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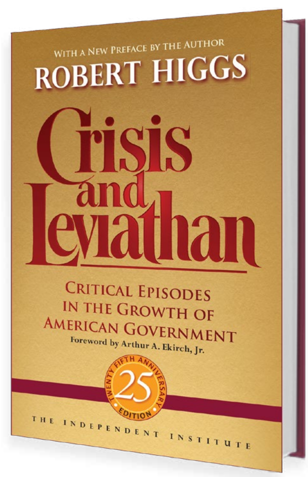

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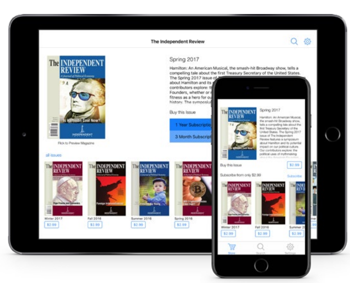

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Fleecing the Young

LOREN LOMASKY

It's (Not So) Great to Be Young!

The good news, announced Barack Obama in his 2015 State of the Union address, is that America has climbed out of its economic quagmire. After peaking at 10 percent in October 2009, the official unemployment rate had retreated below levels obtaining at the commencement of the Great Recession. In early 2016 the rate hovers near a relatively comfortable 5 percent. If, however, you are a would-be worker aged sixteen to twenty-four, your chances of being unemployed are more than twice as great—indeed, greater than the worst chances experienced by the overall labor force during the height of the recession ("Monthly Youth" 2016). Nevertheless, young Americans may count themselves fortunate. The euro area confronted in summer 2015 an unemployment rate slightly north of 11 percent, and one in every four youth job seekers failed to secure employment ("Youth Employment Trends" 2015). Of course, aggregate figures hide strikingly different experiences across borders. Characteristically, young Germans do nicely compared to their European generational peers, experiencing 7.2 percent unemployment. The corresponding figure for France, though, is 23.7 percent and for Italy a sobering 40.9 percent. Greece is yet worse, where one out of every two young aspirants is stymied. Because everything in that country that can go wrong has gone wrong, its experience may be excused as anomalous, but Spanish young people also suffer disappointment at the same rate (Trading Economics n.d.). There, appropriately named *indignados* resort to milling around streets in protest and abandon mainstream political parties for equally feckless populist ones. They and their generational peers across the continent are protesting a future that as far as they can see is without

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promise. At an age when young men and women are biologically and culturally primed to take on adult responsibilities, they find themselves stuck in an extended childhood. From Madrid to Athens and points in between, young people languish.

It is not my intent to dull the reader into insensibility with a deluge of statistics. Let me simply say that the United States is pretty grim for labor-market entrants and that, with only a few exceptions, Europe is no continent for the young. Of course, youth carries within itself its own remedy, so perhaps this cohort will also mature, as others have, into lives of full employment. Without discounting that possibility, it is worth asking why this generation has found entry into self-sufficiency so difficult and speculating about the distant effects of a delayed first step on the rung of the personal-advancement ladder.

Once America's young men and women do secure gainful employment, they will contribute (i.e., be taxed) a substantial proportion of their wages to Social Security. The program's most important component is payment of pensions to those who have reached retirement age. From Social Security's beginning in the 1930s, it has operated on a pay-as-you-go basis. That is, payments are funded out of current tax receipts. Because the original ratio of payers to recipients was very great, the tax burden could be minimal. In 1950, there were 16.5 contributors for every beneficiary, but by 1965 the ratio was four to one; by 2010 it was slightly less than three to one; and by 2030 it is projected to decrease to approximately two to one and then steadily lower for the rest of the century ("As the Population Ages" 2015; Social Security Administration n.d.).[1] This means that during their working lives the baby boomers have carried a payment burden much greater than their parents did but considerably smaller than that which today's twenty-year-olds will bear. Millennials either will pay more for support of the aged or receive less themselves when they achieve pension eligibility or, most likely, both. It is arguable whether the likely return to their Social Security payments is economically or morally adequate.[2]

What is not arguable is that these later generational cohorts find themselves parties to a bargain not of their own making, the terms of which are markedly inferior to that which was and is being enjoyed by their predecessors.

Federal and local government employees are remunerated by both current salary payments and benefits. The latter include defined pension payments primarily based on final salary level and years of service, and these payments extend until death (or beyond if dependents are also covered). In practice, what this means is that many individuals are being taxed to pay the pensions of former employees who have performed no services for decades, perhaps since before the taxpayer in question was born. The greater the share of government revenue that is expended to support such payments, the less that is available to secure current services. Retired police chase no

1. A cornucopia of demographic data bearing on Social Security and other generational issues is provided in Taylor 2014.

2. Useful figures are provided in Steuerle and Quakenbush 2013.

criminals, nor do people who have never been hired for the force because strained budgets do not allow it.

Because the federal government is able to borrow without constraint and to print money as it deems necessary, the pressures it faces are less than those confronted by state and municipal governments. Demands on the latter are already notable and inevitably will grow more acute. In July 2013, Detroit filed for bankruptcy, the largest metropolitan default in U.S. history. It can be argued that in virtue of a long history of economic decline and political mismanagement Detroit is an exception (our own Greece, if you will). Nonetheless, it is only the most spectacular instance of municipal failures that now also include Harrisburg, Pennsylvania, and a handful of cities in California that have already filed or are on the verge of doing so (Farmer 2013). Unlike cities, states do not go bankrupt, at least not yet. They do, however, find themselves increasingly hard-pressed by pension obligations. Illinois and Rhode Island are running neck and neck in a race to the precipice of default. Restructuring proposals are currently being litigated. Unions, unsurprisingly, oppose all attempted clawbacks of promised pension payments. But whether employees eventually do suffer some loss in benefits or not, the biggest extra burden will fall on taxpayers and, of this group, disproportionately on the young.

I mention these phenomena by way of suggesting that moral philosophy's concern with the justice of the basic framework of society stands in need of rebalancing. Theorists have devoted considerable attention to injustices committed across lines of race, gender, sexual orientation, ethnicity, and, especially, economic position.[3] Far less attended are concerns of *intergenerational fairness*.[4] That omission is serious. Measures that have done very well by the Baby Boomers are much less generous to their children and worse still for their grandchildren.[5] "Terms of trade" between old and young have become progressively[6] restructured in favor of the former, not only in the United States but to an even greater extent in the European Union. Political economists have scrutinized these developments with much greater attention than philosophers. The latter group's neglect of them is to be regretted.

3. For the latter, the urtext has become John Rawls's *A Theory of Justice* 1971. Although its "difference principle" requiring institutional policy to be designed so as to maximize the receipts of the society's least well-off members is officially subsidiary to principles of adequate liberty and opportunity, it is this distributive stricture that draws by far the preponderance of the Rawlsian literature, including subsequent remarks by Rawls himself.

