

Public Ethics Radio

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Transcript of Episode 6, Robert Goodin and Lina Eriksson on Discretionary Time

Released December 17, 2008

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MATT PETERSON: You're listening to Public Ethics Radio. I'm Matt Peterson. This podcast features conversations between our host, Christian Barry, and scholars and thinkers who engage with ethical issues that arise in public life. The show is a production of the Centre for Applied Philosophy and Public Ethics, an Australian Research Council Special Research Centre, in association with the Carnegie Ethics Studio at the Carnegie Council for Ethics in International Affairs. You can find us on the web at www.publicethicsradio.org.

MATT PETERSON: I'm looking for an apartment in New York. I'd like to live in a reasonably safe and convenient neighborhood in northwest Brooklyn, so I'm looking at about \$1400 a month to rent a one-bedroom apartment.

Now, if I work as a freelance editor and make \$20.00 an hour net of taxes, I have to work about 16 hours a week to cover the cost of that apartment. That means about two work days go just toward paying rent. Ouch.

Of course, involved in that cost calculation is a crucial choice on my part. I'm choosing to spend my time working to pay high rents. I could just as easily move to Pittsburgh and pay almost of third of New York prices, and spend only six hours a week to pay for my housing.

That is, just because I do spend all my time working to pay my rent doesn't necessarily mean that I'm time-poor. I don't have to work too many hours to escape poverty. It just means I've chosen to dispose of my temporal resources in a certain way. But are all choices about the use of time like this? Is choosing to raise a child like choosing to rent an expensive apartment? And do ordinary measures of well being, like income, capture the importance of discretionary time—that some have to work so long and other so little to meet their basic needs?

These are the kinds of questions raised by Bob Goodin and Lina Eriksson, both of the Australian National University, in their book, *Discretionary Time*.

Along with their coauthors, James Rice and Antti Parpo, Goodin and Eriksson examined data from six countries to better understand how long a person has to work in order to live above the poverty line.

The ethical importance of discretionary time is the subject of today's conversation. Bob Goodin and Lina Eriksson sat down with Christian Barry in Canberra, Australia.

CHRISTIAN BARRY: Lina Eriksson and Bob Goodin, welcome to Public Ethics Radio.

LINA ERIKSSON: Thank you.

ROBERT GOODIN: Thank you.

CHRISTIAN BARRY: A lot of modern thinking about the question of social justice is an attempt to come up with principles for evaluating policies and social institutions, and in the last 20 to 30 years at least, different theories of justice have had certain characteristics. They've tended to focus on the effects of different institutions and policies on human welfare, and, indeed, the welfare of individual human persons. And one of the things that has been warmly in dispute among theories of social justice, and also within development economics, is how we should conceive of well-being or human welfare from the perspective of evaluating these institutions. Some of the common measures include income, command over resources, and of course the old favorite standard of utility, either understood as pleasurable states or in the satisfaction of preferences. But in your recent work, you've been contending that some important elements of well being, and in fact some practically useful measures of well being have been left out of these discussions.

LINA ERIKSSON: Yeah, so, in order to do something, you need not only resources, but you need time. Almost anything that you want to do with yourself, with the world—any projects that you want to engage in requires you to have time. And so one of the things that we wanted to focus on that has been left out of the standard accounts of well being is control over your time, or temporal autonomy. That is, the ability to decide for yourself what you want to put time into, instead of the standard account, which just normally involves control over monetary resources. It's income, or it's other kinds of material goods.

ROBERT GOODIN: One of the things that started this project was a joke that was told during the Clinton administration. It goes like this. Don't you know Mr. Clinton has just created three million new jobs? Everybody is really well off in America these days. Response: Yes, I know, I have three of them. The thought was that well, it's one thing to have low poverty rates calibrated in money, but if a lot of people are having to work three jobs, if a lot of people are having to put in overtime to get poverty level income, then that's not nearly as impressive a performance as it seems to be.

So one of the things that we did at the very start of this project, and refined endlessly throughout it, was simply to look at two measures of poverty. One is, is the sort of income poverty measure that you get in all the World Bank and OECD reports: what proportion have less than half median equivalent income to run their household on. And those numbers you know range from say five percent in Sweden to about fifteen percent in the U.S. in the period we were looking at. But then take into account that joke. You know, what proportion of people work forty hours or less a week to get to the poverty-level income. If you ask for a combined measure of poverty, taking into account both how much income you have and how much time you have to spend to get it, then the poverty rates double.

