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Welfare and Generational Justice

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*Ma penso
che questa mia generazione è preparata
a un mondo nuovo e a una speranza appena nata,
ad un futuro che ha già in mano,
a una rivolta senza armi,
perché noi tutti ormai sappiamo
che se dio muore è per tre giorni e poi risorge,
in ciò che noi crediamo dio è risorto,
in ciò che noi vogliamo dio è risorto,
nel mondo che faremo dio è risorto...*

Francesco Guccini, Dio è Morto

*The current generation now sees everything clearly, it marvels at the errors, it laughs at the folly of its ancestors, not seeing that this chronicle is all
overscored by divine fire, that every letter of it cries out, that from everywhere the piercing finger is pointed at it, at this current generation; but the
current generation laughs and presumptuously, proudly begins a series of new errors, at which their descendants will also laugh afterwards.*

Nikolai Gogol, Dead Souls

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Ideas



1.1 Generational Justice: an Overview

Intergenerational Justice (GJ) is a quite recent field of investigation, often associated with the concept of sustainability and environmental movements' campaigns.

It could be conceived as a relation between generations based on the theory of justice we opt for.

In this chapter I will give an overview of the main literature on GJ, trying to define it and searching for a dynamic equilibrium between sustainability and social justice.

Every moral and political theory must define the scope of the subjects falling under its judgement according to its fundamental normative principles. Kant thought that moral principles apply to all rational beings (Rationality), Bentham held that they apply to all sentient beings (maximisation of pleasure), Plato and Aristotle restricted the scope of political morality to the free citizens of the polis (cultivation of virtue), Christian theology referred to human souls created in the image of God (salvation of the soul).

However, modern theories of justice, at least those belonging to the contractarian tradition, determine the scope of their subjects on the basis of formal rather than metaphysical, normative, or naturalistic constraints. Distributive justice, since Hume, is characterized in terms of a set of principles that regulate the relationship of cooperation between human beings. The formal constraints on the application of justice involve, accordingly, the description of the conditions under which human cooperation is, in Rawls' phrasing, 'possible and necessary'.

Following Hume, Rawls refers to these conditions of just cooperation as 'the circumstances of justice', essentially associated with the condition of mutuality or reciprocity.

Cooperation typically takes place only between people living in the same time and on the same territory, legally defined by the State sovereignty. This explains why theories of justice have traditionally referred to individuals in a society and of a determined generation.

In pre-modern times this double restriction (temporal and territorial) of the application of justice seemed very natural. In the world preceding globalization the degree of influence of one society on another was quite limited, so was the impact of one generation on its descendants, particularly on distant future generations, and a given generation usually enjoyed a standard of living roughly similar to that of its parents, conducted its life by similar technologies and means of production, and received an education similar in quality and scope. Today, the welfare of future generations has become tremendously dependent on the actions and policies of the present generation: in long-term investment, the preservation of natural resources, pollution, and genetic practices - to name just a few dimensions of that dependence.

The passage to an explicit definition of GJ arises with the growth, since the 60s, of an ecological consciousness and it is connected to the idea of sustainability, intensely debated both by public opinion and intellectuals. It was discovered that mankind was challenged by serious, if not irreversible, obstacles to its survival (e.g. populations explosion, global food security, natural resources scarcity, pollution of the air and the sea.). But above all the risk of nuclear war and the wastes derived from the peaceful use of nuclear energy, would have haunt us for a long time to come.

Since then many writers start to expand the literature on future generations' justice claims. Many traditional approaches to political philosophy cannot conceive the time dimension: the social contract theory should be seen in a new light, considering non existing people, not just part of the social contract with their contemporaries but element of an existential contract with descendants and ancestors.

The first publication about justice over time is: "The Conversation between the Generations" of Peter Laslett in 1970 starting with the challenge in defining the word generation.

Laslett argues that the consequences of the use we make of the word generation are both practical and moral. "Policies are decided, money is spent, armies are moved, legal judgment are passed and personal sacrifices are made in virtue of the concept of the generation..."¹. As we will see the concept of generation is used in many constitutions preambles to inspire and justify the need of institutionalization of GJ. Burke was the first to refer to the idea of generation, in a romantic more than philosophical way. In the same period the French poet Chateaubriand uses the term generational analysis to explain an historical period. The impact of generation of the French revolution, the civil engagement, the Enlightenment, provoked a reaction in the succeeding generation that came from the enormous disillusionment caused by the failure of the dream of "fraternité, égalité et liberté". The restoration of the "ancien regime" corresponded to a generation of intellectuals individualist and focused more on feelings and emotions then on the progress of mankind. The same comparison is possible, in my opinion, with the generation that followed the 60es civic movements, much more oriented on private and personal sphere. This is just a way to develop the concept of generation to explain political and cultural steps. Nevertheless, according to Laslett, the majority of the modern Western school of thought such as Hegelian metaphysics, existentialists, phenomenologist, logical analysts, veil of ignorance contractarians, are all in a dilemma facing the conversation between generations. The conclusion of Laslett is, among other things, that "moral ties between generations almost inevitably go forward in the time dimension rarely backwards", "duties go forward in time but rights go backwards"². Duties of parents to children reciprocate rights of parents: rights of children towards parents are reciprocated by duties of these children towards their children. Furthermore, in terms of utility, to make public institutions responsible for the future generations the family seems to have a fundamental role.

¹ P. Laslett, *The Conversation between the Generations*, Royal Institute of Philosophy Lectures, 1970, pp 172-189.

² *ibidem*

According to Richard Epstein within the family the utility of the parents depend in part on the welfare of their children. So "the natural parental investment in their children creates a bias for the protection of their future that legal and social institutions should exploit, not undermine. Taxing and regulatory policies designed to secure equality of wealth in the next generation do so at the cost of reducing the levels of capital accumulation, thus putting the claims of intragenerational equity (if compelling at all) at odds with those of intergenerational equity."³ A concrete example in the private sphere is an estate succession tax regime. Those simple model balance two extreme cases: those in which the parents give all to their children and those in which they gave all to strangers. This is the case of equilibrium between a matter of social justice (redistribution among contemporaries, between rich and poor) and one of generational justice. The higher the rate of the tax, the greater the fraction of the wealth that goes, via the public expense, for the benefit of strangers. We should expect the parents to adopt a mixed strategy in reply comparing the utilities of full consumption for themselves against the indirect benefit they get from the fractional consumption of their children, taking into account any marginal benefits that those children receive from their negligible interest in the common fund. One expects that the transfers will still be relatively substantial in practice, if only because consumption patterns become less variable ad people become older, when many people desire to hold on to wealth in the face of, for example, fears of major medical expenses. The estate tax has not destroyed all transfer of wealth to the next generation, but it has surely inhibited it.

Transmissions between the generations does not begin at death but with education and parental care, many important intergenerational transfers will in fact not be touched by any form of taxation. Most of them could be also immaterial such as culture, life experiences and family friends.

To leave generational distribution of goods exclusively to the private sector, made the equilibrium between social and generational justice more difficult to pursue, the risk to leave to the private institutions the duty of GJ justice are various , among all:

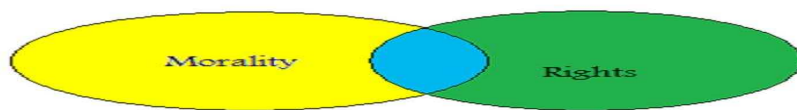
- disequilibrium between social justice and generational justice;
- difficulties in pursuing collective objectives (environmental protection, mankind progress...);
- difficulties in pursuing collective values (merit, social mobility...).

I will come back to these risks in the following chapters.

³ R. Epstein, Justice across the Generations , 67 Tex. L. Rev. p. 1465, 1988.

In 1972 and 1974 first Golding⁴ then Feinberg⁵ started to talk about presumptive rights of future generations, the first justifying it with the concept of moral community the second claiming for a real interest that future generations have and that present one can affect.

The relation between morality and right could be simplified like this:



There is a part of morality, entering in the sphere of rights but there are also rights, emerging from bilateral wills, between two or more persons with converging interests. Rights of future generation are of the first type according to Golding and of the second type according to Feinberg.

Rawls has been the major pioneer, facing the theoretical and moral need to expand the theory of justice to both the inter-national and the inter-generational spheres, we will present in details Rawls principles of justice applied to generational discourse in chapter 1.4, discussing the foundation of GJ.

Brian Barry and Derek Parfit are maybe the most challenging intellectuals to face if we want to debate on GJ. Barry, commenting Rawls, proposed to conceive our relations with our successors taking into account the asymmetry in power and knowledge. Our successors cannot affect in anyway our present well being but our decisions can determine future better off or worse off. As Barry put it, even knowledge makes a difference in the relation with our successors “ we have less and less knowledge about the future the more remote the time ahead we are thinking about.”⁶

Barry is concerned about what he defined “ecological sleeper-effect” that is the kind of decision that “we set off now with no ill effects for some hundreds of years and then catastrophic effects“.

⁴ M.P. Golding, “Obligations to Future Generations” , pp. 85-89, 1972. 6.

⁵ Joel Feinberg, “The Rights of Animals and Unborn Generations.” In William Blackstone, ed. Philosophy and Environmental Crisis, the University of George Press, 1974.

⁶ Brian Barry, "Justice Between Generations", Oxford University Press, 1977, pp. 268-284.

The crucial point is then if survival of mankind is an ethical value or in another words "...whether and to what degree it can be morally incumbent on us to make sacrifice to bring happy people into the world or to avoid preventing them from being brought into the world"⁷. His arguments are something like this: that to do something morally wrong some particular person must be less well off then he would be otherwise; and if we deplete our resources rather than conserving them, different particular people will be born so that no one (or almost no one) will be worse off through having squandered our resources.

In a succeeding paper Barry⁸ tries to go beyond this debate proposing the following question: assuming that there will be people in the future, can it be said that we should be behaving unjustly if we neglected their interests in deciding how much to use up finite resources, how far to damage the environment in ways that are irreversible or at any rate extremely expensive to reverse, and how much to invest in capital goods or research and development of new technologies (e.g. non-exhaustible energy sources).

Barry considering the idea of "circumstances of justice" taken from Hume and revised by Rawls, realizes that if that doctrine is true there can be no place for justice between generation. It is not possible in a classical contractarian perspective to consider the future generations as part of the social contract. So Barry proposes that for justice across generations justice should be conceptualized as equal opportunity.

"What justice requires" Barry argues, "is that the overall range of opportunities open to successor generations should not be narrowed. If some openings are closed off by depletion or other irreversible damage to the environment, others should be created (if necessary at the cost of some sacrifice) to make up"⁹. This suggestion corresponds to the feeling of many people that considers making future people better off is nice but not required by justice, while not making them worse off is indeed required by justice.

Derek Parfit began to write on personal identity in early 1970s. In part four of his *Reasons and Persons*¹⁰ Parfit presents the "non-identity problem" to tackle the problem of the interest of future people. Parfit presupposes that his Time-Dependence Claim is true and applies to everyone assuming that if you had not conceived at a precise time you would never have existed. This view is shared by the scientific community and the only objection could be descriptive such as the one stated by Tolstoy in the epilogue of *War and Peace*. History does not depend on the decisions made by particular people, on this view if Kant's mother had remained childless, history would have provided another author of the *Critique of Pure Reason*. Parfit considers this view too implausible to be worth discussing. The truth is, Parfit argues, that we can affect both the identity and the number of future people.

The example that Parfit proposes us is the following: a 14th year old girl chooses to have a child and because she is so young, she gives her child a bad start in life. Though this will have bad effects

⁷ Brian Barry and R.I. Sikora, *Obligation to Future Generations*, viii-xi, Temple University Press, 1978.

⁸ Brian Barry, "Justice between Generations", in *Law, Morality and Society. Essays in Honor of H. L. A. Hart*, P.M.S. Hacker and Joseph Raz (eds.), Oxford: Clarendon Press, 268-84.

⁹ *ibidem*

¹⁰ Parfit, Derek, 1984, *Reasons and Persons*, Oxford: Clarendon Press.

throughout this child's life, his life will, predictably, be worth living. If this girl had waited for several years, she would have had a different child, to whom she would have given a better start in life¹¹.

Parfit debates on the decision of the girl to have the child now instead of later and viceversa concluding that an appeal to rights can not wholly solve the problem. In order to solve the non identity problem, considering a situation of different number of people in the world, we need a theory that Parfit calls X. Unfortunately Parfit did not find such a theory, in his words that conclude part four of his book:

“As I argued we need a new theory about beneficence. This must solve the Non-Identity problem, avoid the repugnant and absurd conclusions, and solve the mere addition paradox. I failed to find a theory that can meet these four requirements. Though I failed to find such a theory, I believe that, if they tried, others could succeed. The decision on depletion or conservation influences the future in a complex way, how many of us could truly claim: “Even if railways and motor cars had never been invented, would still have been born?”.

According to Parfit: “ as a community, we must choose whether to deplete or conserve certain kind of resources. If we choose depletion, the quality of life over the next two centuries would be slightly higher than it would have been if we had chosen Conservation. This would be because, at the start of this period, people would have to find alternatives for the resources that we had depleted.”¹² If we choose depletion many future generations will have a lower quality of life but future people's lives are worth living an if we had chosen conservation they would never had existed. Nevertheless the great lowering of quality of life must provide some moral reason not to choose depletion.

The equilibrium between conservation and depletion is something crucial in the debate on GJ. In sum, I will anticipate that the project of maintaining total, or natural, capital is not a practicable one; and even if it were practicable, it would not be desirable. For the ‘economic’ reading of sustainability in terms of the maintenance of capital, natural or otherwise, has enormous potential for frustrating not only environmental but also moral objectives. The project of maintaining capital is not necessary for securing intergenerational justice, in the only sense in which this objective is also feasible. But worse than this, if the level of natural capital is measured economically, in terms of the strength of concern abroad in some given society and the impact on welfare, and if that society provides unequal opportunity for the voicing of concern and exhibits manifest inequalities of welfare, then the project of maintaining capital, far from being a means to securing intergenerational justice, is simply a way of translating present injustices into the future.

The theory of justice between age groups and generations was treated homogeneously in a collection of essays edited in 1992 by Peter Laslett and James Fishkin¹³. From the introduction on, the authors

¹¹ Parfit, Derek, 1976, “On Doing the Best for Our Children”, in *Ethics and Population*, Michael D. Bayles (ed.), Cambridge: Schenkman

¹² Parfit, Derek, 1984, *Reasons and Persons*, Oxford: Clarendon Press.

¹³ Laslett, Peter, and James S. Fishkin (eds.), 1992, *Justice Between Age Groups and Generations*, New Haven and London: Yale University Press.

criticized the lack of time dimension in the political theory debate: Rawls, Nozick and Ackerman, as well as the utilitarian intellectuals, had only given the impression that they were taking justice over time into account, yet they were really not.

Laslett and Fishkin attributed to the metaphysical providentially, spread through the Classical and Christian eras in Europe, the reason why our main intellectuals were not concerned with justice between generations. The religious tradition limits our sense of responsibility toward posterity because in the last judgment humankind, past present and future, will be consigned to Heaven or Hell independently from time dimension.

Laslett and Fishkin settles on a definition of justice between generation:

“It consist in an obligation on all present persons to conduct themselves in recognition of the rights of all future persons, regardless of geographical location and temporal position. No generation is at liberty to ransack the environment, or to overload the earth with more people that can be supported, or even, though this is more debatable, to act in such a way as to ensure that the human race will disappear. This duty goes beyond beneficence, the idea that it would be better to act in this way and magnanimous to our successors. Rather, we are required so to conduct ourselves because of the rights of future persons.”¹⁴

The metaphor they propose to explain justice over time is that one of a procession. We do not know how long the procession is in temporal terms or how long it would take for the whole to pass a particular point and we can interact only with those walking in our immediate vicinity. If we decelerate or stop (either of our own accord or because our predecessors make it unavoidable) we will have no impact on our predecessors but we will influence our successors. We are conscious moreover of how irregular and indefinite is the boundary that separates our area from the remainder of the procession.

This image of an all-inclusive collectivity with not defined temporal dimension scarcely fits with the concept of individual rights and rule of law.

Laslett went on discussing the concept of generational contract and generational trust developing in 1979 what he calls the “intergenerational tricontract” and the “intragenerational intercohort trust”.

The first is based on the concept that the rights a generation has in preceding generations are matched by the duties that have to be performed towards generations yet to come. The second is more vague, the picture is of cohorts, which together constitute each of the age-groups concerned, having trust relationship with each other, the provisions of which change as the cohorts age and so proceed from one age-group to another.¹⁵ In this relation, social institutions and above all the state play a fundamental part, it serves as the trustee, especially when social good are transferred come from taxation. Pensions, especially the kinds supported by the pay as you go taxation, is a case in point.

¹⁴ Ibidem pp.14-15

¹⁵ ibidem

The above discussion only gives an account of the literature on justice between generations in the West in the past 40 years.

The last consistent volume on Justice and posterity is the Handbook of Intergenerational Justice, edited by Joerg Chet Tremmel in 2006¹⁶, it offers precious hints on the relation between justice and sustainability that I am going to analyze in the next paragraphs as well the institutional protection of posterity.

1.2 Generational Justice as Sustainability

The concept of sustainability is based on the assumption that, if the future of nature is not an object of human responsibility, we cannot say the same about our sons' future.

The first step to define GJ is to distinguish between intergenerational and intragenerational justice. The first between generations the second within generation, the first compares average individuals whereas the second analyses the various circumstances and living conditions of individuals at a given point in time. To clarify the terms I will use are intergenerational justice as justice between generations interacting one another in different time, not necessarily succeeding generations, intragenerational justice as justice within one generation interacting with another at different stages of life (old-young) and social justice as justice between contemporaries. I will analyze welfare system in a national perspective, different demographic and social dynamics will limit my field. The legitimate objection of how to conciliate intergenerational justice with international justice find an answer in the definition of GJ one adopt.

The dilemma of welfare system is to conciliate three dimension of justice: social, temporal and intertemporal justice. The first between rich and poor, the second between young, middle-aged and old people living today, the third be people who lived yesterday, who live today, and who will live tomorrow.

Intragenerational justice includes social justice¹⁷ and has a temporal component, if you want to reach a goal, for instance more equality between a son of a FIAT worker and Agnelli's son, you can by definition only achieve it in the future, but the future is conceived in a short term horizon, not in a hundred year but within the next legislative period.

Intergenerational justice is instead an atemporal equilibrium between generation A and generation B.

Some scientists, working in environmental area, mainly in developed countries, adopt the definition of dynamic equilibrium (same input and output over time):

¹⁶ Joerg Chet Tremmel and others, Handbook of Intergenerational Justice, Edward Elgar Publishing, 2006

¹⁷ Intragenerational justice includes also gender and ethnic justice, justice between families and couple without children, justice between ill and healthy people, jobless and workers, people from different religious or different sexual orientation, people from different regions within a country or with different levels of education.

“the concept of sustainability in the spirit of inter-generational justice must be separated from the concept of just distribution between the countries and regions.”¹⁸

We have a weaker and a stronger theory of sustainability. Robert Solow's work¹⁹ exemplifies weak sustainability theory. Solow's basic idea is that the obligation to sustainability “is an obligation to conduct ourselves so that we leave to the future the option or the capacity to be as well off as we are”. A central implication of Solow's view is that “there is no specific object that the goal of sustainability, the obligation of sustainability, requires us to leave untouched”. Solow argues that all we need avoid is passing on a smaller stock of generalized capital to the future than we inherited. He bases his argument on a strong premise asserting our total ignorance regarding what we can know about the preferences of future people: “We realize that the tastes, the preferences, of future generations are something that we don't know about.” So, he argues, the best that we can do is to maintain a non-diminishing stock of capital in the form of wealth for investment and in the form of productive capacity and technological knowledge. Solow continues: “Resources are, to use a favorite word of economists, fungible in a certain sense. They can take the place of each other.”²⁰

In this argument, ignorance problems completely dominate the other two sets of problems—the distance problem and the typology of effects problem. The Grand Simplification is so Grand because it apparently resolves the seemingly perplexing distance question, subsuming concern for distant generations within a simple obligation to save and to maintain a non-declining stock of capital for the next generation. And, it sidesteps the typology of effects problem by assuming the fungibility of resources across uses and across time. We need only maintain an adequate savings rate in order to rule out spending down the general stock of capital, and that will take care of our obligations to the future. As long as the future is richer, the future will have no right to complain that they have been treated unfairly.

Ecological economists, recognizing that these assumptions greatly restrict our ability to analyze impacts of specific policies on the future, have challenged Solow's principle of unlimited fungibility, arguing that certain elements, relationships, or processes of nature represent irreplaceable resources, and that these resources constitute a scientifically separable and normatively significant category of capital—natural capital. This position apparently contradicts Solow's central conclusion—that sustainability is achieved, provided simply that the *total* stock of capital is not declining.

Ecological economists such as Herman Daly²¹ argue that human-created capital and natural capital are complements, and that they are imperfect substitutes for one another. Daly and Cobb²² propose that, having identified certain resources as natural capital, these particular assets should be set aside because they are essential to the welfare of future generations. We can say, then, that whereas the weak

¹⁸ Ortwin Renn, *Discursive methods in environmental decision making*, John Wiley & Sons, Ltd and ERP Environment, 1997.

¹⁹ Solow, R. *Sustainability: an Economist's Perspective*, Harvard University Press, 1993.

²⁰ *Ibidem*

²¹ Herman E. Daly, *An Introduction to Ecological Economics*, CRC Press, 1997.

²² Herman Daly and John Cobb Jr. *FOR THE COMMON GOOD, Redirecting the Economy Toward Community, the Environment, and a Sustainable Future.*, Boston: Beacon Press, 1989.

sustainability theorists believe that we owe to the future an unstructured bequest package, the strong economic sustainability theorists structure their bequest package, differentiating special elements of capital-in-general that must be included in the capital base passed forward to coming generations. While they insist on structuring the bequest package, the strong sustainability theorists never question the comparability of natural and other forms of capital with respect to their impacts on welfare as experienced at different times. I will present in the last chapter a quantitative method, introduced by Philip Ederer, to measure the transfer of capitals from one generation to posterity.

Even though ecological economists have criticized the methods and approaches of mainstream economists regarding natural and human-built capital, they still operate on the same set of assumptions and beliefs that support the Grand Simplification. If we destroy natural capital, a trust fund must be set up to compensate the future—implying that the present dollars invested in the trust are, if not a *substitute* for natural capital, at least acceptable *compensation* for the loss of opportunities suffered in the future. And, while Daly and Cobb do not endorse presentism, it is difficult to see how their insistence on trust-fund compensation for future people in perpetuity provides protection beyond Solow's admonition to maintain a fair savings rate so as not to impoverish the future. Strong sustainability, for all practical purposes, collapses into weak sustainability.

If we weight equally inter and intra GJ green policies and development policies goals coincide. The aim to save economic, social and environmental resources for future generations is not a sufficient principle if the basic rights of human life are not fulfilled.

The dispute on how justify normatively the concept of sustainable development stand in a compromise between intergenerational and intragenerational justice, the first connected with environment the second with development.

If our priority is ecological GJ then the definition of sustainability considers the dynamic equilibrium (same input and output over time) as the main feature, independently from the concept of social just distribution. On the contrary if we equally weight inter and intra GJ, the dynamic equilibrium is just one aspect and social justice must be included.

UN and EU seems to share the second definition. According to the UN sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs²³.

Article 2 of the Treaty Establishing the European Community²⁴ designates the improvement of welfare and living conditions in a sustainable way for present and future generations as a fundamental goal of the EU.

²³ Final report of the World Commission on Environment and Development, Tokyo, 1987

²⁴ Official Journal of the European Communities C 325/33

How the concept of intergenerational justice overlaps with the concept of sustainability depends on the theory of equity one adopts.

Equity is different from equality, presupposing an egalitarian view, nevertheless most theories of equity contain an appeal to the desirability of equality.

First point is to identify the concept of sustainability; according to John Pezzey's extensive survey²⁵ most definitions of sustainability conceived sustainability as an improvement rather than a pure sustaining of the existence of life.

Main issues here are which model we should use to assess the improvement. The model of cost-benefit analysis, our standard mechanism to deal with the future, is probably part of the problem. Suppose that there is a sequence of non-overlapping generations, each of which has preferences that are predominantly generation-relative in their scope, concerning things that happen within the timeframe of its own existence. Suppose that there are two types of good that are temporally dispersed. The first type are the front-loaded goods: their benefits accrue to the generation that produces them but their costs are deferred and fall on later generations. Goods of the second type, instead, are such that their costs accrue to the generation that produces them, but their benefits fall on later generations, back-loaded goods. Considering this we expect that each generation will oversupply front-loaded goods and undersupply back-loaded goods; effects of this scenario are welfare system unequal distribution in continental Europe or the amount of public debt in some countries such as Italy.

This generational behavior of securing benefits for itself imposing costs on their successors is called buck passing. Two examples of GJ in ecological perspective are climate change and nuclear protection²⁶. The first is a deferred phenomenon, what we are experiencing now is a result of emissions from some time in the past and our current emissions will not be realized for some time in the future. So intra-generational motivation for acting on climate change may be low and the buck passing effect is verifiable. The main two strategies for climate change fight are mitigation (reduction of emissions) and/or adaptation (preparations in order to limit the impacts of climate change). Both activities involve temporally dispersed goods. The nuclear activity offers two examples of temporally dispersed goods: nuclear waste is a front-loaded good while genetic effects of radiation is clearly a back-loaded good.

The question of responsibility toward future generations is not an empty framework. Regarding the temporal scope of responsibility (which period of time?) most moral philosophers include the entire foreseeable future with the only limit of prognostic knowledge and irreversibility, meaning that any future generation will accept certain changes (extinct species and exhausted raw materials). The number of future

²⁵ Final draft of Pezzey and Toman, "Progress and problems in the economics of sustainability", in T. Tietenberg and H. Folmer, eds., *International Yearbook of Environmental and Resource Economics* 2002/3, 265-232, Edward Elgar, Cheltenham, 2002.

²⁶ *Protecting Future Generations: intergenerational buck-passing theoretical ineptitude and a brief for a global core precautionary principle*, Stephen .M. Gardiner, 2007.

generations, according to our prognostic knowledge is finite so there is no risk of infinite paradoxes (for instance marginal utility).

Some moral philosophers deny the fact that we could be obliged to provide for more than the directly subsequent generations. This view presents quite an inconsistency with the overall structure of TJ. Responsibility for future generation is not only individual or emotional based but social. One of the essential social functions of moral obligations is to replace individual relations of responsibility and to extend the horizon of responsibility beyond the circle of emotional proximity. If our theory of justice is universal so should be our moral responsibility, based on abstraction more than proximity relations²⁷.

Another crucial point to consider is the object of our responsibility. According to an anthropocentric perspective, that I share, we should take over only the future descendants of mankind. An obligation to preserve nature exists only in so far it could be of some use (instrumental or theoretical) for future human generations. Theories considering animal and nature subsystems having an autonomous right of existence are pathocentric and biocentric ones. In case of conflicts, the most moderate conceived restrictions in favor of men while the strict egalitarian would never justify irreversible losses of an ecosystem or a biological species. While the first position offer a way of conciliation between Intra and Inter GJ the second is more radical and conceive environmental sustainability as a value di per se.

I assume that in order to feel the responsibility for the future it is more coherent to opt for the anthropocentric principle, conceiving man in the Kantian tradition of moral being. Nevertheless in many concrete examples such as the protection of species and ecosystem the two different basic principles converge.

The content of future responsibility, if we assume an anthropocentric approach, depends primarily if we consider the preservation of mankind as an independent value or if we just take into account the well-being of existing people preservation.

The most radical version of the first approach is postulated by several catholic theologians claiming that mankind, independently from possible conditions that might not allow a life worth living, is obliged to reproduce. The opposite answer is given by Potzig in 1983 claiming that we are only obliged to provide for the satisfaction of needs of those members of future generations who will live anyway but we are not obliged to safeguard the survival of mankind.

Between these extreme position the content of future responsibility, according to different theories (both total utility utilitarians and non utilitarians) , is not the mankind survival at whatever cost but the strength to enable all generations to achieve the highest sum of welfare. This conclusion will be relevant to set the rule of welfare system to assure a fair generational compact. Furthermore the question arising is how to define the needs of future mankind. Considering a want-regarding axiology²⁸ we are obliged to make

²⁷ As Nietzsche's expression *Fernstenliebe*, a solidarity with those most far away, is necessary for future-ethical norms.

²⁸ Responsibility for future generations, Dieter Birnbacher, 2007.

provisions for the probable needs of future generations: they will probably need food and water, maybe Dante's *Divina Commedia* but not the preservation of those biological species we are convinced future generations will not have interest in.

In contrast an ideal-regarding axiology²⁹ as postulated by Hans Jonas requires a continued development and cultural enrichment of human preferences. At least there should not be a lowering of these preferences to an inferior level. This second perspective is more optimistic, aiming at securing not only quality of life (as subjectively judged by the previous generations!) but Men capabilities.

