

## Leisure

What is “leisure”?

Merriam-Webster's online dictionary defines it as “freedom provided by the cessation of activities; *especially* : time free from work or duties” while the Oxford English Dictionary suggests it is “The state of having time at one's own disposal; time which one can spend as one pleases; free or unoccupied time.<sup>1</sup>” [Both note that the adjective “leisurely” describes an action that is done without haste, in a relaxed way.] In common parlance, attendance at a relative’s funeral or time spent voting would therefore not generally be seen as “leisure”, because time spent on an activity due to a sense of civic or familial duty cannot qualify.

“Leisure” is therefore a problematic concept for economists, because the context and subjective interpretation of an activity is crucial to deciding whether it should be counted as work, duty or leisure – cooking or driving are, for example, activities that may be performed as parts of a paid occupational role, as a duty or for personal enjoyment. It is, in fact, not easy to think of an activity or time use that is not done sometimes for pay, sometimes for duty and sometimes for pleasure – perhaps by different people, but sometimes also by the same people. In many [universities, the subtleties of such distinctions are explored in departments of “Leisure Studies”, which is now a recognized area of academic teaching and research. Peer reviewed journals such as “Annals of Leisure Research” or “Leisure Sciences”<sup>2</sup> report the latest research on leisure activities. Specialists can attend academic conferences organized on such themes as "Serious and Casual Leisure<sup>3</sup>".](#)

However, for many economists, “leisure” is simply the “*L*” in labor supply theory. This approach starts, in a one period model, with each individual maximizing a

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<sup>1</sup> See <http://www.m-w.com/> and <http://www.oed.com/>

<sup>2</sup> For a fuller listing, see <http://www.staff.vu.edu.au/lswp/jourfrme.htm> or <http://www.leisure-studies-association.info/LSAWEB/Index.html>

<sup>3</sup> See <http://www.leisure-studies-association.info/LSAWEB/Serious.html>

utility function, where  $U$  is the individual's utility level,  $C$  represents consumption goods and  $L$  is leisure time, as in equation (1):

$$\text{Max} \quad U = u(C, L) \quad [ u' > 0 \quad u'' < 0 ] \quad (1)$$

The wage rate available in the paid labour market ( $w$ ) and total time ( $T$ ) are seen as the fundamental constraints facing individuals. In this framework, the problem of utility maximization can be equivalently seen as one of “labor supply” or “leisure demand” since total time is divided between hours of paid work ( $H$ ) and leisure time ( $L$ ).

$$H + L = T \quad (2)$$

$$C \leq wH. \quad (3)$$

In this perspective, “leisure” is whatever “work” isn't – i.e. leisure is a residual category, which is rarely examined directly or defined explicitly. Standard practice in economics journals is to focus on the hours of work decision – and usually “work” is interpreted to mean “paid employment”. In the JSTOR database of the top 26 economics journals, a keyword search<sup>4</sup> for “leisure” in archived articles published since 1995 yielded 823 “hits”. Of the top 100, sorted for ‘relevance’, only 25 had an explicit verbal definition of “leisure” – in most cases “leisure” was defined implicitly, as in equation 2 above. If one discards the three articles discussing consumer demand for “leisure goods”, and focuses on time use, one finds the overwhelming majority of articles used leisure as a synonym for “non-market time<sup>5</sup>” – only 3% recognized the possibility of “on the job leisure” [but the definition was similarly residual (a lack of work effort) and implicit (e.g. Dickinson, 1999:639)]. Relatively few articles (about 15%) considered the possibility that home production (e.g. shopping time) may be a form of “work”, while a similar percentage (about 13%) argued that time spent in schooling or training preparatory to

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<sup>4</sup> Conducted in July 2005

<sup>5</sup> When working time is defined as equal to hours of paid employment, commuting time is implicitly defined as part of “leisure”, although it is plausibly an intermediate input into paid employment. Although Putnam (2000:212) has ascribed much of the decline in civic engagement in the USA to increased commuting time and commented that “American adults average seventy-two minutes every day behind the wheel...more than we spend cooking or eating and more than twice as much as the average parent spends with the kids”, commuting time is strangely absent from most labor/leisure models.

paid employment is not leisure. For a few articles (3%), “leisure” was the residual time available after paid work and some other alternative, such as criminal activity.

