

# **On Eternal Equity in the Fin-De-Millénaire: Rethinking Capitalism for Intergenerational Justice**

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*Globalization leveraged pressure on contemporary society. Today's most pressing social dilemmas regarding climate change, overindebtedness and aging Western world populations demand rethinking capitalism. Understanding the bounds of capitalism to avoid ethical downfalls beyond the control of singular nation states infringing on intergenerational equity – the fairness to provide an at least as favorable standard of living to future generations as enjoyed today – has become a blatant demand. In a history of turning to natural law as a human-imbued moral compass for solving societal downfalls on a global scale in times of crises; we may capture the human natural drive towards intergenerational fairness in order to retrieve information on how to implement intergenerational justice. Based on the idea of intergenerational equity as a natural behavioral law, the following paper theoretically outlines the current societal demand for eternal equity. Overall, portraying intergenerational equity as a natural behavioral law strengthens the legal case for codifying intergenerational fairness on a global basis and contributes to interdisciplinary behavioral law and economic models on contemporary intertemporal predicaments. Exploring intergenerational constraints prepares to innovatively guide the implementation of eternal equity and intergenerational justice in overlapping generations' intertemporal networks. Strengthening financial social responsibility, social welfare and environmental protection through future-oriented and socially responsible economic market approaches of capitalism in the 21<sup>st</sup> century is aimed at alleviating predictable economic, social and environmental crises to ensure a future sustainable mankind.*

## **CAPITALISM IN THE FIN-DE-MILLENAIRE**

We live in interesting times. From the sixteenth century age of enlightenment, science and technology remarkably revolutionized the world. Followed by the eighteenth century industrialization, technological advancements, technical inventions and capital accumulation leveraged the standard of living for mankind. The post-WWII economic boom heralded golden years of socio-economic advancement and economic capital growth outpacing every measure previous ages had known.

Though looking back to an epoch of enormous economic progress in the 20<sup>th</sup> century; the improvement of living conditions seemed to be slowed from the turn of the millennium on. The era of globalization, featuring complex interconnections and transactions faster than ever before in history, appeared to hold emergent systemic risks (Sandbrook, Edelman, Heller & Teichmann, 2007). What happens in one part of the world today, impacts around the globe (Foley, 2015). The global interconnectedness imposing dangers creates a need for framework conditions securing from negative

consequences emerging from the new web of social, ecological and fundamental transfers on a grand scale (Centeno & Tham, 2013; Klein, 2014).

As a consequence of complex economic interconnections, market prosperity burst with the 2008/09 monetary downturn having evolved from individual ethical failures amalgamating into collective downfalls (Streeck, 2011). We now not only suffer from the painful readjustment between economic fluctuations and whimsical market movements in the finance world. Market failures also having been compensated by the public results in an unprecedented overindebtedness of the Western world. Budget crises around the world led to austerity plans triggering an economic climate of stagnation, federal spending constraints and prospected social welfare decline for decades to come (Ghilarducci & McGahey, 2014). Tomorrow's children may not have the same standard of living as aging Western World populations may experience economies struck by high unemployment coupled with governmental overindebtedness.

In the aftermath of the 2008/09 World Financial Crisis, the finance sector is under scrutiny as for having made fast capital at the expense of the real economy. Since 2009 financial institutions are publicly pressured to justify their social impacts and responsibility. Economic pessimism grows in the belief that the current equity imbalances will be long term and cause the next generation being worse off. The destruction of assets and degrading of capital values led to a devaluation of personal property. What followed was the unorganized uprising in the wake of an uncontrolled clash of realities. Distributive equity claims and the call for equality of opportunities rose in economically-troubled areas. Direct democracy protests culminated in the Occupy Wall Street movement. People having lost trust in banking systems started to think about future obligations and more than ever before now strive to pass on an as favorable standard of living to future generations.

In the eye of our children having to pay for our current economic recovery, we are now taking from future generations. Not only do we live at their expenses, the youth also not quite has the same opportunities as their parents enjoyed. Rising prices take away wealth accumulation prospects and austerity plans diminish access to social welfare. Missing budgetary resources result in governmental education cuts as for the lagged impact and accountability – yet the societal outcomes are crucial to the people who experience hope for a better future through education opportunities vanishing. Restricted access to education breeds social immobility. 'Born poor, die poor' becomes reality in the Western world and an intergenerational equity constraint, when European students have to pay for their tuition while generations before were granted free access to knowledge.

In addition employment opportunities for this generation are more limited than for prior generations. Within Europe, in 2012 the overall EU unemployment rate stood at 11.4 percent but featured a distorted pattern. Based on the EU accession of 2004, old 'core' member states (EU 15) and EU-2004 accession 'periphery' member states (EU12) differ on employment significantly. When comparing core with peripheral countries, we find in the core a relatively lower mean unemployment rate of 7.54%<sup>1</sup> compared to 15.04% mean unemployment in the periphery<sup>2</sup> (Puaschunder, 2014).