The risk in the second is that it is barely universalizable in order to be a moral responsibility.

I will assume that the content of future responsibility is to preserve the survival of mankind as an ethical value but to pursue it, it is necessary to find a methodology that considers both inter and intra generational justice, sustainability and social justice. Two interdependent factors of conciliation and continuity between inter and intra GJ are democracy and welfare system.

1.3 Generational Justice and Social Justice

I will not deal with environmental issues, already intensely debated in the sustainability discussion, but on a broader definition of GJ that includes social justice, to address the current generational injustices affecting many Countries, characterized by high youth unemployment, exposition of young people to precarious working conditions and an unequal Welfare distribution among generations.

For my analysis an issue to clarify from the beginning is the different implication in dealing with issues of justice between age groups as they can be separated out from issues of justice between birth cohorts.

Social sciences tend to use a distinction between cohort effects and age effects. For example, it may be strictly due to age effects that a group of people suffers from deficient audition or poor memory. Whatever the cohort, people at the age of 90 tend not to have auditive capacities or memory abilities which are as sharp as those of people aged 20. Yet, it may also be the case that in comparing people at the same age from different birth cohorts (for example, those in their 40s born in 1920 compared to those born in 2000), some proper cohort effects may occur, for instance due to the intensive use of headphones at a young age in recent times, or to lesser memorization habits. My assumption that will be relevant in the third chapter is the that future birth cohorts should have the same level of progress that we have plus all the added value our birth cohort will give the humankind, furthermore I will opt for a dynamic model to avoid an atemporal challenge between age groups, specifically between the elderly and the youth.

²⁹ *ibidem*

It is often assumed that the difference between cohort effects and age effects may be linked to two distinct realms of justice, though this is far from certain. Yet, at the very least, this age-group/birth-cohort distinction should certainly not be confused with the distinction between overlapping and nonoverlapping generations. Cohorts (that is, groups of people born at the same time) can overlap or not. Issues of justice between cohorts do not necessarily need to involve non-overlapping generations only.

In my view inter (justice between generations) and intra (justice within a generation) GJ must be weighted equally, the dynamic equilibrium of sustainability is just one aspect and social justice must be included, green policies and development aid policies goals coincide.

If we want to change we can do it in future but if our welfare system do not consider future then we have a tridimensional problem: intra and inter generational justice plus social justice denial.

Social justice is based on a concept of distribution of material (economically measurable) resources and to some extent it is the main question.

Intergenerational justice includes social justice; in an intuitive way we can prove it by a simple experiment. We use to consider the fact of social justice only in an horizontal space dimension. The answer to the question of where would you like to have birth is also a matter of social justice.

The same is applicable to the question when would you like to have birth? In which period of time, in the past or in the future?

The answer to this question has deep implications in intergenerational justice concept.

Our sense of justice covers both space and time, let's think to the following dilemma : is it more morally justifiable to destroy humankind next generation or to kill all people living in Darfur?

Global justice and Generational Justice are relatively new ideas; justice itself is a very old one. In between the two, we find the idea of *social* justice, an idea that made its first appearance in the later part of the nineteenth century and rose to prominence in the twentieth century. Social justice is sometimes regarded as simply another term for distributive justice, but in fact it means something more specific than that. Questions of distributive justice arise when there is some divisible good to be allocated among a number of claimants, which means that it is relevant within groups of all sizes, from families upwards. Social justice, by contrast, refers to the distribution of rights, opportunities, and resources among the members of large societies, and the idea emerged only when it became possible to see that distribution as arising from the workings of social institutions—laws of property and contract, the organisation of work, the tax system, the provision of public services, and so forth—and therefore as alterable by political action, and especially by the state. In other words, the idea of social justice presupposed the growth of the social sciences on the one hand, and political institutions capable of delivering policies for the regulation of industry, education, health care, pensions, and the like on the other—once these conditions exist, it

becomes a relevant practical question whether the prevailing distribution of rights, opportunities, and resources treats all citizens fairly.

Global justice raises the same issues but refers to mankind rather than to citizens of a particular state. The idea has emerged as we have begun to understand better why people's life chances differ so widely between societies, and as institutions have emerged that can make some impact on global inequalities, through political change, capital investment, trade policies, and so forth. So it is natural to assume that ideas and theories first developed to explain what social justice means within state boundaries can be stretched to apply at global level: if, for example, social justice requires a certain form of equality among citizens, global justice will require that same form of equality, but now among human beings everywhere. Of course, promoting such equality at global level may turn out to be a harder task, and the institutions that can achieve it may be different from those used at national level, but these are problems of implementation rather than questions about what justice *means* when it becomes global in scope.

This natural assumption is, however, one that I want to reject. We should not take it for granted that global justice is simply social justice with a wider scope. Instead, we need to develop a theory of justice that fits the international context, which in several important ways is different from the national context. In saying this, I am assuming something about justice in general, namely that the principles that tell us what counts as a just distribution of some good are specific to the context in which the distribution is taking place. There is no one master principle (or connected set of principles) that defines justice in all times and all places. Instead, the relevant principle will depend on what is being distributed, by whom, and among whom: especially on the kind of relationship that exists between the people among whom the distribution is occurring.

The main criteria is that social justice is referred to a defined community, national or regional (for instance European Union) but well structured and institutionalized.

The institutions of redistribution are the main variable for social justice.

Remaining on a level of political philosophy rather than public policy or developmental economics in the dialogue between global social justice and GJ is relevant the question poses by David Miller³⁰:

“Should we think instead in terms of a global minimum level of rights and resources below which no one should be allowed to fall, and if so how should we decide where to set this threshold? What role does responsibility have to play when we make these judgements, and can we attribute collective responsibility to nations for how they fare as well as to individuals? When confronted with cases of severe deprivation like the Nigérien famine victims, how do we decide whose responsibility it is to come to their aid?”

³⁰ David Miller, *On Nationality*. Oxford: Clarendon Press, 1995

The first dilemma is between the vulnerability of human being, who cannot live decently without a minimum of resources and the right of freedom of acting, enjoying the benefits of success but paying the burden of failures.

What if somebody, or some group of people, had opportunities that, used properly, could have provided them with a decent standard of living, but as a result of their past actions they have become destitute in a way that leaves them with no means of escape? What does justice require now, of those able to come to their assistance?

I will not consider the individualist prospective that says, roughly, that anyone anywhere can live a decent life making efforts and behaving sensibly and I will focus on the collective responsibility, a contested and interested concept, that could be used both for global justice (rich and poor countries) and for generational analysis.

In my analysis the relation between social justice and generational justice is crucial, if we opt for a full coincidence of GJ with the idea of sustainability we risk to lose the main instrument to pursue Generational Justice in Western democracies: Welfare System.

In between social justice and sustainability we find GJ.

GJ has probably the same relation with social justice than Global justice. The difference between global and social justice is the space dimension, social justice usually refers to a well defined community in which at least some welfare utopia is feasible. Global justice is referred to the World and the Institutions in charge of pursuing it are the International Organisations. The comparison between global and generational justice is challenging for various reasons:

- concept of humankind community;
- difficulties in employing contractualism;
- emerging of new categories of rights;
- new institutions and mechanism of rights implementation and control;
- developing a new kind of responsibility, encompassing classical political communities.

Finally both in social and generational justice the objective of fair distribution is an utopia, nevertheless we are concretely responsible if we act unjustly.

The utopia of a fair distribution both among age groups and birth cohorts is a matter of social justice and can be deal developing a GJ speech on democracy and welfare state theory.

1.4 Foundations of Generational Justice

In this chapter I will discuss on which theory of justice better fits the generational issue, analysing pro and cons of liberal and communitarian approaches.

The two approaches are different starting from the foundation: the definition of justice.

In order to deal with inter-temporal equity, the communitarian approach defines justice as moral permissibility of a political structure (such as a legal system) while the liberal approach starts with a definition of justice as what we owe to each other.

Obviously, the two definitions are connected but they presuppose a different perspective about GJ. The first definition analyses whether our political structure should preserve inter-temporal goods, why our communities, let's say Nation, are based on recognition of future-past relations, and how our intergenerational political society preserves interests of our predecessors and successors. The political definition of Nation is bidimensional, defined by space boundaries and temporal linkages, a community, identified in a nation has a common past and imagines a common future.

The second definition, endorsing the principle of full-self ownership of his body and resources, is based on contractarian theory, that is not adequate to deal with intergenerational issues, because of its difficulties in recognizing interests to death or unborn people. The main problem contractarians face is the non-identity problem: even if yet unborn people would have interests, how can they claim that their interests have been set back if their same existence depends of our "harmful activities"?

My aim in this chapter is to prove that even in the framework of the liberal Rawlsian theory of justice, it is possible to justify the foundation of inter-temporal justice in a non contractarian dimension, defending a principle of just saving, at least in the accumulation phase, as pre requisite to reach a level of wealth enabling a society to guarantee at least the protection of posterity basic liberties.

Liberal Approach

I will consider the solution and the criticisms that liberal approach offers to deal with GJ, starting with the standard classical version of liberalism. In Locke's vision the mutual reciprocity among equals is the basis for cooperation, the fundamental idea of contract theory.

GJ raises different doubts on this respect, especially when we try to extend the general rule, applied in an a-temporal situation (one generation) to the collective dynamics among both overlapping and non overlapping generations.

Traditionally the distinction between right and left libertarians is the difference in their limits on powers to appropriate unowned resources (natural resources, created by any, non-divine, agent). To generalize Right-lib hold that natural resources are initially un-owned and an agent has the moral right to acquire full private ownership. The most radical right-libertarianism theory holds that individuals have the power to appropriate un-owned things unilaterally simply by claiming them (or mixing- labour with them, etc.). They deny that any further conditions are relevant presupposing that there is no injustice in one person destroying the world prior to appropriation by others, nor in appropriating the entire world and leaving everyone else in a miserable situation. In any case, it is clear that, according to this radical and unilateral theory there are no issues of intergenerational justice in the distribution of opportunities to use resources.

Left-lib on the contrary considering a situation of equality, hold that natural resources belong to everyone collectively so that any private appropriation or use should be consensual and presupposing a compensation to those who are left with less than their egalitarian share of the value of natural resources.

Almost all standard versions of libertarianism do not invoke a proviso on use resources but I believe that a plausible theory to deal with GJ issue should invoke at least a minimum proviso on both use and appropriation of resources, following the criteria that all actions disabling another person's "world interactive powers" should be avoided.

All forms of libertarianism agree that a violation of self-ownership is unjust. Thus, if future people will have rights of self-ownership, and setting a time-bomb now will, at some later date, but with certainty, kill them (and thus violate their self-ownership), then this counts as a form of intergenerational injustice.

We take the Egalitarian Proviso to be in the same spirit as the following: "[M]embers of each generation [must] ensure that, at their deaths, resources that are at least as valuable as those they have acquired lapse back into a state of non-ownership '[E]ach entering citizen receives a share of material wealth that is equal to that of others who are roughly contemporary and no less than that received by his predecessors.³¹"

Mutual cooperation, agreement and equality are the basis of any contractarian theory. We can dispute

³¹ Ackerman, Bruce A., *Social justice in the liberal state*. New Haven : Yale University Press, 1980.

according to the two main strands of contractarian thinking if cooperation is a selfish process, based on self-interest (Hobbes-Gauthier) or a rational one, based on public justification of morality standard (Kant-Rawls). In the first case we define it contractarianism and we hold that moral norms are determined by the maximisation of joint interest. In the second case we speak of contractualism holding that rationality requires that we respect persons, which in turn requires that moral principles be such that they can be justified to each person. Thus, individuals are not taken to be motivated by self-interest but rather by a commitment to publicly justify the standards of morality to which each will be held.

Obviously the two paradigms do not exhaust the possibilities for contract theory but for my purpose we can generalize the following: contractarianism basis for cooperation is mutual advantage, creating a stable system of social interaction, on the contrary contractualism basis for cooperation is fairness and morality plays a fundamental role to motivate the equality and the justifiability of principles.

GJ in the first hypothesis could be justified only for overlapping generations, why, in fact, if we pursue mutual advantage and a stable system of social interaction should we care about people who will maybe exist in 300 years?

The problem of interaction is so basic for mutual exchange then is quite difficult to reason on strong motivational inputs across generations non overlapping.

How much we care that our Country will be richer in 100 years if to pursue this project we will renounce in our and our sons lives to 20% of our net income?

Furthermore distribution of cooperative surplus (common labour goods) cannot exist in an intergenerational dimension and even if some reason for intragenerational cooperation and distribution could be possible, the motivation to act following intragenerational equality is weak.

The collective reason to interact with future generation in fact are mostly based on perpetuation of tradition, projects and more broadly on perpetuation of planet earth and human beings; no doubt they are noble reason but in a liberal democracy they can be conceived as unilateral and often in contrast with other intragenerational objectives rising from reciprocity and collective debate.

To summarise, in a GJ hypothesis the same notion of cooperation can lose sense as showed by the application of the prisoner's dilemma to GJ justice.

Considering that:

(PIP1) It is collectively rational for most generations to cooperate: (almost) every generation prefers the outcome produced by everyone cooperating over the outcome produced by no one cooperating.

(PIP2) It is individually rational for all generations not to cooperate: when each generation has the power

to decide whether or not it will cooperate, each generation (rationally) prefers not to cooperate, whatever the others do.

But they cooperate at a different time so when they decide to cooperate the other generation does not exist yet.

Cooperation is in the interests of any given group if, and only if, the groups which precede it also cooperate.

The second case offers probably more hints to GJ demand, as in the first Rawlsian framework.

To Rawls in deciding the just saving rate threshold, a rational and disinterested person of any given generation under the veil of ignorance would opt for a non saving policy on the ground that previous generation have either saved or not but in both cases there is nothing the parties can now do to affect that.

Gx-1

S	\neg S	
10	5	\neg S
15	10	S

Gx

Considering a possible transitive prisoner dilemma the situation is the following.

Gx is our generation, Gx-1 is our fathers' generation. If you consider a 10 unit production for each generation and we consider a saving of 5 points we see that:

if Gx -1 saved 5 for Gx and Gx saves as well we have a 10 point consumption for Gx while if Gx decides not to follow the saving rate of the previous generation has a result of 15.

If Gx -1 did not save and Gx does the result for Gx is 5 points consumption(so negative respect his own production) while if both Gx-1 and Gx save the result, always for Gx is 10.

Considering the asymmetry of information, because only Gx knows what solution Gx-1 would adopt the convenience for Gx is always to not save.

But what if the saving rate would be necessary to preserve just institutions?

According to Rawls, justice between generations "subjects any ethical theory to severe if not impossible tests³²" but he ends up defending a principle of just savings, meaning that what a generation transfers to the next should be major than what it inherited.

If one generation transfers to the next less than it inherited from the previous one then there are dissavings.

Rawls's conceived GJ as a two stages process:

1. accumulation phase - obligation for each generations to save during that phase, with a growing amount of transfers as we move from poorer to richer generations.
2. steady-state stage - following Mill's view that the purpose of saving is to make a just basic structure of society possible, once that is safely secured, real saving (net increase in real capital) may no longer be necessary³³.

In the steady stage savings are not prohibited but neither required but what about dissavings? In a relevant article of Frederic Gaspart and Axel Gosseries³⁴ they explore the just saving principle in the framework of the Rawlsian architecture, claiming that not only generational dissavings, but also generational savings are unfair in the steady stage.

Considering the three central principles of justice in Rawls theory:

1. principle of equal liberty - each person is to have an equal right to the most extensive total system of equal basic liberties compatible with a similar system of liberties for all.
2. social and economic inequalities are to be arranged so that they are both:
 - a. difference principle - to the greatest benefit of the least advantaged, consistent with the just saving principle, and
 - b. principle of equal opportunity - attached to offices and positions open to all under conditions of fair equality of opportunity.

The first principle has lexical priority over the second and, within the latter, sub-principle B has lexical priority over sub-principle A, the priority rule is the following:

³² J. Rawls, 1971, *A Theory of Justice*, Cambridge: Harvard University Press, rev. ed. 1999, p. 251

³³ J. Rawls, *The Law of Peoples*. Cambridge, Mass.: Harvard University Press, 1999, p. 107, note 33.

³⁴ Frederic Gaspart and Axel Gosseries, *Are Generational Savings Unjust-*, *Political, Philosophy Economics*, 2007

“The principles of justice are to be ranked in lexical order and therefore liberty can be restricted only for the sake of liberty. There are two cases: (a) a less extensive liberty must strengthen the total system of liberty shared by all; (b) a less than equal liberty must be acceptable to those with the lesser liberty.³⁵”

To understand what priority means, one should consider this definition of lexical or lexicographical order:

“This (lexical) ordering requires us to satisfy the first principle in the ordering before we can move on to the second, the second before we consider the third, and so on.”³⁶

Rawls's view about the location of saving principle in the hierarchy of principle of justice is explicit, to combine it with the two principles of justice, Rawls supposed that:

"this principle is defined from the standpoint of the least advantaged in each generation...they undertake in effect to constrain the application of the difference principle. In any generation their expectations are to be maximized subject to the condition of putting aside the savings that would be acknowledged. Thus the complete statement of the difference principle as a constraint. Whereas the first principle of justice and the principle of fair opportunity are prior to the difference principle within generation, the savings principle limits its scope between them³⁷".

Problems arising from the location of the just saving principle - below the principle of equal liberty and the one of fair opportunity but above the difference principle - are in the absence of an argument to justify both the location and the need for adding another principle to the existing ones.

An alternative approach, offered by Gaspart and Gosseries, could be to derive the principle from two of the existing three principle:

a. the principle applicable to the accumulation phase will be derived from the principle of equal liberty- the objective of accumulation phase is to establish effective just institutions within which the basic liberties can all be realised³⁸ nevertheless asking the first and poorest generation to transfer to the next more than they inherited would in principle violate the maximin, but given the lexical priority of the principle of equal liberties we can defend such an accumulation phase. An open question still remains to fully support and justify the accumulation phase: the fact the future people could be neither liberal or decent is something to consider according to Rawls theory. We can imagine a generation of anti-liberal and fundamentalist, conceiving justice as good not as right, in that case, if we know that the resources we are saving are going to be used to promote a racist dictatorship in the next generation would not be more fair to consume all? Maybe the only possible answer has to be find in the Institution that we aims to build and in the Constitutional framework we opt for. I am going to develop in the chapter about Institutions the challenge for a perpetual Constitution.

³⁵ J. Rawls, 1971, *A Theory of Justice*, Cambridge: Harvard University Press, rev. ed. 1999, p. 250.

³⁶ *Ibidem* p.43.

³⁷ Rawls, TJ revised edn., p.258.

³⁸ *Ibidem* p.256.

b. the principle applicable, according to Gosseries, to the steady state will be derived from the difference principle. Rawls apparently rejects the application of maximin to the steady stage motivating it with the intuition that in intergenerational context the circumstances of justice would not apply³⁹ and that "there is no way for later generations to help the situation of the least fortunate earlier generation. Thus the difference principle does not hold for the question of justice between generations"⁴⁰ We can answer to the first objection about circumstances of justice underlining that:

- obligations of GJ can be derived from a motivational assumption (extra circumstances of justice);
- circumstances of justice apply to the case of overlapping generations.

about the second objection, considering that:

in order to confirm to maximin our society should be organised in such a way that its very least off members is not worse off than the least well-off persons under any alternative organisation of the society in which we live:

the earliest generation can be seen as the least fortunate,

there is no way we can improve their situation since they are dead,

so whenever the situation of the least fortunate individual or generation cannot be improved maximin does not apply.

The last assumption has been criticized by Gosseries considering a broader version of maximin, if the scope is a fair redistribution why should we avoid as much distribution to the benefit of the next least well off once the situation of the very least well-off individual cannot be improved?

Roemer in "Intergenerational justice and sustainability under the leximin ethic" and Gaspart and Gosseries suggest, in this case, to shift to leximin, a sequential version of maximin, defined with the following principle:

" in the presence of two alternative worlds, if the worst off category in each of them is equally badly (or well) off, this should not be seen as a sufficient reason to remain indifferent between these two possible worlds. Instead we should look then at the second worst off category in each word, and if there is a difference prefer the policy choices bringing about the one in which the second least well-off person is better off than the second least well-off person in the alternative word."

Each generation should not be entitled to transfer less to the next one than inherited from the previous one but as well, in principle, in the steady stage, maximin egalitarianism should prevent us from saving as well. This last assumption has important consequence if we consider that the private inheritance transfers

³⁹ Ibidem section 22.

⁴⁰ Ibidem p.254.

from father to child should be balanced with public savings.

To my analysis it is not enough to have a duty of just saving rate limited to the establishment and perpetuation of just institutions in society and the realisation of the liberty of its members but the maximin applied to overlapping generation in the steady stage should justify a growth scenario in line with social justice objectives.

For example if, by private inheritance channel, bourgeois class transfers to his overlapping generation let's say 10 while the situation for the least worst-off worker class is of a 0 transfer then the maximin principle is not filled.

Wealth and welfare GJ distribution became fundamental instruments of Generational Justice in the contemporary economic system.

Communitarian approach

Any political society is by definition intergenerational. To connote a nation, a shared historical vision, and a future common ambition, are essential elements. The deeds of the past generation are connected with the aspiration for the future.

A government makes agreement, such as international cooperation ones or incurs in public debt to project a long term investment giving for grant that the their future community will honor them.

A political society and the constitutional framework regulating it are by definition transgenerational, after we will develop the theory and critics on the hypothesis of perpetual constitution.

Janna Thompson defines a transgenerational polity as following:

“Citizens are born into a pre-existing polity that in most cases will continue to exist, perhaps for many generations, after they are dead. They obey laws and act in the framework of institutions that were brought into being by past generations, and their government makes laws that will affect the lives and relationships of future generations. ‘We the people’ consists of a procession of citizens through time. But most citizens do not merely conceive of themselves as people who happen to share a territory and institutions with people of the past and future. They regard themselves as inheritors of a history and a political tradition. They understand themselves and their political actions in a historical framework that connects the deeds of past generations to their own deeds and to aspirations for the future of their society.”

They see themselves as carrying on a tradition, maintaining a valued institution, righting a historical wrong, or continuing a struggle to achieve a national ideal.

They honor their nation's dead, or the dead of other communities to which they belong, and make sacrifices for posterity. They preserve their heritage and pass it on to future generations. Their government makes agreements and incurs obligations which succeeding generations are supposed to honour.

Intergenerational relationships, and the obligations and entitlements that go with them, are central to the moral fabric of a political society. A nation for them is, in essence, a transgenerational polity: a society in which the generations are bound together in relationships of obligation and entitlement."

We cannot assume that our moral ideals, considering just the fact we and our remote successors will share the same world, will be the same, but we can presume that we will share interests and needs as human beings.

So, even if they will have different institutions and ideals with should respect our successors, as our predecessors made with us, in order to leave them free to maintain/create their institutions and pursue their interests.

The concept of transgenerational obligations, in his wide sense is incompatible only with the views of those liberals who deny that present people can make moral demands of their successors or take responsibility for the deeds of their predecessors. Communitarianism justifies the conviction held by many citizens to participate to an historical community that influences their moral ideals, their cultural stereotypes, their relationship with the others and the institutions.

Liberal theories, as we analysed in the previous paragraphs of this chapter are not fully satisfactory to deal with intergenerational issues once we face the motivational assumptions. Considering the individual the basis for a political theory creates inconsistencies if, as future generations, they did not exist yet as such and their lives depend essentially on our individual choices. The communitarian elements I would like to analyse, referring to GJ, are the relation between self and common interest and the shared idea of God.

In general term we can sum that if the concept of individual interest for a non yet born person creates some inconsistencies, and it is challenged from the basis by non-identity issue, a common interest to preserve, according to communitarian theories can raise. If we consider a nation, or even an institutionalised community, the future generations have the duty to preserve the history and cultural heritage, the possibility to change the government, the legal framework to heritate properties. In the legal western framework intergenerational linkages are ruled by the State, we can decide to heritate or not our father's properties or/and debts. The creation of a linkage between present and future generation is a common social economical and institutional interest.

Furthermore the scope of individual interest can transcend lifetime, according to Janna Tomphson, we can conceive 'lifetimetranscending interests' such ideas about the good which are bound up with their

hopes for their descendants and their regard for their forebears, views about how people should treat and regard them after their death, projects and things of value that they want to pass on to successors.

'Past-directed' interests are also relevant, for example about the history of our nation or family, obviously these interests are not di per se a condition to justify GJ but to know better ourselves we need to know our history, we may desire to learn more about it, to teach children about it, to be faithful and honor our ancestors' deeds, to demand rectification for wrongs that we believe were done to the people of our nation in the past, and to participate in projects that continue our history in a particular way.

The lifetime-transcending interests can be more or less altruistic. Someone will care about the fate and well being of future people while others could be more concerned about what people will think of them, the flourish of their ideas and values, or their works after their death. Some are concerned about how their body is treated after their death or what is done with their possessions, but others are not.

But the existence of lifetime transcending interests and the fact that each individual can have different and maybe conflicting LT interests it is not enough to prove their influence in shaping identities and creating relations of justice.

Partridge argues that "Self-transcendence, gives meaning to our lives and projects, especially when we face the fact of our own mortality⁴¹", a life without lifetranscending projects can be poor and meaningless.

Partridge fears that this argument is less than conclusive because it does not eliminate the possibility that people might live satisfactory lives that contain no objects of interest that do not relate to themselves and their lifetime experiences⁴². A millionaire art collector may buy a valued painting not because he cares about its continuing value as a work of art but because he gets pleasure from locking it away from the gaze of others and keeping it for himself. However, Partridge assumes that lifetime-transcending interests have to be altruistic and that people must be conscious of what all of their interests are. The millionaire would not get satisfaction from owning great works of art and denying them to the public gaze if he did not believe in the value of these works as important contributions to an artistic heritage. Even if he gets satisfaction only from denying them to others, he is nevertheless riding piggyback on the lifetime-transcending interests of others. He has to care that people value and want to preserve their artistic heritage. If they ceased to value it then locking his treasures away would be a meaningless act. He has perverse lifetime-transcending interests of his own. According to Janna Tomphson, having lifetime-transcending interests is also a pre-requisite for an individual becoming and being an autonomous agent: that is, to formulate and live according to a rational life plan. A person who wants to live a meaningful life, one that she can continue to find meaningful when she becomes older and has to face the prospect of her own mortality, will choose a life plan that contains projects and goals involving lifetime-transcending interests and will be aware of how her projects are predicated on conditions and values that are lifetime-

⁴¹ E. Partridge, *Responsibilities to Future Generations*, New York Prometheus Book, 1981, p.204.

⁴² *Ibidem* p.208.

transcending. However such interests may be involved in a deeper, formative way in her development as an agent. To develop as an autonomous agent, a person ought to be aware of his nature as a second person: to understand how his proclivities, ideas, attitudes and beliefs have been formed by his family, his community and culture. They are his inheritance, his cultural resources, the nature and value of which must be understood and critically assessed in order for him to rationally choose a satisfactory course for his life. He has an interest in appreciating their value, comprehending their drawbacks and appreciating their history and the way they have influenced the activities of his predecessors. And in so far as his pursuit of what he regards as good involves communication with others, including people of younger generations, and contributing to their lives or thoughts, he has an objective interest in the continued existence and survival into future generations of the heritage he has obtained from the past.

Liberal societies are likely to resist the idea that existing citizens can impose their wishes or values on their children or people of the future but this is a quite hypocritical taunt insofar they are ready to impose costs (public debts, pollution etc..) on them.

As I tried to argue, using Rawls principles of justice, we have saving duties to preserve just institutions for posterity and difference principle applies among generations redistributions, with communitarian principles it is feasible to prove duties in respect to the dead.

A moral theory based on individuals must also be respectful of their important interests, particularly those that are central to their ability to live good lives. Given that this is so, individuals have a good reason for demanding that their survivors ought to protect their posthumous reputation.

It might be objected that once people are dead they no longer have an interest in their reputation or anything else, but their survivors protect posthumous reputations or fulfilling their LT demands. The members of each generation, fearing that their LT demands could be ignored by its successors, share moral reasons to value, and regard themselves as obliged to maintain, practices that require them to fulfill morally legitimate demands made by their predecessors.

By appealing to lifetime-transcending interests we can justify duties that many people think that they have to dead, for example to fulfill their wishes concerning the disposal of their bodies and at least some of their possessions, to protect their posthumous reputations, and, in some cases, to fulfill their promises but we obviously have to evaluate their LT demand with our moral standards and values. If for instance we, present generation, realise that to bury the bodies of the preceding ones, is not safe or hygienic and we decide for public reasons to forbid by law this practice we are fully legitimate to unrespect LT demands.

So the LT interests of the past are subject to a moral evaluation of the present generation if we opt for the justification based on moral legitimacy of the demand.

