

Foundation for the Rights
of Future Generations
Editor

Demographic Change and Intergenerational Justice

The Implementation of Long-
Term Thinking in the Political
Decision Making Process

Contents

Part I Demographic Trends

1	Low Fertility in Europe in a Global Demographic Context	3
	<i>Wolfgang Lutz and Vegard Skirbekk</i>	
1.1	Introduction	3
1.2	The End of Population Growth in a Demographically Divided World	4
1.3	The Changing Global Distribution of Population and Human Capital	8
1.4	How Low Can Fertility Fall in Europe?	10
1.5	Three Mechanisms that May Cause a Downward Spiral in Future Birth Rates	13
1.6	Conclusions	17

Part II The Impact of Demographic Developments on Key Indicators

2	Demography and Budget Consolidation: An Analysis and Possible Courses of Action	23
	<i>Johannes Meier and Ole Wintermann</i>	
2.1	Introduction	23
2.2	Public Debt Monitor	24
2.3	Successful Consolidation: An International Comparison	27
2.4	Reform Measures on the Expenditure Side	27
2.5	Reform Measures on the Revenue Side	28
2.6	Institutional Changes in the Budget Process	28
2.7	Drawing Conclusions from “Soft Factors”	29
2.8	Summary and Outlook	29
3	Intergenerational Justice and Economic Growth. A Challenge for Economic Policy	31
	<i>Michael Hüther</i>	
3.1	Economic Theory and the Theory of Justice	31
3.2	Germany: Facing Demographic Change and the Need for Education Reform	33

3.3	Driving Forces of Economic Growth	39
3.4	The Concept of Intergenerational Justice	43
3.5	A National Strategy for Long-term Growth	47
4	Demographic Development: Not Really a Problem for Coming Generations	53
	<i>Thomas Straubhaar</i>	
4.1	Introduction	53
4.2	Demographic Change and Economic Consequences	54
	4.2.1 A Few Theoretical Preliminary Remarks ...	54
	4.2.2 ... and Their Empirical Relevance	57
4.3	Prospects	59
	4.3.1 More Goods for Less People	59
	4.3.2 Growing Populations in Other World Areas	60
	4.3.3 Aging, Not Shrinking Is the Problem	60
4.4	Political Recommendations	61
4.5	Family Policy	61
4.6	Migration	61
	4.6.1 Immigration Is a Help but Not a Solution	62
4.7	Increasing Duration of Working Life	63
	4.7.1 Work Longer!	64
4.8	Increase of Labor Force Participation	64
	4.8.1 Women at Work!	64
	4.8.2 Old, Not Stupid!	65
4.9	Reform of Labor Force Behavior	66
	4.9.1 Lifelong Learning	66
4.10	Reform of the Pension System	67
	4.10.1 Many, Instead of Single Pillars	67
	4.10.2 Make Your Choice!	68
4.11	Summary	69
5	Macroeconomics and Age Structure in a Welfare State – Sweden 1946–2005	71
	<i>Thomas Lindh and Bo Malmberg</i>	
5.1	Demography and Welfare State Macroeconomics	71
5.2	Macroeconomic Mechanisms for Age Effects	74
5.3	Estimation Methods	78
5.4	Estimated Age Patterns	81
5.5	Discussion of the Estimates	84
5.6	The Importance of Age Structure for Swedish Economic Development	87
5.7	Concluding Remarks	91

Part III The Relationship Between Key Sustainability Indicators and Intergenerational Justice