Unemployment hits the European youth the hardest. In many parts of the Western world, it has become almost impossible to get a job for the young – for instance, in 2011 the Spanish youth faced an up to 65% high unemployment rate. As of January 2013, Spain's unemployment rate was 26.2% and for those under 25 years the rate remained around 60% (Eurostat, 2013). Greece featured an overall unemployment rate of 27% and 59% for individuals under 25 years. Of the under the age of 25 years workforce, 23.7% were unemployed in the Eurozone and 21.9% in the overall EU as of November 2014. The youth in the core EU faces a mean unemployment rate of 18.3%<sup>3</sup>, while the periphery youth stands at 29.1%<sup>4</sup> as of November 2014. Long-term unemployment is highest in the Slovak Republic, Germany (with former East Germany accounting for high unemployment as ever since the reunification in 1990, the unemployment rate in the East has been almost twice that of the West), Poland and Greece.

There is also an explosion of unpaid internships that further breed social inequality as the market turns the workforce to having to afford to work. Countries with current high unemployment like Spain, Italy and Ireland, in which the youth turns to the black market labor, leave the government with lower taxation revenues and the young without perspectives and trust in their government. Unemployment not

only opens generation gaps. Negative socio-psychological consequences arise out of fear of the future which may become a self-fulfilling prophecy of economic depression.

Young people see their prospects vanishing and are left without hope for a better future when they experience their decision making not being included in the political will. The young struggle with the anonymity of governmental support and their experienced helplessness drives anger. Starting in the fall of 2009 in Vienna, the ‘Uni brennt’ (‘University is burning’) student occupation of the University of Vienna’s Audimax advocated for social equality, access to education and minority empowerment. The protests lasted for months and inflamed protests all over Europe. In the face of social responsibility declines, protests fueled to release societal tensions. Spain’s youth suffering from over 65% unemployment and fading future perspectives rebelled during the summer of 2011, which spread protests all across Europe supported by new media tools – like blogs, facebook and twitter. The popular media has been puzzled in describing a uniting theme of the contemporary populace on the street. With the young going on the streets for protests in the Western world, unprecedented intergenerational imbalances, one may argue, are driving this trend.

Exhausted twin deficits of current and capital account put extraordinary burdens on the upcoming generation. An American child, for instance, is born into 59,000 USD debt per capita and a US taxpayer owes more 160,000 USD share of governmental debt with trends predicting a grim outlook. In the end, the children of tomorrow will not only pay the price for our currently taken up debt. Placing the elders’ current pension consumption payment obligations onto the young is problematic as pensions are usually not allocated towards future investments – such as infrastructure or education, which would build future societal assets in the long run and make future generations richer. The debt burden gains weight when considering the societal trend of a shrinking Western world population. As the problem appears as a long-term crisis, unemployment will rise, individual prosperity decline and social welfare standards degrade.

The standard of living we have today will have to be maintained by a demographically shrinking body of young, who will have to uphold the current way of life. In the aging Western population, we see the workforce shifting to pensioners. Western, and in particular European pension systems, become unfeasible with current debt accumulation to pay out pensions, which breed inequality in European low-inheritance tax countries. Rising social security expenditures due to medical advancements and pension payments growing with an enlarging body of retired already cause frictions in the social compound. A pension system reform is insofar complicated as the age pyramid has already tipped in most European countries featuring more receivers in the voting booth than payers. And in a loss-averse world, cutting given promises equals political suicide. The European fiscal union requiring trans-national financial bail-outs will breed inequality in legally differing tax and pension territories. 58% of social protection spending is based in Europe. For instance, why should a 55-year old early pensioner in one country receive tax subsidies enabled by a 65-year employee in another region of the EU?

While monetary values can be rebuilt, capitalism’s myopic *short-term* profit systematically ignores the broader and longer-ranging implications of its actions and externalities, which results in irreversible ecological destruction (Boscov-Ellen, 2015). Contemporary capitalism raises ecological “limits” to growth and environment concerns in the eye of unsustainable resource consumption and increasing man-made climate change (Zaretsky, 2015). Regarding climate change and ecologic sustainability, the world appears more vulnerable than ever before. In 2010 we hit the highest energy resource consumption in the 40-year recording of sustainability. Climate change is going to be the greatest human challenge of the 21<sup>st</sup> century touching on all human rights given the potential massive and widespread impacts creating irreversible lock-ins for future generations and injustice over time. The destruction of the environment is the most sustainable peril of globalization.

Overall, not only an aging Western world population and the 2008/09 World Financial Crisis but also climate change pressure our children to come. In a climate of economic downturn and growing burden to support the elderly, our children will also face declining biodiversity and ecological environmental changes in the wake of climate change.

This unprecedented intergenerational kink heralds an overall call for intergenerational equity – the fairness to provide an at least as favorable standard of living as enjoyed today. As we realize that our

children may not have the same chances as we do, we must strive for global equity over time. The global challenge is thereby to find sustainable, qualitative economic growth in harmony with human rights of development over time.

As the following paper focuses on the present and near future regarding an unprecedented intergenerational equity kink starting from the turn of the 21<sup>st</sup> century turn of the millennium, the article pursues the greater goal of freeing from short-termism shackles and grant wings of wisdom for our children, grandchildren and great-grandchildren. Faith in future liberty grounded on noble munificence over time will acknowledge constancy of our children's freedom, economic prosperity and access to global common goods in a favorable environment. Socially responsible intelligentsia about the future of tomorrow's citizens of the world will pave the road to justice. Foresighted vigilance seed the victory of eternal equity sparked in our fin-de-millénaire.