In this respect, Partridge⁴³ offered a different justification arguing that our duties in respect to the dead are the result of a social contract motivated by self-interest.

Self interest is a criteria of justification more based on the circumstances of the present generation than on the generational compact, If we take for example the article of the Italian Constitution about the duty of respect cultural and natural heritage we see that it is funded on shared moral legitimacy. In fact in destroying a national cultural heritage our generation is doing wrong in respect to the intentions and desires of past generations that made an effort to provide an to preserve and pass on what they received as an inheritance from their predecessors.

Our self-interest should be balanced with the respect of everything that was meant to have been a heritage for future generations mainly because we share moral reasons to insist that practices and institutions supporting the fulfillment of morally important lifetime-transcending demands ought to be valued by future as well as present generations. This is more easy with succeeding and overlapping generation sharing common moral grounds, people of the remote future may have different moral ideas and different political institutions, but so long as they are our successors - as participants in a never-ending chain of relationships in which each generation fulfils moral requirements in respect to its predecessors and successors - we have a duty not act in ways that might undermine the conditions that need to exist if they are to maintain their institutions and pursue their interests.

The main objective of a transgenerational polity is to maintain over time the institutions and practices that make cooperation between the generations possible. In Rawls term, just Institutions.

In other words Institutions and common goods that presuppose the fulfillment of LT obligations require the perpetuation of favorable social and political conditions, and citizens have an objective moral interest in these conditions being perpetuated.

The perpetuation of favourable conditions for the satisfaction of lifetime-transcending demands depends on the ability of polities to maintain institutions and pursue policies and objectives over a long period of time.

In the last chapter I am going to consider welfare system, as emerged in western Europe, based on both an intergenerational and a social compact, as an example of trasgenerational politics.

The main problem of liberal theories when we face with GJ issue is the focus on individual lifetime, needs, motivations and conditions while after the death or before the birth it is difficult to develop a consistent theory on Man aspirations to change the society and to improve the future life of his successors. The communitarian approach is useful once we consider the starting point of a person, “embedded in a

⁴³ ibidem p.181.

community”, with a *vulnus moral* given, obligations from the past that extend into the future, as MacIntyre described⁴⁴:

“I am someone’s son or daughter, someone else’s cousin or uncle ... I belong to this clan, that tribe, this nation. Hence what is good for me has to be the good for one who inhabits these roles. As such I inherit from the past of my family, my city, my tribe, my nation, a variety of debts, inheritances, rightful expectations and obligations. These constitute the given of my life, my moral starting point “

This position is not necessary in contrast with liberalism.

Individuals can, and sometimes should, be critical of their social traditions and roles; furthermore modern individuals are embedded in a number of communities and have to find a way of dealing with different, and sometimes conflicting, requirements.

Many social theorists now agree that an adequate theory about the identity of citizens and their entitlements and obligations is likely to bring together liberal and communitarian perspectives, but first of all, and in my opinion this is the common ground between liberal and communitarian approach, the generations share responsibility for maintaining the institutions and practices that enable democratic coexistence and civil rights respect.

⁴⁴ MacIntyre, A., 1991, ‘Letter’, in *The Responsive Community*, 1991 and *Whose Justice? Which Rationality?*, Notre Dame: University of Notre Dame Press, 1981.

Institutions



Democracy is a second best option when the first best probably do not exist. Democracy cares about future more than any alternative regime because the democratic institutions are made to protect shared values in the future. The democratic injustices toward future generations derives fundamentally from the shorterminism of political decisions.

As underlined in the previous chapters future generations protection is morally recognized by our societies but legally not fully developed. The moral intuition of right or in a weaker sense need of future human being could be proved through an example.

If a man would prepare a terroristic attack in a primary school with a bomb with explosion set in 40 years (so that any damage will be on an unborn children generation) we will condemn it even if his action will have negative consequences only in the future. We morally care about future but the point is how much. The democratic government in Italy for instance was never able to find an equilibrium with the Rawlsian saving principle.

Unborn people and under 18th cannot vote so if you want to protect them we have two Institutional strategies:

- A. constitutional protection;
- B. ad hoc agency or institution.

In this chapter I will present the state of art of the two strategies, the constitutional protection of posterity (direct or indirect, guaranteed by the safeguard of environment and cultural heritage) and the most advanced institutional architecture experiments.

2.1 Constitutional protection

The first constitutional step toward recognition of GJ has been made in Europe, with Liberal Constitutions, through the distinction between paternal political society and modern political society. For GJ it means that from private generational sphere, defined by father-son relation, we introduce the idea of a public generational compact. Locke was the first to theorize the distinction between political power and paternal power: the paternal power is not political as far as it considers unequal relations among rational person.

According to Locke⁴⁵ people are free from paternal power when they are old enough to function as individuals; but political power is built on wholly different foundations. Parental jurisdiction is temporary and extends until the child is grown old enough (Locke uses twenty-one as an example age) to function independently within society. Likewise, the commonwealth at this age attributes the responsibilities and duties of an adult to a person who reaches this age of readiness. Age and Reason leads to freedom and autonomy. The power of father is limited by Locke: “He has no dominion over his son's property, or actions; nor any right, that his will should prescribe to his son's in all things...”. In other words : a father could not oblige his posterity to a government. The constitution and laws of a political society, on this account, are binding on the living only because they have actually consented to them; their validity can therefore not be transferred to future generations unless those generations consent to these directives anew.

The mechanism of consent for the new generation is tacit, in fact, to Locke: “Every Man, that hath any Possession, or Enjoyment, of any part of the Dominions of any Government, doth thereby give his *tacit Consent*, and is as far forth obliged to Obedience to the Laws of that Government, during such Enjoyment, as anyone under it”⁴⁶. The disenfranchised young, by voluntarily remaining in society, tacitly consent to abide by its rules, at least until the next generational cycle comes around.

From the other hand the right to change the Constitution for a new generation should be balanced with the need for a constitution, to be successful — to organize a political society and guarantee the freedom of its citizens and their participation in the process of government, in short, to secure liberal democracy as such— to last through many generations.

The main point to debate about constitutional protection of posterity is the same idea of Constitution as perpetual foundation of society versus the right of any generation to shape and change these foundation.

Thomas Jefferson's letter⁴⁷ to James Madison of 6 September 1789 is the classic articulation of the democratic objection to eternal laws and constitutions. Jefferson begins his letter by asserting that: "The

⁴⁵ J. Locke, *The Second Treatise of Civil Government*, 1690, Cambridge University Press, 1988

⁴⁶ J. Locke, Cambridge University Press 1988, p. 348, and §§117–122 of the *Second Treatise* generally

⁴⁷ Jefferson to James Madison, September 6, 1789, *Boyd XV*, 392-98.

question [w]hether one generation of men has a right to bind another. . . is a question of such consequences as not only to merit decision, but place also among the fundamental principles of every government. . . . I set out on this ground, which I suppose to be self-evident, 'that the earth belongs in usufruct to the living' . . . that the dead have neither powers nor rights over it⁴⁸'. Jefferson concludes that the constitution and all the laws should expire automatically when the generation that enacted them is no longer the majority of the population —that is, when the majority of the population is composed of people who were not of voting age when those laws were originally approved.

The second stage of Jefferson's theory puts in doubt the societal prerogative to positively legislate the transmission of property and obligations in a '*generational cycle*'. Generations are not part of a common entity, and there is over them no mutual sovereign that could bind past and future persons to a municipal law. Only the natural law rules in their mutual relations, and that, Jefferson has already argued, allows no claims to property to survive the death of the owner. Jefferson concludes that, since each generation is sovereign in its own time, cannot pass another its collective debt or bind the posterity through the laws that it enacts: "By the law of nature, one generation is to another as one independent nation to another" and "No society can make a perpetual constitution, or even a perpetual law ..."⁴⁹

According to Jefferson, the constitution and laws, lose their authority at the moment when the enacting generation is no longer the majority of the adult population. But, in the meantime, persons who reach the voting age shortly after a constitutional vote have to wait a full generational cycle before being included in the debate. The point is how a constitution can give voice to these persons.

Jefferson insists on the necessity to obtain the express consent of the people to their Constitution, as Madison also points out, carried to its logical conclusion, this insistence exempts the older members of the new generation from any obligation under the constitution and laws, perhaps for nearly two decades. Jeffersonian provision for periodic re-enactment of the constitution and laws could be an improvement on the present condition in which perpetual laws and constitutions are allowed to hold their illegitimate sway over many succeeding generations with a roughly equal chance to shape their form of government.

It may be noticed, nevertheless, that the life cycle view does not remove the injustices, in fact people are not, in Jefferson's thought, treated equally across their whole life; someone, more lucky, to come of age immediately before the end of a generational cycle has almost twenty more years of political participation than someone who comes of age immediately after the next cycle begins, although they are, by any reasonable account, at the same stage of life. But a similar complaint would hold against any system of settled democratic consultations: a day's difference in age may result in one person choosing who governs over another for whatever the duration of the electoral mandate. Even so, there is a difference, which should not be underestimated, between choosing a government and settling on a constitution, and also between giving a mandate for a few years and approving fundamental law for nearly two decades.

⁴⁸ p.392

⁴⁹ p.395

Furthermore, the most important projects in a society cannot be completed in the cycle of a single generation, and therefore demand for their conclusion a legal framework that will remain in place over the span of many years. Often plans are laid out—frequently (though not only) for the benefit of posterity—that necessitate the assumption of long-term obligations: an example is a debt incurred for the defense of the nation in a time of war, which benefits present and future generations. The establishment of a constitution accomplishes this by liberating future generations from the unwieldy burden of renegotiating the conditions of civil association at every generational turn, a course of action that can be paralyzing to a nation. If a generation wishes to change the norms of its political society, moreover, it will be better placed to do so if it already has institutions in place to organize its deliberation.

A perpetual constitution to which all reasonable persons should agree is a means of securing the minimal conditions of pluralism, equality, and order (or some other suitable set of values) for present and future persons, and of institutionally fixing the principles that would make obligations normatively binding between people succeeding each other in time. Such institutional guarantees are required in order to ensure access to important political values, values that all citizens are owed as a matter of justice. It is difficult to determine which institutions would be acceptable over several decades, even centuries; social conditions will change, and institutions with them. But the general parameters of a political society may be laid out by considering the institutions that members of every generation could reasonably consent to, that is, institutions that would secure basic rights and liberties for each individual, allow each generation to arrive at collective decisions in an orderly and representative fashion, and prevent one generation from unjustly disadvantaging another.⁵⁰

The central elements of democratic constitutionalism have been anticipated in the medieval conception of sovereignty: the political community is a legal person distinct from the individuals that take part in it, and this juridical person keeps its identity and will through time, even as citizens enter and leave the community through birth, death, and migration. But, in the context of a liberal democracy, the medieval conception has important limitations.

- it is essentially *descriptive* of the constitutional order;
- it is fundamentally *static*, and does not allow for a process of participation in shaping one's constitutional government; the possibility of criticizing, discussing, interpreting, and amending the charter.

With the adoption of a constitution, an enduring juridical entity comes into existence, one which persists through time and brings the continuous exercise of self-government by past, present, and future persons under a single political identity. Future generations are the beneficiaries, not the victims, of a constitution enacted by their predecessors. A constitution makes possible a multitude of private and public projects that would be unrealizable in its absence; foremost among these is the project of self-government, which requires the juridical creation of a people through a constitutive act.

⁶ An example of a principle for preventing such disadvantages is Rawls's principle of just savings (1999a: 120–1, 251–8) in politics, as we described the previous chapter. *Constitutional government*, by contrast, usually presumes that certain rules (indeed, those most foundational to the political community) ought to remain beyond the reach of the sovereign (popular or otherwise). *Democracy* usually presumes that the people are free and sovereign, and that their will is the ultimate and unassailable authority.

After a constitution has been adopted, the exercise of collective self-government over the span of many generations —what Rubenfeld calls the continuing “authorship” of the constitution⁵¹ — is realized primarily through two mechanisms: *interpretation* and *amendment*. Through the power of amendment the conditions of justice between generations are preserved both by continuity and change: the just conditions of participation presuppose the permanence of the constitution itself, and participation in crafting those conditions—which is a necessary condition of self-government—is effected by the provisions for amending it. “The very principle that gives the Constitution legitimate authority—the principle of self-government over time—requires that a nation be able to reject any part of a constitution whose commitments are no longer the people’s own⁵²”. The power of amendment assures the ontological continuity of a political society by allowing it to change within the very set of norms that constitute its identity.

This last paragraph makes clear the dilemma in dealing with GJ on a constitutional level. On the one hand, generation protection look for norms and values pretending to be eternally valuable. On the other hand the constitution should be as much as flexible not to constrain the coming generations’ liberty to design their future world.

Furthermore GJ should be e a value di per se, inspiring norms providing generational protection in the Constitution.

The pioneer text of constitutional state development , mentioning the generational problem explicitly, comes from France. Constitutions of 1793, art.28, says:

“Un peuple a toujours le droit de revoir, de réformer et de changer sa Constitution. Une génération ne peut pas assujettire a ses lois les générations futures”⁵³.

Comparing the different national constitutions we can range from explicit generation protection clause such as “bearing in mind the responsibility for future generations” to the implicit or immanent generation protection, for example “protection of landscape and cultural heritage”. The firs provision, directly referred to GJ is contained in the more recent constitutions of the 90s (Poland, Albania, Georgia, Moldova, Ukraine, Russia) while the second case, prescribing an indirect generational protection, focusing on the respect for the cultural and natural heritage is present in the Italia and Portugese constitutions and Latin American constitutions.

Ecological and financial generation clauses are institutionalised in various national constitutions, especially the ones which were adopted in the last few decades. These clauses significantly reduce the risk, we introduced in the first chapter, of buck passing effect.

In Appendix 1 I will provide a synthesis of the examples of National and International legal frameworks to Protect Future Generations.

There are three types of framework:

⁵¹ Jed Rubenfeld, *Freedom and Time, A Theory of Constitutional Self-Government*, Yale University Press, 2011.

⁵² p. 174

⁵³ People of a nation always have the right of examining, reviewing and amending their constitution. A generation cannot force the forthcoming ones to flow its rules. (Godechot 1984)

- **General Framework**, usually in the preamble (Estonia, Czech Republic, Poland, Switzerland, Ukraine);
- **Ecological Generational Justice Clauses** (Argentina, Brazil, Czech Republic, Finland, Germany, France, Greece, Hungary, Italy, Neetherlands, Latvia, Lituania, Poland, Portugal, Slovakia, Slovenia, South Afrika, Spain, Sweden, Switzerland, Uruguay);
- **Financial Generational Justice Clauses** (Estonia, Finland, Germany, Poland).

The stronger clause is of course the third type one, represented by the article 115 of German Constitution: “Revenue obtained by borrowing shall not exceed the total of investment expenditures provided for in the budget...”.

It has been noticed that the implementation of the above mentioned clauses is substantially helped if and when the percentage of young MP is higher.

An intensification of generation protection is its expansion on the European level. The treaties of Maastricht and Amsterdam incorporate it only immanently but the Treaty establishing a Constitution for Europe mentions generation protection explicitly. In the EU Charter of Fundamental Rights of 1999/2000, in the preamble it is stated:

“Responsibilities and obligations both towards the fellow men and towards the human community and future generations”.

In the frame of international law the legal development of the rights of posterity gradually gain ground and acceptance. Future generations were first mentioned in the preamble of the United Nations’ Charter where one of the aims of establishing the UN was ‘to save succeeding generations from the scourge of war’.

The International Convention for the Regulation of Whaling, 1946, referred to the succeeding generations: “recognizing the interest of the nations of the world in safeguarding for future generations the great natural resources” represented by the whales’ livestock, created the international convention aiming at their protection.

In the report entitled “Our Common Future” in 1987 the discourse on future generations began to spread in relation to the sustainability concept. According to the Rio Declaration “the right to development must be fulfilled so as to equitably meet developmental and environmental needs of present and future generations”.

Subsequent to the Rio meeting several international agreements referred to the interests of the succeeding generations, like the conventions on climate, marine ecosystems, international waterways, protection of freshwaters and water bases or agreements on the protection of cultural heritage. The effects appear in legal practice, as well: in 1993 the Philippines Supreme Court declared that “Children and succeeding generations had standing claiming that the forestry practice was hurting their and the future generations’ rights” .

In 1997 the UNESCO released a declaration on the protection of the future generations. This document emphasizes the responsibility the present generations have for future generations in assuring free choice, protecting and maintaining human kind, preserving terrestrial life, protecting the environment, preserving

human genome and biodiversity, cultural diversity, the common heritage of human kind, peace and the possibilities of education and development one by one. The future generations are very definitely referred to in a less known document, the New Delhi Declaration of the International Law Association (ILA 2002), which deals with the connection between international law and sustainable development. The document does not only state that States are under a duty to manage natural resources, including natural resources within their own territory or jurisdiction, in a rational, sustainable and safe way so as to contribute to the development of their peoples, with particular regard for the rights of indigenous peoples, and to the conservation and sustainable use of natural resources and the protection of the environment, including ecosystems.

States must take into account the needs of future generations in determining the rate of use of natural resources. All relevant actors (including States, industrial concerns and other components of civil society) are under a duty to avoid wasteful use of natural resources and promote waste minimization policies.

In relation to this duty it makes it clear that

“The principle of integration reflects the interdependence of social, economic, financial, environmental and human rights aspects of principles and rules of international law relating to sustainable development as well as of the interdependence of the needs of current and future generations of humankind.[...] States should strive to resolve apparent conflicts between competing economic, financial, social and environmental considerations, whether through existing institutions or through the *establishment of appropriate new institutions*”.

To conclude within less than half a century international law went from barely mentioning the future generations in the discourse on sustainability to the possibility of introducing new institutions serving their economics and social rights.

Appendix 1

Examples of International Legal Frameworks to Protect Future Generations Declarations

Rio Declaration on Environment and Development - *Principle 3, U.N. Doc. A/CONF.151/26 (Vol. I) (1992)*: “The right to development must be fulfilled so as to equitably meet developmental and environmental needs of present and future generations.” (Principle of sustainable development, recognition of needs of both present and future generations)

Stockholm Declaration on the Human Environment of the United Nations Conference on the Human Environment - *Principle 1, Jun. 16, 1972, 11 I.L.M. 1416*: “[Humanity] bears a solemn responsibility to protect and improve the environment for present and future generations.” (General responsibility to present and future generations)

United Nations Educational, Scientific and Cultural Organization Declaration of the Responsibilities of the Present Generations Toward Future Generations. *Articles 1-5, Records of the General Conference, Paris, Oct. 21 – Nov. 12, 1997.*

Article 1 - Needs and interests of future generations

The present generations have the responsibility of ensuring that the needs and interests of present and future generations are fully safeguarded.

Article 2 - Freedom of choice

It is important to make every effort to ensure, with due regard to human rights and fundamental freedoms, that future as well as present generations enjoy full freedom of choice as to their political, economic and social systems and are able to preserve their cultural and religious diversity.

Article 3 - Maintenance and perpetuation of humankind

The present generations should strive to ensure the maintenance and perpetuation of humankind with due respect for the dignity of the human person. Consequently, the nature and form of human life must not be undermined in any way whatsoever.

Article 4 - Preservation of life on Earth

The present generations have the responsibility to bequeath to future generations an Earth which will not one day be irreversibly damaged by human activity. Each generation inheriting the Earth temporarily should take care to use natural resources reasonably and ensure that life is not prejudiced by harmful modifications of the ecosystems and that scientific and technological progress in all fields does not harm life on Earth.

Article 5 - Protection of the environment

1. In order to ensure that future generations benefit from the richness of the Earth’s ecosystems, the present generations should strive for sustainable development and preserve living conditions, particularly the quality and integrity of the environment.

2. The present generations should ensure that future generations are not exposed to pollution which may endanger their health or their existence itself.

3. The present generations should preserve for future generations natural resources necessary for sustaining human life and for its development.

4. The present generations should take into account possible consequences for future generations of major projects before these are carried out.” (*General responsibility to present and future generations*)

Conventions

Convention Concerning the Protection of the World Cultural and Natural Heritage Article 4, Nov. 16, 1972, 1037 U.N.T.S. 151: “Each State Party to this Convention recognizes that the duty of ensuring the identification, protection, conservation, presentation and transmission to future generations of the cultural and natural heritage ... situated on its territory, belongs primarily to that State. It will do all it can to this end, to the utmost of its own resources and, where appropriate, with any international assistance and co-operation, in particular, financial, artistic, scientific and technical, which it may be able to obtain.” (General responsibility to future generations).

Convention on the Protection and Use of Transboundary Watercourses and International Lakes

Article 2(5)(c), Mar. 17, 1992, 31 I.L.M. 1312, art. 2(5)(c): “Water resources shall be managed so that the needs of the present generation are met without compromising the ability of future generations to meet their own needs.” (Principle of sustainable development, recognition of needs of both present and future generations)

North American Agreement on Environmental Cooperation - Preamble, Sept. 13, 1993, 32 I.L.M. 1480: “CONVINCED of the importance of the conservation, protection and enhancement of the environment in their territories and the essential role of cooperation in these areas in achieving sustainable development for the wellbeing of present and future generations.” (Principle of sustainable development)

Stockholm Convention on Persistent Organic Pollutants - Preamble, paragraph 2, May 22, 2001, 40 I.L.M. 532: “Aware of the health concerns, especially in developing countries, resulting from local exposure to persistent organic pollutants, in particular impacts upon women and, through them, upon future generations.” (Recognition of potential to affect present and future generations)

UN Framework Convention on Climate Change – Preamble.

Article 3, opened for signature May 9, 1992, U.N. Doc. A/AC.237/18 (Part II) (Add. 1), 31 I.L.M. 848. “Recalling the provisions of General Assembly resolution 44/228 of 22 December 1989 on the United Nations Conference on Environment and Development, and resolutions 43/53 of 6 December 1988, 44/207 of 22 December 1989, 45/212 of 21 December 1990 and 46/169 of 19 December 1991 on protection of global climate for present and future generations of mankind, ... Determined to protect the climate system for present and future generations

Constitutions

Constitución Política de la República de Bolivia

Article 7 (1967, as amended 2002), available at [http://pdba.georgetown.edu/](http://pdba.georgetown.edu/Constitutions/Bolivia/consboliv2005.html)

[Constitutions/Bolivia/consboliv2005.html](http://pdba.georgetown.edu/Constitutions/Bolivia/consboliv2005.html)

Every person has the following fundamental rights : ...

m) to enjoy a healthy environment, ecologically balanced and adequate for his wellbeing, safeguarding the rights of future generations.

Constitution of Japan

Articles 11 and 97 (November 3, 1946), available at <http://www.constitution.org/cons/japan.txt>

Article 11

The people shall not be prevented from enjoying any of the fundamental human rights. These fundamental human rights guaranteed to the people by this Constitution shall be conferred upon the people of this and future generations as eternal and inviolate rights.

Article 97

The fundamental human rights by this Constitution guaranteed to the people of Japan are fruits of the age-old struggle of man to be free; they have survived the many exacting tests for durability and are conferred upon this and future generations in trust, to be held for all time inviolate.” (Rights of future generations)

Constitution of the Kingdom of Norway

Article 110(b) (1814, as amended 2007), available at <http://www.stortinget.no/english/constitution.html#fulltext>

Every person has a right to an environment that is conducive to health and to a natural environment whose productivity and diversity are maintained. Natural resources should be managed on the basis of comprehensive long-term considerations whereby this right will be safeguarded for future generations as well.

In order to safeguard their right in accordance with the foregoing paragraph, citizens are entitled to information on the state of the natural environment and on the effects of any encroachment on nature that is planned or carried out.

The authorities of the State shall issue specific provisions for the implementation of these principles.” (Rights of future generations, trusteeship)

U.S. States Constitution

U.S. Alabama Constitution - Amendment 543

Establishing the policy of the state to protect “certain lands and waters of Alabama with full recognition that this generation is a trustee of the environment for succeeding generations” and creating the “Forever Wild Land Trust.” (Explicit trust)

Colorado Constitution - Article IX, § 10

“State school lands” are to be held in a “perpetual, inter-generational public trust for the support of public schools” and are to be managed with “sound stewardship” for “long-term productivity.” (Explicit trust)

Hawaii Constitution - Article XI, § 1

For the benefit of present and future generations, the State and its political subdivisions shall conserve and protect Hawaii’s natural beauty and all natural resources, including land, water, air, minerals and energy sources, and shall promote the development and utilization of these resources in a manner consistent with their conservation and in furtherance of the self-sufficiency of the State.” (State and personal duties to present and future generations)

Illinois Constitution - Article XI, § 1

The public policy of the State and the duty of each person is to provide and maintain a healthful environment for the benefit of this and future generations. (State and personal duties to present and future generations)

Montana Constitution - Article IX, § 1(1)

The state and each person shall maintain and improve a clean and healthful environment in Montana for present and future generations. (State and personal duties to present and future generations)

California Environmental Quality Act

Cal. Pub. Res. Code § 21001(e) (2006)

Declares the intent of the state to “create and maintain conditions under which man and nature can exist in productive harmony to fulfill the social and economic requirements of present and future generations.” (Recognition of needs of both present and future generations)

Connecticut General Statute

§ 22a-1 (2006) It notes that the state’s growing population and economy have placed considerable burdens on the “life-sustaining natural environment”; defines the state as “trustee of the environment for present and future generations”; and establishes a state policy to conserve, improve, and protect natural resources and the environment through pollution control and improved environmental planning and interagency/intergovernmental coordination. (Explicit trust for present and future generations)

2.2 Ad Hoc Agency and Institutions

Is it possible to institutionalize the representation of the rights of future generations?

Their rights as ours, implying duties, justify the demand of the establishment of an institution (or institutions) able to resolutely represent these rights in democratic decision making. Since we are talking of a group which itself cannot choose the adequate way of representing its interests, and cannot, being neither voters, nor consumers, have any political or economic influence, the classic ways of interest enforcement are not feasible for them. Therefore, a special legal institution is necessary in order that, avoiding these legitimacy problems, the rights of the succeeding generations be representable in decision making. The idea of the representation of future generations is definitely present in public opinion both internationally (Earth Council, UNESCO Future Generation' Program, Maltese Initiative for a 'Guardian' in the Mediterranean region and so on) and nationally (Israel: Knesset Commissioner for Future Generations; Poland: proposal for a Commission on the Future Generations; England: Green Party speaker for Future Generations; France: Council of Future Generations, nominated by the President; Finland: Committee for the Future, and so on). All these charge the tasks to a unique body standing outside the system of traditional interest enforcement and political representation, and established with the purpose of protecting the rights and interests of future generations. The advantage of this solution is that no doubt arises concerning the legitimate base of representation. On the other hand, however, the creators of these institutions, to avoid practical problems, difficulty in solving questions of competence and legal contradictions, strictly limited their competence because of their unsure relation to state administration and the democratic institutional system and of their standing outside the traditional political and democratic institutional system. They rather play a consultative role and cannot participate in effective decision making processes. They are "heads" that think and speak but without real "punch", that is competence and authority by which they could really enforce the rights of future generations.

The institutions able to represent the future generations in community decision making, in politics, has to be built on the fundamental human rights of the future generations, on the right of participation and the right of free choice. I will now mention some of the most advanced experiments of such Institutions.

Commission for Future Generations in the Knesset (Israel)

In Israel, the Knesset Commission for Future Generations, a non-political entity which operated from 2001 until 2006, has been the only establishment experiment, designed to protect, by definition, the rights of future generations at the parliamentary level. The Israeli initiative followed a top down approach and it was proposed by the then leader of the middle class liberal party 'Shinui' (literally: change), Joseph Lapid, to avoid the risk of unforeseen consequences of a legislative act. «The idea at the base of the law is the creation of an inner-

parliamentary entity that has a comprehensive view of the legislative picture with regard to any potential effect on the needs and rights of future generations together with the means to prevent such legislation from taking place»⁵⁴.

The lack of lobbies and associations that protect the interest of future generations have effects on the long term projects that each government should pursue. In the explanatory notes of the bill proposing the Commission it is stated that «he will be given the opportunity to examine each legislative act and to appear before the relevant Knesset committee wherever there is suspicion of possible prejudice against future generations. This may take the form of soil or air pollution, harm caused to pension funds, the implications of genetic biology or the results of a technological development».

The main functions were two:

1. express opinion regarding the implication of laws on the interests of future generations;
2. advise the members of Knesset on issues of particular relevance to future generations.

Former Deputy Commissioner Nira Lamay writes: “Our motto was that while the political world was busy with issues of defense and war, we would prepare for the «day after» peace, when future generations would have clean water to drink and clean air to breathe”⁵⁵.

