



Rationality and politics in long-term decisions

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Abstract. A central question in the conservation and exploitation of nature is the time perspective used in decisions. According to the standard economic theory, decision makers tend to favour immediate benefits at the expense of more distant ones. In this essay, different economic and philosophical arguments for and against this practice are discussed. The conclusion is that although long-term decisions are qualitatively different from 'normal' decisions, the difference cannot be represented in terms of a uniform discount rate. The latter part of the essay discusses the question of how societies can be made less myopic. As we need constitutional restrictions to protect minorities, we may also need similar restrictions to protect the interests of future generations.

Key words: democracy, discounting, future generations, long-term decisions, time preference

Introduction

According to received wisdom, human beings tend to favour the present at the expense of the future. There is wide agreement that in some cases this disposition is clearly irrational, while in other cases there may well be good reasons for it. But is there any *general* reason for this preference, as many people (especially economists) seem to think? I shall examine several possible reasons – and find all of them wanting.

First, I distinguish between *individual* and *social* long-term decisions. The arguments for and against discounting future benefits in one type of decisions do not automatically hold in the other type of decisions. There are at least two important differences between these situations. Individuals are mortal, while societies are not, at least not in the same sense. And while short-sightedness in purely personal individual decision making may be merely imprudent, in social decision making it may also be unethical. I shall distinguish between *inter-* and *intragenerational social decisions*. It is not clear that the various contingent arguments hold equally in both cases.

Second, supposing that there are no general reasons for discounting future values, what consequences, if any, does this result have for politics? Here I shall relate my discussion to the tradition of political theory. In classical political theory, the myopic nature of individual decision making was often seen as one

justification of the state. In liberal democracies, however, all decisions are supposed to be ultimately dependent on the will of the citizens – but what if the democratic will suffers from chronic weakness? As T. B. Macaulay remarked almost 200 years ago, a democracy which thinks in terms of present interests only is no different from an oligarchy.

The irrelevance of time

Suppose that a decision maker can choose between two alternatives: either getting benefit a at the time t_1 or getting benefit b at a later time t_2 . If the decision maker chooses a rather than b *only* because she can have a earlier, we say that she has a *positive time preference*.

Two things should be noted about the notion of positive time preference. First, there are several contingent reasons why it is sometimes reasonable to prefer earlier benefits to later ones. These reasons will be discussed later. Second, there are two notions that are related to time preference but not identical with it. A decision maker can be *akratic*, suffering from the weakness of will, or she can be *myopic*, unable to evaluate future benefits correctly. Thus, there are four potential sources of the preference for earlier benefits: (1) reasons which are contingently related to the temporal distance of gains and losses, (2) akrasia, (3) myopia, and (4) pure time preference. (1) is rational, while (2) and (3) are by definition irrational. The status of (4) is open: it can be either required, permitted or forbidden by rationality.

The difference between akrasia and myopia is this: An akratic decision maker knows that b is, according to her own evaluation, better than a , but she still chooses a rather than b . A myopic decision maker believes – erroneously – that a is better than b because she has a systematic tendency to overestimate the value of earlier benefits at the expense of later ones. We tend to think that myopic and akratic decision makers are irrational; they would have a good reason to make a different choice. It is part of the meaning of these notions that akratic and myopic decision makers would themselves agree on this if they were able to see their own choices clearly. It is typical of akratic and myopic choices that they are associated with *regret*, and partly for this reason akrasia and myopia are seen as expressions of irrationality. Not only the actions but also the preferences of reasonable decision makers should be consistent. If I prefer not to have the preferences I actually have, or have had, or will have in the future, I am less than fully rational. For methodological reasons, economists have some difficulty distinguishing between these phenomena. Firstly, economists tend to infer preferences from actual decisions (rather than, say, from questionnaires). Secondly, only market decisions are counted. Thus, if people regret their own past short-sightedness, this is not reflected in economic models.