## **INTERGENERATIONAL LEADERSHIP CALL**

The idea of eternal equity addresses justice over time. As an implicit contract and transfer inbetween living and future generations, intergenerational equity not only reduces unfairness for future world inhabitants who are born in less favorable environmental condition than their parents. Intergenerational equity also ensures future infrastructure, equal opportunities over time and constant access to social welfare for the youth. Intergenerational equity grants a favorable climate between generations and averts frictions arising from austerity plans, diminishing social welfare standards and declining environmental prosperity. Intergenerational equity avoids discriminating against future generations on the basis of remoteness of the time at which they will live.

While intergenerational equity is as old as mankind – the 2008/09 World Financial Crisis, an aging industrialized world and climate change have put a new stance on the dimensions of overindebtedness and irreversible destruction of future potential, which may serve as an explanation for the 2011 occupy Zeitgeist reclaiming public space as a symbol for common goods (Fraser, 2014; Nafeez, 2013). In the eye of leaving next generations' debt, unfeasible social welfare and sustainability threats, intergenerational equity is an urgent topic of concern that opens windows of opportunity to implement financial social responsibility, social pension reform and ecologic sustainability (Magdoff & Foster, 2010).

The complex challenges ahead will require heightened attention to future generations' well-being. In the eye of an unprecedented intergenerational equity kink, it has become economically efficient to think about the next generation and future world-inhabitants' living conditions. The prevailing world depression, the enormous anomaly of unemployment and liquidity constraints not only make instant economic market stimulus necessary but also the demographic shifts demand for foresighted governance.

While the wish for intergenerational equity has sparked, we currently lack a codified legal framework on intergenerational fairness as well as an economic understanding of feasible intergenerational equity models that accurately pay attention to future generations. To measure intergenerational equity, we will have to estimate future developments. Intergenerational equity will require discounting of future events by politicians, policy makers and private individuals who will have to factor in future-orientation and social responsibility in current decisions. Future world inhabitants must be put into the focus of today's choices by shifting the current wealth of the elderly to save for future generations and put sustainable governance in place. We may also have to curb our consumption rates to conscientiously transmit the earth's resources to future generations or find alternatives of financing climate change abatement.

## **INTERGENERATIONAL EQUITY IMPLEMENTATION**

The outlined intergenerational equity constraints are complex and their solution interdependent. As the present crisis has exposed the weaknesses of orthodox economic theory, novel heterodox economic thinking is demanded (Shaikh, 2013). The current world economy opens possibilities but also threatens future generations. While economic growth may aid a soft landing with current liquidity constraints, booming markets also imply heightened energy consumption trading-off from the ecologic quality of life

on the long run. Entrepreneurial solutions may ease the overindebtedness, but innovation in the medical sector will explode medical care expenditures for pensioners – especially in social welfare territories obeying to mandatorily provide the best medical aid available to their citizens. Governments must breed hope through forward looking strategies in the eye of radical austerity cuts and unemployment gaps to take away people's fear of the future. Policy makers are pressured to revise social services and raise the retirement age in industrialized economies.

Eternal equity has always been lived within the family compound and practiced in the wake of humane fairness notions. The human-imbued wish to provide an at least as favorable standard of living to our children stems from evolutionary, social and religious values. Ignorance regarding intergenerational concerns naturally feels wrong and hegemony of now appears like a sin on future generations. Not being intergenerationally conscientious puts offspring at stake and detaches people from their environment. Understanding intergenerational conscientiousness as a natural behavioral humane-imbued law will help integrating future conditions in today's decision making.

Building on Rawls' procedural justice, intergenerational equity will ensure fairness between generations based on future orientation and social responsibility for future generations. Pursuing intergenerational equity in the wish to provide a decent standard of living for the upcoming young can be enabled by a mutual transfer between old and young. Justice can be sought in future outlooks, humane reflexivity and globalized solidarity enabling that one generation does not live at the expense of future generations. Financial Social Responsibility will ensure that the current generation is not spending the money of tomorrow's children or takes up debt to be paid by future children. Generations passing on to the future will feature age-attentively redistributed wealth, investments for young and respect for future generations' resource consumption needs.

When considering the current Western world overindebtedness, social welfare prospects and climate change, we are already behind the scheduled when it comes to fundamental foresighted preparedness. Future research should thus target at contributing to eternal equity by introducing the idea that globalization imposes unprecedented intergenerational equity constraints regarding financial market stability, social welfare reform and environmental sustainability in the eye of natural resources consumption and climate change in order to capture intergenerational equity as a natural behavioral law. A human-imbued Überethical drive towards intergenerational conscientiousness comprising of social responsibility and future-orientation is argued as the basis of eternal equity constituting legal foundations, public policies and regulation but also echoing in bottom-up participatory democracy and social representations of intergenerational equity.