The Commission has the authority to demand information of any controlled institutions under the State Jurisdiction Act (ministries, public companies, governmental agencies, state institutions and corporations). The Commission uses his authority to get information usually not available or published and to link the action of different institutions that are not permanently informed on each other work. Crucial to the effective functioning of the commissioner was his right to access relevant information:

“The Knesset Commissioner for Future Generations may request from any organization or body being investigated . . . any information, document or report . . . in the possession of that body and which is required by the Commissioner for the implementation of his tasks; the aforesaid body will give the Commissioner the requested information”⁵⁶.

To give an example, in 2005 the Commission demanded information on medical files concerning employees of the governmental plant of Electrochemical Industry. The plant that closed down in 2004, was discovered to contain toxic materials contaminating surrounding and employees, the majority of whom turned to be sick with related disease for many years. But the action of the commission was multilevel, it demanded the safety regulation to the plant management (used since 1970) and the report of the inspections done by the Ministry of

⁵⁴ The Knesset, Commission for Future Generations, supra note 66

⁵⁵ Nira Lamay, Teach non-violent responses to anger, Washington Post, Article Date: Mar 31, 2009

⁵⁶ Knesset Law, supra note 66, art. 35(a), unofficial translation reprinted in The Knesset, Commission for Future Generations, supra note 66, at 16

Environment in the surrounding. Then, giving information to the media, it brought a public campaign and legal attention to the matter.

The Commission has another sphere of authority, that is the possibility to demand time to the Parliament to present an opinion. This is an implied authority to create a delay in the legislative work that is vital especially on state budget voting procedures. Obviously the Commission tries to avoid any delay because it has no interest in creating antagonism between the two coalitions. So its authorities is used scarcely in a formal way but implicitly and behind the scene.

Another example of the Commission authority was the case of the law concerning the integration of children with special need in the formal education system. The government wanted to postpone the enacting of the law for a few years in order to maintain the planned budget frame for the coming years. This meant thousand of children with special needs losing the chance to be integrated in society as “normal” , in the future. The Commissioner confront the ministry of finance for the lack of long-term thinking and miscalculation of externalities in favor of current ”saving” on the expense of these children. This minor saving of less then 1% of the budget was calculated to cost society much more in the future denying these children the chance to be part of society and rather, sentencing them to becoming a burden on it as adults with special needs can hardly be considered economically effective.

From the original bill to the current status of the commission the institution changed. The establishing law, separate and specific, in the original bill now is a chapter of the Knesset law and the legal status shifted from statutory corporation to a unit within the parliament. The election of the commissioner changed from the majority of members of parliament in a secret vote to a public committee part professional and part political, so the fields of authority from an open list of any subject that is of special interest for future generations to a closed list of 12 fields including nearly all subjects but excluding defense and foreign affairs. In the original bill there is a definition of future generation as “those who will became part of the state’s population at any time and that have not yet born” while in the current law the object of protection is not defined⁵⁷.

Among the different issues to be dealt about the Commission I will briefly analyse the most relevant for my research, defining future generations and determining the object of protection relating it with a specific legislation. Nevertheless the normative debate on the Commission in Israel Parliament concerns his status both in Parliament and in public opinion and the scope of action with related establishment both governmental and nongovernmental .

In the experience of Commission action we can define the subject of interest “the next baby to be born tomorrow”. The main sphere of protection, as representatives of future generations, are children’ s rights. Giving for grant that the role of the commission protecting children should cover a different field of action a part of activity overlaps. The object of protection is the interest of future generations, but what really interests them? At the moment of the ceasing of the commission mandate most studies were focus on demographic

⁵⁷ S Shoham , ed. Tremmel, Handbook of intergenerational justice, 2006

implication of current politics and the cost of lack of long-term policies. Prof. Yehezkel Dror advised the Commission to respond to issues such as pensions funds. Unfortunately the Knesset priority changed in 2006.

According to a blogger, Uzi Benziman⁵⁸, the demise of the Commission may have stemmed from the nature of its challenge to 'business as usual' politics: "the institution ceased operating because the tenure of the first commissioner, retired judge Shlomo Shoham, ended, and influential people in the Knesset argued that the commission was unnecessary, ineffective and wasted public funds. Regardless of whether there was merit to these arguments, the commission's demise suggests that the Knesset could not bear its existence: The MKs are affected by day-to-day events and tangible interests, and a body that considers the broader horizon bothers them".

Ombudsman and Parliamentary Commissioner for Future Generations in Hungary

An "ombudsman for future generations" ("Ombudsman") is a person who has the duty to ensure that an existing or proposed law, policy, or reviewable action protects and promotes the environmental legal interests of future generations.⁵⁹ According to the decision of the Hungarian Constitutional Court, par. 54 of the Hungarian Constitution, which deals with the right for life and human dignity, also includes the duty of the state to 'ensure the conditions of life for the future generations'.

The roots of the Hungarian ombudsman for future generations goes back to the early 19th century Swedish governmental system, but in the second half of the 20th century, the institution had an outstanding carrier. Presently the ombudsman office at the national level of government, exists in approximately 120 countries around the world, protecting very different fields of human rights. In several states (for example Canada, India, Australia, Spain), ombudsmen at the sub national level are added to the system (International Ombudsman Institute 2005), and the European Union brought a new, international level, establishing the institution of the European Ombudsman, founded in 1995 to deal with complaints about maladministration by the institutions and bodies of the European Community (The European Ombudsman 2005).

The ombudsman concept has appeared in non-official initiatives as well, namely in the International Ombudsman Centre for the Environment and Development (OmCED), founded in July 2000 by the IUCN and the Earth Council (International Ombudsman Centre for the Environment and Development 2005).

⁵⁸ Uzi Benzima, The Rejection Generation, Ha'aretz, 2005 - <http://www.haaretz.com/print-edition/opinion/the-rejection-generation-1.172840>

⁵⁹ The environmental legal interests of future generations vary by jurisdiction and can be based on international law, constitutional provisions, legislative statutes, regulations, court decisions, and in some cases, private agreements.

The Hungarian Ombudsman bill was written by László Sólyom⁶⁰, proposing the establishment of an institution that, while striving to interpret the unsure and “soft” outlines of the protection of the succeeding generations as widely as possible, sets the reference base of its interventions in the effective Hungarian legal system so that the Commissioner’s recommendations and procedures will be built on a “hard” legal base and their validity cannot be challenged. The ombudsman will acquire strong competences in some specific fields as compared to the ombudsmen’s usual competence, in other cases its task stands closer to the “advocate” ombudsman’s role or the “guardian’s” status described well in international legal literature⁶¹ This duality appears in part. 1. of the Bill⁶²:

“In order to ensure the representation of the interests of the future generations in longterm decisions fundamentally affecting their life conditions and to give effect to the laws on the right for a healthy environment and the protection of nature and the environment that are acknowledged and ordered to be enforced in par. 18. of the constitution, the Parliament elects the Parliamentary Commissioner for Future Generations”⁶³

The Ombudsman’s independence raises some practical requirements. The Commissioner must be independent from state administration since a part of his investigations must be conducted within its institutions. Consequently, an institution subordinated to any of the state organs, like for instance the nomination of a Ministerial Commissioner within the Ministry of Environment or the establishment of some kind of a committee or council within the Prime Minister’s Office or any other governmental institution, is unacceptable.

The Ombudsman’s wide competence must primarily be realized in the fields of his investigations. The decisions ruining the terrestrial life conditions of our descendants are not only made within the governmental sector but also in the economy. That is why it is inevitable to extend the investigations of the Commissioner for Future Generations – similarly to the Hungarian Ombudsman for Data Protection – to the partakers of the economy. In case he has no authority in that field, he will be like a detective not allowed to visit the action scene or to question the suspected persons. His wide competence, however, means only a strong investigative competence, not a decision making competence. The ombudsman’s proposals are worth considering, he can exercise pressure by stepping in front of the public, can represent the interests of future generations with all his moral weight but will not become an authority as feared by some people once they have become familiar with the proposal on the new ombudsman.

In this respect he accomplishes the classical ombudsman’s model, even though it is a stronger version, similar to that of the Hungarian Commissioner for Data Protection. Proactivity means that, unlike the usual agenda in environmental conflicts, the Commissioner should not only subsequently investigate the violation of the rights of future generations but must be active in preventing these violations. In practice this means two things. First, the

⁶⁰ As László Sólyom puts it: “The rights of those being born in the future for us today means obligations towards them. International law presumes that future generations have rights so our present obligations can be construed since rights are contrasted with obligations”, Sólyom, László (2000), The rights of future generations and representing them in the present, in Benedek Jávör (ed.), Rights of Future Generations, Budapest: Védjegylet, p. 35-45.

⁶¹ Agius, Emmanuel and Salvino Busuttill (eds) (1998), Future Generations and International Law, London: Earthscan.

⁶²In Hungary, the ombudsman act (Act No. LIX of 1993) established three ombudsman offices: the general ombudsman (Commissioner for Civil Rights) and two specialized position for the protection of the national and ethnic minority rights and the Commissioner for Data Protection and Freedom of Information

⁶³ Jávör 2000, pp. 65-74

preliminary examination of bills introduced to Parliament so that MPs cannot accept laws and regulations contradictory to the fundamental interests of our descendants (the Israeli Commissioner for Future Generations, for instance, plays such a role). Second, the Commissioner can actively initiate the creation of laws and regulations promoting the enforcement of the rights of succeeding generations, and can harmonize the legal system of the Hungarian Republic with the principle of sustainability.

The responsibility of the Ombudsman as an 'advocate' or a 'guardian' includes the representation of the interests of future generations in any decisions influencing their life conditions, but besides this it also has a strong legal enforcement and protection function which allows the protection of the rights of succeeding generations to a healthy environment through ensuring environmental laws and regulations are observed. This way the Ombudsman gets effective tools in his hands, legal guns which, besides having an influence on the conscience and goodwill of the society and the decision makers, establish the possibility of enforcing legal remedy in the case of decisions affecting the environment. The Commissioner controls the prevalence of the orders of the Constitution and other legal rules that refer to the preservation of the natural resources necessary for the survival and health of the growing and succeeding generations and the sustenance of these environmental conditions; in this circle he can conduct an official investigation and probe into the received notices (par. 1, Point [1]). In the case of an actual or default threat to the environment it is within his power to summon the user of the environment to terminate the destructive activity. If the necessary measures are not taken, the Commissioner has the authority to take necessary measures, can initiate legal proceedings, and can lay a petty offence or criminal information. He can call upon the authorities to take environmental measures, the execution of which must be reported by the authority within 60 days, and the Commissioner can also turn to the superior body of the authority. During fulfilling his tasks he is entitled to ask for information or data on any questions possibility related to the condition, threat or impairment of the environment. These are the tools ensuring the strength of the Ombudsman so that he will be able to act against the violation of the rights of future generations factually and effectively. The vertical aspect of his competence allows him to investigate deeply the activities threatening these rights. He can, however, act only relying on the existing and effective legal regulations, therefore his activity will inevitably manifest in the relatively narrow field of the decisions influencing the fate of succeeding generations, within the protection of the environmental conditions. The Ombudsman's competence, however, has a horizontal aspect, as well. He expresses his opinion in a circle much wider than environmental care, in the case of each decision influencing the life conditions of future generations. For example, he reports on the bills, the international covenants of the Hungarian Republic and the governmental measures exercising an effect on the succeeding generations (for example the national development plans). Although his recommendations are not binding, they serve as guidance for the decision makers, and the experiences of the last ten years of the Hungarian Commission system have shown that the Parliament and the state administration make considerable efforts to put the recommendations into practice.

The Hungarian and Israelian institutional experiments are probably the most innovative in the field of GJ, other institutions and agencies, in charge of protecting the rights of posterity are in the UK four Government's, the **Sustainable Development Commission** (SDC), an independent adviser on sustainable development. The

Commission is an executive non-departmental public body (NDPB) and a company limited by guarantee. The company is wholly owned by the UK, Welsh, Scottish and Northern Ireland governments, and is governed by a Board with a Framework Agreement agreed with the four UK Governments.

The SDC has shortlisted the notion of a ‘Congress for the Future’ as one of nineteen “breakthrough ideas” for sustainable development selected following an open competition.

A recent SDC report introduces the idea of a Congress for the Future in the following way:

“Imagine... the UK with long-term thinking enshrined at the heart of our democratic processes, raising awareness, creating political space, and generating action on the biggest issues of our time. The Congress for the Future is a way of giving adequate attention to the long-term in what has become an overwhelmingly short-term political world. It will act as a counterweight to that short-termism and to the media-inspired ‘something must be done’ quick fixes. Without such a mechanism, is there any way that we can use sustainable development to tackle issues like prosperity, peak oil or climate change?”⁶⁴

The basic idea, says Sustainable Development Commissioner Lindsey Colbourne, “is to create a special Congress, convened by Parliament every year, to help build broad agreement and provide direction on long-term questions. One or more issues in need of public debate will be put before each Congress, either by the Government of the day or by MPs in response to public petition. Randomly-selected citizens and stakeholders will then engage with the issues in an informed, deliberative process, supported by a secretariat to monitor progress”.

The **Finnish parliament’s Committee for the Future** is charged with carrying on an “active and initiative-generating dialogue with the Government on major future problems and means of solving them”.

The Committee’s brochure acknowledges that “since the problems of the future and above all its opportunities cannot be studied through traditional parliamentary procedures and work methods alone, the Committee has been given the specific task of also following and using the results of futures research. Indeed, the Committee can be said to be making policy on the future, because its goal is not research, but rather policy”.

The Committee was founded in 1993 on a temporary basis and gained permanent status in 2000. Its seventeen elected members are all parliamentarians, their reports include several on the future of democracy which are invaluable resources in their field.

Another responsibility of the Committee for the Future’s is to prepare Parliament’s response to the Government’s Report on the Future during each electoral period. The theme of the futures report covering the parliamentary term 2007–2011 is climate and energy, putting the Committee on track to make a further contribution to strengthening democratic processes for sustainable development.

⁶⁴For further details see at <http://www.sd-commission.org.uk/>

To conclude, there are two ways to pursue and institutionalized the rights of non existing people that, these ways do not exclude each other but should be combined.

First is to lift the rights of future generations into the legal system as a statutory law. These rights become real with this step, and they can be defended by existing institutions and the jurisdiction. The other direction is trying to anchor the defense of the rights of future generations into the existing legal systems, but to make this defense effective, this proposes the establishment of new institutions as the above described ones that can be a model for any Country. However, the establishment of such an institution raises a number of questions. The source of its legitimacy, its legal status or the relationship with other institutions are all disputable questions. Regarding these considerations, the ombudsman, is an accepted institution both in most European countries and at EU level and could be an ideal form for the defense of the rights of future generations. The ombudsman is advantageous from several points of view: it is independent, does not need direct legitimacy, its competence can be extended to the necessary extent, but it is still not a decision-maker, this competence is left in the hands of the executive power. Civil society is in charge of promoting both alternatives, setting the agenda of the executive power.

The most active NGO acting at an European level to advocate for the GJ implementation is Protect the Future! that with the initiative of the Representation of Future Generations (REFUGE), organizes a consortium of numerous NGOs, working according to the following principles:

A. REFUGE takes on cases and seeks legal remedies, where the decisions of the authorities or private initiatives seriously damage the rights of future generations to a healthy natural and urban environment.

B. Due to its limited resources REFUGE can only addresses a small number of cases. During selection of these the primary criteria is that the subject creates a precedent and represents such general and typical conflicts, which endanger future generations' heritage. Over the last years REFUGE proceeded in such cases as, for example, the area of gene technology, urban planning, forestry, transport policies, chemical safety or the protection of freshwater resources.

C. During its proceedings, REFUGE utilise all the legal tools available to NGOs. These include civil court cases, submissions to existing ombudsman, lobbying activities, media campaigns, public demonstrations, organising conferences and facilitating the cooperation between stakeholders.

REFUGE initiative was Hungarian based but now Protect the Future is seeking to export the concept of ombudsmen to defend the rights of future generations to the rest of Europe. With the participation of experts, institutions and NGOs from different EU and non-member countries, a draft law will be prepared to set up the office of the European Ombudsman for Future Generations⁶⁵. This institution should have a wider competence compared to the existing European Ombudsman, not only dealing with the maladministration of the EU bodies, but it should be able to effectively represent the interests of future generations in the European decision-making.

⁶⁵ The European Ombudsman (2005), www.euro-ombudsman.eu.int/home/en/default.htm

For different reasons, strong resistance could be experienced against such an institution from both the political and the economic sphere. To overcome this resistance, a well thought-out strategy should be worked out to win acceptance for its conception. The proposal should be worked out in detail regarding both its philosophical background and its fitting into the current institutional system. In my opinion, those debates which have been generated by the proposals and initiatives over the last decade, and the experiences which have been accumulated by the working institutions for the representation of the rights of future generations, compose a strong basis upon which drawing up such an institution.

Welfare



A deep reform of Welfare System is probably the most powerful instrument to pursue GJ, considering that, in Italy and more generally in Europe, the function of Welfare State has been shifted from class distribution to generational one.

In most European countries the elderly (E) have become the main clients of Welfare state redistribution, mostly through pensions and health care with a consequent decrease of Young Generation welfare share (education, job allowances, cultural resources). Nevertheless the most important risks that need social insurance today are no longer poor old age, ill health or accident but outdated skills, relocation requirements and lack of competitiveness.

It has been proved that a positive correlation exists between welfare ad hoc intervention on some pro Y field (such as incentives for women in the labor market or higher percentage in Welfare expenditure for education) contribute to demographic stabilization and GDP growth. I will try to explain why is not always justifiable to invest collective resources on pro E intervention instead of pro Y ones and to assess different hypothesis of reasonable trade off among generation.

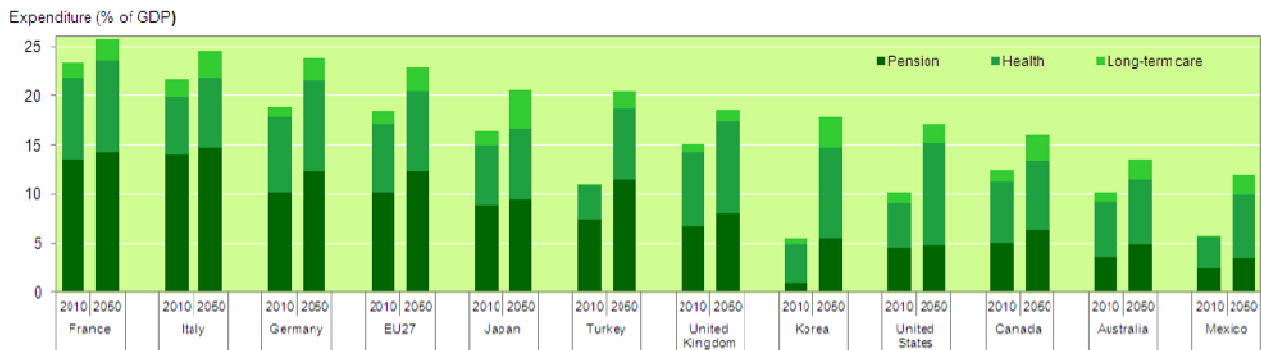
According to OECD Looking at the main welfare expenses (**table 1-2-3-4/Annex 2**) in the last 10 years it is clear that the older age group certainly has gained the most over this period of time, and has claimed a proportion of resources that has increased beyond what can be explained by population ageing alone⁶⁶. The losers seem to be individuals in diverse conditions of fragility across the population, and overall the age group that has lost out the most on average is the youngest working generation.

If we look at the public expenditure in the classic fields of welfare intervention for elderly (pension and health) we see an increase not comparable to the expenses for youth (education, research and active labour measures).

The latest information on the fiscal cost of ageing populations in the major advanced economies is presented in Figure 1. The chart shows public expenditure as a percentage of gross domestic product (GDP) in three major areas affected by population ageing: pensions, health and long-term care. Almost half of age-related government spending typically goes on public pensions.

⁶⁶ *Providing and Paying for Long-Term Care*; European Commission (2009), "The 2009 Ageing Report: Economic and Budgetary Projections for the EU 27 Member States (2008-2060)", *European Economy*, No. 2/2009, Brussels; International Monetary Fund (2009), "Fiscal Implications of the Global Economic and Financial Crisis", Staff Position Note No. 09/13, Washington, D.C.; Standard & Poor's (2010), "Global Aging 2010: An Irreversible Truth".

The old Europe population is already old, in 2010, France and Italy spent 13.5% and 14% of GDP, respectively, on public pensions. Public-pension expenditure was around 10% of GDP in Germany and the EU27. However, public pension spending is much lower in the United Kingdom: less than 7% of GDP. European countries show the highest projected age-related spending in 2010 and 2050. Japan has been the demographically oldest country



since 2005: age-related expenditure there is already the highest outside Europe and is expected to remain so.

Table 1. The fiscal pressure from ageing populations is large and growing
Projected pension, health and long-term care expenditures, 2010 and 2050, percentage of GDP, advanced G20 countries
Note: Countries are ranked from left to right in terms of the highest to the lowest public fiscal cost in 2050.
Source: OECD (2011), Pensions at a Glance: Retirement-Income Systems in OECD and G20 Countries; OECD (2011), Help Wanted?

Australia, Canada, Mexico and the United States are all in the demographically youngest half of OECD countries and are projected to remain so by the middle of the century. In these countries, the main drivers of rising costs of ageing populations are health and long-term care⁶⁷. Turkey is the youngest OECD country and the projections show it maintaining this position until 2050. However, expenditure in all three areas is projected to grow nearly to the level of Japan by 2050, despite these countries' much less favorable demographics.

Private pensions play a very important role in providing old-age incomes in Australia, Canada, the United Kingdom and the United States. The fiscal pressure from ageing populations is large. Pension, health and long-term care spending is forecast to grow faster than national income in all 12 of the economies (see Figures in Annex 2)

Public transfers between generations – in the form of retirement benefits, health, long-term care and other services – are not the end of the story; there are also substantial private transfers, we will consider them in the Italian case study. These involve both time – caring for children or frail older people, for example – but also money, hospitality etc..

The extent of involvement in such transfers over a one-year period of people aged 50 and over is clear: older people are much more likely to be *givers* than *takers*⁶⁸. On average, more than 30% of them give time – typically in

⁶⁷ Adema, W. and M. Ladaique (2009), "How Expensive is the Welfare State? Gross and Net Indicators in the OECD Social Expenditure Database (SOCX)", Social, Employment and Migration Working Paper, No. 92, OECD, Paris.
⁶⁸ OECD, Survey on Health, Ageing and Retirement in Europe, 2010.

the form of child care – and the same proportion give money while only less than a quarter of older people benefit from time given by others, and less than 7% receive money.

Gifts of cash are significantly more important than time in Greece, Israel, Italy and Poland. The reverse is true in Belgium, the Czech Republic, Denmark, France, Ireland and the Netherlands. Receipts of cash are rare: only in the Czech Republic and Greece do more than 10% of 50+ year-olds get money from others. The proportion receiving help in time terms is much greater, ranging from 14% in Spain to over 30% in the Czech Republic. In the United States, 38% of older people gave money to children or other relatives, according to the Health and Retirement Study. This is rather higher than most European countries. Only 9% received cash help from their relations. In Korea, in contrast, 41% of older people received cash from their children, much higher than other countries. Only 9% gave cash. Time transfers were rather closer to the international pattern, with 18% receiving help from children and 30% giving.

We can justify some cross-country variation in the fiscal pressure from ageing populations as a result of differences in the welfare models and its undermining values about, for instance, private-public relationship.

The contract between generations is the foundation of the Welfare System: those who pay will benefit from the system subsequently as a new generation become contributors. Citizens can only be treated with complete intertemporal equity if the variables of age composition, population size, contributions and benefit rates, remain unchanged over time. If the welfare system does not consider the Time, with an horizontal accounting system, a change of any variable creates the potential for intergenerational conflict. Furthermore, among the welfare models there are significant differences in dealing with GJ.

I tried to offer in the previous chapter a panoramic overview of how it is feasible, to special ad hoc institution to consider posterity in political arena, now we will try to define what are generational savings and which are the challenges for a new Welfare System, taking into account the disaffection of new generations, especially in conservative welfare regime, to the same values inspiring the Welfare compact.

In this chapter the first part aims to present the main differences in the welfare models and its undermining values. I will analyze the Italian case study, through a comparative survey I have conducted, the perceptions of young people about GJ, Italian Welfare and the implicit values of the conservative welfare regime.

The next chapter will discuss the main challenges for a Welfare reform presenting an economic methodology to measure how much net capital is being handed down from the current generations to future ones as a percentage of how much net capital these current generations have inherited: the economic sustainability indicator.

Annex 2 – Tables on Welfare Expenditure in OECD Countries

Table 1-

	2003	2004	2005	2006	2007	2008	2009	2010
Australia	..	1,72	..	2,00	..	2,21	..	..
Austria	2,26 (c)	2,26	2,45 (c)	2,46	2,52	2,67 (c,p)	2,75 (c,p)	2,75 (p)
Belgium	1,88	1,86	1,83	1,86	1,90	1,96 (p)	1,96 (p)	..
Canada	2,04	2,07	2,05	1,97	1,91	1,84 (p)	1,95 (p)	..
Chile	..	..	..	..	..	..	..	..
Czech Republic	1,25	1,25	1,41	1,55	1,54	1,47	1,53	..
Denmark	2,58	2,48	2,46	2,48	2,58	2,87	3,02 (c)	..
Estonia	0,77	0,85	0,93	1,13	1,10	1,29	1,42 (p)	1,48
Finland	3,44	3,45	3,48	3,48	3,47	3,72	3,96	3,87
France	2,17	2,15	2,10	2,10	2,07	2,11	2,21 (c)	..
Germany	2,52	2,49	2,49	2,53	2,53	2,68	2,82 (c)	..
Greece	0,57	0,55 (c)	0,59	0,58 (c)	0,58 (c)	..	..	..
Hungary	0,93	0,87	0,95	1,00	0,97	1,00	1,15	..
Iceland	2,82	..	2,77	2,99	2,68	2,65 (p)	..	..
Ireland	1,17	1,23	1,25	1,25	1,29	1,45	1,77 (p)	..
Israel (1)	4,33	4,25	4,41	4,42	4,77	4,66 (p)	4,27 (p)	..
Italy	1,11	1,10	1,09	1,13	1,18	1,23	1,27 (p)	..
Japan	3,20	3,17	3,32	3,40	3,44	3,44	..	..
Korea	2,49	2,68	2,79	3,01	3,21	3,36	..	..
Luxembourg	1,65	1,63	1,56	1,66	1,58 (c)	1,56	1,68 (p)	..
Mexico	0,40	0,40	0,41	0,39	0,37	..	..	..
Netherlands	1,92	1,93	1,90	1,88	1,81	1,76	1,84 (p)	..
New Zealand	1,17	..	1,14	..	1,18	..	..	..
Norway	1,71	1,59	1,52	1,52	1,65	1,64	1,80 (p)	..
Poland	0,54	0,56	0,57	0,56	0,57	0,60	0,68	..
Portugal	0,71	0,75 (c)	0,78	0,99 (c)	1,17	1,50	1,66 (p)	..
Slovak Republic	0,57	0,51	0,51	0,49	0,46	0,47	0,48	..
Slovenia	1,27	1,40	1,44	1,56	1,45	1,65	1,86 (p)	..
Spain	1,05	1,06	1,12	1,20	1,27	1,35	1,38	..
Sweden	3,80	3,58	3,56	3,68	3,40	3,70 (c)	3,62 (p)	..
Switzerland	..	2,90	..	..	..	3,00	..	..
Turkey	0,48	0,52	0,59	0,58	0,72	0,73	0,85	..

United Kingdom	1,75	1,68	1,73	1,75	1,78	1,77	1,87 (p)	1,81 (p)
United States	2,61	2,54	2,57	2,61	2,67	2,79 (p)	..	..
EU27	1,76	1,73	1,74	1,77	1,77	1,84	1,92 (p)	..
OECD Total (2)	2,21	2,18	2,21	2,24	2,28	2,34	..	..

