatherer societies of our ancestors and analyse a more contemporary case.

### **What matters more, efforts or contribution?**

Let us talk about two groups of highly skilled and successful people who have come about their successes in very different ways.

An argument that is often made is that the degeneration of modern societies is perfectly illustrated by the fact that a mere entertainer can often earn many times more than a doctor who saves lives daily. Some say that it should be a matter of collective shame for us to have allowed this to happen!



The high value placed on hard work, or more precisely, constant work, seems to be embedded into the very fabric of our society. Photo: Bloomberg

However, we also complain about the high cost of medical care as well, do we not?

Can you identify where the disconnect between these two statements is coming from?

I pay a much higher amount of money to be properly diagnosed and treated by a trained physician than I do to watch a game or a movie. This indicates which service is more valuable to me. This is true for me just as it is true for everyone else.

The difference between the two professions, however, is that an athlete can entertain millions of people at once while a doctor can only diagnose one patient at a time.

The debate here is not about who works harder or who is more important or which of the two career-tracks should be promoted by society. The question I am asking is whether or not the compensations

received by these people are representative of their contributions to society.

We think a football player earns too much because he has only scored one goal that is enjoyed by a million people. If he was scoring one million different goals for the private enjoyment of one million different fans, we would not begrudge him for his wealth. He cannot, of course, which is why we resent him for his wealth and argue that it is unfair and unearned.

But consider that athletes bring little joys to the lives of millions of people and are, as a result, paid a little bit of money by each of these millions of people. A successful athlete's wealth is a fair representation of his contribution to society.

He has not worked hard enough for it, we like to say. With our almost obscene infatuation with hard work and effort, we completely fail to acknowledge the contribution.

Who is affected by this fallacy?

Who else, apart from the entertainers and the tech billionaires, might sympathise with the fallacy of the hard-work argument that I am making?

Students who are incessantly berated by teachers and parents and told to study harder and study longer - regardless of whether they have any interest in academia, regardless of whether studying longer will improve comprehension - may sympathise with my point.

Employees who feel the pressure to always appear busy at work, to show up early and skip lunch and stay back late, to not take or be allowed to take any breaks during work-hours - even at the detriment of their overall performances - may sympathise with my point a little.

A housewife who is told to correct her selfish habit of taking some time alone for herself once every day and to dedicate herself completely to catering to the whims of her husband, in-laws, and children - even if the house is clean and the children are healthy and the adults just as well - may also sympathise with this point.

Perhaps even our hired help, our maids and servants, who always seem to take their time completing a task - because the reward for completing one task quickly is a new task, not thanks for a job done well and some free time - may also sympathise with my point.

In each of these cases, any interruption in work, any deviation away from a state of always-busy, is frowned upon. The high value placed on hard work, or more precisely, constant work, seems to be embedded into the very fabric of our society.

### **Where do we go from here?**

The motorised rickshaws we talked about earlier can make more trips by lowering their fare and driving up the demand and thereby increasing their daily income. For the regular rickshaws, with the fatigue of the rickshaw-pullers a cause of concern, it may be smarter to make fewer trips but earn a higher fare in each trip.

Repeated social interactions often spontaneously give rise to elegant solutions such as this. The effort-argument is not needed to explain the world around us. However, if you ask the rickshaw-pullers or the customers why regular rickshaws should be more expensive than motorised-rickshaws, they almost unanimously make the effort-argument.

Our understanding of the world is coloured by the social conventions that we are brought up to believe in.

The way forward is in overcoming them.

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