However, although  $L = T - H$  is the dominant approach, it has long been recognized that classifying time use as “work” (painful) or “leisure” (pleasurable) can be a bit oversimplified. A large body of research indicates, for example, that the unemployed are typically quite unhappy<sup>6</sup> - time spent in unemployment seems to be qualitatively different from non-work time spent in other ways. In general, people tend to rank their jobs fairly highly when asked to compare the satisfaction derived from specific activities (including jobs and types of housework and leisure). Juster argued long ago that, in general, ‘activities that involve interaction tend to have high process benefit scores’ (1985:21). Gary Becker (1965:504) commented even earlier that: “Not only is it difficult to distinguish leisure from other non-work, but also even work from non-work.”

Becker’s solution was to posit that “commodities” (like dinner, or a sailing excursion) are what enters individuals’ utility functions, and the production of these commodities requires the input of both material goods and time. In this approach, “leisure” therefore disappears as a distinct category, somewhat replaced by the concept of a “time-intensive commodity”. The Becker perspective has important implications for the type of leisure activities that people are expected to choose. The cost of “commodities” whose only input is, essentially, personal time (like contemplation or conversation or the pure enjoyment of peace and quiet) is just the opportunity cost of time (i.e. the wage rate). The cost of goods-intensive non-work activities (like speedboat racing) depends partly on the cost of those material goods. When (if) the wage rate rises, time-intensive leisure activities increase in relative price compared to goods-intensive activities – so the Becker prediction is for greater materialism over time. As well, consuming more “commodities” in the same time period – e.g. squeezing in a tennis game and a sail and dinner and a night at the opera – is seen in the Becker model as representing an increase in the “productivity of consumption time” (and more is always better) – but some would also describe this as a more frenetic life style. Winston has commented that “the most serious casualty (in Becker’s approach) was loss of the sense of a leisurely and controlled pace that produces genuine satisfaction”.

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<sup>6</sup> See Frey and Stutzer, 2002; DiTella and McCulloch, 2003

However, Becker's approach has not, in fact, been much used. The straightforward work/leisure dichotomy continues to dominate economics journals. The pleasures of non-work time and the marginal disutility of labor were stressed by Marshall over a century ago [see (1961:117)], and they continue to be the dominant framework today. Can one – should one – expect this constancy of perspective among economists to persist?

One of the peculiarities of the traditional “leisure demand/labor supply” perspective is its individualism. If utility really did depend only on the quantity of consumption goods and number of non-work hours experienced by individuals, a person's level of utility would be unaffected by solitary confinement, or by any other configuration of social interaction. However, time spent in isolation is, for most people, only pleasurable in small doses. Although one can choose to be alone, relatively few leisure activities are intrinsically asocial. Most leisure activities can be arranged on a continuum of ‘teamness’, and the vast majority of them are distinctly more pleasurable if done with others.

Playing softball or soccer are activities that make no sense, if done alone. Singing to oneself may be something done in the shower, but singing with a choir is generally a different level of experience. Travelling to exotic foreign places or going for a walk are activities which are usually more pleasurable if done with a companion. Reading a novel is certainly solitary, but many people also like to talk about it afterwards, either formally in a book club or informally with friends over dinner. To list these activities is to underscore the variety of leisure tastes that individuals have – and this variety creates the problem of locating somebody congenial to play with, and scheduling the simultaneous free time to do so. The basic problem with wanting to have a social life is that one cannot do it unilaterally – arranging a social life involves a search process which is constrained by the social contacts available to each person, and by the availability of other people. This interdependence of leisure has generated a new literature, with a set of new insights.

Corneo (2005), for example, contrasts privately consumed leisure time (TV watching) and socially enjoyed leisure (which requires investment in relationships). Across nations, average hours of television watching are *positively* correlated with average working time. Corneo explains this in terms of the strategic complementarities

that arise in the organization of social leisure. If these complementarities are strong enough, equilibria with little social leisure but long hours of work and television viewing and equilibria in which there is much social leisure along with short hours of work and television viewing are both possible. Although workers will prefer the higher wages and lower hours of work of the latter, capitalists will prefer the former, since they realize a higher rate of return on their capital stock when total hours of work increase. And if desired working hours are conditional on what others do, individuals need co-ordination devices to ensure that social leisure is feasible – such as public holidays, a common weekend or working hours regulation – which implies a potentially crucial role for the state, and for the relative power of workers and capitalists in influencing public policy.