Last updated: 27 April 2011

Note: Country specific footnotes are available at www.oecd.org/dataoecd/52/43/43143328.pdf

- 1** The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.
- 2** Excluding Chile
- c** National estimate or projection adjusted, if necessary, by the Secretariat to meet OECD norms
- p** Provisional

Source: Main Science and Technology Indicators, OECD Science, Technology and R&D Statistics

*Table 2***Public social expenditure as a percentage of GDP**

	2000	2001	2002	2003	2004	2005	2006	2007
Australia	5,4	5,4	5,6	5,5	5,7	5,6	5,6	5,7
Austria	6,6	6,6	6,6	6,7	6,8	6,9	6,8	6,8
Belgium	6,6	6,7	6,7	7,1	7,5	7,4	7,2	7,3
Canada	6,2	6,5	6,6	6,8	6,8	6,8	6,9	7,0
Chile	3,4	3,6	3,7	3,7	3,5	3,5	3,4	3,7
Czech Republic	5,9	6,0	6,4	6,7	6,4	6,3	6,0	5,8
Denmark	5,1	5,3	5,5	6,0	6,1	6,1	6,2	6,5
Estonia	4,1	3,8	3,7	3,8	3,9	3,9	3,7	4,0
Finland	5,1	5,3	5,6	5,9	6,0	6,2	6,3	6,1
France	7,1	7,2	7,4	7,7	7,7	7,7	7,6	7,5
Germany	8,1	8,1	8,3	8,4	8,0	8,1	7,9	7,8
Greece	4,7	5,3	5,3	5,3	5,1	5,8	6,0	5,9
Hungary	5,0	4,9	5,3	6,1	5,8	6,0	5,9	5,2
Iceland	6,5	6,4	6,8	6,6	6,2	5,8	5,6	5,7
Ireland	4,6	5,1	5,4	5,6	5,9	5,8	5,7	5,8
Israel (1)	4,7	4,9	5,0	4,9	4,7	4,6	4,4	4,3
Italy	5,8	6,1	6,2	6,2	6,6	6,8	6,9	6,6
Japan	5,9	6,2	6,1	6,1	6,1	6,3	6,2	6,3
Korea	2,2	2,8	2,6	2,7	2,8	3,0	3,3	3,5
Luxembourg	5,2	5,6	6,1	6,8	7,3	6,9	6,6	6,4
Mexico	2,4	2,4	2,5	2,6	2,7	2,6	2,6	2,7
Netherlands	5,0	5,2	5,5	5,8	5,8	5,9	5,9	6,0
New Zealand	6,0	5,9	6,3	6,2	6,4	6,7	7,1	7,1
Norway	4,9	5,3	6,2	6,3	6,1	5,8	5,5	5,7
Poland	3,9	4,2	4,5	4,4	4,3	4,3	4,3	4,6
Portugal	6,2	6,1	6,3	6,9	7,0	7,1	6,9	6,6
Slovak Republic	4,9	4,9	5,0	5,1	5,3	5,2	5,0	5,2
Slovenia	6,1	6,3	6,3	6,2	6,1	6,1	6,0	5,6
Spain	5,2	5,2	5,2	5,7	5,8	5,8	6,0	6,1
Sweden	6,3	6,6	6,8	6,9	6,7	6,7	6,6	6,6
Switzerland	5,0	5,4	5,7	5,9	5,9	6,0	5,7	5,6

Turkey	..	..	..	..	..	3,7	4,0	4,1
United Kingdom	5,5	5,7	6,0	6,1	6,5	6,7	6,8	6,8
United States	5,9	6,3	6,6	6,8	6,9	7,0	7,1	7,2
OECD - Total (2)	5,3	5,4	5,6	5,8	5,8	5,9	5,8	5,8

Last updated: 13 April 2011

1 The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

2 Refers to an unweighted average of 33 OECD countries and Estonia

Source: Social expenditure: Aggregated data, OECD Social Expenditure Statistics (database)

Table 3

Public expenditure on old-age and survivors benefits

	Public expenditure on cash benefits for old-age and survivors									Total inc. non-cash (% of GDP)
	Level (% of GDP)					Change (%)	Level (% of total government spending)		Level in net terms (% of GDP)	
	1990	1995	2000	2005	2007		1990-2007	1990		2007
Australia	3,0	3,6	3,8	3,3	3,4	11,2	8,6	10,1	3,3	4,5
Austria	11,4	12,3	12,3	12,5	12,3	7,8	22,1	25,3	10,6	12,7
Belgium	9,1	9,4	8,9	9,0	8,9	-2,9	17,4	18,3	8,0	9,0
Canada	4,2	4,7	4,3	4,2	4,2	-1,2	8,5	10,6	3,9	4,2
Chile		6,9	7,5	5,9	5,2					5,2
Czech Republic	6,1	6,3	7,5	7,3	7,4	21,8		17,5	7,4	7,7
Denmark	5,1	6,2	5,3	5,4	5,6	8,6	9,2	10,9	4,1	7,3
Estonia			6,0	5,3	5,2			15,2		5,3
Finland	7,3	8,8	7,7	8,4	8,3	13,3	15,1	17,5	6,8	9,2
France	10,6	12,0	11,8	12,3	12,5	17,5	21,5	23,9	11,7	12,8
Germany	9,0	10,7	11,2	11,5	10,7	19,1		24,5	10,4	10,7
Greece	9,9	9,6	10,7	11,7	11,9	20,9		26,3		12,0
Hungary			7,4	8,6	9,1			18,3		9,6
Iceland	2,2	2,4	2,2	2,0	1,9	-14,7		4,5	1,8	2,3
Ireland	3,9	3,5	3,1	3,4	3,6	-7,7	9,0	9,7	3,4	3,9
Israel		4,7	4,9	5,1	4,8			10,7		5,0
Italy	10,1	11,3	13,6	14,0	14,1	38,9	19,1	29,4	12,4	14,1
Japan	4,9	6,1	7,4	8,7	8,8	80,5		27,0	8,4	10,1
Korea	0,7	1,2	1,4	1,5	1,7	130,5	3,7	5,7	1,7	1,9
Luxembourg	8,2	8,8	7,5	7,2	6,5	-19,8	21,6	18,1	5,9	6,6
Mexico	0,5	0,7	0,9	1,2	1,4	202,0		7,2	1,4	1,4
Netherlands	6,7	5,8	5,0	5,0	4,7	-29,8	12,2	10,4	4,1	5,5
New Zealand	7,4	5,7	5,0	4,3	4,3	-41,8	14,0	10,9	3,5	4,3
Norway	5,6	5,5	4,8	4,8	4,7	-16,6		11,4	3,8	6,5
Poland	5,1	9,4	10,5	11,4	10,6	107,0		25,2	9,7	10,7
Portugal	4,9	7,2	7,9	10,3	10,8	112,8			10,2	10,8
Slovak Republic		6,3	6,3	6,2	5,8			17,0	5,8	6,2

Slovenia			10,6	9,9	9,6			22,7		9,7
Spain	7,9	9,0	8,6	8,1	8,0	1,5		20,5	7,4	8,5
Sweden	7,7	8,2	7,2	7,6	7,2	-6,8		14,1	5,3	9,5
Switzerland	5,6	6,7	6,6	6,8	6,4	14,2	18,6	19,9		6,7
Turkey	2,4	2,7	4,9	5,9	6,1	159,2				6,2
United Kingdom	4,8	5,4	5,3	5,6	5,4	11,0	11,6	12,0	5,1	5,9
United States	6,1	6,3	5,9	5,9	6,0	-1,5	16,4	16,3	5,6	6,0
OECD34	6,1	6,7	6,9	7,1	7,0	14,5		16,5	6,2	7,4

Note: See Adema, W. and M. Ladaïque (2009), "How Expensive is the Welfare State? Gross and Net Indicators in the OECD Social Expenditure Database (SOCX)", Social, Employment and Migration Working Paper No. 92, OECD Publishing, Paris for more details on the data, sources and methodology.

Source: OECD Social Expenditures database (SOCX); OECD Main Economic Indicators database.

28-Jan-2011

Table 4**Public expenditure on active labour market policies % of GDP**

	2001	2002	2003	2004	2005	2006	2007	2008
Australia	0,4	0,3	0,4	0,4	0,4	0,3	0,3	0,3
Austria	0,6	0,6	0,6	0,6	0,6	0,7	0,7	0,7
Belgium	1,2	1,1	1,1	1,1	1,1	1,2	1,2	1,3
Canada	0,4	0,4	0,4	0,4	0,3	0,3	0,3	0,3
Chile	..	..	..	..	..	..	..	..
Czech Republic	0,2	0,2	0,2	0,3	0,3	0,3	0,3	0,2
Denmark	1,9	1,9	1,8	1,7	1,6	1,5	1,3	1,4
Finland	0,8	0,8	0,9	1,0	0,9	0,9	0,9	0,8
France	1,2	1,1	1,1	1,0	0,9	0,9	0,9	0,8
Germany	1,2	1,2	1,2	1,1	0,9	0,9	0,7	0,8
Greece	..	..	..	..	..	..	..	..
Hungary	0,5	0,5	..	0,3	0,3	0,3	0,3	0,3
Iceland	..	..	..	..	..	..	..	..
Ireland	0,9	0,8	0,7	0,7	0,6	0,6	0,6	0,7
Italy	..	..	..	0,6	0,6	0,5	0,5	0,5
Japan	0,3	0,3	0,3	0,3	0,3	0,2	0,2	0,3
Korea	0,2	0,2	0,1	0,1	0,1	0,1	0,1	0,2
Luxembourg	..	0,3	0,4	0,5	0,5	0,5	0,5	0,4
Mexico	..	..	..	..	..	..	..	..
Netherlands	1,5	1,6	1,5	1,4	1,3	1,2	1,1	1,0
New Zealand	0,4	0,4	0,4	0,4	0,4	0,4	0,4	..
Norway	0,6	0,7	0,8	0,8	0,7	0,6	0,6	..
Poland	0,3	0,2	0,4	0,4	0,4	0,5	0,5	0,6
Portugal	0,6	0,6	0,7	0,7	0,7	0,6	0,5	0,6
Slovak Republic	0,4	0,4	0,3	0,3	0,3	0,3	0,2	0,3
Spain	0,7	0,7	0,7	0,8	0,7	0,7	0,7	0,7

Sweden	1,7	1,6	1,3	1,2	1,3	1,4	1,1	1,0
Switzerland	0,5	0,6	0,7	0,8	0,8	0,7	0,6	0,5
Turkey	..	..	..	..	..	..	..	..
United Kingdom	0,3	0,3	0,4	0,5	0,5	0,3	0,3	0,3
United States	0,2	0,2	0,2	0,1	0,1	0,1	0,1	0,2
OECD-Total	0,7	0,7	0,7	0,7	0,6	0,6	0,6	0,6

Last updated: 6 July 2010

Source: Labour market programmes: expenditure and participants, OECD Employment and Labour Market Statistics (database)

3.1 Welfare and Generational Justice

Welfare system is not just the sum of the different social politics but it is a system with an internal coherence implying a standard of merit, fairness and values that a society pursues or adopts. A welfare regime frame influences both political outcomes (redistribution) and political inputs, such as citizen values and conception of welfare state and society in general⁶⁹.

The two epochs of intense reform in the long history of western welfare states has been the closing decades of the nineteenth century and the 1930s–1940s.

Modern Welfare System come from the post-war ‘welfare capitalist’ edifice—although the Scandinavian model, since the 1970s, may constitute a third instance of fundamental regime overhaul.

The different welfare models are consequences of the new social laws and compromises of the post war period: in the Anglo-Saxon World (UK and US), the social compact favored individualism and market based values with a minimal Welfare System as a minimal, in Scandinavia it favored social democracy, universalism and comprehensive social citizenship and in Continental and Southern Europe emerged a model with elements of social insurance with corporatist and often also social Catholic subsidiary traditions. This reflects heterogeneous economic development and social structure, but, more crucially, different social policy legacies, distinct systems of interest organizations and democratic institutions.

Each Welfare System displays unique features in policy design, based on deeply held national aspirations of equality, social justice, and solidarity⁷⁰. Since World War II, the expansion of social security, social services, pension rights, minimum wages, collective bargaining procedures, and dismissal protection was a fairly autonomous domestic political affair that vary significantly along the following variables:⁷¹

- **Risk coverage** based on nationality, gender, needs, work etc..
- **Social protection objectives** can vary from Country to Country, from income maintenance, poverty reduction, or equality.
- **Financing method** can derive from universal taxation to payroll contributions or user ad hoc charges.

⁶⁹ Andress & Hein; Arts & Gelissen 2001, Sabbagh, Powell and Vanhuyse 2006 and 2007.

⁷⁰ Gosta Esping-Andersen, *The Three Worlds of Welfare Capitalism*, 1990.

⁷¹ Fritz W. Scharpf and Vivien A. Schmidt (eds.), *Welfare and Work in the Open Economy*, Oxford: Oxford University Press, 2000.

- **Risk coverage** based on nationality, gender, needs, work etc..
- **Service management** can be public or private.
- **Family policy** can be passive/conservative or active, supporting male bread winner in the first case or promoting female employment and measure to make young adults autonomous.
- **Employment regulation** and Industrial relations can vary from Country to Country (e.g. employment protection, (minimum) wage regulation, sectoral or fragmented pattern bargaining ore centralized co-ordination, active labor market policies)
- **Devolution** welfare and employment policies can pertain to the jurisdiction of national or local/regional public administration

The above described variables' combinations can interact in the main welfare regimes. To synthesize we can group the specific welfare systems in three categories.

1. Social democratic-Scandinavian Welfare model is characterized by a citizenship-based universal conception on rights and benefits, active family policy encouraging gender egalitarianism and women's integration in the labor market, a broad and generous supply of social services beyond health, pension and schooling; generally high levels of employment protection, active policies and training programs linked to general education, corporatist industrial relations with strong unions. Social exclusion due to poverty and long-term unemployment is largely avoided, thanks to an high public employment, since the 1960s, providing the so called 'welfare state jobs' to encourage women and lone parents to enter the labor market.

2. The Liberal - Anglo-Saxon model, inspired by utilitarian market principles, is characterized by a target/needs-based conception of welfare rights, apart from health and education a poor welfare system; (5) poor family services; (6) low levels of employment protection, largely confined to ensuring fair contracts, and no legacy of active labor market policy, nor vocational training and education; (7) un-coordinated industrial relations with moderately strong unions, decentralized wage bargaining, and low levels of collective bargaining coverage.

3. The Conservative – Continental/Mediterranean European model, historically influenced by a mix of statist, corporatist, and familialist traditions⁷² is characterized by (1) occupationally distinct, employment-related social insurance; (2) very unequal levels of generosity in transfer programs, combining generally very high pension replacement rates with occasionally very modest income support (such as unemployment benefits in Italy); (3) a contribution-biased revenue dependency; (4) very modest levels of public social services beyond health and education and often a considerable reliance on 'third sector' and private delivery; (5) passive family

⁷² V. Kersbergen, *Christian Democracy and the Welfare State*, Routledge, 1995

policies premised on the conventional male breadwinner family; (6) generally strict levels of employment protection, that is meant to protect, once again, the male breadwinner combined with passive labor market policies, but comprehensive systems of vocational education and training, especially in Germany, Austria, and the Netherlands; (7) strong social partnership that extends into the administration of social insurance; and (8) coordinate industrial relations, with a predominance of sectoral wage bargaining, with high levels of bargaining coverage and moderately strong unions.

Differences in policy design are closely related to variations in employment performance, service intensity, levels of income inequality, and also to structures of taxation. On the employment side, the Nordic countries outperform both the Anglo-Saxon and Continental models. Ireland and the United Kingdom display favourable levels of employment with relatively low rates of public employment (but in Ireland, female employment is very low). The Continental European countries present a mixed picture, with above average employment performance in the North-Western part of the European continent (including Austria, Belgium, France, Germany, the Netherlands, and Luxembourg), and very low employment rates (especially among women and older workers) in the Mediterranean countries⁷³.

With respect to social expenditures, the Nordic countries, are the most generous, followed by Continental Europe with the Anglo-Saxon countries occupying the low end. The spending bias differs, however. The Mediterranean countries are very pension biased, most notably in Italy where pensions absorb 16.13 per cent of GDP. In contrast, the Nordic Welfare Systems are unusually biased in favor of social services to families and children⁷⁴.

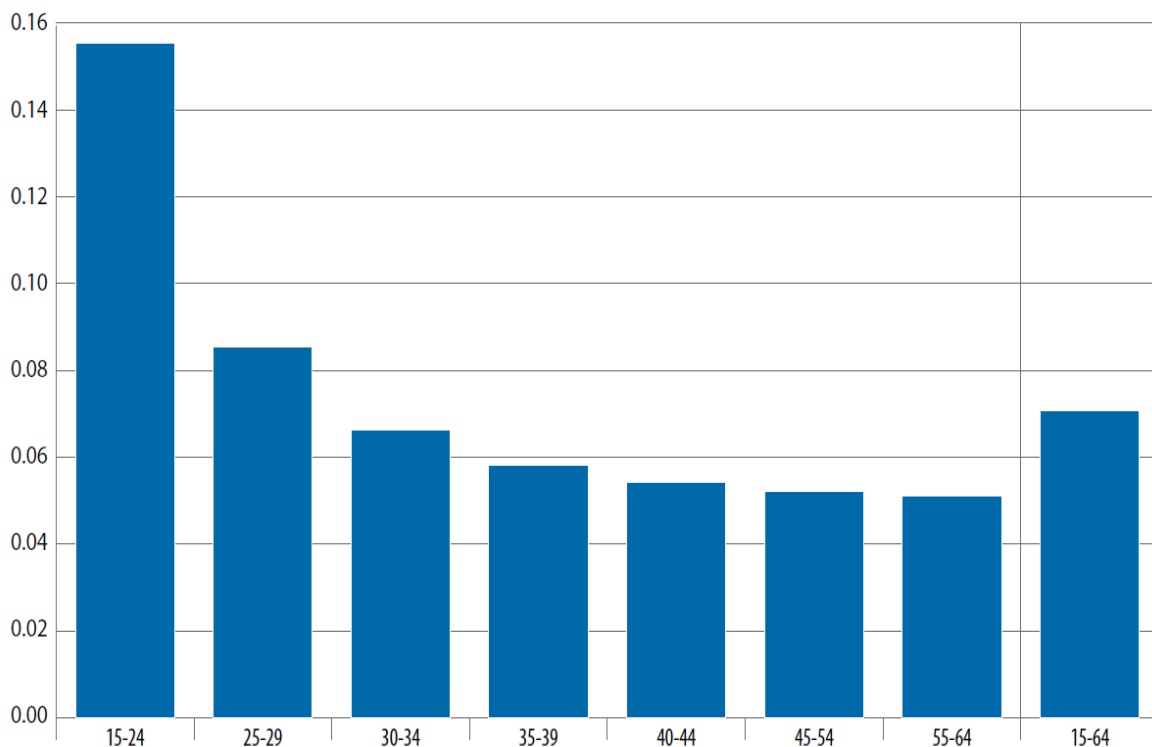
What follows, quite surprisingly, from these figures is that the relation between distributive results, employment performance, and tax-spending levels is very weak. The most redistributive Welfare Systems (Denmark and Sweden), have the highest tax burdens, and do better in terms of employment than the low tax Anglo-Saxon countries. The medium–high tax Continental Welfare Systems and the moderate–low tax Southern Welfare Systems perform worst in terms of employment, and also in terms of redistribution. Indeed, the low rates of employment in Continental Europe have less to do with the overall level of taxation and more to do with the heavy reliance on social security contributions.

Persistent unemployment remains the Achilles heel in most European economies, especially after last years economic crises. Youth unemployment is the main issue, at 8.4 per cent in 2000, is now at 30%.

⁷³ *Employment in Europe 2010*, European Commission, 2010a; OECD (1999a) (Public employment figures).

⁷⁴ 'Statistics in Focus: Social Protection in Europe,' Theme 3–15/2000, Eurostat (2000); OECD Online Social Expenditures Database

Chart 3: Unemployment rate in 2008 – age profile



Employment growth, like everywhere, is skill-biased, service intensive, and gender-specific. The highly educated workers are the winners, both in terms of job security and pay while the low skilled and less experienced workers are the losers; they either face declining wages, as in the US, or rising difficulties in finding employment.

Since the mid-1970s, European economies, with the notable exception of the Netherlands and Ireland, have experienced substantial employment decline in the exposed sectors, especially in agriculture, mining, manufacturing, and transport, where the male “breadwinner”, centre of the conservative system occupied a fundamental role.

The combination of de-industrialization, the rise of the service sector, and the fiscal constraints that derived from the European Union, pose a dilemma, according to Iversen and Wren⁷⁵ the goals of high levels of employment, income equality, and fiscal restraint can no longer be achieved simultaneously. The ability to maximize one of the goals is linked to the nature of the welfare regimes, the three models vary significantly in their relative vulnerability to the new challenges of post-industrial change.

To summarize each of the three models can decide to maximize one of the goal at the expense of another one.

⁷⁵ Torben Iversen and Anne Wren, *Equality, Employment, and Budgetary Restraint: The Trilemma of the Service Economy*, Johns Hopkins University Press, 1998.

The Social Democratic Welfare System maximize the two goals of high employment and wage equalities but:

- really expensive in terms of revenue requirements;
- it does not create the appropriate conditions for an expansion of private social services;
- financing the Welfare System is made more difficult due to high capital mobility, the fiscal and budgetary constraints that ageing and European monetary integration impose, and increased political tax resistance⁷⁶.

The trilemma in this case deals in the hard choice between liberalizing private services, bringing more wage inequalities, or a continued adherence to wage equality which, under conditions of budget constraint, implies more unemployment.

The Liberal Welfare System maximize the goal of high employment and budgetary restraint but :

- it creates an increasing social exclusion of both the 'working' and 'non-working' poors;
- it encouraged wage inequalities with a significant polarization of incomes and more unequal access to social insurance;
- the high level of female employment is usually not accompanied by active measures to diminish gender inequities, the absence of quality day care provision means that women are frequently compelled to accept low-quality part-time work.
- labor market deregulation usually deeply affects negatively cooperation between management and trade unions.

In this case, to pursue fiscal stability, skill shortages, low wages, and poverty have produced inequalities and social exclusion⁷⁷.

The Conservative Welfare System is facing the most deep challenges, mainly caused by the familism and the very high fixed labor costs:

- low employment rates among women, young people and elderly males, very large inactive population;;
- not sustainable pay-as-you-go pension systems;
- obstacle to private job growth

⁷⁶ The Self-transformation of the European Social Model(s), Anton Hemerijck, Wisconsin University Press, 2000.

⁷⁷ S. Wood and A. Glyn, "New Labour's Economic Policy", in A. Glyn (ed), Social Democracy in Neoliberal Times, Oxford: Oxford University Press, 2001

The vulnerability of most Conservative Welfare Systems lies in their chronic inability to stimulate employment growth complying, at the same time, with the European fiscal stability clauses. Job stagnation is directly related to the particular method of payroll-based social insurance financing. This breeds a complicated, mutual interaction between investments, productivity, labor supply, and wage costs caused by the fact that the strength to maximize productivity has been associated to positive measures (high skill workers, education) and long-term negative ones, especially early retirement policies. The indirect effect has been a substantial increase in the ‘tax’ on labor, as ever fewer workers must shoulder ever more inactive citizens. The inactivity trap of the Conservative Welfare Systems reinforces existing ‘insider–outsider’ cleavages and social exclusion, especially where labor markets are heavily regulated, as in Southern Europe ⁷⁸

The growing sense of generational injustice it is dependant to intergenerational transfer value model: the welfare regime, and it is stronger and frustrated in the countries, as Italy, in which youth are underrepresented in the political arena.

In the previous chapters I did not focus on the reciprocal relation between GJ and local culture but it is obviously a condition to consider once we try to propose fair solutions to specific generational injustices. The case I will consider is the Italian one, that could be compared to most countries of old Europe with a Conservative Welfare system and similar demographic conditions, with an high rate of youth unemployment (30% or more) and precarious and instable work conditions, but at the same time has a peculiar private-public generational contract.

3.2 Italian case study

For the first time in the last century, the generation of our parents will leave us a comparatively worse situation than the one they found. Injustice is testable on this generation especially once we deal with the economic scenario and the welfare system.

Returning to the definition of generation we can distinguish between chronological and sociological generation. The chronological connotation is used mainly for statistical purposes (eg. Measure the percentage of under 30 years compared to over 60) while for my analysis the sociological connotation is more relevant, the mortgage process by which one generation grows and undergoes the same external stimuli and in turn contributes to society, at a local, national level and especially in a context in which it is possible to identify common values and objectives. The case study I will be focusing on is the Italian

⁷⁸ M. Ferrera, *Amici o nemici? Integrazione Europea e Modelli Sociali nazionali*, URGE Working paper 4/2005.

one. Nevertheless, it is feasible to extend the concept of a general compact on a global level especially for environmental issues (see for instance the experiment of Protect the Future for a European Ombudsman we discussed in the previous part).

In the case I am going to analyze it is more difficult to export the debate on economic status and political conception of welfare to an international level, in contrary to the campaigns for environmental sustainability, , since the welfare system and the economic outlook vary from country to country.

The two dates that define the generation in my study are 1968 and 1989.

Let's see what the characteristics that influenced the young generation (which is between 18 and 35 years old in 2010) are :

- ✓ fall of the Berlin Wall, among the main political events that have shaped the generation "without ideals". On the other hand, the downside is that the fall of the ideology has paved the way to a peaceful and multi racial, world at least until September 2001;
- ✓ Increasing complexity of phenomena, multivariables;
- ✓ Substantial changes in labor market;
- ✓ Internet and PC usage;
- ✓ Consume trends.

Most of the statistics on youth, both in Italy and in Europe, have gradually widened the range including, since 2000, those over thirty. Youth coincides with the development of both biological and economic potential. The transition from children to the parents, the independent housing and economic independence are key signals for the entry into the adult world. The apocalyptic tone of those who describe Italy as an old country for old people, are supported by the gerontocracy of our political class, a meritocratic logic that has struggled to define itself, an underfunded education system, social mobility on the brakes. With an increasing distrust in institutions and political parties, young people fall back on themselves, opting for a quite convenient cohabitation instead of a strong generational clash. This is just a superficial analysis.

No doubt that the emotional choices, procreation and housing are influenced by cultural factors but, more importantly, the relationship that our generation has with the economy. The analysis of the economic structure is crucial to better frame the roots of the disease and possible solutions, if we can speak of pathology.

What do an eighteen and thirty years old have in common in Italy? In 2010, eighteens and thirty's have in common the labor contract (part-time, project based), the consumption trends(travel, technology, drugs and alcohol, nightlife, clothing, expenses for the car) and the absence of economic self-sufficiency and often an independent house. They belong to a generation that has extended the

condition of youth in both biological and social level. In the first case, analyzing the criteria that define the passage at the age of adolescence, physical development and early sexual experiences we note that there is a lowering of the age to 13 for females and 14 males while the entrance to the biological world adult and offspring is increasingly delayed or avoided. the social and economic entry into the adult world should be underpinned by economic autonomy from the nucleus of origin and traditionally also the possibility of transfers of resources for elderly parents.

What happens in Italy is that many young people who will not be able to maintain the commitment of the private social pact have already given up on the inequitable public redistribution.

The unions therefore are complicit in maintaining the precarious employment situation and are not able to protect young people entering (if lucky) the labor market, often with temporary, part-time or project based contracts . Why in 2006 did Cofferati (the ex- general secretary of the Italian main union) led to the streets a million people, including many young people, to defend the privileges acquired by the generation of our parents but that will not be applied to us? Why do young people opt to struggle to defend their parents' rights rather than their own? One possible answer is that 23% of young people older than 30 years old is not working and 36% of the over thirties is still living at home with their parents. A closer look at the data shows that the primary source of support for young people up to 35 years comes from family of origin⁷⁹. This is proportionally greater when the family of origin is educated and middle/upper class.

Staying at home with parents means more gain, less responsibility and more consumption. This is the mechanism that establishes the vicious pocket money circle and consumption trends mentioned above. Over the past 10 years we have experienced two joint phenomena involving young people across the universe: a greater demand for education and a precarious and fragmented access to the working world. The greater demand for education in recent years has led to more schooling and structured courses and post-graduate University. Complicit in the process of Bologna and the University reform has tried to put the student at the center of the system, balancing education, knowledge, through training, know-how. These good intentions have resulted in the imaginary student in a range of courses and especially in stretching and fragmented maze of additional courses of study.

The data seem to confirm that a degree, even though providing useful skills, is not a protection to avoid unemployment or precarious work. Regarding the evaluation of skills, young Italians seem to be satisfied with the basic knowledge ,interpersonal and communication skills provided by the school but fully dissatisfied with respect to computer skills, language and organizational and transversal skills. The balance seems to tilt in favor of the scholar function of education rather than on training.

⁷⁹ Livi Bacci, *Avanti Giovani alla riscossa*, il Mulino, 2007.

This model can be supported only in a context of strong social equity where all young people have the opportunity to fill the gaps with computer and language private-extra-courses: unfortunately it is not the case of Italy.

The flexibility of working relationships⁸⁰ with devices that reduce labor costs and make it easier to reduce the personnel of a company in case of redundancy, found little support among young people, irrespective of gender, age, area of residence and macro-level family's cultural origin. 54% of young people are in favor of a greater use of temporary work. The ease with which you access the market has led many students to the dual role, 27% of workers who live with their parents also defines themselves as students.

Obviously the "flexibility index" increases for the self-employed and for young more specialized people, however, 1 young adult of 5 is in an insecure job situation (project based workers, interns and trainees). The problems emerging in the dimension of the unstable youth work is not quantitative (the majority of young workers is still employed with permanent contracts or self-employed) but qualitative, in fact the "atypical" work positions are concentrated in some specific categories of age- from 21 to 24, from 25 to 29 and from 30 to 34.

