

Chapter 16: Benefits and Costs

“Who wins? Who loses?”

The buyer needs a hundred eyes, the seller but one.

---- Proverb

What do we want from our schools, our government, or life itself? America's pluralism promotes contradictory expectations; and these discrepancies are at the heart of many disputes. This chapter provides a typology of benefits and explains how to use them to analyze disputes.

Disputants each commonly argue about whose recommendations are the most beneficial. How can we make sense of these conflicting claims? A powerful strategy is to establish a systematic method of appraisal. To set up such a procedure we need make only three distinctions. Benefits are:

- divisible or indivisible
- absolute or positional,
- substantial or symbolic.

The essay that follows explains this benefits typology and makes specific recommendations for using it in dispute analysis.

Divisible and Indivisible Benefits

Divisible benefits are those which can be enjoyed without sharing. Some drive a new Mercedes. Some wear mink. Some winter in the south of France. Others do without.

Indivisible benefits must benefit all if they are to benefit any because there is no practical method of restriction. Clean air, ozone layer protection from ultra-violet radiation, a just society, all are examples of indivisible benefits. Everyone must enjoy them if anyone does. That is what makes them indivisible.

Divisible or indivisible are not black and white categories. Benefits are more or less divisible or indivisible. Think of these categories as on a continuum.



People championing various courses of action commonly misrepresent divisible benefits as indivisible. Politicians do this a lot. Take, the controversial North American Free Trade Agreement, for example. Those favoring NAFTA tell us it benefits "America." The implication is that all Americans gain from this alteration of our trade relationships with Canada and Mexico. It gives rise, they claim, to indivisible benefits.

Some Americans do benefit from NAFTA — perhaps even a majority do. But since our economy is complex and our wealth distributed unevenly; some Americans benefit more than others. Moreover, others pay a disproportionate share of the costs. Proponents of NAFTA prefer not to discuss this.

There are many similar examples of disputants claiming or implying that divisible benefits are indivisible. Those advocating abolition of the death penalty, for example, generally claim this will result in indivisible benefits. It will make America more humane. Their opponents often categorize the benefits of retaining the death penalty as indivisible. It will make us all safer. Those championing the "liberation" of laboratory animals assure us the benefit will be a better, more humane world. Their opponents counter that it is animal research that is creating a better, more humane world through medical research.

Generally, disputants are loath to acknowledge that the course of action they advocate will generate both costs and benefits. And they are even more reluctant to admit that these costs and benefits are divisible. That gets us to the first step of the analysis.

"Who will not be deceived must have as many eyes as hairs on his head..".

— German Proverb

Step 1) Determine if the dispute involves a confusion of divisible and indivisible benefits.

Misrepresentation of divisible benefits as indivisible can either be stated or implied, deliberate or inadvertent. Regardless, it still obscures whose interests are being most directly served. That is why, in dispute analysis, explicit or implied claims of indivisible benefit should be deconstructed. Challenge claims of indivisibility by asking, "Who, specifically, will benefit and who is likely to absorb the costs?"

Here is a key indicator that divisible and indivisible benefits are being confused:

- Disputants use reifications which obscure who benefits and who pays. To reify something means to treat an abstraction like "America" as if it were a concrete, even living, thing. (See Chapter 3, Reification)

Absolute and Positional Benefits

Benefits are not only divisible and indivisible, they also are absolute or positional. Here are the characteristics of absolute benefits:

- they are enjoyed in and of themselves (They are often referred to as *intrinsic* values.)
- they tend not to depend upon someone else's sense of value. Consequently, they tend to retain their value for an individual no matter how many people enjoy them
- they need give no advantage over other people or need serve no other ends.

Absolute benefits often relate to passions, commitments and habits of the heart. A hug from a loved one, a caring word, delight in the song of a bird, awe at the majestic sight of a roaring sea, these sorts of things are absolute benefits.

Positional benefits are quite different. They:

- give advantage over other people and
- they tend to lose value as more people acquire them
- their worth depends upon common consensus

Grades, a diploma, a license to practice medicine, currency, precious metals, exotic gems, all are positional benefits. Each would be worthless if they could be had for the asking. Each gives the possessor advantages over others. And the worth of each depends upon common agreement.



Like divisible and indivisible benefits, absolute and positional benefits occur along a continuum.

Disputants often misrepresent positional benefits as absolute. In this way they dodge troublesome issues of fairness. Sometimes they also seek to obscure their real agenda. Some state officials, for example, champion "alternative routes" into public school teaching. They make teaching certificates substantially easier to obtain. Advocates of "alternative routes;" explain these initiatives open teaching to retired chemists, unfulfilled mathematicians, laid-off military personnel and the like — which they do. But teaching certificates are positional benefits. Increasing their availability also decreases their value and diminishes their competitive advantage. This, in turn, drives down teacher's salaries. Could "alternate route" advocates have this agenda in mind? After all, teachers salaries are a major cost of government.

This gets us to the next step of this benefits analysis.

Step 2) Determine if the disputants are misrepresenting positional as absolute benefits.

"To blow and swallow at the same moment is not easy."

— Plautus

Such miscategorization (which can either be stated or implied, deliberate or unintentional) can have serious consequences. Here is an example. President Bush's America 2000 program called for appreciably increasing the high school graduation rate. High school diplomas are positional benefits; yet the President never acknowledged, perhaps never even considered, that increasing the percentage of high school graduates diminishes the diploma's value. If diplomas are more abundant they provide less competitive advantage in the job market; and this severely

disadvantages kids who cannot afford college. By implying that diplomas are absolute benefits, the President avoided this difficult issue and made it appear as if we could have our cake and eat it too.