The notion of pure time preference is not self-evidently connected with irrationality. In principle, people could have a taste for certain temporal moments as they may have a taste for certain colours or sounds. They may simply want to have something now rather than tomorrow, or vice versa. But there is something odd about this idea. If we think that all our preferences are simply ‘raw’ tastes, incapable of being justified, criticized or revised in a rational way, then preferring the present to the future is like preferring whisky to vodka. Raw preferences are neither rational nor irrational; they are just *allowed* by our rationality.

It is, however, clear that most of our preferences are not ‘raw’ in the sense that they *can* be subjected to rational criticism. First, our preferences are related to our beliefs: we desire goods because we believe that they have some desirable properties, and these beliefs can be true or false. Second, some preferences could be judged irrational because they are not coherent with other preferences and beliefs we have. Suppose that someone prefers whisky to vodka, but only because the word ‘whisky’ begins with ‘w’ and she tends to like all things which begin with that particular letter. Surely we would call her preferences irrational. But why? The reason seems to be that differences in the spelling of the names of various drinks (unlike the tastes of the drinks) are not related to anything else we tend to regard as important. Thus, preferences can be irrational in the sense that at least some differences between one’s objects of choice are not reasonable grounds for preference judgements. Most philosophers and economists do not think that pure time preference could be a matter of ‘raw’ preference. They tend to favour the two more extreme alternatives: either they see time preference as a form of irrationality, equating it with akrasia or myopia, or they see it as part of universal human rationality.

According to a long tradition, the pure temporal distance of the consequences of our actions is irrelevant. Thus, Henry Sidgwick (1874/1962, pp. 136–37) wrote that “the time at which a man exists cannot affect the value of his happiness from a universal point of view”, while according to F. P. Ramsay (1928/1978), to “discount later enjoyments in comparison with earlier ones” is “a practice which is ethically indefensible and arises merely from the weakness of the imagination”. Similarly, the economist A. G. Pigou (1920/1952, pp. 24–25) calls time preference a “lack of the telescopic faculty”, while for Harrod (1948, p. 37) it is “a polite expression for rapacity and the conquest of reason by passion”. Thus, they all see pure time preference as immoral and irrational, reducing it to myopia (Ramsay, Pigou) or into akrasia (Harrod).

There is, however, another tradition which sees time preference as rational. In this view, time preference is not considered a matter of taste which could or could not be open to criticism. Instead, it is seen as one standard we use in criticizing human choices and evaluations; people do not only tend to prefer

earlier benefits to later ones, but they *should* have this preference. According to the Neo-Austrian economist Ludwig von Mises (1949, p. 408), people prefer immediate satisfaction to more distant satisfaction. Waiting is, as such, a source of disutility. This is also the view of those classical political economists who emphasized ‘abstinence’ rather than risk-taking as the justification of interest and profit. But the roots of the idea are in the 16th century critique of the traditional Scholastic prohibition of usury (Rothbard 1990, p. 217).

The relevance of time: discounting

In mathematical decision models, the relevance of temporal distance between the given alternatives can be expressed in terms of a *discount rate*. It expresses the present value of the future consequences of our decisions. To take a simple example: A project will produce some net benefits over the next 50 years. Thereafter, it will produce social costs of one million dollars per year *ad infinitum*. By using a discount rate of 10%, the present value of these costs is 85 000 dollars. If the (discounted) net benefits exceed this, a decision maker should be willing to impose annual costs of one million on all future generations until the end of time (Nash 1973, p. 611). What – apart from the pure time preference – could be a reason for such a practice?

The argument about diminishing marginal utilities

Economists usually think that the marginal subjective value or utility of goods decreases when the number of goods increases; a family has less use for a third TV set than for their first one. If a decision maker can be sure that the number of goods will increase in the future in any case, she has a reason to favour the present in her decisions. This can be formulated in utilitarian terms: the same number of material goods produces more utility now than in the more affluent future. It can also be formulated in terms of justice: the present generation is likely to be poorer than the following generations, and therefore it has a right to favour itself.