4. Rawls, for example, devotes a few pages to a just-savings principle meant to strike a balance between current consumption and investment. Even this principle is essentially an adjunct to the difference principle insofar as it constrains earlier and most likely poorer generations from utilizing their status as the least well-off to consume the entire social surplus. See Rawls 1971, 284–93.

5. Many of these measures, especially Social Security, have been even more generous to the Baby Boomers' parents. A generation that endured the Great Depression and then went to war against elemental evil can, however, be granted a presumption of having well paid for whatever perks it subsequently enjoyed.

6. Although by "progressively" I mean "proceeding incrementally," I embrace a connection to the political context in which policies are dubbed "progressive." It will be seen that these progressive policies do indeed stand in a crucial relation to much of the disadvantage experienced by the young.

Unemployment, debt, retirement age, social welfare programs, pension law, labor-market regulation, minimum wage, and the like are not merely items that confirm the appropriateness of the name "the Dismal Science" but also components of institutional structures that bestow benefits and burdens on citizens. I contend that these benefits and burdens do not fall willy-nilly on people of various ages but rather overwhelmingly tip the generational balance in favor of the old. From the Social Security Act of 1935 to the Patient Protection and Affordable Care Act of 2010, better known as "Obamacare," a stream of legislation differentially benefits the old at the expense of the young.[7] Sometimes the age factor is explicit, as it is with old-age pensions. Sometimes it is implicit, as when those who already are well entrenched in the labor force are protected by measures that damage the prospects of those who are not. Harms to the young are sometimes inadvertent, foreseen but unintended consequences of policies that are directed elsewhere than to generational issues. For example, Obamacare's goal of universal health insurance does not single out any particular age group with regard to coverage, but the individual mandate to purchase coverage means that the relatively healthy young are bearing an actuarial penalty for the sake of the relatively unhealthy old. (For now I set Medicare aside.) Other harms must surely have been both foreseen and deliberately brought to bear on the young, although with very little public acknowledgment. The most glaring example is funding of current consumption either through debt or contractual undertakings, the payment of which will come due only decades later.

If I am correct in the claim that intergenerational distortions are a primary—I am inclined to say *the* primary—contemporary justice failing of the affluent West, then an adequate diagnosis and projected therapy much exceeds what can be broached in an essay of modest dimensions. The aim here is to be suggestive rather than comprehensive. First, I identify three important normative principles that importantly bear on issues of intergenerational equity. I then apply these principles to direct in-period transfers across generational cohorts and to debt and pension promises. I next turn to issues of labor-market regulation, including wage legislation and worker protection, and then move from social and economic policy to noneconomic burdens that may be inflicted on future generations. More precisely, the latter discussion is offered by way of an apology for not making these burdens central to the accusation of transgenerational injustice. In the last two sections, I speculate concerning the compatibility of liberal democracy and generational fairness, and in the concluding section I offer three half-hearted proposals for reform.

7. One apparent exception is a stream of legislation to provide student grants and loan guarantees as well as payments made directly to universities. Some of this money, however, has gone to augmenting professorial salaries, and much more of it has gone to expanding college bureaucracies. While all this has been going on, tuition and student debt levels have risen inexorably. Scholars debate to what extent or even whether college education has a positive economic payoff. I won't discuss this matter here except to say that if higher-education policy exemplifies burden shifting in favor of the young, it amounts to one very damp squib.

Three Principles of Justice

Principle of Reciprocity

The central principle of justice in cooperative undertakings is *reciprocity.* Those who are called on to bear burdens so that others may secure benefits have a claim on the others' corresponding forbearance. The simplest example of two-party reciprocity is trade: each party gives up something of value (a burden) to receive something of value (a benefit). Clearly, the goods each supplies are not identical, else the transfer would be pointless. Nor are the valuations identical, made from some impersonal perspective. Rather, the transactors' distinct subjective valuations of personal benefit largely constitute the fairness of the transaction (largely because familiar disqualifiers such as fraud, duress, mental incapacity, and so on can invalidate the presumption of normative acceptability). Nonsimultaneous transfers add an extra level of complexity, as do multiperson exchanges in which A supplies a good to B, who supplies C, who supplies D, and so on until the last person supplies A. Additional epistemic hurdles are confronted when the parties themselves do not exercise voluntary discretion but rather are the passive recipients of imputed benefits and costs selected on their behalf by those acting in some kind of fiduciary capacity.

Intergenerational reciprocity is necessarily complicated. Human beings are born helpless, needing everything and able to convey nothing. This condition turns around as they achieve maturity. But then, in the best case, they slowly diminish in their powers until inability is total. (In worse cases, they die young.) At both of life's extremes, people lack *autonomy,* a term that enjoys in the philosophical lexicon far greater popularity than clarity. At a minimum, though, autonomy incorporates an ability to undertake transactions based on a person's own subjective measures of valuation. Autonomy is, therefore, an inappropriate criterion to apply to reciprocity involving either the very young (including the unborn) or the infirm old.

The rhythm of human existence necessarily entails nonsimultaneous, multiperson, imputed valuation transfers. The very young *must* be succored by adults, primarily by parents but also by many others in secondary roles (see Clinton 1996). Not until years have passed are new cohorts able to reciprocate. Upon attaining mature competence, they may or may not be called on to supply assistance to parents, but the single most socially necessary reciprocation is to the next generation in line. If every set of parents tends to the welfare of their children, who then tend to the grandchildren, who then attend to the great-grandchildren, and so on, every generational cohort will be both the recipient of care and the extender of it. This sort of *diachronic reciprocity* is thereby well attuned to pervasive biological and cultural facts.

An appeal can be interposed here grounded in the symmetry between both ends of life. Just as the very young lack capability to fend for themselves, so too do the infirm of any age, but most especially the aged. Therefore, it can be argued on this basis that it is a demand of justice, not merely of graciousness or compassion, that young adults provide for their diminished elders.

For two reasons, the moral force of that putative symmetry is less than compelling. First, the correlate of mandatory support of the previous generation is that fewer resources remain to support the upcoming one. Grandparents become rivals of children. Second, the dependence of the very young differs categorically from that of the very old. The former are thrown into life utterly without resources or preparation. The latter, however, have had decades to anticipate the waning of their powers and to save up resources to command needed assistance. Through direct person-to-person exchanges, they give effect to their own subjective valuations, as indeed do all of us who reside elsewhere than on Robinson Crusoe's island. Even the melancholy recognition that at a certain point one is likely to come to lack the physical or mental capacities requisite for exercising informed choice does not reduce individuals to the moral position of infants because they have had opportunities to make arrangements via insurance, prepayment for services, durable power of attorney, and the like to anticipate and respond to advanced decrepitude. This point is not meant to ignore the evident fact that the elderly too often find themselves without adequate means to lead as decent a life as their physiological circumstances may admit but to distinguish sharply the dependence of the aged from that of the very young. Social institutions must therefore be designed to effect substantial transfers of resources to *all* children (e.g., public education, institutions that stand ready to enforce the child's rights against malperforming guardians) simply because they are children, but it need offer special support to only those adults who find themselves unable to provide for themselves either through no fault of their own or for other reasons.