Symbolic and Substantial Benefits

Now let's lay out the difference between substantial and symbolic benefits. **Symbolic benefits** have worth only within a particular group or among people committed to the values of that group. **Substantial benefits**, on the other hand, have worth across groups and can be used as a means of exchange.

Consider the rank of Grand Knight of the Knights of Columbus. That status has little significance for members of the Rotary Club or the Lions. But to serious members of the Knights of Columbus it conveys high status. Since this is a limited community, that makes it a symbolic benefit. A pack of old love letters are another, even more extreme, example of a symbolic benefit. They may have value for only two people in the world — the ones who exchanged them.

Here are a few other symbolic benefits:

- a high school graduation ring
- your old baseball glove
- a family portrait

In contrast, absolute benefits across groups and often can be exchanged for goods or services. The worth of U.S. currency, for example, is broadly recognized across groups. People of nearly every culture want dollars. That is why U.S. currency is a substantial benefit. Gold, diamonds or platinum are similarly substantial benefits. Their worth is almost universally recognized and they have exchange value. We see, then, substantiality depends upon broad consensus — particularly consensus among powerholders.

Here are some additional examples of substantial benefits.

- a five carat blue diamond ring
- Ted Williams' old baseball glove
- a family portrait by Rembrandt

There is a good deal of public rhetoric about the value of symbolic benefits — particularly from the people who make most of the money. "Pride in one's work," that sort of thing. But powerful people sometimes take cynical advantage of this. For instance, when he was President, Richard Nixon solemnly bestowed symbolic benefits — letters of thanks, military medals, and the like. But in private things were different. Forgetting his Oval Office secret recording machine was turned on, he commented to trusted aids: "Money talks and bullshit walks." Symbolic benefits were the "bullshit" he was referring to.

This is NOT to suggest that symbolic benefits are of no value. Within specific communities they have great value indeed. The love one receives from a faithful spouse or the trust placed in us by our children are symbolic benefits; yet hardly "bullshit."

Like the other benefit types, substantial and symbolic benefits occur along a continuum. Here is such a continuum applied to three forms of "currency."



That gets us to last step of the benefits analysis.

Step 3) If disputants are concentrating on symbolic benefits, consider if it is because they don't want to commit substantial resources.

We should be suspicious when one or another disputant claims to value something, but is only willing to pay for it with a pat on the back. Such individuals might be exploiting our sense of community while cynically reserving substantial resources for things that "bullshit," can't buy.

About Costs

Our benefits typology can also be applied to costs. There are:

- divisible and indivisible costs
(Destroy the ozone layer and it costs us all. Destroy my car and it costs me. That's an example.)
- absolute and positional costs
(Lose a loved one and personal desolation isn't much diminished if many others suffer a similar loss. Lose 10% of income and the impact is much diminished if many others have lost 10% of theirs.)
- symbolic and substantial costs
- (Loss of face, versus loss of income illustrates the difference.)

Cost analysis illuminates controversies in startling ways. Who pays and in what "currency" is often the last thing disputants want to talk about.

Chapter Highlights

To better understand disputes ask:

- Does the dispute involve benefits (or costs) and, if so, for whom?
- What type of benefits (or costs) are they? Divisible or Indivisible? Absolute or Positional? Symbolic or Substantial?
- Is misclassification going on? In other words, is one or another disputant claiming or implying that benefits (or costs) are of one type, when they are of another?

If the answer is "yes," we can be reasonably certain there is more going on than meets the eye.

Other Related Chapters in This Text

9, Nature of Consensus

19, Problems

10, What is Society?

12, Authority

Keywords for Further Data Base Searches

value theory

Charles Pierce



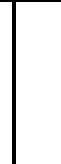
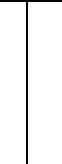
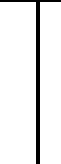

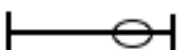




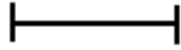
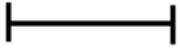
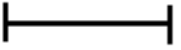



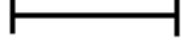
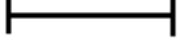
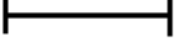



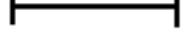
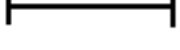
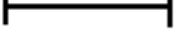
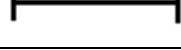
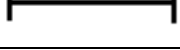
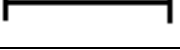
value inquiry

labor theory of value

Karl Marx

Test Yourself

This activity requires classifying benefits or costs. Decide if the listed benefits or costs are more divisible or indivisible, absolute or positional, symbolic or substantial?. Circle the area of the continuum you judge appropriate. Item #1 provides an example.

BENEFIT or COST?					
1. A five thousand dollar salary bonus.					
2. Your ten year old child plays a piano recital in the school talent show.					
3. Your ten year old child plays a piano recital in sold-out Carnegie Hall.					
4. Saving the humpbacked whale from extinction.					
5. Contracting AIDS as a result of illegal drug use.					
6. Contracting AIDS as a result of a transfusion.					
7. Repairing the ozone layer.					
8. Becoming a 32nd Degree Mason (the highest rank in The Free and Accepted Masons — a widely distributed secret fraternal order.)					

Answers: (Expressed here only as which side of the continua the benefit, or cost, is on. Where they are located on the continua is subject to interpretation.)

2. Divisible, Absolute, Symbolic
3. Divisible, Absolute, Substantial
4. Indivisible? (depends on what you value), Absolute, Symbolic? (saving this species could also have substantial value, not just for whaling, but long-term value in terms of scientific knowledge.)

5. Divisible, Absolute, Substantial
6. Divisible, Absolute, Substantial (How you get it does not seem to change the cost typology.)
7. Indivisible, Absolute, Substantial (A damaged ozone layer costs money.)
8. Divisible, Positional, Symbolic