Jenkins and Osberg (2005) argue that although solo television watching is certainly feasible, companionship may nonetheless increase the utility derived from the activity – their emphasis is on modelling more explicitly the constraints involved in locating leisure companions. They argue that the leisure time choices of household members depend on the opportunities for associational life that exist outside the household and they show that the likelihood of associational activity for persons of a given age group depends on the percentage of persons in other age groups that also engage in that activity. They note that economic models of marriage have discussed the interdependence of spouses in income and material consumption, but it is also plausible that an important reason for marriage is to spend time together. Like Hamermesh (2002), they provide evidence on the synchronisation and scheduling of spousal work and leisure time.

What are the implications of these new models of social leisure? From a theoretical perspective, the emphasis on the social nature of leisure opens up a whole new set of co-ordination issues – there is certainly no presumption that individualistic decision making will automatically produce a socially optimal equilibrium. However, the new models of social leisure nest the old labour/leisure choice perspective, since the option of “solo leisure” is always there (albeit now one of several alternatives).

Kuhn (1970) argued that paradigms are replaced when they confront an important empirical anomaly that they are unable to resolve and when a more encompassing alternative theoretical perspective becomes available. The empirical fact which is now

forcing a reconsideration of the analysis of leisure is the huge size of cross-national differences in the trend and level of non-work time. From 1980 to 2000, for example, average working hours per adult (ages 15–64<sup>7</sup>) rose by 234 hours in the USA to 1476 hours, but fell by 170 hours in Germany to 973, and by 210 hours in France to 957: see Osberg (2003a). In the year 2000, the cross-sectional difference was huge – non-work time per adult per week was some 9.7 hours greater in Germany, and 9.9 more hours greater in France, than in the USA.

In principle, an increase in hourly wages increases both potential income and the opportunity cost of leisure, so the demand for a normal good (like leisure) may rise or fall depending on the relative size of income and substitution effects. However, why should one be larger in Europe and the other larger in America? It is just not very satisfactory to say that “tastes differ”.

Cross-country differences in average leisure time are due in part to inter-country differences in probability of employment, in part to differences in common entitlements to paid vacations and public holidays, and in part to differences in the usual hours of work of employees. Trends in these three components are driven by distinctly different processes – the number of paid public holidays is, for example, determined by a set of political processes quite different from the determinants of individual decisions to enter the workforce and to work specific hours. A robust debate has emerged over the causes of these differences in total leisure time (e.g. Bell and Freeman (2001) or Alesina, Glaeser and Sacerdote (2005)) – but it is clear that these differences are large enough to motivate both a concern over their implications and a discontent with the traditional labor/leisure choice model.

It has long been acknowledged that one reason why GDP per capita is a poor measure of economic well being is because it does not recognize that leisure time has any value at all. If – as in the comparison of the USA with Germany or France – greater per capita GDP is obtained primarily from greater average working time, a comparison of economic well-being should measure both the cost of foregone individual leisure and the

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<sup>7</sup> Although “retirement” is the particular form of leisure consumed at the end of the life cycle, its analysis raises sufficiently distinct issues that we concentrate here on the working age population.

cost of the externality on the marginal utility of each individual's leisure as the decrease in the leisure time of everyone else impedes the feasibility of leisure time matches. When more leisure time choice has a positive externality for others, there can be multiple equilibria in labour supply, in which the 'high work' equilibrium has unambiguously lower total utility. Societies which are better able to co-ordinate the level and timing of paid working hours may be better off in aggregate, because they enable their citizens to enjoy more satisfying social lives. To be specific, the leisure externality hypothesis suggests that Americans may work more hours than Europeans partly because they are more likely to have less satisfying social lives – because other Americans are also working more hours – and that they are worse off as a result.

Moreover, if authors such as Putnam (1993, 2000) and the OECD (2001) are correct in stressing the dependence of social capital on associational life and the importance of social capital for social and economic development, the costs of a high-work/low-social life equilibrium may be substantial – in terms of market income as well as in utility. Knack and Keefer (1997) are representative of an empirical literature which argues that localities with an active civic society and associational life (and more generally a dense network of social ties among individuals, and a high level of trust) have higher growth rates of GDP per capita. This relationship has been argued to be due to a number of possible influences: for example lower transactions costs in capital, labour and product markets, more effective governance, lower costs of crime, labour conflict and political uncertainty, better health outcomes and so on (see Osberg, 2003*b*). Whatever the channel of influence, it suggests that, although working longer hours may accelerate growth in GDP per capita in the short run, both income and social life may suffer in the longer run. There may be some wisdom in the old saying that: "All work and no play makes Jack a dull boy."

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