The preceding reflections, admittedly underdeveloped, suggest that there is a strong onus on mature adults to tender support to the young and that this support is to be reciprocated when the recipients do likewise for the succeeding generation. The imperative of transfers for the benefit of the old is less general, and insofar as such transfers come at the expense of upcoming generations, they are morally questionable.

Principle of Nonimposition

Making people do things for their own good is dubious both because one may have misconceived what that good is and more significantly because it intrudes on individuals' own rightful self-mastery. The customary designation for this kind of imposition is *paternalism,* implicitly signifying that conduct appropriate in a parental capacity is misplaced when directed toward responsible adult agents. The range of morally permissible paternalism is much debated by philosophers.[8] Much less debatable is one's imposition on others for *one's own* good. Only in a rather exceptional range of circumstances may I legitimately impose a burden on you to secure a benefit for myself. One of these circumstances is when I find myself in extremis and can extricate

8. The classic expression of antipaternalist sentiment is J. S. Mill's *On Liberty* (1859).

myself only at the expense of someone else. (Think of the desperate Jean Valjean, uniformly sympathetic to readers and viewers of *Les Misérables*, if not to all the other characters with whom he shares the story.) Another is when the burdens are concomitant with the existence of a social practice that is deemed generally beneficial, including to the one on whom it falls. Economic competition is the paradigmatic example of such a generally optimific practice. It's sad when a firm fails the test of the market, but much sadder would be a stultifying absence of opportunities to fail. If costs are consequent on one's own idiosyncratic or unjustifiable sensibilities, then others cannot be faulted for their imposition. Nonetheless, the principle that one is not to burden unconsenting others is among the deepest bases of moral appraisal.

Although children are burden imposers par excellence, they generally[9] incur no culpability thereby. They cannot help being dependent on others, and those adults on whom they are most dependent typically have voluntarily, even joyfully, assumed that burden. Moreover, those who might be tempted to complain about the costs that children impose have to reflect that they themselves formerly generated costs that of necessity were borne by others.

These conditions do not apply to adults in the fullness of their powers. For the most part, they understand which actions constitute trespass on others' moral space and can choose to avoid doing so. When they do not so choose, there exists prima facie reason to find them culpable. Grave impositions are usually accounted crimes, and those on a lesser scale are considered offenses against manners or morals. As a rule, dumping burdens on others for self-serving reasons is illicit. An apparent exception to this general rule is extraction engineered through political means. This essay is not nearly long enough to list let alone examine all the special interests that are coercively advantaged politically at the expense of others. A good way to begin to understand the scope of these interests would be to undertake a census of the lobbyists and special representatives located on and around K Street in Washington, D.C., whose livelihoods are procured by advocating favorable treatment for their clients. Because imposition via political means is so widespread, we are apt not to call it to mind when we think about the imposition of burdens. It is, though, worth reminding ourselves that actions that would constitute felonies if performed by private parties are routinely exacted under the state's auspices.

Can it be contended that constraints binding private parties do not similarly bind state actors? Certainly. This, indeed, is one of the great themes of modern political philosophy. For example, both Thomas Hobbes and John Locke, although using somewhat different arguments, declare that private individuals who have exited the state of nature into a civil order may not inflict punishments on each other; doing so is a perquisite only of the state. Whatever one believes the proper purposes of government to be, it is clear that these purposes require employment of real resources. Although some libertarians are wont to declare that "taxation is theft!"

9. As any parent will confirm, on particular occasions their culpability is monumental.

taxation is in fact merely taxation, the necessary means for funding the state's quotidian activities. Social contract theory stylizes taxation and other political impositions as something that citizens voluntarily assume for the sake of the benefits that a civil order provides. Let's assume that something like this is correct. What follows is that some burden or imposition that would not be licit if performed by private parties is justifiable as a state exercise. What does not follow, however, is that *all* impositions conducted in the name of the sovereign authority are thereby rendered licit; to suppose otherwise is Hobbes's great error. Common parlance recognizes this clarification in the distinction between *public goods* and *pork barrel*. For better or worse, the task of theorizing that distinction is difficult. A first approximation will distinguish those measures that are of general benefit from those that aid a select few. That approximation is not adequate because it may be the case that although each of *n* measures benefits only a minority faction of the populace, the entire package does confer universal benefit, and for all affected individuals the total benefit exceeds the total cost.[10] Of course, total benefits can in theory also prove to be far lower than total costs.

Clearly, the issues broached in this section are complicated and deserve an extended treatment that cannot be supplied here, so I must content myself with two observations. First, impositions that fall largely on a fractional subset of the population or that promise benefit to only a fractional subset are thereby rendered of doubtful propriety, and the more disjoint those two fractions are, the greater the doubt. But, second, the greater the degree of consent, either actual or imputed, that is proffered by those on whom the burden falls, the greater the presumption of acceptability. *Democracy* is the mode of governance that most fully rests on the voluntary acquiescence of citizens to governmental activities as expressed via both informal and formal procedures of discussion, deliberation, balloting, and legislation. Therefore, the more fully democratic majorities endorse measures imposing burdens and conferring benefits, the greater the presumptive justifiability of these measures. Accordingly, I now turn to this principle.

Principle of Democratic Accountability

Philosophers *love* unanimity. Whether in stylized renditions of a primordial social contract, the Rawlsian Original Position, or contemporary theories of public reason, justification is presented as incorporating affirmation by *everyone*.[11] It is easy to understand why it is so much tidier not to have to worry about disgruntled outsiders compelled against their will. Although a unanimity standard is traditionally presented

10. This is essentially Hobbes's strategy. A contemporary version is offered in Murphy and Nagel 2002.

11. Unanimity is also beloved by some economists. See, for instance, James Buchanan and Gordon Tullock's work *The Calculus of Consent* (1962). The authors attribute the unanimity standard for collective choice to Swedish economist Knut Wicksell (1851–1926).

in terms of *consent*, universal *benefit* is a handy stand-in in the absence of any actual and explicit voicing of assent. If everyone is rendered better off by some policy,[12] then no one can legitimately claim to be ill served by it.

So much for pure theory. In practice, unanimity is unattainable. Therefore, once foundational concerns have been addressed, theorists retreat to some version of democratic rule for day-to-day policy determinations. In the simplest case, this version will be pure majoritarianism,[13] but numerous variations abound. What they have in common is that people are subject to measures to which they have not consented and to which they perhaps have actively objected, but at least these individuals are included in the process by which decisions are made. In principle even if not with any great probability, their vote could be decisive in determining the course that the polity will take. Inclusion isn't the equivalent of consent, but it is not nothing. "Taxation with representation is not tyranny!" may not be much of an inspirational slogan, but it expresses a widely shared sentiment.