In short-term decisions diminishing marginal utility is quite often a valid reason for discounting. In long-term social decisions the general validity of the diminishing marginal utility argument presupposes that (i) economic growth will continue in the future and that (ii) other consequences of growth, like pollution, do not override the positive effects of growth. However, (i) and (ii) are not self-evident. They are usually justified by referring to the past development (Baumol 1970), but there are two problems in this defence. First, by referring to any past development and extrapolating from it to the future, we just suppose that our present situation is not a unique one – in other words, we

are supposing what should be proved. No more in nature than in society does a smoothly growing curve give us a right to believe that it will continue its growth forever. Second, the truth of presuppositions (i) and (ii) *partly depends on our decisions and also on the discount rate we use when making decisions*. If we decide to ignore the long-term negative effects of our decisions, appealing to the idea that in the future people will be better off in any case, our decisions themselves may make (i) and (ii) untrue. If universally applied, the argument about diminishing marginal utility may be self-defeating.

The uncertainty argument

The standard supposition is that the more distant a future event is, the more uncertain it is, and the less we know about its consequences. For individuals, there is a simple and universal reason to make this supposition. There is at least one certain event in the life of any individual, namely that in some day it will end. *Ceteris paribus*, the longer the time horizon, the more probable is it that we will be dead before it ends. This gives a clear and intuitive *prima facie* reason to favour benefits that are temporally closer to us, a reason which should, of course, be balanced against other uncertainties.

Societies, however, are not mortal in the same sense as humans are: they may die, but they are not *bound* to die. Hence, the principles applied in social decision making need not be the same as those applied in our individual decision making. Trudy Govier (1979, p. 108) notes that we do not, strictly speaking, know that there will be any people at all in the future, for a world-wide catastrophe (e.g. a nuclear disaster) is a real possibility. As a justification of a positive discount rate, this argument is partly circular in the same way as the Diminishing Marginal Utility Argument is. There is no reason to suppose that a world-wide catastrophe will happen within any reasonable planning horizon except *as a consequence of our own decisions*. *Après nous le deluge* is always an irresponsible attitude, and it is particularly irresponsible when it may 'realize itself' through irresponsible decisions based on this very attitude (Price 1993, p. 195).

Although societies may escape some aspects of the human predicament, they cannot escape all of them. The time horizon of social decision makers is not the same as that of individual ones; nevertheless, they are not necessarily better informed than individuals. They have to make their decisions under uncertainty, and the amount of uncertainty is to some extent a function of the time distance. Thus, they still have a *prima facie* reason to discount future benefits. More precisely, we can distinguish three different sources of social uncertainty:

- (A) Uncertainty about the consequences of decisions.
- (B) Uncertainty related to future knowledge and technology.
- (C) Uncertainty about future tastes.

None of these is totally absent in individual cases. But it is just the longer time horizon (combined with the magnitude of decisions) that makes these factors particularly relevant in social decision making. Uncertainty concerning the consequences of our actions is a part of the human condition, but the development of modern science and technology has made it more acute and important than before. The development of modern science has increased our ability to predict the consequences of our actions, but at the same time it has expanded our ability to act in an even more dramatic way. Thus, there has been a simultaneous expansion of knowledge *and* of (practically relevant) ignorance. Paradoxically, if our ability to produce significant changes in the external world grows more rapidly than our knowledge of the total consequences of our actions, there is a sense in which we know 'less' of the world than we did 500 years ago. The decisions concerning the depletion or conservation of natural resources probably provide the most dramatic examples of this change.