So in Sweden instead of five percent it looks like ten percent of the people are either time poor or money poor. In the U.S., instead of fifteen percent, thirty percent of the people are time or money poor. And alas for our own country Australia, over half the people in the period we were looking at in the 1990s are either time or money poor. So, taking into account this consideration of the time it takes to do something, as well as the money it takes to do something, makes a heap big difference to what the world looks like.

CHRISTIAN BARRY: So just to clarify, someone is not time poor simply because they work many hours. The idea you have of temporal autonomy and discretionary time is a different idea than leisure time or spare time, which has in some types of measures been used before. Could you explain what the main differences are?

ROBERT GOODIN: So this is the first thing that we did upon noticing the statistics deriving from this joke. We said yeah, well, OK. It's one thing if they're working all those extra hours voluntarily. If they really are enjoying their jobs. Or just greedy and piling up masses and masses of money and just enjoying their money. It's another thing if they have to work those hours to get just a poverty level income.

So our first main refinements of this project are just calculating discretionary time in terms of how long they have to work instead of how long they actually work to get a poverty-level income. People probably want to work longer than that because people by and large don't want to live at the poverty level. And that's fine by us, we have nothing against people working longer hours than are strictly necessary, we just want that to be strictly recognized as a choice of how people can use their discretionary time or income rather than something they have to.

LINA ERIKSSON: So you can compare this with a person who can only make a poverty-level income, regardless of how hard they work, and with a millionaire who has an enormous income but spent it almost all on a mansion, and a Porsche, and a Lamborghini, and a big pool, and then complains afterwards that he has trouble paying his phone bill. Now we would be much more concerned for the first person who has not spent the money on a mansion and a Porsche and so on and has trouble paying the phone bill. Because that person has trouble doing the necessary stuff. Whereas the millionaire has had all that money and has chosen to do things with it.

And remember we are never saying that people are stupid in making the choices they are making that are making them feel time pressured. There's nothing wrong about the corporate lawyer working 60 hours. It's not that that person is making the wrong choice in any way. It's rather that that it is a choice. You can choose to not fit in with the social group that requires you to work sixty hours and live only for your job.

And that's one of the things that we want to capture. There's a difference between saying "I will no longer be an upper-class corporate lawyer if I didn't work the hours I did" or "I would not be able to feed my kid if I did not work the hours I did."

CHRISTIAN BARRY: On this issue of choice, one of the, one of the things that you indicate is a major expense in terms of discretionary time is having children. And obviously with any measure of well-being, we're interested in how well off people are in public policy because we're interested in what we can do to make them better off or what our responsibilities are to address shortfalls or inequalities in this metric. So, is having children, and the choice to have

children, which makes you temporally worse off, is that a choice like deciding to be a corporate lawyer and deciding to work all these hours? Or should we take a different attitude toward the loss of time in this case rather than the other case, and on what basis?

LINA ERIKSSON: Well, some people do think of the choice of having children as pretty much as the equivalent of the choice of having pets. To get a dog you need to walk the dog; it'll take up some of your time. But in important respects, having children is not like having a dog or working 60 hours as a corporate lawyer.

Having children is not only a private matter, but also a matter for society. Children are necessary for a well functioning society; they are necessary for all of us. And if people did not have any children then that would be bad news for the whole of society, not just for the parents who didn't get that pet.

Now, therefore, there is a reason to compensate people who have children for the loss of time that they experience, because they are providing a service in a sense for society, for the rest of us.

Now, you might argue that so do the corporate lawyers. They provide a service for society. People who work long hours are often are very—they produce something in those long hours that often is beneficial for society. That is true, but they are also compensated for those hours through their paycheck, whereas people who have children are not compensated fully in that sense for what they're doing.

Now, having children is not just misery and time pressure, there are certainly rewards. But the, those rewards are nothing like the full compensation that you would get as a corporate lawyer through your paycheck for the many long hours that you put in.

CHRISTIAN BARRY: We're going to take a short break, and we'll be back with more from Lina Eriksson and Robert Goodin.

MATT PETERSON: This is Public Ethics Radio.

CHRISTIAN BARRY: So, in your study, you examine several different countries, which have different types of institutional regimes, or which are characterized in terms of different types of welfare-state regimes. In terms of their impact on temporal autonomy, this idea that the shares of discretionary time that people have under them—could you just describe a bit what some of the results were of the study?

ROBERT GOODIN: The findings in terms of discretionary time are similar in their basic pattern, and reinforce the findings about money, poverty and equality that you are used to seeing in all of the comparative welfare state studies. In Finland and Sweden, people, on average, across the whole country, seem to have about ten hours more discretionary time a week than they do in Australia and the U.S. Ten hours a week more discretionary time, you know, it's sort of like not going to work on Tuesday. Right? I mean that's a lot of extra control of your time.