That some measure commands support by a democratic majority is, of course, no proof of its wisdom or even legitimacy, but it carries some presumptive weight. If one has voted for it (or voted for a representative who voted for it), then something resembling assent has been given. If one has voted no, then this is an occasion on which one's preference has not been satisfied, but presumably there have been other occasions on which one did stand with the majority, and so the cup can be considered only half empty. (It is actually less than half empty because under majority rule the representative voter will find herself more often than not on the winning side.) Conversely, individuals who are denied the right to participate in an electoral determination may have reason to feel themselves aggrieved when nonetheless compelled to abide by the measure voted on. This scenario can be understood as an extension of the principle of nonimposition. Without wishing to appear overly Rousseauvian, I must admit there is some plausibility to describing democratic policies as those we the citizens impose on ourselves, whereas those who are not afforded a role in the process are suffering impositions by others. Participation constitutes a kind of agency, albeit a limited one,[14] whereas exclusion is its denial.

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12. Or at least not worse off; this is the Pareto principle of social choice. But we must also ask, better off *compared to what*? Even if some proposed measure will make one better off than in the status quo ante, that outcome may be worse than that which would have been secured through some other preferred measure. Such reflections suggest that the greater simplicity of a unanimity standard compared to majoritarianism may be less than meets the eye.

13. Athenian democracy, if one ignores the restricted franchise (women, slaves, metics), approximates this strategy, as does John Locke's endorsement of majority rule in section 96 of the *Second Treatise of Government*: "For when any number of men have, by the consent of every individual, made a community, they have thereby made that community one body, with a power to act as one body, which is only by the will and determination of the majority: for that which acts any community, being only the consent of the individuals of it, and it being necessary to that which is one body to move one way; it is necessary the body should move that way whither the greater force carries it, which is the consent of the majority" ([1689] 1980, 52).

14. The nature of democratic participation is investigated at some length in Brennan and Lomasky 1997.

As complex as questions of democratic justifiability may be for contemporaneous actors (or nonactors), they become yet more so in cases where among those bound by a measure are people who had not yet been born when it was enacted. No one felt this difficulty more keenly than Thomas Jefferson. In a letter to his friend James Madison on September 6, 1789, Jefferson famously wrote, "The earth belongs in usufruct to the living," so that "every constitution, then, and every law, naturally expires at the end of 19 years. If it be enforced longer, it is an act of force and not of right."[15] Jefferson may have been our paramount founding genius, but the nuts and bolts of practical governance were not his primary strength. The proposed nineteen-year sunset provision strikes one as bizarre, and that seems to have been Madison's view. However curious the proposal may seem, though, the rationale behind it is not obscure. Those who are bound by rules that they have had no part in formulating, deliberating, or endorsing have been disenfranchised as thoroughly as if they had been physically turned away from the polls. Their status is that of patients, not agents. They stand in a position of inferiority to the preceding generation, whose rules bind them but not vice versa.

With all due deference to the Sage of Monticello, Jefferson's stance is too extreme. Would he similarly endorse blowing up bridges after nineteen years or destroying paintings of that age? These are capital goods that by their nature return streams of benefits not only to their designers but are the patrimony of generations to come. A structure of law is also a capital good that confers an indefinitely extended stream of benefits. To build in an arbitrary termination date would be silly. Rather than finding ourselves unduly imposed on by Madison and his Philadelphia colleagues, we are their fortunate inheritors. Of course, capital goods are not sacrosanct. Whether buildings, bridges, cultural artifacts, or laws, inherited items may be repaired, modified, or destroyed as need be. Were constitutional provisions untouchable, Jefferson's qualms would be more reasonable. However, because later generations enjoy a power of amendment, they are not altogether in the grip of the dead hand of the past. There is, then, nothing undemocratic about citizens being bound indefinitely by long-standing rules. It does not follow that sunset provisions are always misguided. For those policies directed toward addressing a particular problem or accomplishing a specified task, authorizations of limited duration are appropriate. Ordinary budget legislation, for example, approves particular expenditures over a defined period. Once the financial use-by date has been reached, the process is repeated afresh.

The indicated conclusion is that inherited legal structures are not always to the democratic disadvantage of later generations; the reverse is true with regard to those laws that provide an ongoing stream of institutional dividends. However, laws drawn to benefit a current generational cohort at the expense of some later cohort that could not exercise a democratic voice in its enactment and that is mostly or entirely disabled

15. Thomas Jefferson to James Madison, September 6, 1789, at http://lachlan.bluehaze.com.au/lit/jeff03.htm; see also Onuf 1993.

from shedding the burdens imposed on it are of doubtful legitimacy. If I purchase lunch and have the bill sent to you, it is clear that you have been wronged. If we as a democratic polity vote ourselves free lunches and require our successors to pick up the tab decades from now, the wrongness is no less palpable. Democratic accountability is, then, an extrapolation to the political realm of the principle of non-imposition with an emphasis on persons having a political voice in determining the policies under which they live. I now turn to a scrutiny of how well or ill contemporary economic practices satisfy the three principles sketched in this section.

Paying It Forward

Transgenerational dependence is built into our biology. Each generation has been nurtured by its predecessor and in turn supports its successor. There is no similar necessity that the old be dependent on transfers from those of working age. Therefore, if the transfers that Social Security and similar pay-as-you-go retirement systems provide are justifiable, it will be for reasons other than inescapability. Here are four such reasons.

First, pay-as-you-go satisfies diachronic reciprocity. No generation bearing the burden of support does not in turn receive it. Second, it is a system that achieves (near) universality of coverage. Everyone who has been part of the workforce or a dependent of that person will receive benefits, and each worker will bear burdens of supporting others. Third, pay-as-you-go is the most immediately effective means of ensuring that no one is left without provision in old age. The alternative of requiring all individuals to set aside saving to support themselves during retirement will not achieve full coverage for decades, but pay-as-you-go is effective instantaneously. Fourth, the initial generation of retirees enjoys a windfall. Although they had not been required to pay into the system until the very end of their working lives, they receive benefits immediately (DeWitt 1996). Social Security is in this way putatively Pareto superior to mandatory savings accounts insofar as one generation is rendered better off and none is worse off.[16]

Satisfaction of reciprocity is not so much a reason in favor of pay-as-you-go as denial of a reason against. If universality of coverage is desired, it can be achieved by mandatory contributions to individual accounts either monolithically administered by the government or offered via competitive markets. It is the third and fourth reasons that both in theory and in the history of the inauguration of Social Security during the height of the Great Depression made the case for it compelling. Those born during the second half of the nineteenth century were afforded much needed immediate relief. Moreover, each succeeding generation of retirees up until the present has enjoyed

16. A fifth reason is that a pay-as-you-go system allows in principle for greater redistribution to the less well-off than do individual retirement accounts. I don't wish to take up this alleged benefit here because it would distract from examining concerns specifically of intergenerational redistribution.

benefits in excess of contributions. It is a platitude that Social Security is the third rail of American politics; touch it and you die.

