

The Moral Case To Pay Male Athletes More Than Female Athletes

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Abstract:

Professional female athletes have long and bitterly complained that their compensation seriously lags behind that awarded to their male counterparts, and that this situation is unjust. The problem with this argument is that it is based on the labor theory of value, a long-discredited theory that bases worth on inputs rather than outputs. The authors propose a market-based approach whereby male and female athletes are compensated based on what they add to the bottom line. The \$24 million dollar lawsuit settlement awarded to the U.S. women's national soccer (football) team on the basis of discrimination is analyzed from the perspective of economic theory and justice and found to be defective. The arguments used to obtain that settlement are being used in other sports and in other countries to obtain equal pay for women. If this defective line of reasoning is successful, the result will be to actually harm both men's and women's sports.

Keywords : Justice, Pay Gap, Equal Pay, Gender Equity

Introduction

Female athletes often receive far less pay than male athletes. It's a fact. But that is starting to change. A court has awarded \$24 million to the U.S. women's national soccer team for alleged discrimination because the women's team was paid less than the men's team by the U.S. Soccer Federation (Hensley-Clancy, 2022). Partly as a result of that case, the male and female athletes at the next soccer World Cup will split a portion of the proceeds equally. Their subsequent collective bargaining agreement includes a provision that requires the male and female teams to share prize money equally. As a result of this bargaining agreement, the men's soccer team will be required to give half of the \$13 million it received for beating Iran in the World Cup to the U.S. Women's National Team (O'Connor, 2022).

Other countries have been moving in the direction of equal pay for the male and female teams as well. Australia, Brazil, Ireland,

Norway and Spain and some other countries have been mentioned in the press, but negotiations have not yet been finalized (Peterson, 2022). The Wales football team has agreed to pay men and women equally. The men's team agreed to take a 25% pay cut so that the women's team could receive a 25% pay increase (Pearlman, 2023). Equal pay for male and female athletes may be the start of a new trend. It seems like the moral thing to do, since discrimination on the basis of sex is inherently wrong. Right?

In section II we deal with the moral issue surrounding this claim of unfairness. Section III is given over to a consideration of some counter examples. The burden of section IV is to consider the economic effects of equating male and female athletic salaries. We conclude in section V.

Findings and Discussion

The Moral Problem

Not so fast. Let us examine the theory. There is an underlying moral problem with this belief. We begin with the premise that individuals should be able to earn whatever the market says they are worth, and that they should be able to keep the fruits of their labor.

Posit that members of a male soccer team and members of a female soccer team each spend X hours in training each year, and that they burn Y calories per hour of training. Men and women put forth the same amount of effort, assuming this factor can be measured. And let us say that the men receive an average annual compensation of \$1 million, whereas the average female compensation for the same time period is \$100,000. It seems unfair on the surface. It seems obvious that something needs to be done to eliminate this gross disparity in income.

The problem with this analysis, and with this conclusion, is that the entire argument is based on the Labor Theory of Value, an economic theory that has been properly rejected over and over again (Block, 2006; Bohm-Bawerk, 1884, 2011; Cantillon, 2011; Gordon, 1991; Hoppe, 1989; Maltsev, 1993; Mises, 1981; Mortell, 2022; Murphy, 2006, 2011; Reisman, 2006; Steele, 1981, 1992; Stigler, 1958; Vaughn, 1978). According to the labor theory of value, individuals should earn rewards based on inputs, not outputs. Someone who spends an hour making mud pies should earn the same wage as someone who spends

an hour baking cakes. It's a silly example, but it proves the point.

Individuals are worth whatever the market says they are worth, and the market consists of individuals who vote with their dollars or other currency units to purchase A and not to purchase B. It is economic democracy (Citron, 1986; Poole, 1981; Raimondo, 1982), only instead of each consumer casting one vote, they cast multiple votes, one for each dollar or other currency unit.

It is a fact that men's soccer is more popular than female soccer. Let us say that 50,000 spectators are willing to cast 60 dollar votes to watch a men's soccer match, while only 5,000 spectators are willing to cast 20 dollar votes to view a female soccer match. Why should women receive the same number of dollar votes as the men? The voters (spectators) have cast their ballots (dollar votes). They prefer to watch men play soccer. That is their choice. There's nothing moral or immoral about it. They are just exercising their rights to watch the game of their choice.

A similar occurrence takes place in basketball. The men's league, the National Basketball Association, features players who function in three dimensions: north, south, and up. That is, they float above, into the air, with the greatest of ease. Sometimes they are in actual danger of hitting their heads on the roofs of the buildings in which they play. Even the shortest of the players commonly dunk the basketball. In very sharp contrast, the members of the women's league, the Women's National Basketball Association, play in only two dimensions. It is the rare athlete who can even come close to dunking the basketball. It is perhaps for this reason that the former sports league garners far more revenue than the latter, and that the salaries of the two are in rough conformity with these sales figures.

Enter government. Some politicians or government (or industry) bureaucrats demand that male and female soccer player receive equal pay for equal work. If a male team and a female team both play in a World Cup, for example, they argue that they should pool the revenue from the male and female events and share equally, even though the revenue generated from the male event is far more than that generated by the female event. Enforcing equal pay for equal work in this case would be robbing the male athletes of a portion of their earnings and redistributing (Jouvenel, 1952) a chunk of that money to the female athletes, who the spectators have decided (with their dollar votes) they are not entitled to receive.