## **ETERNAL EQUITY AS A NATURAL BEHAVIORAL LAW**

The idea of intergenerational equity is as old as mankind. Conscientiousness for future generations is imbued in social customs and humane idealism. Intergenerational equity arises from the elderly wanting their offspring to prosper in at least as favorable conditions as experienced. Naturally parents do not want their child to grow up worse than they did themselves and the elderly morally feel for future children's well-being. Whether it is the farmer or the forest caretaker, the small entrepreneur or the financial manager, human are compassionate about future world inhabitants to come. Human have an inner aversion against making debts that have to be paid by their children and a psychological disgust of using up their offspring resources.

All major religions promote intergenerational equity. The more religious people are, the more family members they have and the stronger the ties between these family members, the more intergenerationally responsible they are. Religious roots describe the world being borrowed by current inhabitants, who must preserve the earth for future generations. Religious foundations advocate for the elder generation leaving the earth in a decent state. Judaism advises parents to plant trees for their children. The Old Testament's Commandments call for reciprocal care of children and parents. Protestantism warns about apocalyptic losses if intergenerational care vanishes. Islamic banking favors real values over speculative credit purchases. Indigenous principles outline one generation may not live at the expense of another.

The natural behavioral law of intergenerational equity was lived for centuries and transpired in the social compound as practiced in ancient, traditional customs ever since. Already the oath of the ancient Athenian city postulates to ‘transmit a city not only not less but better and more beautiful than it was transmitted’ to ensure justice in-between generations. The Roman Law *prodigus*-clause excluded spendthrifts from economic interaction to save offspring from poverty and promote harmony between young and old (Benke & Meissel, 2008). Intergenerational equity as a natural behavioral law is described as early as 700 BC by Hesiod’s parable of a son’s concerns over inheritance. In the ancient Greek antique, Zeus symbolizes fatherly justice establishing eternal equity. Cicero’s third book of ‘De re publica’ introduces justice as a natural law – a humane-imbued virtue that is fortified by the social compound and education.

Intergenerational equity is a natural law in its roots and outcomes. Based on the evolutionary wish to improve the living conditions for descendants, intergenerational equity attributes the ethical obligation to provide an at least as favorable standard of living to future generations as enjoyed today. Intergenerational equity breeds an ethos of justice in-between current world habitants and future unborn following the greater goal to avert imbalances between the young and the elder. Resulting societal benefits comprise common goods preservation, ensured degrees of freedom for posterity as well as promotion of the judicial virtue *suum cuique* – grant everyone what they deserve.

Intergenerational equality is grounded on a human-imbued wish for fairness as there is an ethical preference for fair welfare distribution among different generations. Holding through time and place, natural laws of responsibility for the future are evolutionary-grown intuitions stemming from compassion between overlapping generations. Evolutionary offspring are in an advantaged position if being brought up in socially-benevolent environments. Intergenerational conscientiousness as a natural care for offspring is transpired through social influences – for instance, externally-nurtured by educational upbringing, role-model learning and critical life-events like parenthood. Anthropologists trace back first signs of social conscientiousness in-between generations as soon as men could experience three-generation family members together. Since then elder, younger and youngest could directly transmit knowledge and crystallized wisdom from the old to the young. Stable family ties and salient eternal chains of life made generations feel for another.

Current generations are called upon to make sacrifices today for the well-being of future generations (Sachs, 2014). Advocacy for equity over time is a societal necessity as ever since intergenerational downfalls had disastrous consequences. Whenever inequity and overexploitation of resources emerged, societies broke apart and environmental conditions degraded. Intergenerational clashes fueled revolts of the young versus the old throughout history. A desperate youth in the post-World War I era bred nationalism. European nationalist parties of the young had extremely negative consequences for the community – such as Adolf Hitler’s National Party rebelling against the ‘*Altpartei*’ or old party. Communist oppositions promoted themselves as young force juxtaposing old regimes. In the 1968 European protest, the young revolted against the old in the eye of ceasing economic stability given oil and energy crises.

Natural laws determine decisions and drive actions in the social compound (Luf, 2011). As an implicitly guide of day-to-day practiced common sense ethicality, natural laws are ethical anchors beyond regulatory frameworks and whimsical courtroom decisions (Mamor, 2010). The natural law of intergenerational equity serves as a moral compass in ethical predicaments. Especially during times of heightened uncertainty times of societal upheaval, when people come together to exchange information in their wish to control their world, people orient their decisions on natural laws. Natural laws of inalienable rights are prominent ethical anchors and robust panaceas to avert negative consequences of regulatory downfalls and substitute lacking oversight control (Mayer, 2010). As an intrinsic meaning of what is right and what is wrong with a strong emotional message, natural laws unite in times of change through a common sense of fairness. Not only during revolutions natural laws serve as inner moral compasses and human-imbued cue on what is right or wrong beyond lagging-behind legal frameworks and policy guidelines. External shocks coming down on society also steer attention to human natural laws as a quick way to establish justice in society. For instance, less than 24 hours after the 2011 Japan nuclear disaster,

newspapers addressed intergenerational conscientiousness. In the aftermath of the 2008/09 financial meltdown, experts were quick to demand social responsibility in financial markets. As windows of opportunity, times of crises and external shocks thus prosper human rights based on natural laws (Klein, 2007).