Corresponding to the virtues of pay-as-you-go, however, are concomitant vulnerabilities. First, the form of extended reciprocity it features rests on precarious demographic foundations. It can be stable if each succeeding generational cohort is at least as populous as the preceding ones, but should births flag, either payouts to recipients will fall or tax burdens on each individual worker will rise or both. Note that extended life spans, a great good by almost any measure, exacerbate this demographic imbalance. Second, there is no obvious way for a polity to exit a pay-as-you-go system without imposing a great burden on current workers. They will have paid in to the system for support of retirees but will not themselves receive benefits. Of course, Social Security could be trimmed down bit by bit rather than cancelled outright, but that will not eliminate the disparity in burdens and benefits across generations but simply stretch it out. Third, this inability to exit the system means that contemporary electorates enjoy minimal democratic voice over the nature of the program. They can at the margins adjust taxes and benefits to keep it solvent, but ending Social Security in its pay-as-you-go form is effectively precluded because of legislation passed and promises made decades ago.

Individual retirement accounts, by way of contrast, are only minimally sensitive to demographic shifts and have no implications for democratic accountability. In these regards, they are preferable to pay-as-you-go.[17] As noted previously, though, there are other reasons inclining in the opposite direction. So the question remains: Which on balance is the better policy? For strategic reasons, I do not hazard an answer here, but one conclusion seems inescapable: pay-as-you-go does much better for the old than for the young. Subsequent to the one-time windfall for the initial cohort of recipients, each generation has received a lesser return on investment than the preceding one. For today's young, their return may well turn out to be negative. Without denying that assuring a decent sufficiency to the elderly is an important component of social policy, we can say that attention to principles of reciprocity, nonimposition, and democratic accountability strongly suggests that Social Security imposes unfair burdens on the young.

Debt

When individuals take on debt, they may be behaving imprudently, but only rarely will any question of justice thereby be raised. When, however, the borrower is distinct from the party on whom repayment ultimately falls, matters are more complicated. If the borrowed funds are employed to procure capital goods that provide to the repayer

17. Under plausible assumptions, individual retirement accounts also will increase investment and thus the overall wealth of society. I hope to be excused for sidestepping such controversial questions in macroeconomic theory because they are of only tangential relevance to the questions of intergenerational justice broached in these pages.

a stream of income at least as great as the principal and interest, then there is no question of exploitation. Infrastructure creation and maintenance are paradigmatic examples of such capital goods, but other purchases can also legitimately be considered an investment in the future. Britain took on massive amounts of debt during the Second World War to avoid being steamrollered by Germany. It is not possible to place a dollar (or pound sterling) value on freedom from Nazi domination, but it is implausible to deny that the balance is strongly positive, both for those who fought the war and for their descendants.

Borrowing to fund current consumption is more dubious insofar as it is in prima facie violation of reciprocity. A case can be made along Keynesian lines that insofar as spending at levels greater than current income stimulates a flagging economy, it ultimately works to the benefit of the citizenry now and in the future. For example, the U.S. stimulus package that followed the financial crunch in 2008 arguably averted an economic slough that would remain harmful now and far into the future.[18] But even though debt-based finance of current consumption may be justified on exceptional occasions, a habit of running deficits in both good years and bad is distinctly non-Keynesian and unduly burdens future taxpayers, especially if the accumulated national deficit keeps growing as a percentage of gross domestic product (GDP).[19] It is difficult to put any other gloss on perpetual deficit spending than that future generations are being mortgaged to current consumption.

A saving grace of building up a substantial national debt is that there is no possibility the United States will inadvertently find itself insolvent. (One qualification: should Congress obdurately decline to legislate an increase in the debt limit, then all bets are off.) Whether amounting to billions, trillions, or even quadrillions, there is no limit to how many dollars the government can print. Of course, consequent inflation of the currency is a tax by another name, so one way or another debt places its hands on those not yet born. But for jurisdictions that lack a capacity to issue their own money, options are fewer. Such has been the recent history of Greece, Ireland, and other afflicted members of the Eurozone. It is also the circumstance in which subnational units such as cities and states find themselves. As noted earlier, in the United States several municipalities have over the years lurched their way into bankruptcy, most spectacularly Detroit. It is a matter of some speculation whether a state is legally entitled to do likewise. A question more directly relevant to this essay is how it is that states and cities can find themselves in a position where they owe more than they can pay. According to the National Conference of State Legislatures (1999), every state in the union except Vermont is obligated by constitutional or statutory provision to run a balanced budget each year. Whence, then, deficits?

18. Whether stimulus spending ought to be directed primarily toward provision of capital rather than toward consumption goods is an important concern of economic policy that cannot be taken up here.

19. In 1973, accumulated U.S. debt was $458 billion, equaling some 32 percent of that year's GDP. Forty years later the corresponding figures are $16.7 trillion and 99 percent. Except for fiscal years 1998 to 2001, the country has run deficits every year since 1970 ("National Debt by Year" 2016).

There are two main sources of state and municipal deficits. Unlike the national government, states and cities may issue general obligation bonds to pay only for capital improvements, not for current operational expenses. But just as individuals are not always wise in their investments, neither are governments. If capital improvements fail to justify their costs via resultant income streams, then fiscal obligations can become increasingly onerous. A bridge to nowhere is unlikely to augment the tax base from which bond payments will be made. Yet more important as a source of precarious finances are promises that come due years or even decades hence. Pension obligations fall into this category. Virtually all full-time employees of governments at every level receive not only a salary but also deferred retirement benefits. Of course, what they are getting is not so different from remuneration received by those in the private sector, but the nature of the pensions differ. Many years ago most workers' pension payments were based on the number of years of employment and final salary level. This is a *defined-benefit* pension. It remains the norm for governmental employees, but today most private-sector workers receive from their employer contributions to a fund that is invested on their behalf in some combination of securities that many years down the road will provide the basis for payments during retirement. These *defined-contribution* pensions, therefore, yield more or less depending on the experience of the fund. In defined-contribution pensions, the investment risk is borne by employees, whereas in defined-benefit pensions the risk falls on employers.