6	Demographic Change and Sustainability: A Generational Balance	99
	<i>R. Andreas Kraemer, Daniel Blobel, Anneke von Raggamby, Doris Knoblauch</i>	
6.1	Introduction: Is Growing Good and Shrinking Bad? Or Vice Versa?	99
6.2	What Does “Generational Balance” Mean in the Context of Sustainability?	100
6.3	Demographic Development in Germany – Regional Disparities	101
6.4	Germans Don’t Like Children?	101
6.5	Who Should Have a Family	103
6.6	... Where Have the Women Gone?	103
6.7	Germany’s East Is Emptying!	103
6.8	Consequences of Spatial Distribution Underestimated	105
6.9	Energy, Settlements, Mobility – Securing Public Utilities and Services	105
6.10	Rapidly Changing Lifestyles After the War	105
6.11	Heritage/Legacy	107
6.12	Demographic Change Will Be No Solution	108
6.13	Options for Future Developments	111
6.14	A Change in Energy Consumption Is Required	111
6.15	Energy, Settlements and Mobility Are Interconnected	113
6.16	Natural Heritage – a Matter of Culture	116
6.17	Our Natural Heritage Is Cultural Heritage	116
6.18	Conservation Versus Development: Leading the Way into the Impasse?	116
6.19	Forces of Change	117
6.20	Preserving Nature by Allowing for Change	119
6.21	Conclusion: The Challenge of Adaptation	121
7	Intergenerational Justice in an Extreme Longevity Scenario: Ethical Issues in Biogerontological Endeavours	127
	<i>Ulrich Feeser-Lichterfeld</i>	
7.1	Introduction	127
7.2	Truth About the Fountain of Youth?	128
7.3	Ethical Issues in Biogerontological Endeavours	129
7.4	Consequences for Intergenerational Justice?	130
7.5	Anti-aging or Acceptance of Frailty and Finiteness? – A Question for All Generations	132

Part IV Intergenerational Justice and Population Policies

8 An Ethical Assessment of the Legitimacy of Anti-natalistic Birth Policies	137
<i>Joerg Chet Tremmel</i>	
8.1 Introduction	137
8.2 Focus on Anti-natalistic Birth Policies	137
8.3 The Human Rights Discourse and the Ethical Discourse	142
8.4 The Dissemination of Birth Policies	143
8.5 The Role of the State	143
8.6 The Democratic Proviso	145
8.7 The Classification of Birth Policies	146
8.7.1 The Indirect Approach	146
8.7.2 The Appellative Approach	147
8.7.3 The Financial Incentives Approach	147
8.7.4 Restricting Financial Incentives	148
8.7.5 Imposition of Financial Disincentives	148
8.7.6 The Rationing Approach	148
8.8 The Link Between Inflexibility and Efficiency	148
8.9 Reaching Ethical Decisions	150
8.10 Incentives and Disincentives	152
8.11 Are Bonuses and Maluses Equal from an Ethical Point of View?	152
8.12 The Four-fifths Rule	153
8.13 Arguments Against the Four-fifths Rule	156

Part V The Implementation of Long-term Thinking

9 Changing the German Constitution in Favor of Future Generations – Four Perspectives from the Young Generation	163
<i>Marco Wanderwitz, Peter Friedrich, Anna Lührmann, Michael Kauch</i>	
9.1 Introduction, by Joerg Tremmel	163
9.2 Intergenerational Justice from the Perspective of the Christian Democrats/Christian Socials, by Marco Wanderwitz, Member of the German Bundestag (CDU)	164
9.3 Intergenerational Justice – The Social Democratic Perspective, by Peter Friedrich, Member of the German Bundestag (SPD)	165
9.4 “We Have Only Borrowed the Earth from Our Children” – The Green Perspective, by Anna Lührmann, Member of the German Bundestag (Green)	168
9.5 Intergenerational Justice in the Constitution – The Liberal Perspective, by Michael Kauch, Member of the German Bundestag (FDP)	171

10 Demographic Pressure and Attitudes Towards Public Intergenerational Transfers in Germany – How Much Room Left for Reforms?	175
<i>Harald Wilkoszewski</i>	
10.1 Introduction	175
10.2 Theoretical Starting Point – Mannheim’s Concept of Political Generations	177
10.3 Preferences Towards Public Intergenerational Transfers	180
10.3.1 Beyond the Dichotomy of Altruism Versus Exchange: Motivations for Intergenerational Transfers	181
10.3.2 A Set of Motivations for Public Transfers	184
10.3.3 Empirical Findings on Preferences Towards Public Intergenerational Transfers	186
10.3.4 Socio-demographic Influence on Preferences Towards Public Transfers: Does Age Matter?	188
10.3.5 Conclusions	189
10.4 Empirical Analysis: Public Intergenerational Transfers in Germany	190
10.4.1 Excursus: Policy-relevant Demographic Trends and the Recent Transfer Policy Shift in Germany	190
10.4.2 Current Preferences Towards Public Transfers: Descriptive Findings from the Population Policy Acceptance Survey 2003	194
10.4.3 Preferences of the Elderly Towards Transfers for the Younger Generation: Does Age Matter?	200
10.5 Summary and Directions for Future Research	203
Information on the Foundation for the Rights of Future Generations	207
Subject Index	211
Index of Persons	217

