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COMMENTARY

Scarcity as a motive of work

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In this commentary, we further Kaplan et al.'s (2025) discussion on why people continue to work long hours, how the nature of work has changed, and what the future of work may hold. John Maynard Keynes's prediction did come true to some extent, as the trend in the number of work hours has declined over the past 100 years (Giattino & Ortiz-Ospina, 2020). We agree with Kaplan et al. that people work for reasons related to our inherent tendency to work, job embeddedness, need for achievement, and other psychological reasons. We argue that Kaplan et al.'s explanations are enhanced by the economic concept of *scarcity* and its implications. Namely, that people do not hold a fixed amount of desires. Although resources that fulfill our basic needs (i.e. water, food, shelter) are less scarce now, new needs (which were previous luxuries) and new desires have emerged that continue to drive work. Furthermore, we propose that people will always work, perhaps longer and harder than necessary to merely survive due to the implications of scarcity. In this commentary, we define scarcity and explain how this fact of life drove human work behavior throughout history to today and how it will continue to do so.

Why we work today

There is an economic story to explain the supposed incorrect prediction of Keynes: We live in a world of scarcity. Economists define scarcity as the condition where not enough of a resource is freely available to satisfy all our wants (Gwartney et al., 2020). In other words, there are limited resources but unlimited wants competing for those resources. The desired scarce resources could be crucial for survival such as food, or a luxury such as a new sports car. Scarce resources vary in their level of scarcity. They can be plentiful, like drinking water, or rare such as the Mona Lisa. The important takeaway here is that, for the economist, "scarce" does not mean rare. Scarcity is a condition of the world not a characteristic of a resource: There are simply not enough of the resource to satisfy all competing wants. "Scarcity" as a motivator of work discussed in this paper is related but broader than how others like Cialdini (2006) use "scarcity." Caildini uses "scarcity" to mean something is relatively rare and thus (seemingly) more valuable, enticing people to pay a higher price. Marketers try to make the resource appear *relatively more scarce*, thus commanding a higher price. A resource is always scarce because of competing wants for the resource. The more competing wants, or less of the resource available, the more scarce it is.

Implicit in the existence of scarcity is the necessity of trade-offs. Because there are virtually unlimited wants but limited resources, people make choices on what ends to satisfy: Do I use water (a scarce resource) to wash my car (desire) or slake my thirst (competing desire)? Do I retire early or work longer to upgrade my house? Economists argue people have preference rankings of these various trade-offs and act upon them, satisfying higher valued wants first and lower valued wants later. Consequently, as the higher valued wants are satisfied with fewer resources, it opens newer, lower valued uses to being satisfied. Furthermore, these lower valued wants, as they become

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common enough, may end up being considered necessities, even when they were luxuries before. In short, we advance to a new, higher standard of living. That standard becomes commonplace, and mankind strives to advance again.

Let's take, for example, domestic labor. Domestic chores used to be very labor-intensive, requiring many labor hours to accomplish. Washing laundry required each item to be hand washed, dried on a clothesline, and brought in when finished. With the invention and proliferation of the washing machine, the time needed to wash laundry dropped precipitously. The labor hours per load of laundry are probably less than 20 mins. Domestic laborers (mainly women) now had much more time on their hands. They could choose to take leisure or choose to spend those hours in other ways. Many women chose to spend these newly liberated hours by joining the workforce.

What constitutes a want or desire changes over time. We have our basic desires (food, shelter, companionship, etc.). For much of human history, most of our efforts were devoted to obtaining scarce resources that satisfy those basic desires. Indeed, standards of living were little changed from the ancient world up through the 17th century. Beginning in the 18th century, however, the Industrial Revolution greatly increased productivity. New innovations arose that economized on labor and time (two of our most scarce resources), and standards of living exploded. From 1800 to 1900, global standards of living rose by more than the previous millennia, and the pace accelerated in the 1900s.

As people got wealthier, their basic desires of food security, shelter security and companionship were satisfied using fewer resources. Thus, the trade-off we have discussed came about: Does one use the newfound time for leisure or for work so that we may satisfy other desires? Some will choose leisure, as shown by a recent study by Miller et al. (2024). Miller et al. provided guaranteed monthly payments of $1,000 for 3 years to low-income individuals. They found those who received the guaranteed income used it to work less and focus more on leisure. However, other workers have made alternative choices as they receive more income. For instance, Elon Musk continues to work despite his net worth in the billions. For these types of individuals, we agree with Kaplan et al. that the need for achievement or an intrinsic enjoyment of work drives their long work hours.