For public-sector workers, the employer is the citizenry. In one obvious way, this system advantages the old at the expense of the young: pensioners are, on average, older than the citizenry as a whole. There is also a less obvious way in which the young are being disadvantaged. They are to a greater extent at risk for payments to individuals whose services they themselves may have never received. Note that this is not the case with regard to defined-contribution pensions, for which contributions are simultaneous with the work for which payment is being made. This discrepancy constitutes a presumption against defined-benefit pensions, one that, admittedly, could be overcome by other considerations. For example, if we have reason to believe that workers are more vulnerable potentially than the citizenry at large and thus should be shielded from risk, that might tilt the balance. I am inclined to think that the reverse is the case, that public employees are *less* vulnerable: they bring home regular salaries; they are almost immune from threats of layoff; and so on. But there may be other factors that impinge on the moral calculus.

Indeed, there are, but they underscore the extent to which the young are being abused by public-employee pension practices. All else equal, it is in the interest of citizens to pay less in taxes, and for that reason it is also in the interest of officeholders to lighten the burden on those who are eligible to vote in the upcoming election. This electoral consideration constitutes a strong incentive to issue very optimistic estimates of the likely return on investment; the higher that rate, the less that must be contributed to pension funds in each period to meet eventual demands. What happens if the optimism should prove to have been unfounded? Then there is a difference left to be picked up by taxpayers. The crucial fact, though, is that the taxpayers who were undercharged while the employer was working are not the same taxpayers on whom the bill comes due decades later. Neither, of course, are the mayors or governors who signed off on the bargain the same ones who will be required to resolve the problems left in its wake. Simply as a matter of the logic of political accommodation, it is predictable that pension promises will be unrealistically high and current tax-based contributions unrealistically low. Public employees thereby benefit, but so also does the current generation of taxpayers. The burden is borne by future generations.

If that logic does not itself seem compelling, experience supplies ample confirmation. As noted previously, several American cities have already sought bankruptcy protection, and others are on the verge of following their example. Perhaps even more worrying are the plights of state governments. According to *Bloomberg,* Illinois, Kentucky, and Connecticut have less than half the amount in their state funds than they will need to meet their obligations. Only a half-dozen have set aside even 90 percent of the needed amount; none is in surplus ("Most Underfunded Pension Plans" n.d.; for Illinois, also see "Rahmbo's Toughest Mission" 2014). If anything, this assessment understates the magnitude of the problem. States such as California, Rhode Island, and Michigan that are within hailing distance of actuarial adequacy may find themselves on the hook for municipalities that fall into the abyss. Pension woes are bad for retirees insofar as they induce governmental units to try to balance the books by cutting back stipulated payments. If bankruptcy has been declared, this may be achievable; if it has not, then courts are loath to infringe the sanctity of contracts. Some states have tried to deploy a combination of carrot and stick to persuade unions to accept some pension diminishment, but, unsurprisingly, these overtures have not been received with good grace (see, e.g., "Another Lawsuit Filed" 2014 and Niedowski 2014). Whatever the fate of retirees, though, it is clear that by far the largest share of the burden resulting from fanciful promises will be assumed by taxpayers, many of whom would not have been born when these commitments were undertaken.

Pension shortfalls are not exclusively or even primarily a U.S. problem. Attention to the well-being of citizens is an ornament of almost every European welfare state, and the ornament of the ornament is solicitude for the old. Retirement ages were progressively lowered during the good years of the second half of the twentieth century. As the realization dawns that these benefits are actuarially precarious, some fitful measures have been adopted to alleviate imbalances, but these measures have shown themselves to be politically fragile. During Angela Merkel's first administration, Germany passed legislation to raise gradually the standard retirement age from sixty-five to sixty-seven. However, the current coalition government has now moved to roll back this reform ("Germany's Public Pensions" 2014). Has this move been made because demographic assumptions underlying the earlier policy shift have been shown to be mistaken? Or because favored groups of seniors have ballots and know how to use them?

France in one respect provides an even more revealing case. In 2010, President Nicolas Sarkozy signed legislation to raise the minimum retirement age from sixty to sixty-two. This act may have contributed to his defeat in the 2012 presidential election by François Hollande, who then duly reversed the change. I believe that what was most noteworthy about this minidrama is that university students filled the streets to protest Sarkozy's initial measure ("France Raises Retirement Age" 2010). Perhaps such a protest demonstrates their deep solidarity with older workers who wish to become former workers. The more likely reason for this show of solidarity is that massive rates of youth unemployment lead them to promote anything that will free up jobs for themselves even though eventually they will bear the costs of premature retirements. Accordingly, I turn now to an examination of how employment policy differentially harms the young.

Work

As noted at the outset of this essay, almost everywhere in the developed world (and elsewhere) youth unemployment rates are significantly more elevated than those for the general population. The imbalance obtains in good times but becomes especially grim during economic downturns. Not many people will dispute the proposition that this imbalance constitutes a *misfortune* for would-be young job seekers, but does it represent an *injustice*? It may seem expected, almost a force of nature, that those who have recently left school will face greater obstacles than their elders in securing employment. They have not had the work experience that generates useful skills; seeking a job is more difficult than keeping a job; those without a work history are unknown quantities to potential employers; all else equal, therefore, employers will usually have ample reason to value the contribution that can be made by experienced workers over that which can be expected from novices.

The crucial response is that all else need not be equal. If the expected return from an hour of labor by a forty-year-old is, say, twice that from an hour of labor by a twenty-year-old, then an employer will have reason to hire younger persons at a wage half or less than that of the seniors. Given wage flexibility, the young should do equally well in terms of employability, although not, of course, in terms of income. In economists' jargon, each will receive something approaching the marginal product of his or her labor. Of course, that is not what we observe. Why?

There are at least three reasons why young entrants into the labor market experience lower employment rates rather than lower wages. (One qualification: if we should say that unemployed individuals are paid zero, then the young experience both.) First, the cost of labor to employers is not confined to salary but also includes components such as health insurance, unemployment insurance contributions, worker's compensation payments, and other factors that may be just as expensive for the lowest-paid worker as for the best-remunerated one. Even if a salary is nil, these "wedge" components can in theory raise the cost of hiring an inexperienced worker to greater than the marginal product. But, second, the salary cannot be zero. Minimum-wage laws provide a floor that neither employers nor potential employees are at liberty to waive. A third component is the expected cost incurred if for one reason or another an employee is let go. These costs vary significantly across different jurisdictions. Some countries make it very onerous to lay off established workers. When that is the case, there is a strong incentive to employ workers who are a known quantity rather than those whose reliability is unproven. Although by no means a full explanation of its relative success with youth employment, it is worth observing that Germany, widely known in 2003 as the "sick man of Europe," passed the Agenda 2010 package of labor-market reforms that loosened up rigid employment markets ("Germany's Labor Market" 2013). Germany also is one of the few developed countries without a national minimum wage. However, as of 2017, for better or worse, that status will change.