Popper (1957) has remarked that we cannot, strictly speaking, know what we will know in the future. Of course, journalists, futurologists, and even research councils try to do just that. They try to predict, for example, when an AIDS vaccine will be invented. However, guesses concerning our future knowledge cannot be better grounded than our present hypotheses concerning the subject matter itself (in this case, AIDS). First, we may predict that certain problems which are not yet solved will be solved in the future; for example, we may invent substitutes for scarce raw materials. Second, we may predict that in the future there will be new opportunities to utilize (and conserve) existing resources more effectively. Thus, it is not wise to use them up now. The first argument speaks for discounting distant consequences, the second against it. They do not cancel each other, but together they speak for a more qualified attitude. But it should be noted that both effects depend on two suppositions which we usually take for granted, namely that we will always learn more and that we are not going to *forget* things. The curve which represents the growth of human knowledge will always rise. Without challenging the accuracy of this picture of the future, we can still notice that it is not a correct picture of our past.

Uncertainty about *future tastes* (C) is interesting, for it seems to provide a separate argument for discounting future benefits in social decision making (Haveman 1977; Goodin 1978). Any attempt to appeal to the welfare of future generations has a potentially paternalistic aspect, for there is no way to ask what they want. Suppose we make great sacrifices in order to preserve forests for future generations. What if they should prefer the economic benefits which could have been produced by exploiting the forests in the most effective way? People usually argue the other way round, but in principle the argument is symmetrical. Because we do not know whether our descendants will prefer forests to economic benefits, the only way to 'take their interests into account' in our decisions is simply to impose our own value judgements upon them.

The argument may take a more radical form. Martin Golding (1972) has speculated with the possibility that future generations may have so different values and tastes that we would refuse to include them in our moral community.

This seems to provide an argument for discounting:

The moral drawn from this rather extreme example is that the more distant the generation we focus upon, the less likely is it that we have an obligation to promote its good. (ibid., p. 98)

However, differences in tastes and values are not, as such, reasons to exclude anyone from the *moral* community. Golding assumes that the members of future generations could be so unlike us that we would see them as moral monsters. But there seem to be no specific reasons to suppose that they actually will be monsters – or angels, for that matter. There are, however, reasons for supposing that they will at least share some basic needs and values with us. However, we have to admit that our concern for the future necessarily has a paternalistic and perfectionistic element if our choices really have predictable and irreversible effects upon the life conditions of future generations. We can justify the protection of the ozone layer by saying that future generations are as likely to need it as we are, irrespectively of their particular values. But we cannot pretend to know that a particular forest has to be conserved on grounds that future generations are going to miss it if it is destroyed. Rather, we want to conserve it because, according to our *own present* values, they *should* miss it. It is quite likely that if all the forests of the world were destroyed, future generations would not miss them very much; they would not know what they have lost. (Do the inhabitants of the Mediterranean region really miss the magnificent forests destroyed by their ancestors?) When making decisions concerning the future, we are also making decisions which may have an effect upon future tastes and values. Thus, even this argument may have self-fulfilling (or self-destroying) consequences. Our present choices may influence the values adopted by our descendants (cf. Sagoff 1988, p. 63).

The paradoxes of infinite time horizons

If *all* moments of time and *all* generations should be treated as equals, the time horizon used in social decision making should be infinite (or, rather, indefinitely long). Intuitively, the very idea of planning for an infinite future is obscure. It is likely that the universe itself is not eternal; but even if it were, planning for eternity sounds like an attempt to play God. The accusation of trying to play God is commonly and justly directed against those technological enthusiasts who dream of changing the whole world by technological means; but it can be directed with equal force against any futurist who draws blueprints for the whole future history. Moreover, the notion of infinity is a notorious source of all kinds of conceptual paradoxes. Ludwig von Mises (1949,

p. 494) points out that if a decision maker has an infinite time horizon and a constant *negative* time preference (she always prefers remote gains to earlier ones) then she ends up in a paradoxical situation, for she would never enjoy her gains. Here is a social version of the same argument. Sometimes it is argued that we should not exploit non-renewable natural resources because our actions have irreversible effects, and by using them now we deprive future generations of the possibility to exploit them. But if we treat the future as infinite, every generation is faced with the same choice and the same arguments, and consequently *no* generation has a right to exploit the resources. These are treated like the last piece of the cake which is left to rot in the refrigerator because we all are polite and want to leave the last piece to the others.