We were also interested in what sort of policy levers governments can use to or—and that they do use to try to increase discretionary time. We looked at three that we could find good data on that was cross-nationally comparable. The three are taxes, public transfer payments—welfare

payments, generically—and child-care subsidies. Either free provision of child care, or tax rebates of child care costs, things like that.

We find that pretty much every country helps lone mothers especially with taxes, transfers, and child-care support that are worth about six hours a week of her discretionary time. Every country except Germany. If you're a lone mother, we recommend leaving Germany. They cost you six hours—they take that much from you as a lone mother.

There are two other things that governments crucially do. One of which we tried to model, and one of which we just have deep background evidence on. The one we tried to model is the divorce regime. There are different rules on which you can divorce, different ways which you can arrange your affairs when you divorce.

We model various ones of them. One of them is the old fashioned model of divorce where Daddy leaves, Mother gets the kids, mother is responsible for the care of the kids, entirely for the financial support of the kids, being a mother on that basis is not good news anywhere. But it's much less good news in the U.S. than any of the other countries we looked at.

A second model is one in which the father when leaving leaves the kid in the care of the mother but at least pays his half of the extra cost of having kids. That's worth about five or six hours of discretionary time in all these countries. More in the U.S.—more like eleven hours in the U.S. to the lone mother.

A third regime is one in which the extra monetary costs and the extra time it takes to take care of the kids are both split equally by the divorcing parents. And there the mother is usually just a little bit worse off than the man, because she has a little bit worse wage rate on average in all these countries. But if we could somehow move to that sort of regime, lone mothers would be another six hours better off over and above the position they would have been in if they just got the money from the husband.

The third thing that government can that is unfortunately outside of our study, but is almost certainly a very major driver, is influence the wage rates of women in general, lone mothers in particular.

Right. So, influencing the wage rates of lone mothers is a crucial difference between Sweden and the United States, for example. The Swedes have long had a policy of wage equalization across the board, and gender equality in wages. This flows through to the lone mothers as well as all other mothers in Sweden. And so when you look at Swedish lone mothers' wage rates, you find that they're actually quite high compared to the national average. They're 87% of the national average.

In the United States, lone mothers' wage rates are only 66% of the national average. If you ask why the lone mothers in the United States have to spend a lot more time earning at least a poverty-level income, the answer is that they're on a lower wage rate and so lower wage rates mean you have to work longer to get the same amount of money to get out of poverty. So that's a third thing that governments can and in some places do to try to improve people's discretionary time, is raise and equalize wage rates.

LINA ERIKSSON: And the way we influence, the way governments influence these three different things is through a mix of, as Bob said, is through a mix of policy instruments. And they're often interconnected in important ways. So, for example, as we've already touched upon, one reason why, one reason why lone mothers wage rates' are not so low in comparison to the average ones, in say, the Nordic ones, is probably that in these countries it is more acceptable to work part-time jobs.

Now, why is it acceptable to work part-time jobs? Well, one of the reasons for that is that the government has been working very hard to create incentives for employers, such that part-time work is acceptable. Another one, another reason is that there is a strong pressure towards both parents working part-time if they have small children, both children being home with the baby, when the baby's born. Which means that employers have less reason to expect only mothers to work part-time, and have less reason to forgo promotions for the lone mothers or only mothers. If the pressures of having children are spread more equally across the population, then the kind of discrimination, the kind of disadvantages it involves in, for the workforce of having children, will disappear.

MATT PETERSON: This is Public Ethics Radio. We're talking to Bob Goodin and Lina Eriksson of the Australian National University about their book, *Discretionary Time*.

CHRISTIAN BARRY: One of the things, of course, when focusing on money metrics that economists typically focus on when they're talking about how well things are going within a country is what the rate of growth is, and perhaps what the poverty rate is and how it's distributed. To what extent is time, and discretionary time, like or unlike money?

That is, a lot of the things that we've been discussing now have been issues of ensuring that people have at least some minimal threshold of discretionary time and also talking about some inequalities, or ways of evening out inequalities in discretionary time. But what are, what are the main measures of making the whole size of the pie, in terms of discretionary time, larger. What kinds of changes do you think, or quite significant long term changes would have to be the case for longer-term discretionary time to be expanded generally within a society. That is, for us to have good, strong growth in discretionary time.

ROBERT GOODIN: One of the interesting things about time, of course, is that it's the ultimate scarce resource. Nobody has more than twenty hours—

CHRISTIAN BARRY: Speak for yourself!