All three of these factors disadvantage the young. Whether minimum wages (and wedge payments, which operate similarly) are a requisite of social justice is much debated, with libertarians on one side and social democrats on the other. What is beyond debate, however, is that the costs of this policy fall most heavily on the young. Because they tend to bring fewer skills and experience to the hiring department, their value is likely to be less than that which employers are required to pay them. Just as bad for the young are labor-market rigidities. The twenty-year-old with a negligible work history is simply a bigger risk to employers than the forty-year-old with an extended pattern of reliability. In the nineteenth century, the legally regnant employment-at-will principle afforded employers a right to dismiss unwanted workers without having to give a justifying reason and with little or no severance payment. We are a long way from the era of *Lochner,* although the United States affords fewer protections to employees than do many other developed countries.

Some will contend in response that these legal protections are required to protect individuals from risks associated with employment: injury on the job, unwelcome layoff, wages so low as to leave even full-time employees in poverty. The response is correct in part but misleading. It is true that these laws do alleviate risk—for those who thereby are protected. However, that risk does not vanish; rather, it is transferred. Employers bear some of it, but so too does the pool of marginal potential employees: the unskilled, those with criminal records, the illiterate, and above all the young. I do not deny (or affirm) that there is a strong case supporting these components of the welfare state, but advocates ought to honestly acknowledge the disproportionate burdens borne by the young so as to benefit the old and try to explain how these burdens are consistent with principles of justice that include reciprocity and nonimposition.

Explanation of an Absence

I suspect that many people who see the words *generational injustice* as a descriptor of an essay's topic will expect the content to consist mostly of reflections on environmental degradation: pollution, species extinction, and, above all, climate change (see, e.g., Partridge 1981; Dobson 1999). Let me offer some thoughts concerning why environmental degradation is not a component of this essay, let alone its focus.

Here is one much-bruited scenario: human beings continue to rely on fossil fuels for their energy needs as the atmosphere becomes more and more carbon heavy and mean global temperatures rise. Sooner or later the environment strikes back via melting polar ice caps, rising sea levels, weather events of unprecedented ferocity, and crop failures that doom millions if not billions of people. The apocalypse is one we create for ourselves. If any version of this story is realized, then those born later will suffer because of misguided choices by those who lived earlier. That, it can be said, constitutes abuse of the young. I do not deny that the narrative is compelling. Nonetheless, I chose not to include it as an article of the indictment.

First, to speak of those who will live an unspecified number of generations hence as "the young" is a stretched use of the term. Second, it's not as if the perils of global warming have been unexplored in the literature and therefore stand in need of my ministrations here. Third, I lack any special expertise concerning evaluation of climate models or the likelihood of technological (e.g., geoengineering) fixes for heightened greenhouse gas levels. Fourth, to the extent that there is a trade-off between carbon moderation and economic growth, it is at least somewhat conjectural what the bottom line is for the young (or the old). For example, young Chinese today are plagued by filthier air than their parents or grandparents breathed. They are also less impoverished. I'm not sure how to commensurate these two factors. Fifth and perhaps most to the point, all the policies discussed in the preceding sections share in common intended or at least foreseen burdens being deposited on the young so as to transfer benefits to the old. It is implausible that this characterization can be applied to energy policy.

Liberal Democracy across Generations

Authors invariably are inclined to magnify the importance of whatever subject they themselves have chosen to take up. Readers may therefore be inclined to take with a grain of salt the following judgment: the single greatest unsolved problem of justice in the developed world today is transgenerational plunder. (I restrict this judgment to the developed world because however morally serious youth unemployment may be, it pales by comparison to the barbarism in North Korea and internecine slaughter in Syria.[20]) One of the great virtues of a democratic open society is the capacity to offer voice and redress to aggrieved parties. The process is not often smooth, and it is never

20. I also acknowledge that individual nations in the developed world are plagued by distinctive justice concerns that they have failed to solve. These concerns include, for example, gulfs in the political and economic culture of Italy's North and South, Japan's coming to terms with pre-1945 militarism, and America's distressingly high number of incarcerated individuals. The distinctive thing about generational disadvantage is the extent to which it crosses borders so as to contaminate societies across the world.

instantaneous, but those who believe themselves to be unduly burdened are able to seek out others who find themselves similarly situated, organize into pressure groups, solicit the company of sympathizers to their cause, engage in whatever machinations may seem required to establish electoral coalitions, and in the fullness of time take up occupancy of whatever patch of political space they have successfully homesteaded. In the past half-century, this course has been successfully traversed by women, gays and lesbians, and most notably African Americans. None of these groups has achieved all that it might wish for, but agendas have steadily advanced.

Nothing of the sort can be discerned with regard to generational imbalances. When I ask my students what they think about Social Security, they routinely tell me either that they do not think about it at all or that they do not believe it will be around for them when they reach the suitable age. Remarkably, they make the latter remark without any discernible rancor. Why not? I am prepared to concede that University of Virginia undergraduates are exceptionally generous, but that hardly explains why their peers on other campuses, recent graduates, and those who have never matriculated at any college are also notable with regard to their apathy on the point. This attitude is unlike their representation in other currently fashionable causes such as environmentalism and identity politics and yet more unlike the activism of their predecessors in the 1960s. My hunch—it does not merit the honorific "theory"—is that there is a failure of identification with future selves. When eighteen-year-olds stormed campus buildings and otherwise raised hell during the years of the Vietnam War, they could well imagine and empathize with the lot of their peers plodding through the steamy jungles of Southeast Asia; of similar intensity were the emotive sparks ignited by coverage of Freedom Marchers being brutalized by racist cops and of little girls being blown up at Sunday schools. Discrimination against the young, however, lacks drama. It is, first of all, glacial in its development; generational injustices, as the term suggests, take generations to come to full fruition. Second, few young people possess the imaginative dexterity to envision some gray and creaky individual fifty years hence as oneself. Nor do the old tend to feel much compunction about their privileged status. They have been told by the government, by AARP, and most of all by themselves that they have *earned* their Social Security and Medicare benefits through years of contributions, that seniority is an inviolable basis for preferment on the job, that pension payments are simply what is called for by contracts freely assumed by the state in its bargaining with workers, and so on. Fine matters of actuarial projections, national and municipal budget deficits, causal determinants of unemployment trends are apt to be salient only to a relative handful. That is why age-based injustice is rarely mentioned in polite society. ("Grandpa, you're an extortionist!" doesn't make for family harmony and joy.)

One clarification: among the evils represented in the language of political advocacy is *ageism*. Strictly speaking, this concept should include *any* invidious discrimination based on circumstances of age, but I am unaware of any instance in which the term has been employed to criticize undue burdens placed on the young. It instead typically covers hiring and firing decisions in which someone loses out on *grounds of being older* than others in the pool. When such discrimination is established, civil and criminal penalties can ensue. Governments take the part of the aged victims. Without in any way wishing to deny that serious harms are done to individuals who are unfairly treated because of a profusion of candles on their birthday cakes, I find it deeply ironic that the overwhelming preponderance of burden shifting generated by the institutional structure of labor markets is in favor of the old. Could this imbalance be called "ageism"? I don't see why not. Is it? No.