Acknowledging intergenerational equity as a natural behavioral law may serve as a legal basis for the codification of human rights to intergenerational justice regarding climate change, overindebtedness and social welfare on eternal equity in the fin-de-millénaire. Globalization, political changes and societal trends have leveraged attention to intergenerational responsibility from the turn of the millennium on. Today's intergenerational challenges of an aging, over-indebted industrialized world reaching ecological limits regarding climate change, nuclear outbreaks and biodiversity decline put pressure on future generations (Barnosky, Matzke, Tomiya, Wogan, Swartz, Quental, Marshall, McGuire, Lindsey, Maguire, Mersey & Ferrer, 2011). The current aftermath the 2008/09 World Financial Crisis and in the eye of climate change and an aging Western world population, but also access to information law revolutions in the digital age featuring unprecedented speed of information transfer has let stakeholders to increasingly monitor public and private sector ethical conduct and call for equity over time. Mass media exposing intergenerational predicaments raises concern for people, planet, and profits. While the UN spearheaded the codification of the triple bottom line in the UN Global Compact; social, environmental, and economic harmony is currently demanded for future generations.

Intergenerational equity regulation is still hardly codified as living standards – apart from economic cyclical changes – have overall constantly been improving. Given intergenerational equity threats of global climate change, overindebtedness triggering austerity and aging Western world populations, intergenerational equity as a natural behavioral law may serve as a first-aid basis for the codification of fairness between generations.

In a history of turning to natural law for solving societal predicaments on a global scale in times of crises; the idea of intergenerational equity as a natural law is targeted at averting contemporary real-world intergenerational imbalances in the age of globalization. However, until today, little is known about real-world intergenerational conscientiousness decision making. A preliminary literature review revealed a limited scientific investigation of intergenerational equity and a missing comprehensive framework of current intertemporal predicaments. Classic economic models neglect intergenerational fairness as socio-psychological notions are hardly addressed in rational decision making models. Empirical intergenerational studies are rare. Understanding intergenerational conscientiousness, however, could alleviate tensions between the old and young in the eye of prospective standards of living declines. New economic thinking may integrate intuitionist and behavioral aspects, address external influencing factors on intergenerational conscientiousness and innovatively leverage our understanding how to promote intergenerational harmony in the wake of climate change, austerity and vanishing social welfare prospects for an aging Western world population (Latour, 2014).

## **TOWARDS A HUMAN RIGHT OF INTERGENERATIONAL EQUITY AND INTUITIONIST SUSTAINABILITY MODEL**

Introducing the idea of intergenerational equity as a natural law innovatively takes an intuitionist perspective on sustainability in the 21st century. Intergenerational equity as a natural behavioral law attributes a dynamic interaction view of intuition and reasoning for sustainability by exploring how subconscious and conscious processes interact to shape socially responsible and future-oriented behavior leading to intergenerationally equitable choices. The complex interplay of rational and intuitionist approaches towards sustainability, however, is hardly understood. Juxtaposing the traditional rationalist view of ethics that decision makers deliberately follow through moral dilemmas and consciously apply moral principles when facing moral decisions, intergenerational equity as a natural behavioral law innovatively promotes an intuitionist view of sustainability. Intergenerational equity is thus portrayed to be guided by evolutionary-grounded, natural reactions gravitating towards sustainable choices followed

by subsequent deliberate and conscious reasoning as a post-hoc rationalization of initial automatic intuitive sustainability notions.

Considering intergenerational equity as an intuition raises questions regarding potential biasing effects of emotions in intergenerational choices. Emotions were recently found to influence time perspectives and social responsibility – prerequisites for intertemporal foresight to discount and care for future lives (Horberg, Oveis & Keltner, 2011). Emotionally-laden intergenerational values appear as windows of opportunity to steer intergenerational ethicality in human decision making. Trust – as a concept related to emotionality – could be an additional intergenerational ethicality nudge to overcome the lack of identification with future beneficiaries (Ostrom, 2009). But rational choice may also black out emotions and intuitions in human decision making, leading to a decline in altruistic values and ethicality.

When investigating the natural human intergenerational conscientiousness, behavioral economics insights on human decision making may innovatively be considered. The emerging field of bounded ethicality describes predictable psychological processes that let people engage in ethically questionable behavior inconsistent with their preferred ethics. Bounded ethicality occurs when ethical individuals are unaware of indirect unethical consequences that erode over time. Behavioral economics depict human rationality bounded by mental limitations and heuristic decision short-cuts (Tversky & Kahneman, 1974). Human decisions also take place in overly complex institutional architectures over which leaders have limited control. Understanding innate human decision making errors and external constraining biasing factors is crucial in ethical considerations with irreversible impact on society. While bounded ethicality research offers a way to realistically capture intergenerational conscientiousness, we miss a whole-rounded intergenerational equity decision making frame to test the applicability of the bounded ethicality paradigm onto intergenerational concerns.