Von Mises takes his argument to be a defence of *positive* time preferences, but actually its implications are weaker. The argument only shows that a combination of a constant negative time preference and an infinite time horizon produces an irrational result. But a decision maker need not have any time preferences. He may treat all moments of time as equal and base his decisions on other considerations or – in want of the latter – toss a coin.

An analogous paradox can be constructed in a decision model with a zero discounting rate and an infinite time horizon. Suppose that in our discounting model (i) the benefits are dependent on the use of some limited and non-renewable resource (say, crude oil), (ii) the planning horizon is infinite, (iii) the ‘law’ of diminishing marginal utilities holds, and (iv) the used discounting rate is zero. In such a case there is no optimal solution. The less we use the resource during a given time period, the more there is left for future use and the better is the result. But at the limit where the amount used during any time period equals zero, the result is the worst possible: the resource does not produce any benefits at all (see Meade 1968, p. 236; Kananen 1982, pp. 101–28). The consequence is *not* that we should reduce our consumption to the subsistence level. Some people seem to think so; Maurice Dobb, for example, argues that the state should not attach equal weight to consumption in every time period because doing so would “lead to a situation where one was always ready to starve oneself in the present so long as there was any annual benefit however small to be derived from adding to the community’s stock of capital” (Dobb 1960, p. 19). But the consequence is not that there exists some particular level at which consumption is optimal; it is that when suppositions (i)–(iv) hold, there is *no* optimum level, for an infinite number of people cannot share a finite pie in an equitable way. The main culprit for this paradoxical result, then, is supposition (ii). Infinite planning horizons simply do not make sense for finite beings like us. But these paradoxes do not justify the practice of discounting the future benefits within any *finite* time horizon. They just remind us that reason puts certain constraints on our responsibility for the future; they do not give reasons for adopting any particular policy.

A discussion of the arguments

We have not found any universal reason to favour the present over the future. While the practice of discounting future consequences of our actions may be justifiable in individual cases, there is no general justification for it. As Parfit (1984, p. 486) says, “all these different reasons need to be judged separately, on their merits. To bundle them together in a social discount rate is to blind our moral sensibilities.” The Diminishing Marginal Utility Argument and the Uncertainty Argument may hold in particular cases, but their usefulness is dependent on contingent conditions which should be examined rather than supposed. These arguments neither justify a general policy of discounting future benefits nor establish a single general discounting rate in those cases in which discounting seems to be justified. They show that some factors relevant in decision making tend to change as functions of time; they do not show that the temporal distance as such has any independent relevance. Certainly, they do not justify the acceptance of catastrophic consequences, however distant those consequences may be.

Moreover, we saw that both arguments may have self-fulfilling as well as self-defeating effects. Their validity depends on the future state of the world, but this state itself is affected by the decisions we make now. The problem of self-fulfilling and self-defeating effects is that the future state of the world is the outcome of innumerable independent decisions. In many cases, the effects of an individual decision are so marginal that a decision maker could take the future as an externally given fact. The choice of the social discount rate may constitute a problem of collective action (see Sen 1967). Every individual decision maker (an individual government or organization) is willing to use a lower discount rate *on condition* that other decision makers are willing to use it too. But if the discount rates used by the others can be taken as givens, one has no motive to use a different rate.

We should distinguish the descriptive uses of time preferences from the normative ones. People may actually prefer earlier benefits, and if we want to describe their actual preferences (e.g. in an economic model), we should include this particular preference in the description. But its use in a normative model is an instance of what Sartre (1943, pp. 85–111) calls *mauvaise foi*, ‘bad faith’. A decision maker cannot say to herself: ‘I just happen to be a myopic person; I prefer immediate satisfaction. Therefore I *have* to discount the future benefits.’ Such a decision maker would treat herself as an object moved by blind psychological forces, not as a free being.