In summary we are facing: blocked entrepreneurship, parents over fifty still active, widespread sense of insecurity, hampered long-term projects and the natural clash of generations.

This scenario should not be misunderstood: the poor contributions of young people to the Italian economy does not correspond to a generation with few skills.

The youth have talents to "sell"⁸¹ and the Italian Welfare System has not yet been able to support merit and ambition as it did well with fragility and distress. An example of the young Italian talented was the contest "Young ideas to change Italy" that has funded 64 projects from the 3,500 submitted by young people under 35.

From car sharing to new energy the 16,000 participants represented the values of a generation accused of emptiness and restlessness: from smart home technologies, development of renewable forms of energy in urban systems, agro-alimentary, genetic mapping of the DOC products to provide consumers with an high protection, children and elderly care facilities innovations.

To measure the economic loss that Italy faces renouncing to the above mentioned human capital a relevant data is the flight of high skilled young people from our country . According to data from MCS, a recruitment and consulting company, in just three years between 2003 and 2006 the number of Italian managers employed abroad has increased of 90%. According to a survey released in February 2006 by

⁸⁰ The most important laws in the last decade, dealing about this issue are: 196/1997 "Treu" and 30/2003 "Biagi".

⁸¹ Irene Tinagli, *Talento da svendere*, 2008, Einaudi.

Eurispes, approximately 38% of Italians would be happy to move abroad. A percentage that rises dramatically when applied to young people (54% of those between 18 and 24 years and 55% of those between 25 and 34), but especially those in possession of a degree (55.2%).

We can not estimate how much income and innovation Italy is losing with their departure but, considering the 10,000 young graduates who leave, according to estimates, every year, and the cumulative cost incurred by Italy for a student of 143,000 euro, the annual loss is more than one billion euro. Obviously, the duty question is: "What would we do them if they had stayed in Italy?"

The answer should assess how Italy can develop young talent.

So, despite all economists agree that our future is based on human capital, our country fails to give due weight to investment in education and lifelong training.

Why even in 2008 the young Italians are not driven to a university education? In 1991 a mere 7% of the population between the twenty-four and thirty-five was in possession of university education compared to 20% in France and 30% of the United States. It is striking the fact that in the nineties the gap has widened, and in 2001 when 12% of the Italian population has attained a degree in other countries the percentage has grown much more, 34% in France and 36% in Spain . With the university reform, it is true that the number of graduates has shot up more than 75% between 2001 and 2005 so it was not for the number of registrations; One has the impression that the transition from old to new system has helped many of those already enrolled to finish their studies more quickly and have encouraged, at first, to join some young people who otherwise would not have done so, with the hope that reform would facilitate the inclusion in the World of Work. However, once you have seen the real trends in employment terms, it seems that the enthusiasm is back in a sense. The question is whether it makes sense to study in Italy. The Bank of Italy estimates are clear, and in Italy a graduate earns 51% more than a diploma holder, compared to 26,700 per year 17,700 of a graduate. At first glance it would seem so yes: study in Italy is an investment.

Obviously when a young man evaluate whether or not to take a degree, he does not look only at the cost of enrollment or the university ranking, but other elements, such as the probability of finding a job afterwards, the time distribution of income, and the actual risk of being an outsider in a field where family relations are more important (a family lawyer, a friend Ambassador or Bishop, a pharmacy owned by a relative).

Three years after graduation, graduates, whose full-time work began after graduation, earn on average 1,260 euro. Wages differ substantially from self-employed (1,390 euro), to employed workers (1,250 euro) and project based contracts (1,130 euro). The gender based differences appear significant, with males earning over 200 euro per month more than women, given the same professional position. Low stipends can sometimes be associated with an employment not in line the degree obtained: among those graduates, in the last three years, the 32% held a job for which the degree was not required .

Another question to be asked before starting a path of higher education is whether being competent will be the primary factor in finding a job.

The following figure is clear: less than 50% of those aged between 15 and 34 years old believes that the skills are fundamental criterion for finding a job. The “help” of influential people seems equally important in the age group between 25 and 29 years. This is more evident among young people from working class families. It would be interesting to compare the data with those of the early seventies, when social mobility was a real opportunity for all. Today it seems that, realistically, young people consider a challenge to keep up the standard of living of their families of origin, even more difficult to improve it.

What is the most important factor to find a job in Italy?

	Expertise	“Recommendation” of an influential person
Total	37,9	31,9
Age Cohort		
15-17	44,8	25,2
18-20	44,7	26,7
21-24	34,6	31,8
25-29	34,8	35,0
30-34	37,4	33,8
Occupation		
Unemployed	27,2	40,7
Student	46,2	25,4
Employed	35,8	33,9

* Rapporto Giovani Iard, 2007

How should we react and where should we invest to avoid a dramatic deterioration of the scenario painted above?

An exit strategy from the Italian family-based generational model to modernization and reforms is feasible only if both Institutions and Welfare will support a public, fair and sustainable generational dialogue. We will see in the next chapter how the Italian conservative welfare model is perceived by the youngest.

3.3 Generational Justice perceptions and the role of Welfare regimes in a comparative survey

The economic dynamics of each welfare model has solid and quantitative evidences, what it has been less studied is how different age groups perceived GJ and how these perceptions vary across political and welfare regimes. Are welfare regimes still adherent with the values and needs of the new generations?

It is very difficult to measure intergenerational solidarity. Nevertheless, relations between generations today appear to be positive, according to attitudinal surveys. One such survey, by Gallup on behalf of Eurobarometer, asked the provocative question “Are older people a burden on society?”⁸².

The answers were the following:

Somewhat

10%

Somewhat disagree

23%

Strongly disagree

62%⁴

Strongly agree

4%

There are few signs of intergenerational conflict over resources in these responses.

Men are slightly more likely to disagree that older people are a burden than women. This might reflect the fact that women provide a great deal of informal care to older people and so have a greater personal sense of the potential obligation. Age has a powerful effect. People aged 40-50 –who expect to retire in the next 10 to 25 years – are most likely to disagree that older people are a burden, while those in their 20s are somewhat less likely to disagree. Interestingly, it is older people themselves who are most likely to think that they are a burden on society, with people aged 55 and over more likely than average to agree with the proposition. The impact continues to get stronger with age.

People are less likely to perceive older people as a burden in countries – such as Denmark, Ireland, the Netherlands and the United Kingdom – where private pensions and income from working play an important role in providing income in old age. In Belgium, the Czech and Slovak Republics and Hungary, in contrast, the state is the dominant provider of incomes in old age today. In these countries,

⁸² OECD analysis of data in European Commission (2009), “Intergenerational Solidarity”, *Flash Eurobarometer*, No. 269, Brussels. See Piggott, J. and E.R. Whitehouse (2011), “Intergenerational Solidarity and Population Ageing: Attitudes in Europe”

people are more likely to hold the view that older people are a burden on society, although this correlation may have broader explanations.

The findings for other aspects of intergenerational solidarity follow a similar pattern. People are more likely to agree with the statement “Young people and older people do not easily agree on what is best for society” in countries where the employment rate of older workers is low and where retirees rely on public transfers for a large share of their incomes. They are more likely to see consensus between generations both when current public expenditure on pensions is low and projected expenditure in 2060 is low.

Unfortunately, there is no comparable survey evidence for countries outside of Europe. Nevertheless, the European countries provide a full range of experiences. They include demographically young countries (such as Ireland), societies that are aging rapidly (such as the Eastern European countries), as well as a very wide variation in both the employment rates of older workers and the role of the state in providing retirement.

It is quite difficult to state which among the three regimes is more fair according to the GJ standards we described in the previous paragraphs. In general terms conservative and liberal regimes encourage and incentive the familiar private transfers among succeeding generations. Obviously economic structural changes and low fertility rates can deeply impact on generational fairness especially on conservative and liberal regimes where no institutionalized protection of succeeding generations exists. We are assisting at a triple benefits historical coincidence in the current cohort of pension-age people: privileged labor market careers thanks to rapid real-wage growth, full employment, rising job security and social mobility; pension upgrading in the 1960s; rising returns to capital in the 1980s when wage growth stagnated.

These historical western coincidence in the social and conservative democratic regimes are associated to:

egalitarian redistribution - government intervention is supported in order to reduce socioeconomic inequalities and gaps in income distribution.

broad scope of welfare - the state is seen as responsible for ensuring citizens' well being and young people are likely to be perceived as responsible for furthering the well being of the old.

external attribution- rather than being attributed to personal features, personal socioeconomics problems are largely seen as a consequence of social forces such as prejudice, limited opportunities, bad schooling, and exploitation.

Welfare is, in my analysis, the main instrument to balance intergenerational compact and the perception on the Welfare fairness, according to each generation, is a useful indicator to check the adherence, from generation to generation to the original values of generational social compact.

The level of my analysis is the Welfare Institution not the single policy because, as we focus on intergenerational justice, the time dimension is crucial. Intragenerational principles of justice may hold unreasonable solutions if applied to intergenerational level where the cohorts and population's size varies over time.

As we discussed in the first chapter, Parfit underlined the permanent power asymmetry between those alive today and those alive in the future so it is not fair a choice of one generation at a single point but a pattern of collaboration across generations in a defended scheme of justice.

The scheme of justice should be guaranteed by political norms and institutions. I described before the democratic instruments of GJ and the constitutional frame to assure it but, the main distributive instrument to pursue this pattern of collaboration over time is Welfare system. Welfare system is/ought to be the major agent of GJ, transferring resources across different categories of income, risk and age.

According to Johnson, Conrad and Thomson (1989), the welfare system, as appeared after the second world war, is based on a contract between age groups: "people paying contributions during the productive phases of their cycle of life, and drawing benefits during childhood, period of sickness, and after retirement".

Previously the function of Welfare System was solved by families and, especially in the field of GJ, family is still the main agency. The fair balance, between burdens and benefits during childhood and after retirement, works, in the long run, only if each generation honors its obligations to both preceding and succeeding generations.

Aging of population is likely to strain this implicit welfare contract between generations, as more elderly voters need health care, elderly care, and resource transfers.

In the last year a group of theorists conceptualized the relation between age groups rewards with contributions, computing a mathematical estimation of the degree to which young people evaluate different groups to be justly, or unjustly, treated in a society⁸³.

In 2010 an international group of researchers, head by Clara Sabbagh, from University of Haifa, Israel and Pieter Vanhuyse from the Centre for social and welfare policies, Wien, Austria⁸⁴ developed a method to test to what extent the sense of injustice is mediated by the welfare regime type in which respondents live.

⁸³ Berger, Fisek, Norman, Wagner, Social Status and Rewards, Chicago University Press, 1983

⁸⁴ Clara Sabbagh and Pieter Vanhuyse, Intergenerational Justice Perceptions and the Role of Welfare Regimes: A Comparative Analysis of University Students, *Administration & Society*, August 2010

In their survey there are two main domain of justice perceived among generations that I will apply to the Italian situation:

1- first the issue about the support in principle of resource transfers between different age groups, according to their values (individualism, work ethic, egalitarian distribution). See questions about: intergenerational fairness of social security (n.6) fairness of taxing the young to support the elderly (n.7.a) and the degree to which both age groups have common and interconnected interests (n.6).

2- second the issue about the actual outcomes of resources transfers among age groups. How they evaluate the share of society's benefits to each groups according to what they evaluate as the scope of welfare (n.6)

The two core value frames to assess and classify the different welfare attitudes are market based attitude frame (corresponding to liberal and radical regimes) and state based values (corresponding to conservative and social democratic regimes).

As we described before, liberal welfare regimes, such as United States, UK, Canada are characterized by minimal level of state intervention, low income tax level, high income inequalities and high rates of labor market flexibility and job creation. This model is focus on market based values and the main solutions to answer social need should be found in the private sphere. The norm is to guarantee private welfare provision and to limit State intervention and public responsibilities to acute market failures or special targeted needs. The national health care system is the only exemption (intensely debated in the last year in the US). In liberal regimes welfare provisions are work-conditional and workless citizens and vulnerable categories are considered an exception.

If equality is a priority, targeted welfare performs badly during economic crises with high unemployment rate or emerging unregulated labor markets.

There are several differences among the countries we mentioned, part of the study as representative of liberal welfare regime, especially Canadian one has significant social elements (about health and education for instance) of divergence with the US regime, nevertheless the similarities between them are much more important than their differences⁸⁵.

Within the Anglo Saxon welfare world Australia and New Zealand constituted a second set of WR, the radical ones, combining low level of social security and contributions with high level of wages and job regulation.

Liberal and radical welfare regimes have three main elements:

work ethic- the so called spirit of capitalism, characterizing the Calvinist culture and Anglo Saxon culture, individuals are expected to go ahead economically just by means of hard work, talent and personal effort.

⁸⁵ Arts, W., & Gelissen, J., Welfare states, solidarity, and justice principles. Does the type really matter? *Acta Sociologica*, 44, 2001.

individualism- individuals, with the eventual support of family and volunteers social groups are the main responsible to provide their own welfare. the function of the state is residual, meaning that their benefit systems concentrate mainly on those in need.

internal attribution- poverty and unemployment tend to be attributed to personal shortfalls (laziness, lack of talent, failure to take advantage of opportunities)

Conservative Welfare regimes such as Germany, Austria, France and Italy provide a higher degree of welfare benefits, mainly on the basis of the previous earnings while Social Democratic regimes, typical of the Scandinavian peninsula, provide even more generous benefits but on a universal basis.

In the Continental European Welfare Model the security of the chief (male) breadwinner assumes fundamental importance : social provisions are fully offered to those with lifelong employment and are extended to the family (usually wife and children). This explain why countries following this scheme have usually strong and rigid employment guarantees and regulations.

As the Liberal System, it is not based on Universal value and it offers inadequate security for those not strongly connected to the labor market, such as women and workers (generally young people) with precarious careers. Since entry into stable employment is delayed and work histories are fragmented, citizens will face difficulties accumulating sufficient pension credits and social provisions. Furthermore to cover financial shortfalls in welfare provisions, the tax on employment is too high keeping young people out of the market and discouraging enterprises in hiring them. Strong protection for the stably employed combined with huge barriers to labor market entry has, in many countries, nurtured a deepening abyss between privileged 'insiders' and precarious 'outsiders', with the Trade Union usually playng a not neutral role, defending the position of the insiders.

Social exclusion is excluded by the protection of the family but passive income maintenance, combined with strong job guarantees for male breadwinners, becomes problematic with rising marital instability and non-conventional households, negatively affecting women's search for independence.

To synthesize, according to Esping-Andersen (1990and1996) the conservative regimes have the following features:

- promotion of the interests of skilled and well paid (predominantly male) jobholders at the expenses of female, young and less skilled workers;

1.high family care burdens and employment penalties on women, discouraged to combine work with children, cause low fertility and adverse retiree-to-workers rates.

On the contrary Social Democratic regimes promote the economic and social independence of women and young people providing low cost day care facilities and active learning programs.

I would add that the labor market in the conservative regimes is rigid and it is difficult to enter, welfare expenses are mainly on E fields (pension, health) then on Y fields (education, research, active labor markets programs). In both regimes retirement pensions are organized by the state on a pay-as-you-go basis, whereas extensive public financed education represent transfers in the opposite direction.

The Nordic social democratic Welfare Systems based on universal income guarantees is a best practice not only for its modern and developed services for women, children, disabled and elderly but also for the active policies.

The broad and quite generous income safety is an evident receipt against poverty and social exclusion, associated with a large investment in preventive measures promoting labor market flexibility and adaptation. Activation policies do appear to diminish long-term unemployment, and care services to families have provided a double bonus: enabling women to have children and careers while also maximizing employment levels. They demonstrate thereby that generous old age security is not per se incompatible with an active pro-family policy. Near-maximum employment, in turn, coincides with less early retirement and fairly high fertility.

The survey I have conducted in Italy is based on the same selection of questions posed by Vanhuysse and Sabbagh, in their comparative analysis involving 8 different welfare regimes structure (conservative, liberal and social democrat) to test how welfare regimes influence the perceptions of justness in principle of public resource transfer from youth to old and of the actual contributions and rewards from society of various age groups.

Italy was not included in their survey but it is a relevant and interesting case for the dynamics I just described, with a welfare system challenged both by the demographic decrease and by the economic crisis, furthermore, according to Vanhuysse and Sabbagh analysis, the conservative welfare regime is the odd one out in terms of intergenerational justice perceptions among young people. This finding is supported also by other attitudinal research among adult populations that included also Italy, the survey called "Would you like to Shrink the Welfare State?" was made by Boeri, Borsch-Supan, and Tabellini⁸⁶ among 5,500 citizens in four conservative welfare regimes (Austria, France, Germany and Italy).

The perceptions, confirmed by the recent events, were that between 43% and 82% of respondents expected a public pensions crisis 10 to 15 years ahead, furthermore given the choice between reallocating resources toward the young (less to pensions and more to the unemployed and active youth policies) or toward the old (more to pensions), the first option was more popular among respondents in

⁸⁶ Boeri, T., Borsch-Supan, A., & Tabellini, G, Would you like to shrink the welfare state? A survey of European citizens, *Economic Policy*, 16(32), 2001

conservative welfare regimes by 6 to 27 percentage points. In Italy, in particular, there could be widespread support for reforms that modify various aspects of specific welfare programs, especially pensions.

Again, a generational pattern could be discerned: The young as well as labor market outsiders (the unemployed) strongly opposed pro-old redistribution, whereas the elderly and labor market insiders (permanent job holders) strongly favored such a move.

Esping-Andersen and Sarasa calculated an aged/non-aged public policy spending ratio of 1.7 in Continental Europe, not proportionate if compared to the 1.2 in Anglo-Saxon countries, and 0.8 in Scandinavia. This has been corroborated extensively by Lynch, who has calibrated an elaborate demographically adjusted elderly/nonelderly per capita public spending ratio. Conservative countries (Italy, Spain, Austria, France, and Germany) are respectively ranked, among the 21 OECD countries in terms of this pro-elderly spending ratio, the 4th, 5th, 6th, 8th, and 11th where the first eight ranks were occupied by countries from liberal or social democratic regimes.

In addition, conservative regimes have seen increasingly divergent socioeconomic fortunes between the young and the old in recent years. On the one hand, as we argued above, current retirement cohorts have been triple beneficiaries of historical circumstance in the predominantly public conservative pensions systems. Conservative regimes are also characterized by significantly higher levels of early retirement, typically at high replacement rates and by poverty rates among families with children that are lower than in liberal regimes but much higher than in social democratic Scandinavia. Tellingly, when we include into Lynch's pro-elderly public spending ratio a policy variable particularly relevant to student populations—per capita expenditures on education—conservative countries turn out to occupy five of the top six OECD ranks throughout the 1980s and 1990s⁸⁷. In other words, the particularly high levels of perceived intergenerational injustice appear to be founded on hard distributional grounds in the conservative world of welfare.

Sample:

The survey has been answered by a target of 100 young people from 18 to 35 with the following features

- male and female have been distinguished in order to avoid the eventual influence of gender justice and to analyze data separated and jointed;
- age interval is a macro dimension that can be (under-group) in two cohort: from 18 to 26 and to 26 to 35. The average age is 26.1
- it is not relevant to my main objective whether they are or not involved in education but I tried to respect the Italian percentages

⁸⁷ Lynch, J. (2001). The age orientation of social policy regimes in OECD countries, *Journal of Social Policy*, 30, 411-436.

- Individual-Level Variable that could affect the attitudes toward the welfare state and justice perceptions is the sample *political ideology* of attitude toward socioeconomic issues, ranging from 1 = *far right* to 7 = *far left*. A mean value of 4.90 was found, indicating a tendency toward the left.

Procedure:

Participants were told that they were participating in a research project aimed at examining their attitudes to a series of topics related to social justice and the welfare state. They were also told that their responses would be used only for research purposes. Questionnaires were first translated from English into Italian then translated back to English. Questionnaires have been sent by e-mail last May 2011, leaving respondents enough time to think about the topics.

The hypothesis derived by Sabbagh and Vanhuyse analysis are the following:

Hypotheses 1a-1b: support for intergenerational resource transfers in principle is stronger in social democratic and conservative regimes

Hypothesis 1a: support of resource transfers from the young to the old will vary negatively with market-based attitudes and positively with welfare-statist attitudes (socio-democratic regimes)

Hypothesis 1b: respondents in conservative and social democratic regimes will show higher levels of support for resource transfers from the young to the old than respondents in liberal or radical regimes.

Hypothesis 2: sense of intergenerational injustice in actual outcomes is stronger in conservative regime

Welfare attitudes

The inventory included 25 items that we used as a proxy for the six facets of welfare attitudes discussed above. These items were analyzed by Sabbagh and Vanhuyse (2006) by means of confirmatory analysis and elicited a six-factor empirical structure that corresponds to our theoretical distinctions.

Individualism: The measure represents the average of three items:

- (a) One must avoid dependence upon persons,
- (b) a person should feel free to live his or her own life, and
- (c) in life a person should for the most part “go it alone.”

	1	2	3	4	5
1.a	21	35	39	2	3
1.b	0	5	7	13	75
1.c	0	9	8	39	44

Respondents rated each item along a 5-point Likert-type scale ranging from (1) disagree strongly to (5) agree strongly.

The average result has been of **3.69**. The sense of individualism is quite strong, dependence upon persons is accepted but the majority of respondents think that for the whole life we go alone. Furthermore there is a positive correlation between the sense of individualism and the GJ principle of a contributive pension system.

Work ethic: The measure was defined as the average of three items:

- (a) any person who works hard has a good chance of succeeding,
- (b) a person who fails has not tried enough, and
- (c) the person who can approach an unpleasant task gets ahead.

	1	2	3	4	5
2.a	0	0	63	25	12
2.b	0	0	26	39	35
2.c	41	20	36	3	0

Respondents rated each item along a 5-point Likert-type scale ranging from (1) disagree strongly to (5) agree strongly.

The average result has been of **3.2**. Work ethic is a quite shared value among the sample, success is perceived as strictly connected to hard work and reiteration but, probably influenced by the scarce Italian social mobility, they do not believe that, starting from an “under skilled and unpleasant” position and working hard it is easier to succeed.

Internal attribution of inequality: Respondents were asked to evaluate how important are four different causes for explaining unsuccessful people to support themselves financially. These causes included:

- (a) failure to take advantage of opportunities,

- (b) laziness and little ambition,
- (c) lack of talents, and
- (d) lack of character and will power.

	1	2	3	4	5
3.a	24	61	15	0	0
3.b	63	22	15	0	0
3.c	18	54	13	14	1
3.d	25	44	31	0	0

Respondents rated each item along a 5-point Likert-type scale ranging from (1) not important at all to (5) very important. The measure represents the average of these four items.

The average result has been of **1.9**. The general disagreement about internal attribution of inequality if, from one side, is partially in contrast with individualism, from the other side offers a justification of the welfare system as a whole, considering the individuals not (or not entirely) responsible for their financial situation and their need to be supported by the State.

External attribution of inequality: Respondents were asked to evaluate how important are four different causes for explaining how unsuccessful people are unable to support themselves financially. These causes included

- (a) prejudice and discrimination,
- (b) limited opportunities,
- (c) failure to provide good schools, and
- (d) being taken advantage of by persons who are better off.

	1	2	3	4	5
4.a	0	19	17	44	20
4.b	0	0	12	37	51
4.c	20	21	12	32	15
4.d	0	1	42	28	29

Respondents rated each item along a 5-point Likert-type scale ranging from (1) not important at all to (5) very important. The measure represents the average of these four items.

The average result has been of **3.7**. The demand for a welfare state is not based on internal causes but on external ones. It is not a question of laziness or little ambition to cause inequalities but it seems a systemic lack of opportunities. The demand for equality is both positive (more opportunities) and negative (protection against prejudices and discrimination) while the failure in providing good schools is not perceived by the sample as a cause of inequality, showing a positive judgment on the Italian Education System or, in the worst scenario, a lack of trust in the education as an instrument of success.

Egalitarian distribution: The measure represents the average of the following six items:

- (a) people with more ability should earn higher income (reversed),
- (b) taxing punishes those who have worked the hardest (reversed),
- (c) I would prefer to see more freedom (reversed),
- (d) the private enterprise is generally a fair system (reversed),
- (e) the government should reduce the income gap between the poor and the rich, and
- (f) there should be a law limiting the amount of money an individual is allowed to earn.

	1	2	3	4	5
5.a	1	13	16	32	38
5.b	1	0	19	34	46
5.c	0	0	10	22	68
5.d	9	34	31	23	3
5.e	2	8	9	28	53
5.f	4	4	10	40	42

Respondents rated each item along a 5-point Likert-type scale ranging from (1) disagree strongly to (5) agree strongly AVERAGE

people with more ability should earn higher income (reversed) 3,93

taxing punishes those who have worked the hardest (reversed) 4,24

I would prefer to see more freedom 4,58

the private enterprise is generally a fair system 2,77

the government should reduce the income gap between the poor and the rich 4,22

there should be a law limiting the amount of money an individual is allowed to earn 4,12

Broad scope of welfare: Respondents were shown a list of five benefits and asked to indicate to what extent the government, or individuals, should be responsible for providing them:

- (a) health and medical care,
- (b) retirement income in old age,
- (c) financial assistance during periods of unemployment,
- (d) financial assistance to poor families, and
- (e) financial assistance to the disabled;
- (f) incentives to Youth
- (g) school and University system.

	1	2	3	4	5
6.a	2	8	9	28	53
6.b	2	2	3	61	32
6.c	2	8	9	28	53
6.d	2	2	2	62	32
6.e	2	8	9	28	53
6.f	2	2	2	61	33
6.g	2	8	9	28	53

Respondents rated each item along a 5-point Likert-type scale ranging from (1) individual responsibility to (5) government responsibility. The measure represents the average value of these five items

The average result has been of **4.2**. Even if they all agree on the broader sense of Welfare, that should includes all the above mentioned fields, they are quite clear in classifying which should be the priorities: health, schooling, assistance to disables and to people in period of unemployment.

Generational Justice

- (a) taxes paid by young workers should cover the pensions of the elderly
- (b) everyone should earn his own retirement
- (c) trade unions do not care about young people
- (d) with less taxes on industries working conditions will be less precarious
- (e) removing some protections clauses from indefinite term contract would mean less precarious conditions for youth
- (f) each generation should leave to the succeeding one a better condition

	1	2	3	4	5
7.a	23	41	33	2	1
7.b	2	2	2	62	32
7.c	2	8	10	28	52
7.d	4	6	10	32	48
7.e	2	1	4	60	33
7.f	4	6	10	29	51

taxes paid by young workers should cover the pensions of the elderly	2,17
everyone should earn his own retirement	4,2
trade unions do not care about young people	4,2
with less taxes on industries working conditions will be less precarious	4,14
removing some protections clauses from indefinite term contract would mean less precarious conditions for youth	4,21
each generation should leave to the succeeding one a better condition	4,17

The results of Sabbagh and Vanyssen survey in the 8 countries was that:

positive correlation between support for intergenerational resource transfer and egalitarian redistribution, attribution of social inequalities to external factors and support for broad involvement of governments in welfare provisions;

negative correlation between support for intergenerational resource transfer and individualism, work ethic and attribution of social inequalities to internal factors;

social democratic and conservative regimes membership, rather than liberal and radical, predicted support for resource transfers from the young to the old;

the Young (18-34) perceived themselves as the most under rewarded group in all the regimes

in the conservative regimes analyzed (Austria, France and Germany) the sense of injustice among youngest is strongest.

The main conclusions of my survey (for further details and table please see at Annex 3) in Italy are two:

Italy, as a conservative Welfare System, confirms the data of the Vanuyssen survey. The demand for Generational Justice is high and clear, "pay as you go" pension system and the rigidity of job market is considered unfair from the youth perspective

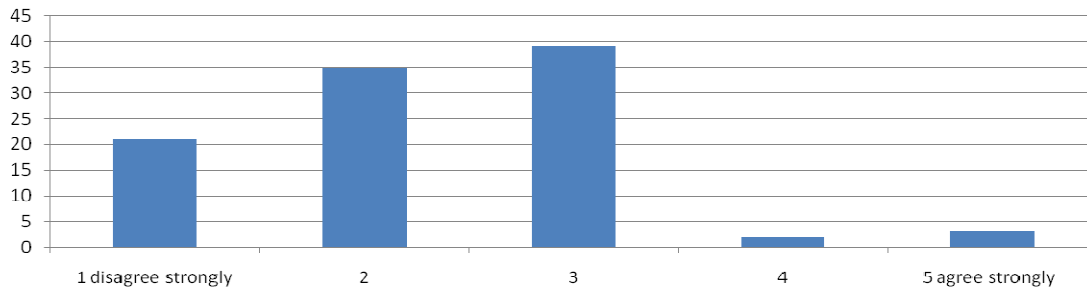
the same values of a conservative regime, especially full external attribution of inequalities and rejection of individualism, are not shared by the sample.