Intergenerational equity as a natural behavioral law comprises pro-active concerns about current actions' future implications and contributions to society. Contrasting contemporary ethics research focus on diminishing irresponsible behavior, intergenerational equity as a natural behavioral law advocates for positive scholarship in attention to pro-actively 'doing good' for future generations. Departing from an ethics field that is primarily focused on avoidance of harm for stakeholders, intergenerational equity as a natural behavioral law describes a pro-active engagement to do good to future stakeholders. Beyond the duty to not violate the law and generally-accepted ethical norms, intergenerational equity as a natural behavioral law outperforms what is expected regarding responsibility in serving the interests of future unborn. Intergenerational equity as a natural behavioral law research may thus address why individuals are more inclined to contribute to the welfare of people or communities with whom they have no contact and pro-actively engage in 'do good' behavior benefactoring physically distant future stakeholders.

Attributing the pro-active engagement of intergenerational care for posterity, intergenerationally responsible leadership is considered as an 'Überethical' drive (Puaschunder, 2012) or pro-active overcompliance with contemporary sustainability legislation. Extending ethicality to not simply considering to avoid unethical behavior, intergenerational equity as a natural behavioral law adopts a pro-active ethics lens focused on über-doing compliance and considering interests of a wider range of stakeholders. Understanding intergenerational equity as a natural behavioral law thereby draws a broader social contract between business and society to incorporate novel responsibilities and embrace discretionary activities that contribute to societal welfare and the well-being of future generations.

In addressing the interaction of intuition and reasoning, external influences' role in guiding towards intergenerationally responsible choices may also be explored. Theoretically extending on contemporary ethics research focusing on individual antecedents of socially responsible choices, the idea of eternal equity as a natural behavioral law will pay attention to how situational contexts might promote or hinder social responsibility regarding future generations. Departing from trait theory perspectives on ethicality, intergenerational equity as a natural behavioral law considers situational influences on intertemporally harmonious choices. With the power of situations impacting on human behavior, socially responsible behavior is believed to be dependent on contextual factors. In exploring how external influences can shape ethical intuition and automatically drive sustainability, situational antecedents of intergenerational equity expressions should thus be unraveled. Intergenerational equity as a natural behavioral law thus



captures intergenerational harmony as a function of the individual and the environment in which behavior takes place and thereby addresses organizational, institutional and supranational influences on responsible behavior.

So far culturally-blind research on behavioral ethics calls for integrating culture and institutional influences on people's propensity to engage in ethicality as differing legal systems and social norms shape individuals' ethical decision making. Supranational context determine the global governance of public and private leaders. A sophisticated conceptualization of 'intergenerational behavior' applicable to culturally diverse stakeholders will allow to unravel the antecedents of responsible and irresponsible intergenerational behavior across national contexts. Globalization increasing internationalization of public and private concerns creates a need for an international outlook of intergenerational equity in order to solve global common goods predicaments and draw inferences on the harmonization of intergenerational justice on a global scale.

Investigating intergenerational equity is a formidable task as for touching on unprecedented predicaments comprising manifold stakeholders. An engagement of various stakeholders on the differing intergenerational predicaments results in a disparity of intergenerational equity approaches. As a first step towards resolving societal losses imbued in the complexity of this novel phenomenon but also to innovatively explore new opportunities to ingrain intergenerational responsibility within globalizing economies; attention to expert opinions and stakeholder facets in the interplay of public and private actors' approach towards intergenerational equity must be paid. Holistically describing intergenerational equity stakeholder perspectives will help overcoming socio-economic losses implied by various eternal equity societal notions. Averting multi-stakeholder conflicts in the implementation of intergenerational equity and aligning differing stakeholders' view on intertemporal justice will allow to harmonize intergenerational equity on a grand scale.

## **DISCUSSION, CONCLUSION AND FUTURE OUTLOOK**

While intergenerational equity concerns are as old as mankind – the 2008/09 World Financial Crisis has put a new stance on the dimensions of overindebtedness and irreversible destruction of future potential, which may serve as an explanation for the 2011 occupy Zeitgeist reclaiming public space as a symbol for common goods. In the eye of leaving next generations' debt, unfeasible social welfare and sustainability threats, intergenerational equity is an urgent topic of concern.

Overall, the present crisis has exposed the weaknesses of orthodox economic theory and demanded the need for new economic thinking (Shaikh, 2013). The presented paper contributes to new socio-economic intergenerational thinking. Intergenerational equity as a natural behavioral law was theoretically described and the state-of-the-art on empirical results in the intergenerational equality domain presented.

Theoretically advancing the concept of intergenerational equity as a natural behavioral law extends on existing information on deliberative cognitive processes and moral reasoning about intergenerational equity for intuitionist approaches of sustainability. Capturing intergenerational equity as a natural behavioral law backs the legal case for sustainability on a global scale, stimulates the academic discourse and allows aligning diverse stakeholder notions on intergenerational concerns in the international arena. Explaining how individual ethical choices are likely to be affected by external influences at multiple levels draws an interactionist perspective on ethical intergenerational decision-making and behavior. Interdisciplinarily applying bounded ethicality onto intergenerational responsibility spearheads behavioral law and economics models but also fosters an accurate understanding of the limitations of human intergenerational conscientiousness.

Future research avenues are manifold. Departing from research on factors how to avoid harmful consequences for society, describing antecedents of pro-active socially responsible behavior in the intergenerational equity domain works towards intergenerational harmony. The quest for eternal equity alleviates aggression potential between generations and promises to promote a sustainable mankind.