ROBERT GOODIN: Nobody has more than twenty-four hours per day, nobody has less than twenty-four hours a day, so there's no notion in which you can maximize time. What you can do is maximize discretionary control over time. Maximize autonomy in how you choose to use your time, to minimize the sort of constraints on how you're allowed to use your time, consistent with the other requirements and demands, pressures on your life. So if you're looking for ways to grow discretionary time, it's not really a growing pie of the sort you think of when you think about economic growth. It's rather a sort of liberation exercise, reducing the constraints and limits on what you can do given what all else you have to do.

LINA ERIKSSON: There will be some uses of time, such that a certain amount of time is necessary, and it will be very hard as a government to change that. So

CHRISTIAN BARRY: We all need to sleep a reasonable number of hours.

LINA ERIKSSON: We all need to sleep, et cetera. Yes, so there are some biological needs. In a sense, regardless of how we distribute the responsibility for children, children also require time. There's nothing anyone can do about that, as such. So the main thing that we can influence when it comes to changing the amount of discretionary time, will be probably have to do with how much, how long hours you need to work in order to earn poverty-level income. That's where most of the change can happen.

When it comes to time, I think many, there will be more emphasis on redistribution of the burden in comparison perhaps to money. So when we speak of money, and monetary poverty and inequality, redistribution is always a big issue. But so is economic growth, making the pie bigger. With time, there's a little bit of that that we can do, in lowering the time that people have to have to put in to the necessary things in life. But my guess is more of the redistribution issue will be the more important one.

ROBERT GOODIN: Getting a metric for autonomy, you phrased this, and I don't resist your phrasing this, as a story about well-being. About how we measure well-being. And certainly temporal autonomy and having discretionary time is an aspect of well being. But of course philosophers rightly think that autonomy is a value in itself., and a quite important value. But one of the interesting aspects of this study is that, arguably for the first time, we've actually found a way of putting a metric for autonomy. It shows how free you are in some not deeply philosophical sense, but a practically important sense. How free you are of the strict necessity to go out and earn, in a monetarized economy, at least a poverty-level income, how free you are of demands to take care of your own body, or demands to take care of your household.

In terms of influencing public policy, if you don't have a number, you don't get a look in. The virtue of being able to put a number on autonomy is that with any luck at all, you can now feed this through the national census bureaus, the national statistics offices, start collecting data that will show how much or little autonomy of at least this sort people have. And once you have a number, policy-makers and people can start focusing on how to make that number better from their point of view, and better from our point of view.

CHRISTIAN BARRY: Well, one thing that did occur to me, just reading, reading through the book, is what a shame that we couldn't have this for all the countries in the world. And particularly in developing countries as well, and I hope that somebody will sort of take it up and extend it

ROBERT GOODIN: All in favor of it. I think the greatest barriers to implementing that ambition is going to be getting reliable measures of how long it takes to earn a poverty-level income in countries where poverty is not a function so much of cash income and earnings, rather than other sorts of investments of your time in subsistence agriculture, in organizing swaps, in trades and barter, in terms of helping out with the sort of family business, and sort of large extended families taking care of their own. You're not going to get standard measures of income telling us what it takes in time terms to earn your basic needs in a material sense, in those sort of countries. So some different sort of design will have to be employed.

LINA ERIKSSON: And for the countries where we would have difficulties calculating the time necessary to earn a poverty-level income, the normal measures of monetary poverty fail miserably as well, for these particular reasons that people spend a lot of their time and their effort outside the monetary economy, or outside the cash economy, making their living.

So in a sense, when we're saying that discretionary time would be a good approach even if it's difficult at the moment to figure out how to calculate, we're actually saying that it would pick up on many of the things that we know are left out when we analyze these economies. Then that enormous number of hours that, for example, many women have to spend getting water, getting fuel, and that we know make a huge difference to their well-being, but that the monetary poverty level studies cannot pick up on. So where we have a problem—where the discretionary time approach, rather, has a problem—is exactly where all the standard measures of income already have a problem. And for the very same reason.

ROBERT GOODIN: But we actually are conceptually open to expanding in that area, that they aren't.

LINA ERIKSSON: Yeah, we know what we should be looking for, so we're looking in the right, in the right spot. Even if we haven't yet developed how to measure it.

CHRISTIAN BARRY: Lina Eriksson and Bob Goodin, thank you for joining us on Public Ethics Radio.

ROBERT GOODIN: Pleasure.

MATT PETERSON: Thanks for listening to Public Ethics Radio. And thanks especially to Barbara Toterdell, who helped immensely in the production of this episode. We'll be back soon with another conversation about public ethics. In the meantime, you can find out more about us and our guests on the web at www.publicethicsradio.org.