Part V
The Implementation
of Long-term Thinking

UNCORRECTED PROOFS

Chapter 9

Changing the German Constitution in Favor of Future Generations – Four Perspectives from the Young Generation

Marco Wanderwitz, Peter Friedrich, Anna Lührmann,
Michael Kauch

translated by Michelle Wenderlich

9.1 Introduction, by Joerg Tremmel

In Berlin, 100 Representatives of the Bundestag have introduced a bill to add the principle of intergenerational justice to the Constitution (<http://dip.bundestag.de/btd/16/033/1603399.pdf>). Since autumn 2003, the Foundation for the Rights of Future Generations (FRFG) has fought both inside and outside of Parliament for this bill. In more than a dozen workshops, representatives of the foundation met with young Representatives to work on its formulation. The proposed bill (16/3399) was introduced by 27 Representatives of both the CDU und SPD, as well as 25 Greens and 21 Representatives from the FDP. With a new Article 20b, the state will be bound to better protect the interests of future generations. The text is as follows: “The state must consider the principle of sustainability and must protect the interests of future generations in its decisions”. In addition, Article 109 of the state’s financial guidelines would also be expanded to limit the national debt.¹

The younger Representatives in Parliament have thus started a new “generational project”. They will no longer accept that the costs of today’s actions (or lack thereof) are laid on future generations. It is they who will be held responsible for today’s policies, after their older colleagues have long retired. For the first time the Left-Right spectrum is being replaced by a Young-Old spectrum. This alliance is limited, however, to this single effort.

¹ In the German original: Article 20b: “Der Staat hat in seinem Handeln das Prinzip der Nachhaltigkeit zu beachten und die Interessen künftiger Generationen zu schützen”. Article 109, Paragraph 2: “Bund und Länder haben bei ihrer Haushaltswirtschaft den Erfordernissen des gesamtwirtschaftlichen Gleichgewichts, dem Prinzip der Nachhaltigkeit sowie den Interessen der künftigen Generationen Rechnung zu tragen”.

The representative of each party for this initiative was requested to answer the following two questions:

1. Why, from your (Christian democratic/Christian social, social democratic, green, liberal) perspective, does the anchoring of intergenerational justice and sustainability make sense?
2. How would you evaluate the process of cooperation on the initiative up to this point?

9.2 Intergenerational Justice from the Perspective of the Christian Democrats/Christian Socials, by Marco Wanderwitz, Member of the German Bundestag (CDU)

For years, demographic change and intergenerational justice have stood in the center of the work of the younger Representatives of the Youth Caucus of the CDU/CSU (“Junge Gruppe”). We see intergenerational justice and sustainability not only as principles of environmental policy – that is, of course, a main point – but also as part of social and financial policy. Demographic change, with continually lower birth rates, family politics is another field of politics, that we are willing to handle with much more intense by the way not only from that point of view, are leading to a social security system where the needs of the older generation must be met by an ever smaller group of wage earners. At the same time, the burden of taxes and repayment of state debt are falling on ever fewer shoulders.

This situation requires not only substantial reform and revaluation of the social security system and budget process to enable us to support them over the long term, but also a comprehensive inclusion of principles of intergenerational justice in all facets of the political system.

In day-to-day work in a democracy, there is a tendency to prefer the needs of the present, and today’s voters and special interests. This structural problem has the consequences that today’s policies are made mostly to the detriment of future generations. In addition, our Constitution currently effectively protects only the rights of present generations. Together with the bias toward the present, this policy leads to the end outcome of visible and ever more immanent state indebtedness. Time and time again, our burdens are pushed onto the future. The freedom and flexibility of future generations to shape their own policies and world is nearly being taken away. Despite the fact that Article 115 of the Constitution contains intended checks on debt accumulation, a mountain of debt can still be acquired without direct consequences.

The anchoring of intergenerational justice in the Constitution, as an aim of the state through a new Article 20b and a revision of the existing Article 109 in the budget policy, should make the state consider and protect the interests of

future generations in its policies. With the adoption of intergenerational justice in the Constitution, all branches of government, but especially the legislative, will be charged with institutionally implementing intergenerational justice. It should then be possible to anchor generational accounting and further assessments of intergenerational justice in the consciousness of politics and society. We politicians then must be conscious that the younger and coming generations in Germany need a sign of a change of course in the direction of intergenerational justice, in order to have a viable future for our country. Its definition as a goal of the state would be such a sign.