Many theorists have expressed our conclusion by saying that ‘all moments of time should be treated equally’ or that our aim should be ‘intergenerational equality’. While the arguments discussed above do not justify the general use of a discount rate, our discussion of them shows that such expressions can be

partly misleading. For they convey the impression that we can plan for the future in the same sense in which we plan for our contemporary societies. Given our limited knowledge, an 'equal treatment' of future generations means only that *we have no right to make decisions which would, according to our present knowledge and values, impose on them such costs and risks as we would not be willing to assume by ourselves*. More detailed planning for the future is not possible. Suppose that we could overcome our present ignorance and have the required power and knowledge to make detailed plans for the future. Future generations would, then, possess at least equal knowledge and power to undo our plans by making their own.

The state and time preference

My intermediate conclusion is that there is no universal rational or moral reason to discount future benefits in social decision making. There still remains the question of how social decisions should be made. In a liberal democracy, officials' and politicians' duties to strive for the general good are constrained by the rights of individuals. As consumers and producers, the individuals have a right to strive for their own particular good; as voters and taxpayers, they have a right to control the actions of their representatives. Both liberal market-thinking and democratic thinking are essentially related to the notion of the sovereignty of ordinary citizens. Now, as members of a democratic polity, we have a right and even a duty to criticize the decisions made on behalf of us. Democracy is not based on the idea that the majority opinion is always the correct one. Nevertheless, there ought to be some determinate way to make social decisions, a final procedure against which there is no further right to appeal.

There are two possible ways of determining the social discount rate in a liberal-democratic state. It could be determined democratically, according to the will of the majority. Or it can be determined by using the current discount rate used in markets. Markets are supposed to be neutral in respect of individual preferences. But actually, they are neutral only between the preferences of those individuals who are able to pay for the satisfaction of their preferences. Future generations have no purchasing power. The question is: Would the democratic method do any better in this respect?

The problem has long theoretical roots. In the political theory of the 17th and 18th centuries, the central task of the state and the government was to promote the long-term interests of citizens and to hold their myopic and akratic dispositions in check (Hirschman 1977; Robinson 1990). On the one hand, human beings were seen as driven by both reason and passions; the duty of the state was to stay on the side of reason, take the side of the citizens'

nobler self against the lower one. On the other hand, even reasonable individuals were faced with the problem of collective action described above: why should they make sacrifices for the future if there is no assurance that others were willing to make them too?

This strain of thought is particularly clear in the political works of Benedict de Spinoza (1670/1951, pp. 73–74) and of David Hume (1739/1948, pp. 100–101; 1741/1948, p. 311). In Spinoza and Hume, and later in Bentham, the task of the government is to uphold such a system general rules that secures public utility by counteracting this tendency.

As a part of the utilitarian heritage, the criticism of time preference was passed into the 19th century by utilitarians like J.S. Mill, Henry Sidgwick and Alfred Marshall. They agreed that as a psychological phenomenon, time preference was widespread but rationally unjustifiable. In economics, this utilitarian view was forcefully presented by Arthur C. Pigou in his *Economics of Welfare* (1920). Pigou distinguished between objective well-being and subjective desires, and saw the divergence between them as a major problem in normative economics. In the normal case, these would coincide, and hence governments could use market prices as the basis of decision making. However, there was “one very important exception”. Subjective time preference was a “wholly irrational preference”, resulting from “defective reasoning”, and therefore “the State should protect the interests of the future in some degree against the effects of our irrational discounting and of our preference for ourselves over our descendants” (Pigou 1920/1952, p. 29).

The aristocracy of the present generation?