The Italian Conservative Welfare model is neither sustainable or supported by the younger generations, questioning the same funding values of our national model. The economic data I have presented at the beginning of the chapter are confirmed by the state of the Italian balance sheet and the urgency of the current government reforms, what it is less measurable is the challenge to the roots of welfare compact. In the next and last chapter I will describe some positive measures that should introduce elements to guarantee a fair welfare model in term of generational justice.

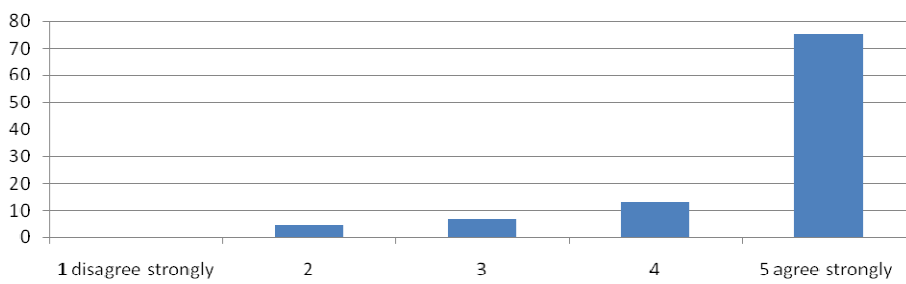
Annex 3-Survey Results

Individualism

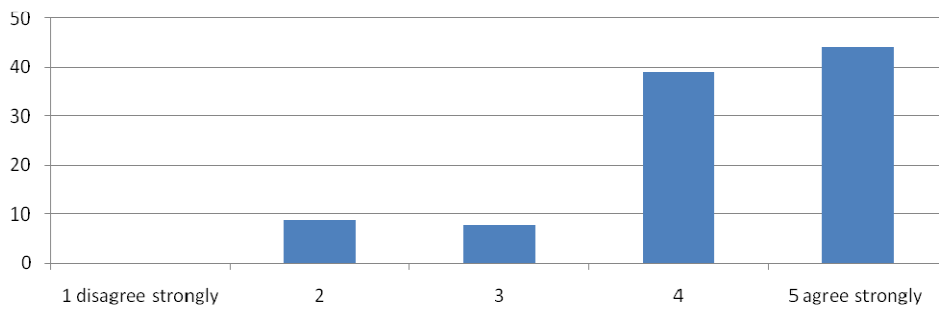
1.a: One must avoid dependence upon persons



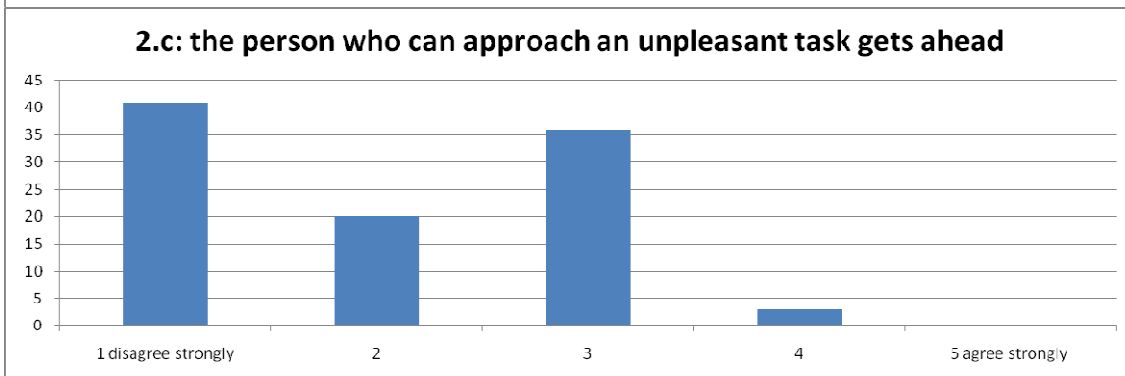
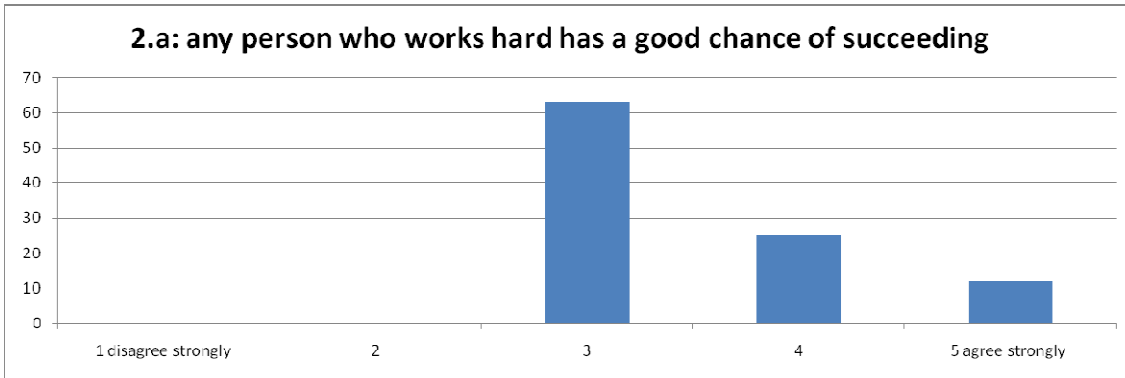
1.b: a person should feel free to live his or her own life



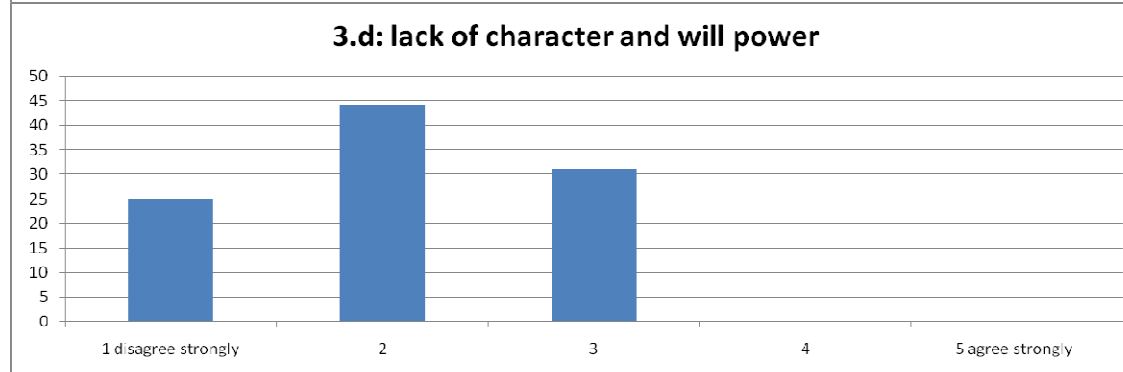
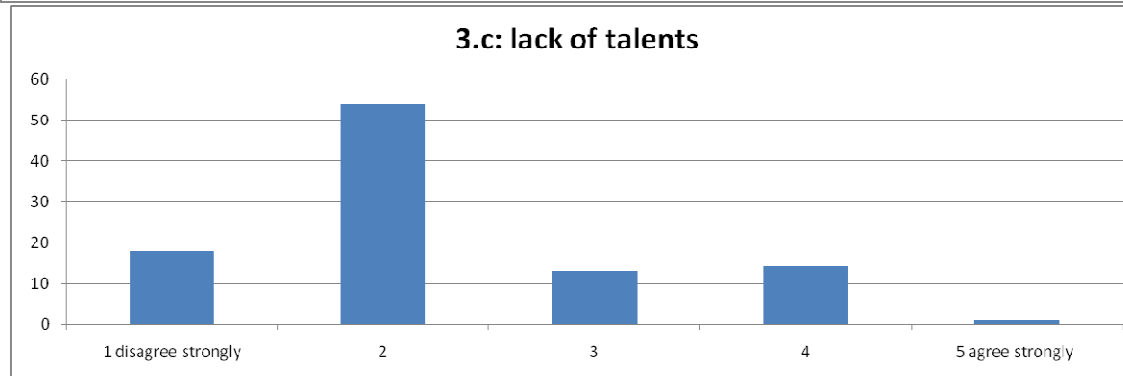
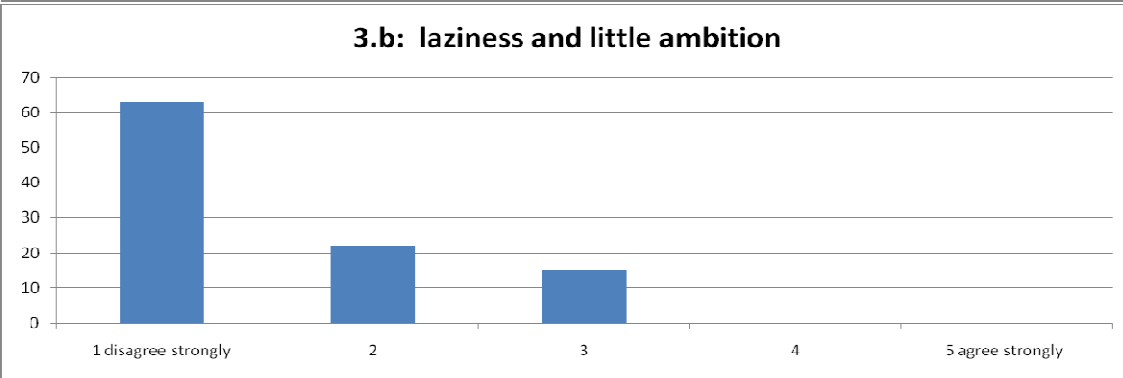
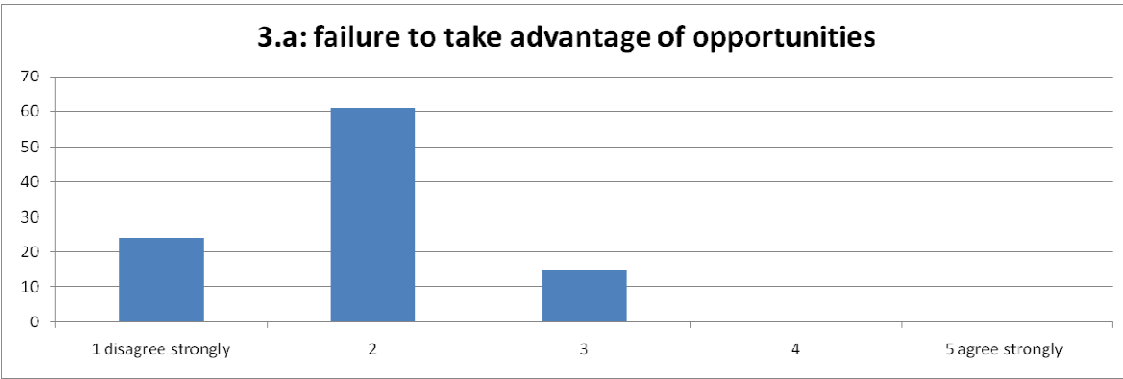
1.c: in life a person should for the most part "go it alone."



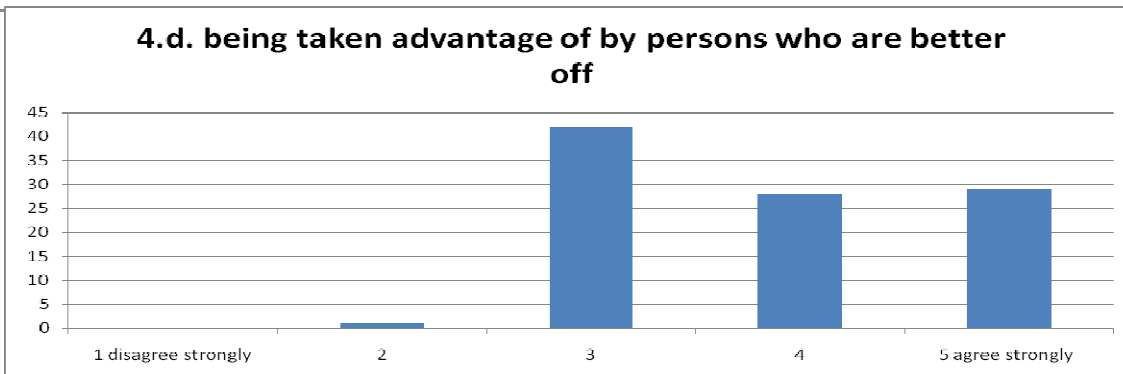
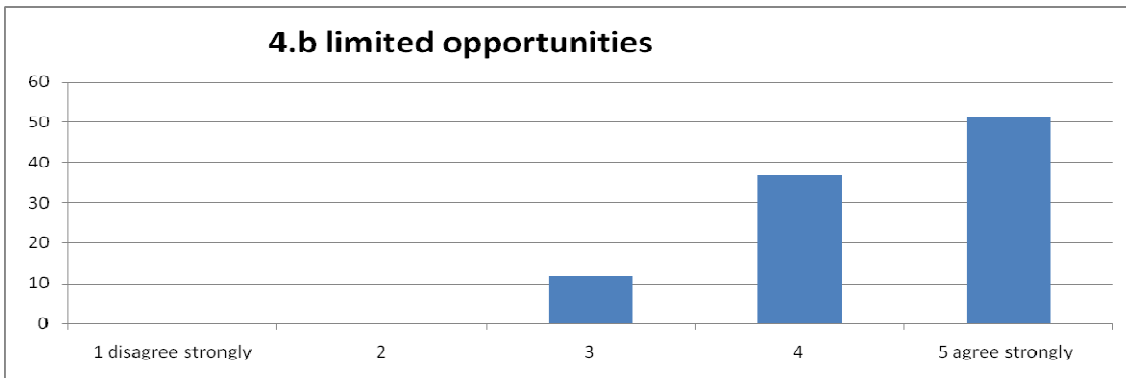
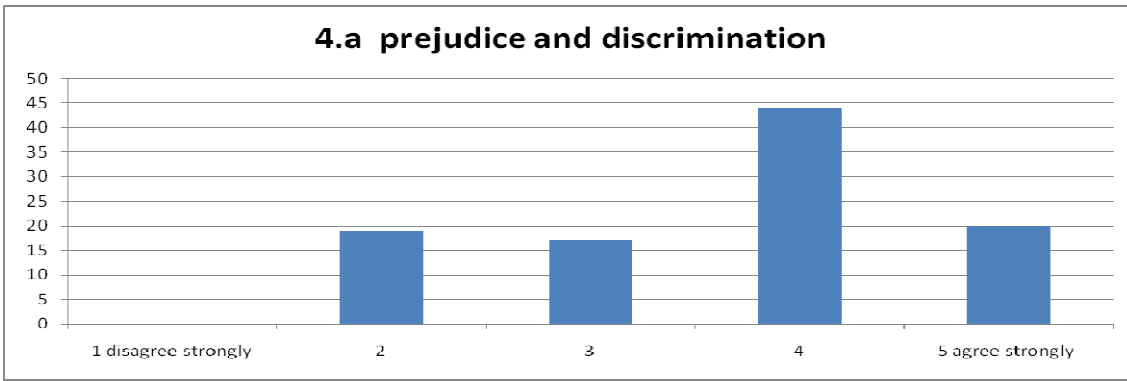
Work ethic



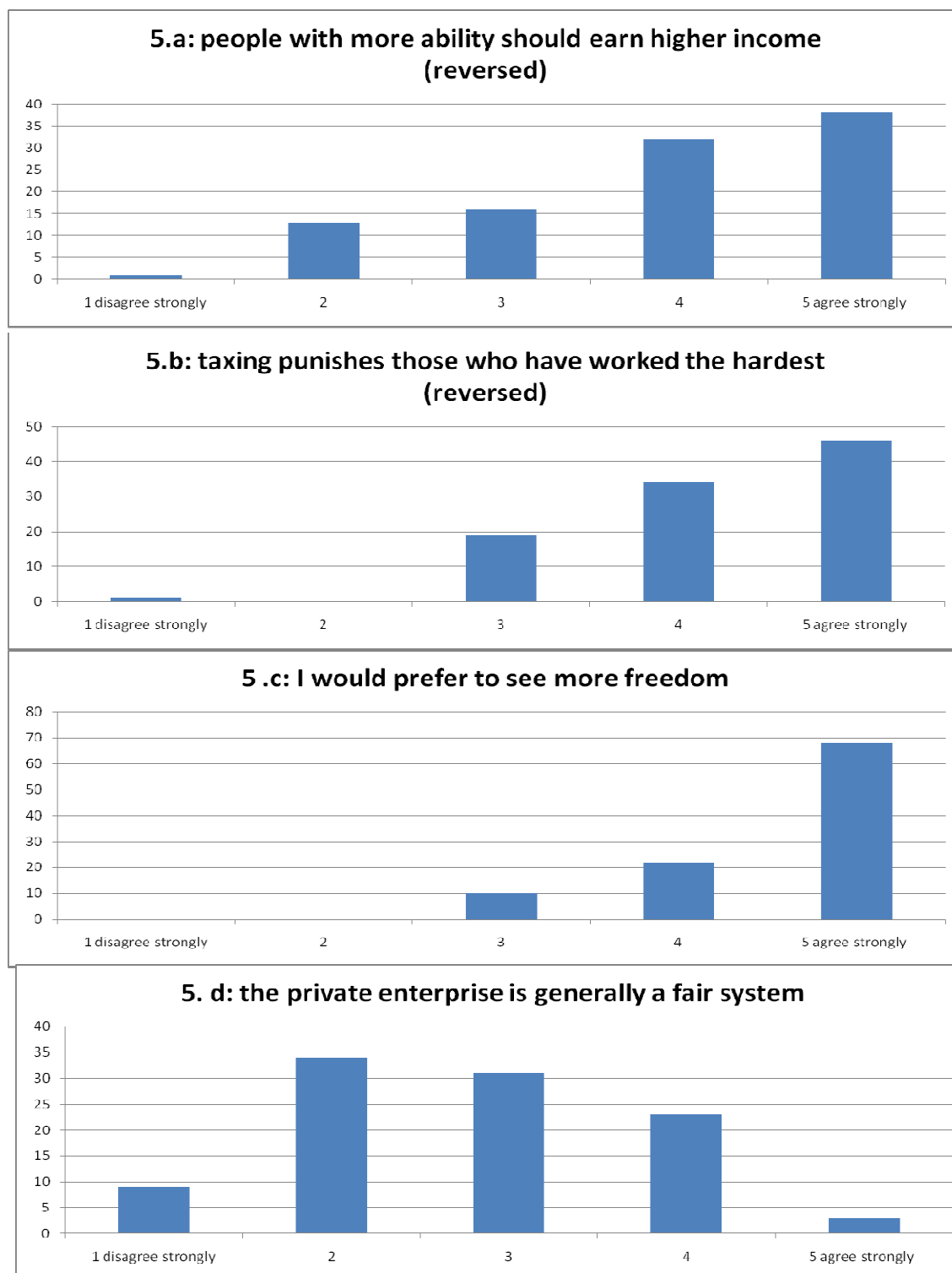
Internal attribution of inequality

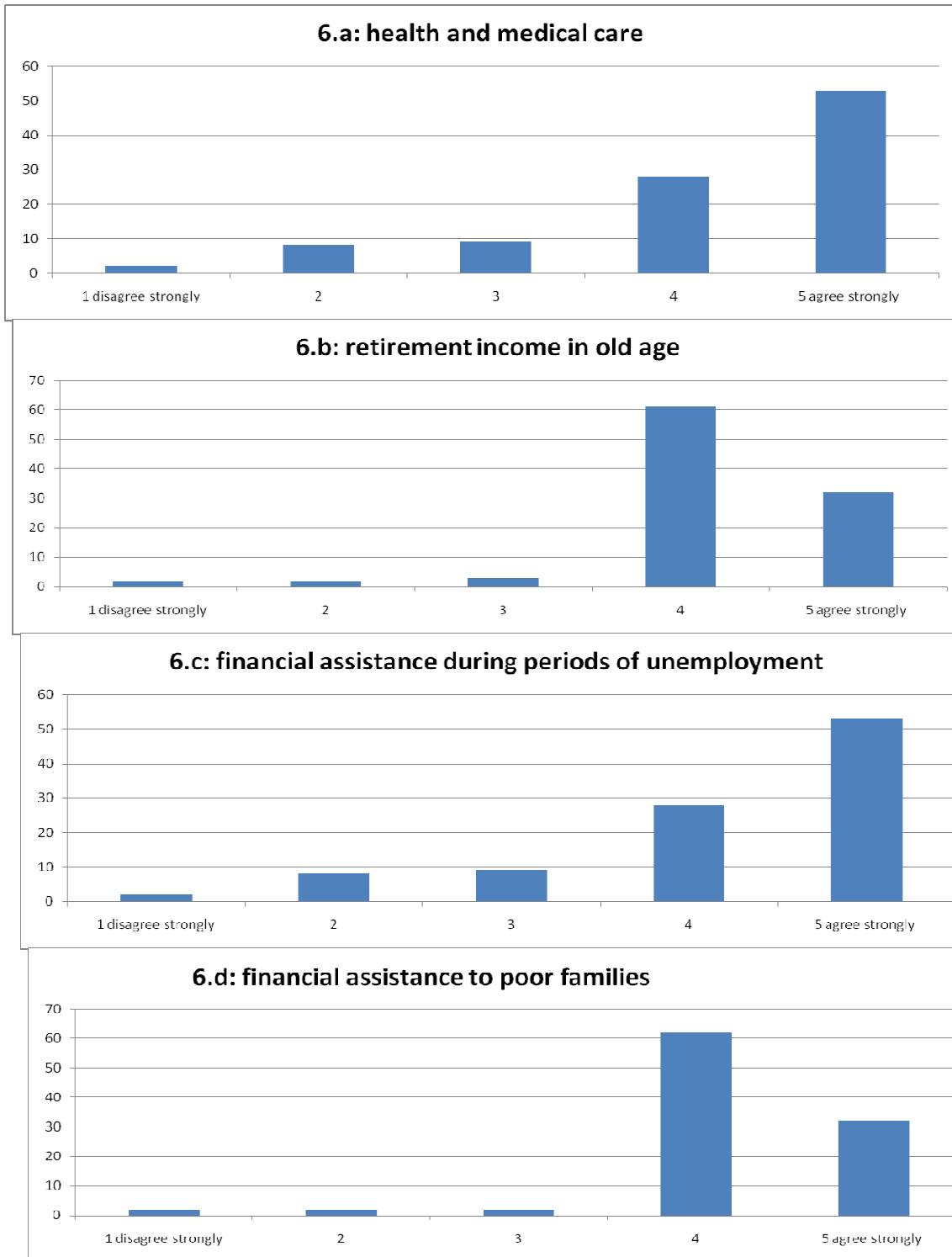


External attribution of inequality



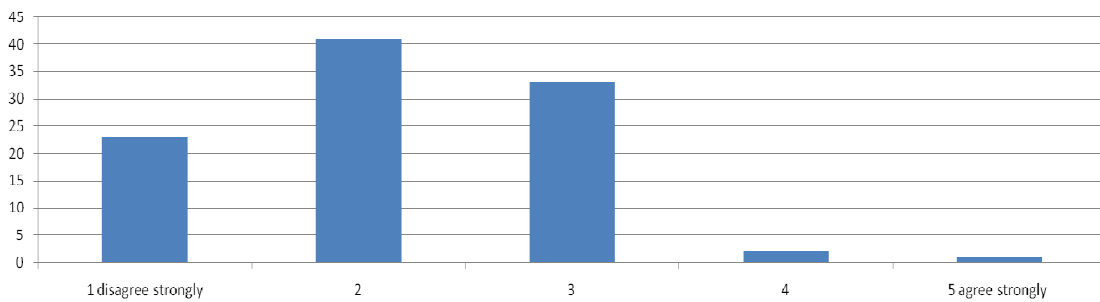
Egalitarian distribution:



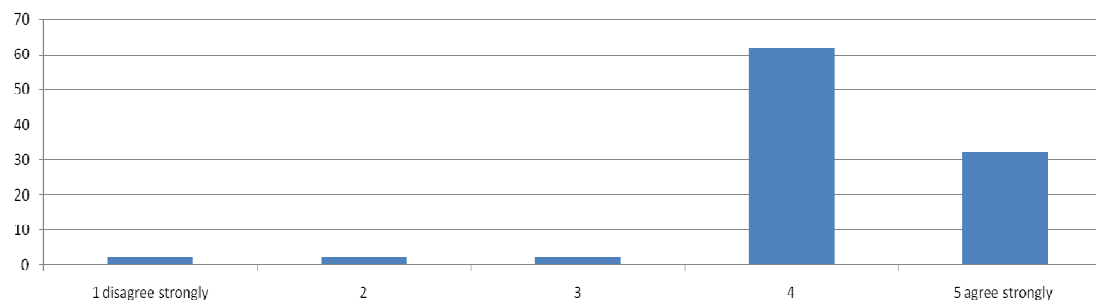


Generational Justice

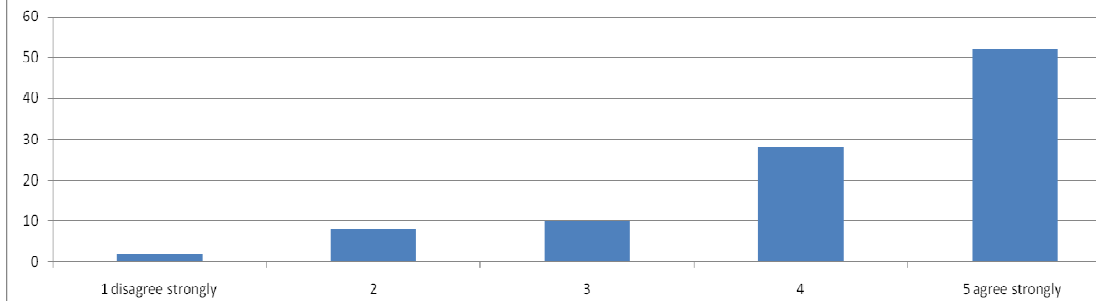
7.a: taxes paid by young workers should cover the pensions of the elderly



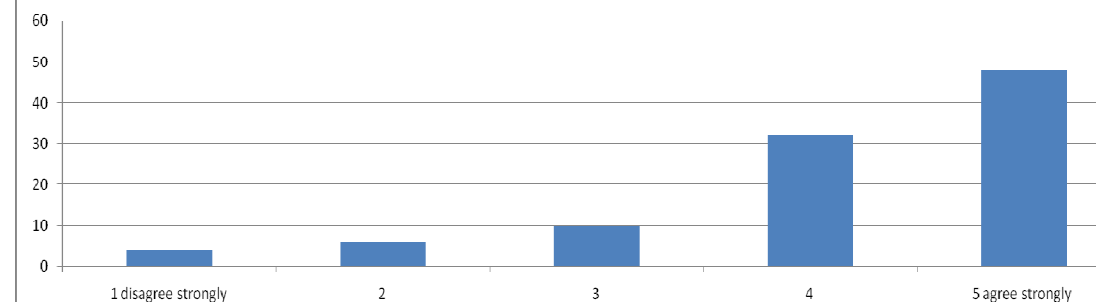
7.b: everyone should earn his own retirement



7.c: trade unions do not care about young people



7.d: with less taxes on industries working conditions will be less precarious



Form of the questionnaire used

Attitudini al Welfare

	Risposta
<i>Età</i>	
<i>Sesso</i>	
<i>Ideologia politica*</i>	

*indica in una scala da 1 (estrema destra) a 10 (estrema sinistra) la tua collocazione politica

Questionario

Rispondi ad ogni affermazioni con una scala da 1 (**disaccordo completo**) a 5 (**pienamente d'accordo**)

Individualismo

- (a) bisogna evitare di dipendere dagli altri
- (b) ognuno deve sentirsi libero di vivere e decidere della propria vita
- (c) per la maggior parte della vita una persona deve "fare da sè"

Etica del lavoro

- (a) chi lavora molto ha buone possibilità di avere successo nella vita
- (b) chi fallisce probabilmente non ha provato abbastanza e lottato duramente
- (c) chi riesce ad affrontare un'attività/ruolo non piacevole/soddisfacente nel lavoro riesce ad andare avanti

Cause di ineguaglianza "individuale"

- (a) incapacità di sfruttare le opportunità
- (b) pigrizia e scarsa ambizione
- (c) mancanza di capacità
- (d) mancanza di capacità di adattamento al sistema

Cause di ineguaglianza "sociale"

- (a) pregiudizi e discriminazione
- (b) opportunità limitate
- (c) mancanza di buone scuole

(d) sfruttamento da parte di chi sta comparativamente meglio

L'Equa distribuzione

(a) le persone con più capacità devono guadagnare di più (e viceversa)

(b) le imposte colpiscono chi lavora più duramente (e viceversa)

(c) vorrei meno intervento dello Stato e più Libertà

(d) l'impresa privata rappresenta un sistema giusto

(e) il governo ha il compito di ridurre il divario tra I ricchi e I poveri

(f) dovrebbe esserci una legge che fissi una cifra massima di reddito oltre la quale non si può guadagnare

Scopo del Welfare:

(a) sanità e prevenzione medica;

(b) pensioni,

(c) assistenza finanziaria a chi perde il lavoro,

(d) assistenza alle famiglie più povere,

(e) assistenza ai diversamente abili,

(f) incentivi ai giovani

(g) scuola e università

Giustizia Generazionale

(a) le tasse dei giovani lavoratori devono coprire le pensioni degli anziani

(b) ognuno deve accumulare la propria pensione

(c) i sindacati non tutelano i giovani

(d) se ci fossero meno tasse per le imprese ci sarebbe meno precariato

(e) se si eliminassero alcune tutele ai contratti di lavoro a tempo indeterminato ci sarebbe meno precariato

(f) ogni generazione deve lasciare alla successiva una situazione economica migliore

Ti ringrazio per il tempo dedicato. I risultati del presente questionario, in forma anonima, saranno utilizzati nella mia ricerca di dottorato sul tema Generational Justice and Welfare System. Alice Felci- maggio 2011

3.5 Welfare Challenges

In the last chapter we focused on the national based welfare politics and values, nevertheless EU regional economic, political interdependence and, at least ideally, an open job market are shaping a common European Initiative about Employment (European Employment Strategy) and Welfare. In this last Chapter I will present some positive measures to fight the main social challenges, affecting GJ, at European level and in the last part I will present two quantitative methods to have a fair Welfare System in GJ terms: Musgrave principle and sustainability indicator.

