

Determining Price without Sacrificing Values

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There is a well known quote from Oscar Wilde that was important enough to him that he used it twice. In the gothic novel, *The Picture of Dorian Gray*, 1890, Wilde has the character Lord Henry say, "Nowadays people know the price of everything and the value of nothing" (1994). Two years later, in the play *Lady Windermere's Fan*, Mr. Wilde has the character of Lord Darlington answer the question "What is a cynic?" with "A man who knows the price of everything and the value of nothing" (1997). British legal scholar and blogger Paul Bernal, in a post reflecting on Wilde's remark and the preponderance of cynics running the present world, puts it this way, "Focusing on the price makes it easy to miss the real value – and can turn what should be complex decisions based on combinations of ethics, morals, culture, empathy, philosophy and understanding of society into much simpler *games* based on numbers and calculations" (2014).

Our operating agreement at NOVA Web Development contains a principle of unity stating that "We want to help build the world we want to live in" (Limited Liability Company Operating Agreement of NOVA Web Development, LLC, 2019). While we do not explicitly spell out just what the world we want to live in looks like, I know for myself at least, as one of the signers of the agreement, that it includes the combination of ethics, morals, culture, empathy, philosophy, and understanding of society of which Mr. Bernal speaks.

As we prepare to launch our cooperative business this Summer in what we hope will become both a means of enjoyable and meaningful livelihood for our members and a benefit to the world in which we live, we face the challenge of finding a price for our product, which is the skill of our members and their combined ability to coordinate their activity to solve IT web

problems for our business partners. We only have two regular business partners at present, whom we have been charging two different hourly rates, \$100 per hour for a large institutional partner which can afford that rate, and \$60 per hour for a smaller social justice non-profit organization which can not. These rates are not too far from the range reported on the Thumbtack website of a national average for web development services of between \$85 and \$125 per hour (2019). Career Karma lists the average salary of a full stack web developer in the US in 2020 at \$91,123. The article breaks down that value to a number of locations across the country and lists a column for entry level developers as well as the general average, with entry level salaries in the range from the high fifties to the high sixty thousands annually (Crabtree, 2020).

To earn sixty thousand dollars in a year for one of our members, which is almost ten thousand dollars a year below the average per capita income in Arlington, Virginia in 2017 of \$69,413, would require two thousand hours paid at \$30 per hour, which amounts to forty hours per week for fifty weeks in a year. The nature of our business at least for a while will be that we will not have anything like continuously billable hours. We also have the fixed cost of a sales person and office manager who can keep the business running, whose earnings will also have to be paid from the billable hours of the developers. That is why we can not go much below a rate of \$60 per hour for our service if we want to stay in business. In order to be able to charge \$100 per hour to partners who can afford it, we are focusing on intensive skill development to make our development team able to draw that rate and leave our partners feeling they got full value from us for our service.

Our three full time cooperators are ready for a few "lean years" as we start our business and establish our reputation. The promise has to be, however, that we will be able to provide for

things like health care, sick leave, paid vacation, and retirement before too long. It is too early for us to have a clear sense of what it will take to make that happen. We are clear on the kind of business partners we want to serve and the kind of relationships we want to have with them. We want to develop a niche in areas like educational institutions, local governments, and labor and community organizations, so that the work we do is consistent with our values and helps build the world we want to live in. We want to make a living, not a killing, and are looking for business relationships based on trust and mutual respect, that avoid the kinds of cut throat, self-interested, neo-liberal social relations so prevalent in business today.

I am convinced such relationships are possible, and that more and more people these days are longing for them. In 2012 my wife and I purchased the apartment where we live now from a husband and wife who were both local community activists whom we knew and greatly respected. Once we knew they were planning to sell the apartment, and they knew we were interested in purchasing it, what took place was exactly the kind of business transaction I would hope to become the model. I often like to describe it in almost comical terms, with the sellers trying to lower the price, and buyers trying to raise it. What actually happened was that both parties were interested more in doing "the right thing" than in maximizing personal gain, and wanted to be sure that they were not treating the others involved wrongly. We agreed that "low market value" was the right way to approach the problem of setting a "just price", and were able to come to terms with no difficulty.

To achieve the world we want our little band of cooperators to be able to live in will require a movement of millions and millions of those of us on the short end of the present economic system stick. If health care was provided as a right to all members of our society, for

example, it would significantly reduce what we need to charge for our service without negatively impacting the quality of life of our members. To make this happen, we at NOVA Web Development will need to actively join together with other cooperators wherever we can find them to demand that the rules of the game be changed. We need to win the right to a full and rich life for all human beings, and to define rules for a new game that prevents those who currently lust after far far more than they need from being able to fulfill their unhealthy desire. In this new game we will be much more interested in the value of things than in their price.

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