



“Summary of article by Staffan B. Linder: The Increasing Scarcity of Time” in Frontier Issues in Economic Thought, Volume 2: The Consumer Society. Island Press: Washington DC, 1997. 64-67.

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### **“Summary of article by Staffan B. Linder: The Increasing Scarcity of Time”**

Roy Harrod once proposed that we may one day find ourselves unable to consume more goods simply because we will have no time to service and maintain them. His "consumption maximum" contrasts starkly with the long-standing belief that economic growth advances the development of mind, spirit, and culture. This summary argues that economic growth leads people to optimize the use of time they spend consuming goods by increasing the amount of goods consumed and decreasing the amount of time spent with each.

Modern affluent societies are characterized by an increasingly hectic pace of living, growth-oriented economic policies, and wasteful service economies. In wealthy countries, economic growth rather than cultural advancement continues to be a central policy goal even though general welfare has advanced to the point where most people can satisfy their basic material needs. This is paradoxical since the historical image of an affluent society is one in which the satisfaction of basic needs leads to individual and cultural development. The increasing scarcity of time is the root cause of this paradox.

### **Time as a Scarce Commodity**

A commodity becomes scarce when demand for it exceeds available supply. Like other economic resources, there exists a certain supply of and demand for time in either leisure- or production-oriented activities. Obviously, work takes time just as experiencing the pleasures of a good cup of coffee requires time. In an affluent society, the demand for time is often much greater than the available supply of time.

As a scarce commodity, time is subject to the principles of economic laws that assert the importance of optimizing the use of one's time. The economic strategy for optimizing one's time is analogous to the manner in which one tries to get the most for one's money.

When spending money, one presumably tries to balance one's expenditures in such a way as to obtain the best possible yield. This means that one will probably refrain from spending all one's assets on a single commodity. One will instead distribute one's expenditure over a variety of different goods and services. The optimum situation will have been reached when it is impossible to increase satisfaction by reducing expenditure in one field and making a corresponding increase in another. A more technical description of this condition of equilibrium would be to say that the marginal utility of one dollar must be the same in all different sectors of expenditure.

In the same way, one tries to economize with one's time resources. They must be so distributed as to give an equal yield in all sectors of use. Otherwise, it would pay to transfer time from an activity with a low yield to one with a high yield and to continue to do so until equilibrium had been reached. [3]

Time use optimization is a common practice; for example, if reading this summary seems like a waste of time, the reader will spend his or her time elsewhere.

### **The Increasing Scarcity of Time**

In periods of economic growth, increases in worker productivity raise the yield from time spent at work. Time spent in leisure activities must then also produce a higher yield to keep pace with the increased yield on time at work. For example, socializing may be oriented toward meeting business contacts, or reading could be directed toward self-improvement. Another method for raising the yield on time spent in consumption (that is, Consumption time) is to increase the amount of goods consumed per unit of time. If this method is chosen, then less time must be spent on each good to bring the yield on consumption time in line with that of the increased yield on production time.

### **A Basic Problem in Social Science**

The increasing scarcity of time has broad implications for our attitudes toward many social problems and behaviors, but these issues are not systematically explored by any social science. Psychologists recognize that some human disorders may be related to the effects of living under severe temporal constraints. Sociologists describe how individuals or groups allocate their time in and out of work. Anthropologists examine the attitudes toward time in different cultures. No theoretical explanation of time allocation has been achieved by any of these disciplines because each fails to understand that the problem of time use and allocation is a problem of economizing an increasingly scarce resource. Surprisingly, economics—a science that is devoted to the study of the allocation of scarce resources—misses the significance of time as an economic resource. Typically, economics regards work time as a scarce resource and consumption as an instantaneous act that has no temporal extension:

. . . when economists try to state the connection between the "utility" of a certain commodity and the amount of that commodity available, they never take into account the time an individual has at his disposal to consume the commodity in question. In economic theory, the pleasure an individual can be expected to derive from a couple of theater tickets is not taken to be dependent in any way on the time he can devote to playgoing . . . . The utility of theater tickets cannot be established without knowing whether or not the ticket holder has time to use them. [7-8]

This myopic view of time leads to two serious flaws in economic theory: the assumption that nonwork time is noneconomic time, and the belief that economic growth results in increasing amounts of free time.

## Why This Neglect of Time Analysis?

Historical and conceptual factors explain why economic theory has avoided the analysis of consumption time as an economic resource, along with time analysis in general. With respect to history, early economists defined their field at a time when goods scarcity dominated all problems and time scarcity was not an issue. Changing circumstances have not brought about a change in scope.

Conceptually, the term "economic growth" conjures images of total affluence, where numerous economic opportunities grow simultaneously. These images contrast with the "partial" nature of economic growth, where a limited time supply is subject to growing demand. A different sort of conceptual mistake is the assumption that material well-being for all leads to the consumption of fewer goods and the cultivation of mind and spirit. This optimistic assumption continues to cloud our vision of an era in which time scarcity has led to increased goods consumption.

## A Framework for Discussion

Time is not a homogenous entity that responds uniformly to economic growth. Time is used differently in various aspects of life, and, as one might expect, economic growth affects differently each sector of time use. The most important sector is *work time*) which is the amount of time spent in specialized production. Changes in the productivity of work time influence the supply, demand, and distribution of time in other activities. *Personal work time* is the amount of time spent on production of services and the maintenance of goods and of one's body. *Consumption time* is the amount of time spent consuming goods. *Culture time* is the amount of time spent cultivating the mind and spirit; the use of goods plays an incidental role if any in this time sector. The final category of time is *idleness time*, which is the amount of time spent being passive and experiencing a slow pace of life. If we take *work time* as a given, and since *personal work time* is a function of the goods we own and of our bodily needs, then the trade-offs on which we must focus are those in the last three categories: time used for consumption or for culture, or time that is simply allowed to go by.