Not only is exploitation of the young not publicly recriminated, but it is also often celebrated. The quintessential recent example comes from the rollout of Obamacare. Once misbehaving software was patched, the two key questions explored in most news reports were (1) How many have now enrolled through the exchanges? and (2) What is the age distribution of enrollees? The reason that second question is crucial is that the young pay more in premiums than they take out in health-care expenses, whereas the old receive more than they pay in. This difference constitutes, in an obvious sense, price discrimination. But rather than being denounced by Obamacare proponents as a bug, this discrimination is paraded as a feature. The era in which we live is exquisitely sensitive to any hint of detrimental treatment to virtually any identifiable group: race, religion, gender, sexual preference, ethnicity, disability, veteran status, even age—albeit in one direction. The one group left out of the affirmative-action statements and the progressive zeitgeist is the young.[21]

Their being left out could be due to inadvertence or a simple moral blind spot, but I believe the explanation runs deeper. The dynamics of liberal democracy favor those who forthrightly and vigorously promote their cause. Those currently toddlers, let alone the unborn, are not in a position to do so. Young adults are only minimally effective in giving political voice to the interests of their cohort; they often do not understand what those interests are. Besides, they represent an ever smaller proportion of the total population, and they are less inclined to show up at the polls than are their wizened countrymen. These factors add up to a built-in democratic bias against the young. More precisely, it is a bias of the democratic welfare state. At a point receding in historical memory, the state was loath to engineer wholesale redistributive policies or to impose conditions on freedom of contract. Mechanisms for favoring one age cohort over another were correspondingly limited. Starting with the New Deal and picking up steam in Lyndon Johnson's Great Society, those restraints were relaxed and then obliterated. Budgets have become a kind of commons on which the young are singularly ill equipped to graze.[22] There is, so far as I can see, no effective political

21. No single statistical comparison is dispositive, but in fiscal year 2015 federal, state, and local government funding for all levels of education totaled $922 billion, with much of these gains going to educators rather than to students ("U.S. Education Spending" n.d.). During the same year, Social Security and other federal, state, and local old-age pensions amounted to $1.247 trillion, and Medicare and other health-care expenditures for the elderly totaled $536 billion ("United States Federal, State, and Local Government Spending" n.d.).

22. James Buchanan has pursued this theme in several works (see, e.g., Buchanan and Yoon 2004; also see Tempelman 2007).

barrier to lopsided age-related policy. This isn't good for the young, nor does it bode well for the overall society. Onerous financial commitments and sclerotic labor markets are sand thrown into the gears of the economy. So, too, of course, are the demographic facts of inexorably aging populations.

Some will profess to see no injustice in burdens placed on the young to benefit the old because economic growth will inevitably afford them ample compensation.[23] What they now are losing on the swings they will sooner or later gain on the roundabouts.

The objection is important and deserves an examination more extended than I can offer here. I restrict myself to four brief observations. First, there is no guarantee that the vigorous economic growth enjoyed by the West for the previous two centuries will continue. Whether because easy productivity gains have already largely been achieved or because the demographics of aging and shrinking populations render societies sclerotic, extended secular stagnation is not an impossibility. Second, some of the burdens now being forced on the young are not readily compensable. In particular, being trapped in unduly protracted dependency on one's parents or the state by the unavailability of rewarding work can permanently blight a life. Third, the implicit premise that forced transfers are morally acceptable if those who are victimized now will eventually regain their losses is dubious ethical theory. Fourth, even if current generations eventually do jump on the growth train, it is clear that the generational bounce they eventually receive will be anemic compared to the bounce enjoyed by preceding cohorts.

The focus of this essay has been the U.S. experience, but it bears emphasis that the problems it identifies are not unique to the United States or seen there in their most extreme form. By and large, western Europe holds the lead in exploitation of the young. Countries in the European Union tend to feature more restrictive labor markets and persistently higher youth unemployment than the United States. Their unfunded pension obligations are greater, aging of populations more advanced, and birth rates lower. Europe has been slow to recover from the Great Recession, and some countries remain in recession. Of course, most are not like Greece, but even economic heavyweights such as France, Italy, and Spain are struggling to recover any degree of economic dynamism. These are Europe's woes. On the other side of the ledger are America's uncontrolled health-care expenses, which transfer to the old increasing amounts through Medicare and other programs. Another factor that will render the United States more vulnerable than many European countries is its more robust federalism. In most respects, that federalism is a constitutional virtue, but it means that many political units can promise their way into jeopardy.

The problems on both sides of the Atlantic, however, are less economic than political. Massive and continuing forced transfers from young to old enjoy the support of constituencies impervious to correction or even serious moderation through

23. Because of technological advances, they will also predictably live longer and healthier lives, during which they will enjoy conveniences that are yet undreamed of.

electoral means. Even public discussion of the issues is occasional and apologetic. Most discouragingly, the moral principles of reciprocity, nonimposition, and democratic accountability do not inform whatever degree of public debate there is. The failure is that of millions of individuals on one side or the other of ballots, but at a more fundamental level it is structural. Liberal democracy possesses resources to respond to myriad challenges, but being able to balance current and future claims is, unfortunately, not one of them. Left unreformed, societies will continue to become more economically straitened and more generationally unjust.

What, Then, Is to Be Done?

I conclude with some suggested strategies to check the advance of generational injustice. I do not expect any of them to be adopted or, if they are adopted, to stanch by more than a trickle the flow of burdens directed toward the young. Because I claim no expertise in political prediction, however, I offer them in good faith, more in hope than conviction.

1. All proposed legislation or regulatory measures are to be accompanied by a *generational impact statement* that spells out the nature and extent of any associated transgenerational impositions.
2. An alternative or supplement to a generational impact statement is establishment of a *generational ombudsman* charged to represent in all governmental decision-making bodies the interests of the young, including the unborn.[24]
3. Long-term commitments such as pension contracts, the burden of which will substantially fall on taxpayers who had not been eligible to participate electorally when the commitment was originally undertaken, will be affirmed or nullified in subsequent referendums. (So that the nullification is not in violation of rights, the original contract or legislation will include a proviso openly declaring this revisability.) In honor of its inspiration, this law will be known as the *Jefferson Amendment*.

Enactment of any of these measures awaits emergence of a consensus that piling burdens on the young for the benefit of the old is unacceptable. But given a political ethos in which extension of public benefactions to any "worthy" group is understood to be what government is for, no such consensus is likely to emerge, not even among those who are net losers. Until and unless the moral underpinnings of the liberal democratic welfare state undergo intensified skeptical interrogation, there is little hope for relieving burdens on the young—and on the rest of us.

24. This suggestion builds on the literature of generational accounting, a core text of which is Kotlikoff 1992.

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