One classical justification of state intervention, then, is the supposedly myopic nature of individuals. In order to balance the in-built short-sightedness of the individual citizen, the task of the state is to adopt a long-term perspective and take the responsibility for those decisions that will produce benefits only in the long term. If the decisions cannot be made in the market, if they have to be made by the government in any case, this view has no paternalistic implications (Robinson 1990, p. 260). But the problem is that the modern citizen is supposed to be the ultimate sovereign, not only in markets but in politics too. Although a democratic state is entitled to use a lower discount rate than that used in markets *if* the citizens approve this, it is not entitled to disregard citizens’ *political* preferences. A dictatorial or autocratic state can do it, but the modern state is a democratic state, and if people generally are short-sighted, they are likely to be short-sighted in politics too. This is not a new observation. In his *Essay on Government* (1823) the utilitarian social theorist James Mill declared that only a representative democracy can “insure the identity of

interest” between a community and its rulers. T. B. Macaulay answered to Mill in *The Edinburgh Review* in 1828:

Even if we were to grant that he [Mr. Mill] had found out the form of government which is best for the majority of the people now living on the face of the earth, we might still without inconsistency maintain that form of government to be pernicious to mankind. It would still be incumbent on Mr. Mill to prove that the interest of every generation is identical with the interest of all succeeding generations.

The case, indeed, is strictly analogous to that of an aristocratic government. In an aristocracy, says Mr. Mill, the few, being invested with the powers of government, can take the objects of their desires from the people. In the same manner, every generation in turn can gratify itself at the expense of the posteriority, – priority in time, in the latter case, giving advantage exactly corresponding to that which superiority of the station gives in the former. That an aristocracy will abuse its power is, according to Mr. Mill, matter of demonstration. Is it not equally certain that the whole people will do the same; that, if they have the power, they will commit waste of every sort on the estate of mankind, and transmit it to posteriority impoverished and desolated? (Macaulay 1829/1992, pp. 294–95)

If we, like Stephen Marglin in his article on the social discount rate (Marglin 1963), take it as “axiomatic” that “democratic politics can only reflect the preferences of those people who are members of the present polity” (ibid., p. 97), we are faced with Macaulay’s problem. Moreover, those methods which are likely to increase the democratic nature of polity are also likely to increase its short-sightedness. For example, the parliamentary responsibility of Cabinets and the relatively short terms of election increase the accountability of decision makers and make them more responsive to the wishes of their constituents. But *if* people, contrary to reason, have time preferences, institutional solutions which increase political responsiveness shorten decision makers’ time horizons. To quote Colin Price (1992, p. 125), “although society may be regarded as immortal, a government achieving several terms in office still has a life-span shorter than that of an average human”. Politicians who have to fight for re-election all the time are not only sensitive to the wishes of their constituents. They may actually make the public *more* short-sighted by directing all the attention to those decisions which have immediate, visible effects. It seems that a concern for democracy and a concern for future generations are simply not compatible.

However, we need not accept Marglin’s ‘axiom’ that the preferences of the voters are all that matters in a democracy. For example, children or immigrants are not full citizens in Marglin’s sense, yet a democratic state cannot just ignore their needs or rights. In his critique, Macaulay is able to show that even the most democratic state does not reflect the interests of all concerned: at best, it reflects the interests of the present generation and its immediate descendants. Some authors have actually thought that non-democratic governments might be better in this respect (Heilbroner 1974). But if we accept the postulate that a government reflects the interests of those who govern, this critique would apply to any non-democratic form of government with an even greater force. The

only way out of this dilemma would be to prevent governments from acting on the basis of prevailing *interests* only. Governments should also be able to honour their present *commitments*.

Constitutionalism is the means by which democratic decision makers can commit themselves in a democratic way: in constitution-making the democratic *polis* democratically limits its own power (Holmes 1988). A constitution could not force the decision makers to use any particular policy, but it could put constraints on policies – for example, by restricting the state’s power to exploit natural resources or to pollute the environment.