Expert knowledge coupled with behavioral economic insights on how to improve human cognition regarding future-orientation and social responsibility could aid the implementation and administration of intergenerational justice. Drawing a picture of the shared common sense on intergenerational equity, but also revealing stakeholder-specific nuances allows diminishing communication barriers and aligning less coherent viewpoints on intergenerational fairness. Understanding the social representations of intergenerational equity provides an opportunity to forecast individual behavior as well as predict future intergenerational trends (Puaschunder, 2015). Outlining stakeholder-specific expert knowledge on intergenerational responsibility allows to recommend academics, technocrats and practitioners to reflect deeper on intergenerational conscientiousness (Fox & Lorsch, 2012). Stakeholder-specific facets of intergenerational responsibility also advance our knowledge on the well-tempered interplay of responsible market actors and governmental oversight control as vital ingredients of generational harmony. Gaining first-hand insights from public and private actors on intergenerational equity fosters recommendations on how to build *Generationspartnerships* in order to alleviate intergenerational frictions. Knowledge of stakeholder-specific success factors of intergenerational conscientiousness reduces socio-economic losses imbued in the complexity of the novel phenomenon.

In the eye of an unprecedented intergenerational equity kink, it has become economically efficient to think about the next generation and future world-inhabitants' living conditions. While the wish for intergenerational equity has sparked, we currently lack a codified legal framework on intergenerational fairness as well as an economic understanding of feasible intergenerational equity models that accurately pay attention to future generations. To measure intergenerational equity, we will have to estimate future developments. Intergenerational equity will require discounting of future events by politicians, policy makers and private individuals who will have to factor in future-orientation and social responsibility in current decisions. Governments must breed hope through forward looking strategies in the eye of radical austerity cuts and unemployment gaps to take away people's fear of the future. Policy makers are pressured to revise social services and raise the retirement age in industrialized economies. For instance, in the UK, where a lower-than-usual discount rate is applied in the case of forestry projects, as a 'grant for future generations.' Future world inhabitants must be put into the focus of today's choices by shifting the current wealth of the elderly to save for future generations and put sustainable governance in place. We may also have to curb our consumption rates to conscientiously transmit the earth's resources to future generations. The balance between the welfare of present and future generations can be established through spontaneous and individual saving decision of the present generation as well as policy implementations of this preference seeking to arrange tax collection and governmental actions affecting the economy to distort or amend the individual saving preferences in favor of future generations (Bauer, 1957). Social discount rates weight the well-being of future generations relative to those alive today. Society can also use intergenerational fiscal transfers to allocate the burdens across generations without the need to trade off from generation's well-being for another's (Sachs, 2014).

Empirically finding human-imbued intergenerational ethicality provides evidence for the legal codification of intergenerational fairness on an international basis. Studying the interaction of individuals psychological processes with multiple influences at the organizational- and societal-levels in exhibiting intergenerational equity will offer a more comprehensive and inclusive application of the rationalist and social intuitionist paradigms in the intergenerational equity domain. Deriving information on circumstances under which decision makers are likely to be intergenerationally conscientious is targeted at outlining ways how to improve intergenerational equity in the absence of legal enforcement and governmental control. Capturing responsibility triggers will help designing context that advance intergenerational equity to complement institutional policies. Unraveling potential intergenerational equity downfalls enables institutional technocrats to create contexts that automatically raise future-orientation and open ways to steer civic duty compliance based on a cooperative government-citizen relationship. Studying the interplay of individuals' propensity to engage in responsible behavior and contextual environments to support future-oriented social responsibility will allow controlling the interaction of individual and external variables to steer intergenerationally equity. Delineating organizational constraints for intergenerational conduct will help creating cultures that promote and

encourage intergenerational equity. Practical implications comprise of performance management and reward systems that hold managers and policy makers accountable for their decisions and actions but also incentivize to outperforming current contributions to future generations.

Investigating intergenerational constraints from a global governance perspective will help understanding the impact of public and private sector contributions on intergenerational fairness. Studying public welfare problems as well as financial market predicaments and environmental constraints concurrently elucidates similarities and differences of public and private sector approaches to ensure intergenerational equity. Mapping intergenerational equity throughout the world will draw international comparisons of public and private sector intergenerational responsibility approaches in order to derive multi-faceted success factors for a concerted intergenerational responsibility model. Paying attention to the 2008/09 World Financial Crisis provides a unique snapshot of socio-economic changes implied by a financial turmoil and helps portraying crises as opportunity for ingraining ethicality throughout society.

While classic economic models portrayed balancing the interests of different generations as ethical or political problem of competitive markets and state governance alike (Allais, 1947) and some economists even opposed discounting of future utilities (Harrod, 1948; Ramsey, 1928); nowadays, intergenerational equity has become a political question of how far democracy goes and temporal justice an ethical obligation for the future. But when considering the current inequality over time, we face legal adaptations not instantly applying to current external changes. Beyond lagging legal codifications and yet to be adjusted policy frameworks, we must strive for understanding natural expressions of intergenerational equity and core humane values of justice as a responsibility for the future. Sustainability intuitions should be explored.