The focal authors rightfully note the constant striving by individuals such as Musk can come at a cost to the people ambitious enough to pursue them. Adam Smith, the first economist, recognized this problem as well in his book on moral philosophy, *The Theory of Moral Sentiments* (Smith, 1759 [1982]). Smith gives a parable of the Poor Man's Son who is unhappy being a poor man's son and imagines he can be more tranquil with wealth. In order to satisfy his desire for a comfortable life, the man constantly works, invents, and strives to serve others. The ambition makes the man unhappy, but he has made everyone else better off. This similar ambition, we argue, helps explain why Keynes's prediction did not come true to the extent he thought.

Today, most people do consume more leisure compared to our ancestors, but we also discovered more desires than just to live. We want to live well. As basic needs are satisfied, resources such as labor and time can now be devoted to lower value desires: music, art, entertainment, travel, education, and so on. We now work for these things. To the extent we value our consumption of those desires more than strict leisure time, then we need to work for them.

Furthermore, what we considered "basic desires" has shifted as well: Housing is not just a ward against the elements but needs central air and regulated heat. Ovens replaced fire pits, but more so, we need air fryers and pizza ovens and all sorts of specialized equipment. So, we work more to afford these things, which are more scarce and relatively more expensive than the things that fulfill our basic needs.

Time is scarce, and many work harder today in hopes of having more leisure time tomorrow. Adam Smith discussed in *Wealth of Nations* how we use innovation to try and get more leisure time. He gives an example of a boy whose job is to open and close steam valves. The boy rigged up a machine to do it for him so he could go play with his buddies (Smith, 1776 [1982]). We invent

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machines to do more for us that allows us to develop new things, trade with others, and expand our well-being. Some of that well-being may include downtime or it means learning a new skill for fun and becoming profitable at that.

In conclusion, Keynes's prediction did come true, but not to the extent he thought it would because he underestimated the development of new wants and desires of people. Keynes had an implicit assumption of a fixed amount of desires. Once those desires were satisfied, nothing new would replace them. We argue that desires are not fixed but rather constantly evolving. Some, like the ambitious poor man in Adam Smith's story, work like a dog and make themself miserable. Others, like the boy, want to consume more leisure. Others still develop new skills that become new labor as they produce art, movies, music, video games, and so on. Combining economic insights about the nature of scarcity and trade-offs enhances the focal authors' discussions on various psychological factors of work.

Why we will work in the future

The trade-off between fulfilling new desires and leisure time explains why we work today and why, we suspect, that we will continue to work in the future. We may not be able to make precise nor certain predictions of the characteristics of that work; however, we will always live in a world of scarcity, and people will always be searching for better living conditions or discover new desires that can only be fulfilled by using scarce resources. In the future, homes and vehicles will be even more comfortable, entertainment will be even more grand, and technology will be even more helpful. There will be additional desires that we cannot possibly dream of today. Labor will subsequently evolve to satisfy our new desires for these improvements. Absent statutory requirements, actual labor hours may not decline much at all even as we become more productive, and, consequently, wealthier. Many will continue to work on developing ways to be more and more efficient and inventing technology that works for us so that we can have more leisure time in the future. This may result in a further reduction of work hours, but will it ever dwindle to a mere three hours a day, as Keynes said? One can hope.

Conclusion

Kaplan et al. rightfully note predictions of declining labor hours throughout history have been overplayed. Some, like Keynes and Thomas More, saw the decline as paths to utopia. Others, such as the Luddites, saw declining labor hours as paths to perpetual poverty. But all failed to significantly appreciate just how driven humans appear to be to constantly seek a higher status of living and to invent new desires and wants. These desires can be a double-edged sword. They can lead to fantastic innovations that improve the lives of billions. But they can lead to misery for those with boundless ambition. Regardless, we think these evolving desires help explain why predictions of the demise of labor tend to be overstated. Our current set of desires can be satisfied with fewer and fewer resources, and that in turn allows more desires to be fulfilled or discovered. We work in order to afford a good life. But what constitutes a "good" life is constantly shifting.

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