One solution to the problem would be to pay the players the

same percentage of the gross revenue generated from their match. That would be an improvement over the option to pay women more than they are worth and men less than they are worth. However, even this solution might not be fair to the team owners because they would have to spread their fixed costs over fewer units in the case of the female soccer match. Female team owners could wind up losing money because the lower volume of revenue generated might not be sufficient to cover their fixed costs. This inequity could be solved by paying the players a percentage of net revenue rather than gross revenue. That way, team owners would not be driven into bankruptcy and both male and female athletes would be able to share in the profits at the same percentage rate. The only thing that needs to be negotiated is what that percentage should be.

The payout might be expressed mathematically as follows:

$$R - [a + bX] = PZ, \text{ where}$$

R = revenue

a = fixed cost

b = variable cost per unit

X = number of units

P = profit

Z = agreed percentage distribution to players

Counter Example

Are there any counter examples to the cases in which male athletics is more popular than female athletics? This may be speculative, but consider the following.

Tennis. Here the female variety of the game at least comes within hailing distance of the male. Why? The men are so strong, their first serve is so powerful, that there are fewer rallies in their games. Aces are the order of the day. In contrast, the females are less muscular, their first serve, comparatively, merely meanders over the net, and as a result, longer rallies ensue. Then, there is the fact that both male and female spectators can identify more with the women than the men; both can see themselves, as, possibly, with heroic efforts, able to even take on some of the female tennis players. As

for the male players, the average spectator can only marvel in terms of failure to identify.

Beach volleyball and gymnastics. Here, again, the female variety of these sports is within hailing distance of the popularity of the male variety, and, may, possibly, exceed it. The reasons for this phenomenon, we surmise, has little to do with pure athleticism, and much to do with attire.

Prostitution. This is not usually thought of as a “sport.” But, it certainly calls for at least a bit of athleticism. Younger “players” are usually more sought after, by consumers, than older ones. And here, female “athletes” certainly out earn their male counterparts. Why is this? It all comes down to supply and demand. The supply of each is about the same. But the “demand” that men have for women vastly outstrips the “demand” that women have for men. And why, in turn, is this? Sociobiological considerations (On sociobiology, see Axelrod and Hamilton, 1981; Barkow, Cosmides and Tooby, 1992; Buss, 1994, 2017; Cosmides & Tooby, 1997; Dawkins, 1976; Levendis, Block and Eckhardt, 2019; Pinker, 1994, 2002; Reed, 2017; Ridley, 1986, 1993; Smith, 1976; Symons, 1992; Trivers, R. 1985; Williams, 1966; Wilson, 1975; Wright, 1994) offer the best explanation: men can, at maximum, have hundreds, nay, thousands, of children. Women are far more limited. It is rare that a woman can even enter the double-digit range. As a result, they are biologically hard-wired to be far more cautious, reluctant, even, to engage in sexual intercourse with strangers. Men are biologically less unwilling to share their seed, far and wide. Assuming that the demand for each gender is the same as for the other, the very limited supply of women willing to enter the “oldest profession” would account for their greater remuneration in it.

Economic Effects

What are the economic effects of boosting the wages of female athletes relative to that of their male counterparts. Simple. It is to price them out of the market.

Consider the hypothetical statistics mentioned above: a male athlete earns \$1 million, whereas the woman’s pay is \$100,000. Now, via legislation, we mandate that the wage of both is split roughly down the middle, at \$500,000 for each. We have a very well-established theory in economics to the effect that salaries tend to reflect discounted marginal revenue product, or, productivity for short. Assuming that the previous pay scales reflected productivity,

the employer will be compelled to compensate female athletes at the rate of half a million, while they add to his bottom line only to the extent of one hundred thousand. If he hires such a woman, he will lose four hundred thousand. But he has an alternative. Not to place such a person on his list of employees in the first place. The point here is that this perhaps well-intentioned law, based on economic illiteracy, will spell the death knell for women's sports.

The analysis here is based on that prevails for any minimum wage law (See on this: Batemarco, et.al. 2014; Becker, 1995; Block, 2001; Burkhauser, Couch, Wittenburg, 1996; Cappelli and Block, 2012; Deere, Murphy and Welch, 1995; Friedman, undated; Gallaway and Adie, 1995; Galles, 2014; Gitis, 2014; Hamermesh and Welch, 1995; Hanke, 2014A, 2014B; Hazlitt, 1946; Hovenga, Naik and Block, 2013; Howland, 2013; Klein and Dompe, 2007; Leef, 2021; Lingenfelter, et. Al., 2017; McCormick and Block, 2000; Mincer, 1976; Neumark, 2015; Neumark and Wascher, 1992, 1995, 1998, 2000; North, 2014; Powell, 2013; Reisman, 2014; Rothbard, 1988; Rustici, 1985; Sowell, 1995; Williams, 1982).

Conclusion

There is nothing intrinsic about male athleticism exceeding the popularity of female athleticism. In sports such as baseball, basketball, hockey, the former is far more popular than the latter. There is nothing morally untoward about wages reflecting productivity. In these major sports, female popularity, and hence pay scales, is less than that which pertains to males. Any attempt to rectify this situation by artificially boosting female compensation will lead to their unemployment.

If consumers vote with their currency units to support male athletic events but not female athletic events, it would be a travesty of justice to redistribute (Jouvenel, 1952) a portion of the income the male athletes have earned to female athletes, since consumers have decided that male athletes are entitled to that income, and since it is the male athletes who have earned those consumer votes, not the female athletes. Redistributing male income to females in such situations would be a form of stealing an election, since the male athletes have won the consumer votes. Of course, the same injustice would apply to cases where female athletes have earned more consumer votes than male athletes. It would be a travesty of justice to transfer a portion of the female athletes' earnings to male athletes

in cases where the female athletes have won more consumer votes.

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