Eternal equity has always been lived within the family compound and practiced in the wake of humane fairness notions. The human-imbued wish to provide an at least as favorable standard of living to our children stems from evolutionary, social and religious values. Ignorance regarding intergenerational concerns naturally feels wrong and hegemony of now appears like a sin on future generations. Not being intergenerationally conscientious puts offspring at stake and detaches people from their environment. Understanding intergenerational conscientiousness as a natural behavioral humane-imbued law will help integrating future conditions in today's decision making.

Building on Rawls' (1971) procedural justice, intergenerational equity will ensure fairness between generations based on future orientation and social responsibility for future generations. Pursuing intergenerational equity in the wish to provide a decent standard of living for the upcoming young can be enabled by a mutual transfer between old and young. Justice can be sought in future outlooks, humane reflexivity and globalized solidarity enabling that one generation does not live at the expense of future generations. Financial Social Responsibility will ensure that the current generation is not spending the money of tomorrow's children or takes up debt to be paid by future children. Generations passing on to the future will feature age-attentively redistributed wealth, investments for young and respect for future generations' resource consumption needs.

Future research endeavors may comprise of multivariate and network analyses of public and private intergenerational equity considerations. International comparisons of intergenerational social welfare schemes derive public and private sector recommendations on intergenerational equity contributions in the interplay of favorable market incentive structures and prescriptive public policies. Investigating intergenerational equity before and after the 2008/09 World Financial Crisis could fortify our understanding of intergenerational equity as a risk management and crisis prevention strategy.

In addition, contemporary CSR strategies should scrutinized for sensitivity to future generations. Organizational-level factors impacting on leaders' ability to engage in intergenerational equity should be explored. A quest for integrating intergenerally responsible leadership in the corporate world could address favorable corporate drivers of intergenerational conscientiousness – comprising of social climate, ethical culture, codes of conduct, leadership role modeling, as well as performance-based reward and sanctioning systems. Attention should be paid to international differences of local conditions and stakeholder expectations about future generations when conducting business in internationally different

contexts (Kohli, 2004). Supranational influences on responsible leadership could be outlined in order to recommend how to enhance intergenerational equity in the global arena.

In future studies, the complex interplay of individual and environment variables on ethical choices should be unraveled in order to retrieve contextual influences on intergenerational equity, comprising situational, organizational, institutional, and supranational, on intergenerational responsibility. Institutional rules, policies and regulations should be analyzed in the search for opportunities to implement intergenerational equity. Further, light should be shed on how the public and the private sectors can be systematically designed to promote intergenerationally responsible behavior in order to retrieve recommendations for intergenerational equity implementation and education. For instance, human resource training and leadership development may promote eternal equity in the corporate world. Service learning programs and consciousness raising could prepare public servants for social, ecological, and ethical leadership challenges faced in the age of globalization.

In sum the future planned intergenerational equity research may help understanding the socio-dynamics of intergenerational equity and presents social norms, public and private rules, policies, and procedures that establish intergenerational care as a prerequisite for an intergenerationally harmonious and future sustainable mankind. Overall research on intergenerational equity pursues the greater goal of freeing from short-termism shackles and grant wings of wisdom for our children, grandchildren and great-grandchildren. Faith in future liberty grounded on noble munificence over time will acknowledge constancy of our childrens' freedom, economic prosperity and access to global common goods in an intertemporally favorable environment and Pareto efficient overlapping generations society. Socially responsible intelligentsia about the future of tomorrow's citizens of the world will pave the road to intertemporally harmonious justice; while foresighted vigilance seed the victory of eternal equity sparked in our fin-de-millénaire.

## ENDNOTES

1. Based on Austria 4.9%, Belgium 8.8%, Czech Republic 7.1%, Denmark 6%, Finland 8.1%, France 10.2%, Germany 5.3%, Hungary 8.1%, Italy 13%, Luxembourg 4.9%, Malta 6.4%, Netherlands 8.3%, Sweden 8.1%, and UK 6.3% as of 2013 and 2014.
2. Based on Bulgaria 11.6%, Croatia 21.6%, Cyprus 17.4%, Estonia 10.9%, Greece 27.9%, Ireland 10.7%, Latvia 9.8%, Lithuania 12.4%, Poland 10.3%, Portugal 16.8%, Romania 7.3%, Slovakia 14.4%, Slovenia 13.1%, Spain 26.3% as of 2013.
3. Based on core countries Austria 8.9%, Belgium 21.6%, Czech Republic 15.6%, Denmark 11.4%, Finland 20.7%, France 25.4%, Germany 7.4%, Hungary 19.8%, Italy 43.9%, Luxembourg 18.4%, Malta 13.5%, Netherlands 9.7%, Sweden 23%, and UK 16.3%.
4. Periphery countries Bulgaria 21.4%, Croatia 45.5%, Cyprus 34.8%, Estonia 13.9%, Greece 49.8%, Ireland 21.8%, Latvia 20.3%, Lithuania 15.5%, Poland 23.2%, Portugal 34.5%, Romania 23.3%, Slovakia 29.2%, Slovenia 20.4%, and Spain 53.5% national unemployment rates.

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