The purpose of such restrictions would be to limit the power of the present generations over the future. However, by enacting a constitution, the present generation also exercises power, and not only over itself but over future generations, who are equally supposed to be bound by the constitution. Thus, constitutionalism exemplifies a general problem of humankind. On one hand, we want to choose our values by ourselves instead of just uncritically adopting those transmitted to us by earlier generations. On the other hand, we want to commit future generations to adopting the values we regard as the right ones. (We, as individuals, face the same dilemma in our everyday lives. We want to be free from the burden of our past commitments and at the same time be able to bind our future selves.)

The modern Western constitutional tradition has obvious difficulties in handling constitutional restrictions purported to protect future generations (or nature). For the tradition has typically seen constitutions as analogous to *contracts* or *agreements*. According to what might be called the Hobbesian tradition, a constitution can be seen as an alternative to fighting: it provides peaceful means of regulating conflicts between individuals and groups with opposite interests (Buchanan 1975). On the other hand, human beings also have common interests. Constitutional arrangements may also provide a basis for mutually beneficial cooperation (Rawls 1971). Finally, constitutions may be seen not as convenient compromises or as mutually beneficial arrangements, but as moral agreements based on collective moral discussion and deliberation, in which different viewpoints are presented, criticized and modified (Habermas 1996). But in our present case, no version of the contract or agreement view seems to work. Because future generations do not exist, we cannot interact with them. They can neither threaten nor benefit us. For a ‘Hobbesian’ theorist, this should be a decisive argument. Contemporary theorists of constitutional contract, like John Rawls (1971), have not been happy with this conclusion; but it is revealing that Rawls can include our obligations to future generations in his theory of justice only by departing from his original idea that the rules of justice result from a self-interested agreement, and by adding a separate motive of impersonal sympathy. Nor can we discuss and argue with the members of future generations: they cannot express their viewpoints to us. What makes the

notion of a contract or an agreement appealing in constitutional theory is the underlying idea of *conditional reciprocity*: we are willing to honour certain fundamental restrictions if – and only if – you are willing to do the same. In the case of restrictions protecting the future, this idea is simply absent.

There is no simple solution to the problem. It is clear that we cannot base our decisions on any other values than those we share at the moment; it is equally clear that forthcoming generations will evaluate the consequences of our decisions according to the values they share. But if the value of the continuous existence of a value-creating community itself is among those values we transmit to posterity through our institutions, there is some hope that it will, in turn, transmit it further. In the words of Edmund Burke, society should be seen as a partnership “between those who are living, those who are dead, and those who are to be born” (Burke 1790/1986, pp. 124–25; cf. Tenenbaum 1989).

Discussion

There are no general reasons to treat the distant consequences of our decisions differently from the more immediate ones. The standard justifications of such a practice have no universal validity. However, our ignorance concerning the distant future is qualitatively different from that concerning the near future, partly because the distant future is constituted by the consequences of our own decisions. The argument about the impossibility of infinite planning horizons shows another inherent limitation of long-term decisions. Our relation to the distant future is different, although this difference does not justify the practice of discounting the *known* consequences of our decisions. Generally, the difference cannot be captured in any simple formula.

A society needs a supreme and final decision making procedure; in democratic societies, it is the democratic procedure that makes the majority of the citizens the sovereign. A present democratic majority is, however, always in the minority in respect of the future members of a society. There is no way to consult the opinions of those yet unborn. But the present democratic majority may – and if there are no general reasons for discounting the future consequences, *should* – commit itself to restricting its decisions in a way that ensures the continuous existence of the society. However, any policy we have in respect of the future inevitably has a ‘paternalistic’ character in the sense that it is formulated in accordance with our values.

In this short philosophical treatment of long-term decisions, one ‘result’ clearly emerges: the whole issue of the rationality of long-term decision making is infected by problems not found in ordinary decision-making situations. What we need is, if not a new theory, at least new viewpoints and new conceptual apparatuses with which to handle these problems.

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