In the 1990es many EU governments were social democratic implementing the idea of ‘social protection as a productive factor’. Most European governments agree that comprehensive welfare policy is a ‘productive factor’ in the competitive knowledge-based society. This is captured in the normative commitment, formulated at the Lisbon Summit (2000), ‘to become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion’. Institutionally, moreover, it is again generally accepted that a productive balance between economic and social policy is best achieved through a dialogue with the social partners, also at the level of the European Union promoting the European Social Model. The three common basis of the EU Welfare Systems are:

- a commitment to social justice,
- the idea that social state will not abandon those who fail;
- a preference for minimum guaranteed resources is widely accepted by European publics and deeply entrenched in policy programs and institutions.

Innovation occurs when the incentives for change are strong or the risks in maintaining the status quo are serious. The current economic crises and high unemployment, raised the urgency of a common Social European strategy. European employment and social policy should be reinforced and should take care of GJ dynamics.

Welfare reform is difficult to pursue and happens through policy challenges (government, electoral law, constitutional reforms) and variation in Welfare System design. One basic issue for any aspiring welfare architect is how to allocate welfare production. This means deciding on the division of responsibilities between markets, families, and government⁸⁸.

⁸⁸ Esping-Andersen, G., Gallie, D., Hemerijck, A. and Myles, J. *Why We Need a New Welfare State*. Oxford: Oxford University Press, 2002.

The real world of welfare is the product of how the three welfare pillars interact. If one pillar ‘fails’, there is either the possibility that the responsibility is absorbed in the two remaining pillars or, alternatively, that unsolved welfare problems mount.

As Europe have experienced in the last years, economic crises often force policy makers to evaluate existing policy and to consider alternatives.

Reforms are preceded by deep political crises, major hikes in unemployment, government deficits, exchange rate pressures, and irresistible economic and political imperatives like EMU participation. Italy's political and economic crisis in the early 1990s and in 2011 led to a comprehensive redesign of the Italian pension system, from full PAYGO system based on earning to a system based on contributions. Furthermore, the new Italian Welfare Ministry, Elsa Fornero, said the pension reform Monti will constitute a key part of efforts to solve Italy's debt crisis respecting the principle of fairness between generations.

Economists have for years complained that young Italians, as well as having to struggle along in low-paid temporary jobs, are unfairly saddled with the burden of paying for early retirees. According to a report by pension agency INPS, the average age of Italian pensioners is just 58 years and seven months, up just a month from 2010. Italy has already raised the pension age for women in the public sector to 65 and the Monti government is expected to set the bar higher for everyone.

Because the incidence of pensions on total social spending is very high (70 %), pension reform should be a precondition for implementing policies that may increase public support for the nonelderly groups of citizens and to finance additional spending on long-term care.

The main strategies across Europe to face the new Welfare challenges should follow these guidelines, the last and relevant to my analysis is the Generational contract, applied to retirement policy:

1. Active policies in vocational training and education

The underlying principle is that welfare recipients must be obliged to accept employment or training in order to receive benefits, while the state has the obligation to enhance the employability of benefit claimants⁸⁹. (Danish is the “best practice” in this field) A first and necessary policy must be to invest in improving the quality of jobs. Since it is realistic to expect that our future labor markets will include a fair number of low-end jobs, mobility measures such as lifelong learning and training become crucial to avoid social exclusion and class polarization.

2. Labor Market De-Segmentation

⁸⁹ J. Clasen, *Reforming European welfare states: Germany and the United Kingdom compared*, Oxford University Press, 2005.

In the 1980s, it was widely believed that full employment could only be achieved by a redistribution of existing jobs. The most popular strategy was compulsory working time reduction. In the 1990s, the policy consensus has moved in favor of voluntary work sharing through the expansion of part-time work.

The new policy environment requires more labor market flexibility in terms of work patterns, wages, and working time. This may promote a better use of human resources within firms, but also welfare improvements for workers and their families. An effective employment policy must reconcile flexibility with minimal precariousness. Labor market de-segmentation implies a relaxation of employment protection for the core workforce combined with increased protection for the peripheral and more precarious labor force (Netherlands are an example of how labor market de-segmentation prevents marginalization with the 1995 flexi-security agreements, the legal position of part-time and temporary workers was strengthened in exchange for a slight liberalization of dismissals among regular, full-time employees)

3. Family Policy

The main objective of post-war family policy, institutionalized in the Conservative Welfare regime was to safeguard the male breadwinner, supporting the families on the basis of the number of children. In the last decades the conditions are radically changed, the family structure itself is no longer dominant: women's employment improves and in most cases is essential to family welfare. Current low level of birth rates across much of Europe, especially in the South, indicate severe compatibility problems for women in the job market. The main issue has to do with childcare but also leave arrangements, professional care for the elderly, and the tax treatment of spouses' earnings could provide additional employment opportunities for women⁹⁰. In Scandinavia from the 1970s, in tandem with the rise in female labor supply, the policy of 'de-familiarization' of caring responsibilities, catalyzed the dual-earner norm, seeking to expand childcare through the organizations where parents are employed. The Netherlands now has the highest rate of firm-provided and privately subsidized day care.

4. Sustainable Pensions

The debate about pension policy has often been ideological. An especially contentious issue has been how to finance pensions' expenses.

The debate is about a shift from pay-as-you-go to pre-funding of pensions, under which contributions made by or on behalf of individual along with the investment returns that they earn are used to provide benefits.

Most OECD countries have dismantled or curtailed incentives to retire early embedded in their pension systems. The average OECD eligibility ages for men is 63 and, for women, 62. The first and easy solution to promote a

⁹⁰ U. Behning and A. Serrano Pascual (eds) *Gender Mainstreaming in the European Employment Strategy*. (Brussels: European Trade Union Institute), 2001.

fairness pension system, is to higher pension ages. In alternative some countries introduced an automatic link between pension *levels* and life expectancy: benefits will fall as people live longer, unless they choose to retire later. OECD calculations show that these provisions will typically result in benefits being 15-20% lower for people retiring in 2050 compared with those drawing their pension in 2010 at the same age.

A second way of achieving both adequacy and sustainability is through greater *targeting* of public retirement-income provision on the most vulnerable categories.

The third solution is to encourage *private-pension saving* to make up for reductions in public benefits that are already in the pipeline or are likely to be required. Self-provision for retirement income does not undermine intergenerational solidarity.

The great challenge is how to ensure at the same time *intergenerational equity* (a sustainable fair distribution of the costs of future retirement between workers and retirees) and *intragenerational justice* (safeguarding the welfare of the weakest, both in working life and in retirement). As we will examine in the next paragraph, one solution to the transition cost issue might be to adopt the Musgrave principle of proportional sharing among the generations. In addressing intragenerational justice, we need to place greater emphasis on general revenue financing—both to protect the least advantaged and to meet additional retirement costs. A minimum guaranteed retirement income above the poverty line is not only affordable but must also be considered a precondition for any commitment to the well-being of future generations.

The distributive challenges, in contrast, are profound. As retirement costs rise, how are they to be allocated within and between generations? We can, and no doubt will, offset some significant share of the additional costs by working longer. But can we ensure that the social welfare losses (reductions in leisure time) associated with longer work careers do not disproportionately affect the least advantaged, those with shorter life expectancies, and low-income workers (who are often the same people)? We can finance the increase in retirement and health care costs by raising the public debt but this simply transfers the costs to future generations, our children and grandchildren. These are the key issues we aim to address here: how to manage the transition so as to satisfy principles of intergenerational equity and intragenerational justice while also contributing to the further democratization of retirement among men and women.

The Generational Contract

Since we are facing huge demographic imbalances with small working age cohorts ahead in order to sustain the elderly we must maximize the productivity of the young, human capital constitutes in current crises the most important resource to ensure a dynamic and competitive knowledge economy. As confirmed by the youth perceptions, the same values, funding the existing systems of social protection may frustrate rather than promote

employment growth and competitive knowledge-intensive economies. They may also be inadequate in the face of evolving and possibly far more intense social risks for new categories.

On this framework a welfare regime change and a new method is necessary because snapshot diagnoses can be useful if society remains very stable, but they become problematic for policy making if we are undergoing very rapid change.

Welfare reform should capture the dynamics of citizens' life chances: the core welfare issue is not so much how many people at any given moment are low-paid or ill-housed, but how many are likely to remain persistently low-paid or ill-housed.

For these reasons, and to answer GJ issuances we should opt for a diagnostic methodology, focused on dynamics.

Poverty in old age is usually the result of a problematic employment career or of the death of a spouse. In turn, precarious employment tends to be powerfully correlated with insufficient educational attainment and this, we know, reverts back to conditions in childhood. Furthermore it is only via a life course perspective that we can adequately separate momentary (and possibly inconsequential) from lasting hardship. This is the only methodology which does help us take a peek into the future. If we know a lot about today's youth cohorts we are in a fairly good position to make informed forecasts about tomorrow's parents, workers, or welfare clientele. For example, given what we already know about labour force demand, it is reasonable to assume that contemporary youth without secondary level education are likely to find themselves locked into the low-end labour market a decade hence. And considering ongoing pension reforms, most of which will come to full fruition thirty or forty years down the line, it is equally reasonable to believe that these very same youth will face welfare problems as they reach pension age in, say, 2050.

National accounting systems distinguish between current consumption and investment, but social accounts do not—except in rare cases such as building hospitals or schools. It is basically assumed that social outlays are an unproductive, yield less consumption of a surplus produced by others. Human capital theory does, however, provide a good theoretical framework within which we might revise such practice. Nowadays most people would agree that educational expenditures yield a dividend because they (may) make citizens more productive, but we need to push the logic much further.

We shall argue that a recast family policy and, in particular, one which is powerfully child-oriented, must be regarded as social investment. Since it is well established that the ability and motivation to learn in the first place depends on the economic and social conditions of childhood, policies aimed to safeguard child welfare must be regarded as an investment on par with and, perhaps, more urgent than educational investments. Good cognitive abilities to start with will yield individual returns later on because they are an absolute precondition for educational attainment, lifelong learning, or for possible remedial intervention at some point in life. They also

yield a social dividend because we need to offset the limited numbers within coming cohorts with greater productivity.

Those who adopt the standard ‘snapshot’ policy diagnosis will easily be led to conclude that the elderly and the young are on a collision course.

If instead we adopt a life course perspective, the issue will look quite different.

Population ageing incorporates efficiency and social justice issues into one at the moment we must decide on how to allocate the additional expenditure burdens of ageing. If we continue with a purely benefit-defined PAYGO system, the main additional burden will fall on those in working age. This means an even higher tax on employment and, as a result, probably higher unemployment among youth and the less skilled. If we instead move towards a contribution-defined system, we would allocate the burden to the elderly themselves.

According to Thompson⁹¹ (1998) we can account the problems facing societies with ageing populations: the economic cost of supporting the retired population is the fraction of each year's economic activity given over to supplying the goods and services the retired consume or:

$$\text{Cost of Supporting the Retired} = \frac{\text{Consumption of the Retired}}{\text{Total National Production}}$$

that can also be developed as

$$\text{Cost of Supporting the Retired} = \frac{\text{Number of retirees}}{\text{Number of employees}} \times \frac{\text{Average consumption of retirees}}{\text{Average production per employee}}$$

If economic growth remains stable (or get worse) population ageing raises total retirement costs. If the ratio of retirees to workers increase the same amount is reflected on major costs to support the retired.

This intergenerational dilemma can be illustrated, according to the benefit model we opt for. The two main models of pension financing based on PAY AS YOU GO principle are Fixed Replacement Rate and Fixed Contribution Rate.

1.Fixed Replacement Rate **FRR** benefit model::

- common to the majority of the western countries,
- retirees are entitled to a due percentage of their previous earnings in the form of benefits plus an adjustment factor proportionate to productivity gains and higher wages in the subsequent working generations,

⁹¹Thompson, P. (1998). “Rationality, Rules of Thumb, and R&D.” Mimeo, University of Houston. Thompon proved that”In a model of endogenous horizontal and vertical product differentiation, quality growth is independent of scale and independent of the rate of population growth... identifying an endogenous component of long-run growth that is affected by permanent policy changes, while preserving the exogenous component of long-run growth that depends on the rate of population growth.”

- when the ratio retirees/workers changes, an adjustment of workers' contribution rates is necessary,
- intergenerational justice is not assured with this model that imposes to future generations declining living standards in childhood and during the working years and a relatively affluent old age.

In this case taxes are the variable that changes according to the fixed benefits **all of the costs associated with demographic and economic changes fall on contributors.**

2. Fixed Contribution Rate **FCR** benefit model:

- workers are required to contribute with a fixed income part to support the retirees;
- taxes drive benefits so that benefits are the dependent variable while contributions do not vary with different economic/demographic trends;
- intergenerational justice is not assured with this model that imposes to future generations a preserved living standards during childhood and over their working years but a sharp decline in living standards in retirement.

As the ratio of retirees to workers rises, benefits must decline and **all of the costs associated with demographic change fall on retirees.**

The issue is not to have an higher retirement costs (especially with better life conditions) but how these additional costs are to be shared within and between generations. The problem is methodological, we need to shift from an 'equilibrium' (or point-in-time) model to a dynamic one in order to restructure traditional earnings-related pension schemes to assure fairness among succeeding and contemporaries generations. The main challenge is to avoid the outdated horizontal cross-subsidies, already favoring the most advantaged categories, in order to reduce the welfare expenses related to retirement.

Musgrave⁹² introduced a model where contributions and benefits are set so to assure a *constant* ratio between net per capita contributions of workers and per capita benefits of retirees. With the Fixed Relative Position (**FRP**) it is possible to adjust periodically taxation to balance with demographic and economic trends in order to:

- Share the risks among age courts;
- Both pension benefits and contributions are indexed to population ageing, so that wages and benefits would rise together with increases in productivity,
- The FRP is neutral in regulating the relation between workers and retirees but it provides a methodological allocation rule for the additional costs of demographic change between generations, once an acceptable ratio is established

⁹² Musgrave, R. *Public Finance in a Democratic Society. Vol. II: Fiscal Doctrine, Growth and Institutions*. New York: New York University Press, 1986.

- As the population ages, the tax rate rises but benefits also fall so that both parties 'lose' at the same rate (i.e. both net earnings and benefits rise more slowly than they would in the absence of population ageing):

If payroll taxes rise significantly relative to pension benefits for retirees (the FRR solution), they can anticipate the displeasure of workers and their employers. If, alternatively, real benefits are falling year after year relative to national living standards (the FCR solution) retirees (and those near retirement) will be unhappy. If we change our vision from a 'point-in-time' to a dynamic life course perspective the the implications of the three models are clearer and Musgrave's solution is even more persuasive. Fixed relative Position is based on the assumption that the lifetime distribution of income available to current generations should be preserved more or less intact into the future, this conservative strategy impacts less on the will of future generations in allocating over life their earnings. By adopting either the FRC or the FRR model the current generation would impose on the future ones their choices about which age should be preserved (childhood and over with fixed contribution rates and old age with fixed replacement rate).

FRP, in contrast, effectively smoothes the change across the entire life course and maintains the status quo with respect to the lifetime distribution of income furthermore it is funded on the assumption that neither of the alternatives, FRR or FCR, are politically sustainable under conditions of population ageing. They are based, in his terms, on an intergenerational contract that cannot be kept or at least generates great uncertainty about its future. As the opinion polls make clear, under the prevailing FRR model, young, working age contributors are now extremely skeptical that future generations will continue to support a system in which the active population bears all of the retirement costs associated with population ageing. The result is the perceived sense of 'injustice' , we assess in the last chapter, among many young adults as a result of being required to contribute to a system that 'won't be there for me.'

In a dynamic context of change, 'fixed replacement' (FRR), 'fixed contribution' (FCR), and 'fixed relative position' (FRP) can be thought of as alternative principles for the intergenerational allocation of the *change* in retirement costs attributable to changes in the retiree dependency ratio. Moreover, the choice of which principle is applied is a matter of degree. The choice is normative and political and the mix of choices might change over time in response to changing circumstances, for example to assure fair consumption between old and young (if for example we have big changes in the cost for essential services such education vs long term care). I will assume, however, the FRP principle is the benchmark to test for intergenerational equity, placing the burden of proof on the would-be reformer who would allocate the costs that result from demographic change in ways that depart from FRP.

On the financing side, application of the fixed relative position principle also implies that a proportional share of the increased retirement costs that result from population ageing will fall on the working age population, i.e. that contributions will rise. Clearly, however, allocating these costs based on a flat-rate tax without deductions for

children or other circumstances (i.e. flat-rate payroll taxes) is inconsistent with the notion that these costs should be of greatest advantage (or the least disadvantage) to the least well off within the working age population. It is essential to shift financing of the social justice solidarity between old and young from payroll taxes to general revenue, relieving pressure on the working age contributors and spreading the transition costs of an ageing society to a larger revenue base.

A rising share of general revenue financing in the retirement budget provides an instrument for reallocating the costs of population ageing based on ability to pay not only among the working age population but among the richer retired as well.

Assuming the more affluent in both populations also pay higher taxes, their share of the additional costs associated with demographic change rises proportionately with increases in the share of retirement costs financed from general revenue.

The point is not about which category should receive more but this new architecture creates the possibility for political actors to address systematically the redistributive dilemmas created by redesigning traditional pay-as-you-go defined benefit schemes. The outcomes are clearly indeterminate but the indeterminacy reflects the balance of political forces and institutions of political representation rather than the impersonal forces of the market and/or demography.

It is obvious that if pursued aggressively in the long term, FRP reform potentially alters the traditional social insurance model of old age security that is why, on the benefit side, any reductions implied by the FRP principle should be compensated by new or expanded interpersonal transfers for less advantaged retirees. On the contribution side, these additional costs are met not through higher payroll taxes but with general revenue financing raised among both the retired and the non-retired based on ability to pay. The implication on the benefit side is that with time the earnings replacement function of public sector insurance schemes diminishes somewhat for higher income families. And, with time, the share of general revenue financing for the income security system as a whole rises.

Nevertheless, as highlighted in the first chapter, the aggregate well-being of future generations does not simply depend on the design of pension systems but primarily on the quality and quantity of the stock of productive assets (including human capital) they inherit, it is relevant to my analysis to opt for an instrument, the economic sustainability indicator, to quantify how much net capital is transferred from the current generations to future ones.

Economic sustainability indicator

Peer Ederer, Philipp Schuller and Stephen Willms presented an interesting economic methodology to measure how much net capital is being handed down from the current generations to future ones as a percentage of how much net capital these current generations have inherited.

The so called economic sustainability indicator defines five sets of capital:

real capital - including the complete set of production machinery and commercially used real estate buildings that are being employed in a society. the long term stock of real capital is defined as: cost of capital installed – depreciation + rate of expected reinvestment (domestic saving ratio * debt equity ratio + foreign savings in/outflow);

human capital - number of people employed in work-force multiplied with the cost of their formal and informal education. there are more than 50 methods to asses Human capital but, following the real capital definition, human capital is calculated to the economic sustainability indicator purpose as: cost of human capital creation (formal, vocational and informal life-long education) –depreciation + rate of expected human capital reinvestment (determined by four factors: birth rate, education rate, immigration rate and cost of repairs invested in keeping human capital healthy);

natural capital - all natural resources used for the production process;

structural capital - formal and informal rules and institutions designed to organize a society;

intergenerational debt - all future promises of payment that current generations expect from future generations netted with the implicit cash flow embedded in private capital inheritance.

The abstract function of the economic sustainability indicator is:

net capital inherited + sum of(real C + human C + natural C + structural C - debt C) per year alive

net capital handed down - sum of (real C+human C+natural C+structural C-debt C) per year alive

Here I have introduced the five variables that are under the study of an interdisciplinary research project involving a European team of researchers and institutions but the comprehensive way to calculate the indicator has been simplified focusing only on variable E: intergenerational debt. The sum of intergenerational debt is:

explicit government debt + implicit government debt + life insurance assets + intergenerational health insurance promises + intergenerational unfunded private company pension benefits - intergenerational private inheritance and gifts.

The implicit government debt is the sum of hypothetically guaranteed health and retirement benefits⁹³.

For many advanced economies, intergenerational transfers turn out to be debt caused by a combination of unfunded overgenerous public benefit schemes on the one side and declining populations on the other side. In the Italian situation for instance it is clear at a single glance, looking at the welfare state, the implicit and explicit debt that the last generation failed in the creation of value, contributing to the economic sustainability.

We have analyzed wealth and welfare by age group over time along various major parameters for which there is available data. The distribution of wealth and welfare and social expenditure by age groups has significantly changed, but this is not di per se an issue, it depends on social trends, biology, family composition, changes in education. If European democratic countries with fairly liberal social and financial systems simultaneously display this trend of welfare concentration towards old age, perhaps economists should just stand by and take note of collective revealed preference.

It is however worth exploring what the underlying reasons and consequences of such a development are, and to identify criteria of longitudinal distribution and efficiency that may shape overall inter-generational welfare in the same way that distributional and efficiency issues shape population welfare at any fixed point in time. By no means should this exercise detract from the need to improve welfare distribution within any age group, nor does it imply a denial of current “cross-sectional” welfare issues.

The most dramatic negative effect of the observed shift in social spending patterns is however of an inter-generational nature.

Generational equity is to be understood dynamically through time; there aren't two kinds of people but rather different ages in each individual's life cycle.

Proportions Rule Model⁹⁴ makes no normative prescription whatsoever about how welfare should be distributed through life cycle. Instead it provides a formula to insure intergenerational fairness or constancy. It proposes to define a desirable lifetime distribution of income or welfare consumption and stick to it over time. Whether retirement is to be relatively short and frugal or extended and relatively costly in proportion to earlier stages of life, the adopted proportion ought to be kept over time and generations. Obviously the proportion cannot be exactly fixed because available funds fluctuate with demographic trends and productivity shocks.

Musgrave's fixed proportions rule foresees these fluctuations and advocates splitting any surplus or deficit homogeneously among all age groups at every instance.

My objection to the social policy sustaining the observed trends in Italy is based on Musgrave's principle. The problem is that policy doesn't naturally and flexibly adjust to circumstance, but often lags behind, particularly in cases of straits that require distributing a shortfall or per capita decline. The delay in the introduction of pension

⁹³ For further deepening about how to measure implicit government debt see the methodology developed by Auerbach and Kotlikoff for the US (1987) or Raffelüschen for Germany and European Union (1999)

⁹⁴ Esping-Andersen, G., Gallie, D., Hemerijck, A. and Myles, J. *Why We Need a New Welfare State*, Oxford University Press, 2002.

reforms is a universal example of this. A passive stance by politicians who allow a deficit to accumulate whose eventual effects are severe but diffuse faces less focused resistance than any reform with a defined target and date.

For example, successive labor reforms change and liberalize employment rules for new entrants to the labor market who have never known any better, while older workers get to keep their privileges, protections and inefficient benefits intact. While it is useful reform, and eventually will apply to all, for some decades this pattern causes a flux of productivity gains from the younger to the older workers. On average, when an office worker retires he is replaced by a younger worker at half his salary.

As it happens, it is likely that one generation (the baby boom generation) will be hit at several stages of its life cycle by various related and unrelated shocks that fail to compensate for one another. These may compound to impose an undue share of the demographic burden, whilst depriving it of an inter-generationally fair share of productivity gains. So the prolonged financial dependency in youth due to entrant specific labor market reform and real estate developments, the increased work load and the compromises in family planning that we observe today, can't be expected to be compensated for by a golden retirement. By the time this generation reaches retirement age those privileges will be curtailed as well.

Overall, this generation is not experiencing a reallocation of welfare during their life cycle, but an overall loss with respect to what is fair by Musgrave's rule.

This total effect is not intentional in any political instance, and yet it arises. We identify three possible reasons for the observed shift, 1) vertically separated budget administration, 2) political power and voter composition, and 3) cash vs. kind defined benefits.

The first reason is the fragmentation of social fund allocation by administrative authority. Budgets are balanced within policy areas, but no checksums are computed on the mixed basket of services and benefits enjoyed by the cohorts at different stages of their life cycle.

For example, a policy discussion on the desirability of an exemption from co-payment on drugs for pensioners is conducted without taking into account the level or trend of pension payments. It is considered pertinent to the Health authority and unrelated to the Pensions system. Reallocations of funds therefore occur between cohorts and within an area of authority rather than crosssectionally or intra-generationally.

Other reasons for life cycle shifts in public expense distribution are voter composition, and cash vs. kind definition of benefits. Benefits to the elderly tend to be acquired cash defined individual rights, whereas more general welfare benefits are discretionary given the means available at any point in time and therefore susceptible to reduction and dilution.

From an efficiency standpoint, there is a clear advantage to investment in children and education. There are however developments that tilt political power away from them. The age of the median voter in Italy is expected to rise drastically from 47 years in 2010 to 57 years by 2050.

In this chapter I showed that in Italy and other European countries with Conservative Welfare Regimes, the concentration of social spending on Elderly has exceeded the demographic change and Welfare system funding values are perceived by the new generation as unjust.

To achieve a fair and efficient allocation of resources it is worth asking which expenditure can be considered social at each stage of the life cycle, how necessary it is, should it be socialized, and to what extent. In answering this question we propose to follow the intergenerational equity rule proposed by Musgrave's in 1984 of a fixed proportion ratio between benefits and burden of age cohorts, and its implications for health care. Once these bounds are established it is possible to make an informed judgment on the efficiency and on the intergenerational equity of the reallocation between cash payments and various forms of service provision.

Conclusion

To conclude, considering that:

- there is a duty of justice toward future generations;
- we can pursue GJ objectives through Welfare policies and Just Institutions;
- simply watching at the main welfare expenses cycle in the last 10 years it is clear that the older age group certainly has gained the most over this period of time, and has claimed a proportion of resources that has increased beyond what can be explained by population ageing alone;
- the losers seem to be individuals in diverse conditions of fragility across the population, and overall the age group that has lost out the most on average is the youngest working generation;
- from an efficiency standpoint, there is a clear advantage to investment in children and education. There are however developments that tilt political power away from them. The age of the median voter in Italy is expected to rise drastically from 47 years in 2010 to 57 years by 2050;
- there is a growing perceived frustration of Youth in Italy about Welfare distribution;
- future generations may be less willing and able to pay continually rising taxes to support a growing share of economically inactive people;
- Generational equity is to be understood dynamically through time; there aren't two kinds of people but rather different ages in each individual's life cycle;
- The practical way to measure the welfare effects of the pattern of inter-generational fluctuations could be the dynamic model of inter-generational fairness "Fixed proportion rule" proposed by Musgrave's recently re-discovered by Esping-Andersen and Myles;

If intergenerational fairness were to be adopted as an explicit policy aim, the means to achieve it would involve a clear understanding of the dynamic concept.

The tools to achieve it include

- ecological and financial generation clauses should be institutionalized in national constitution and pursue by an ad hoc agency or commission (see Chapt.2),
- more gradual reform and adjustments to social expenditure or legislation that affects welfare distribution when a long-term trend requires adjustments, and

- a horizontal accounting system that analyses the welfare situation of specific target groups and age bands cutting across the vertical budget administrations and monitors check-sums of resources and effects obtained.

The main challenge for a new Welfare System is to make the long term interests more transparent, meaning that political communication, based on expert knowledge, should be focus on long- term goals of economic sustainability once we are challenged by tax and budgetary or constitutional policies that impact on future generations.

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