The common goal of the sponsors of the constitutional reform is to create a fair balance between individual responsibility and solidarity for each generation, and also between generations. All of the four parties agree on this goal, albeit not on how to achieve it. The adoption of the change is not primarily a question of which party one belongs to, and the crossing of party lines and cooperation that has lasted now over years show the seriousness and commitment of the Representatives. This is not glorious work. The long and intensive process of unifying the format of the changes has shown that Representatives are willing to lead constructive discussions, and reach compromise independently of their party membership. Our work is above all goal-oriented and pragmatic. Nevertheless, it is clear to the 100 co-sponsors that each party has its own priorities, and thus will also differ in opinion over the implementation of the reform. We prefer, however, to first pass the reform, before we discuss these issues.

9.3 Intergenerational Justice – The Social Democratic Perspective, by Peter Friedrich, Member of the German Bundestag (SPD)

Together with other parliamentary groups, the SPD re-launched the nonpartisan initiative to implement the principles of intergenerational justice and sustainability in our Constitution in the summer of 2006. The initiative has been suspended in the last parliamentary term due to the reelection in 2005. About 100 members of the parliament from different generations support the project to change our Constitution in order to make intergenerational justice and sustainability an aim of our state. The initiative is based on the belief that the adjustment of politics to support intergenerational and sustainable policies needs a broad consensus among all parties. For this reason, representatives of four of the present five parliamentary parties support the initiative: the Social Democratic Party (SPD), the Christian Democratic Union (CDU), the Free Democratic Party (FDP), and the Alliance 90/The Greens. Only the Left Party rejects the idea entirely. The broad consensus of four political parties is rather unusual in German politics, and emphasizes the importance of the project. We are uni-

TS Note:
Please
provide
a shorter
running
title

fied in the goal – even though we differ in opinions how to reach it. I witnessed the cooperation between the young members of parliament of all parties to be very constructive and collegial.

The bill aims to introduce a new Section 20b into our constitution, within the section where the aims of our state are defined, and to change Section 109, where the national budget policies are laid down, as follows:

- Section 20b: the state must consider the principle of sustainability, and must protect the interests of future generations in its decisions.
- Section 109, Paragraph 2: in managing their respective budgets, the Nation and the Länder shall take due account of the requirements of the overall economic equilibrium, as well as the principle of sustainability and the interests of future generations.

The needs of the present generations have to be reconciled with the life prospects of future generations. Political action must be sustainable and intergenerationally just. But in political day-to-day business, the costs of our decisions are often transferred to future generations, a fact that can easily be seen in our enormous national debt. This indebtedness restricts the opportunities of future generations to design policies, and narrows their freedom to create their own future. The constitutional amendment would obligate all branches of government, especially the legislative, to respect the interests of future generations, and to consider the long-term effects of present actions.

We understand intergenerational justice as part of an extensive concept of sustainability, which applies to all political fields in a way similar to the principle of the welfare state as stated in Section 20a.

We must grant future generations the opportunities to make their own decisions, to design their own future. That should not be limited to eco-policy and energy policy. It also should comprise the sphere of finance, education, the labor market, and healthcare. And to base this sustainable and responsible policy on a solid and long-term foundation, we advocate the constitutional amendment.

Like the requirements of the welfare state, the concepts of intergenerational justice and sustainability are far from clear. They are, in fact, quite vague in their meaning. But that is no reason to abandon these concepts. And, of course, our initiative is not undisputed, even among our own ranks, especially with regard to the relation between sustainable financial policy and the consolidation of the national budget. But it is, and has always been, the specific legal and political applications of our laws that make these living and relevant to our time.

In my opinion, social democratic politics is based on at least two fundamental principles. The first is the strong conviction that the concept of justice has to be a guiding principle in politics. Persons, facts, and issues have to be treated equally under equal or similar circumstances. Second, we believe that one significant condition for the survival of our community, and to maintain the human face of our society is that every part of our society, especially the leaders of politics and economy, must show solidarity with one another. When shaped by solidarity, our society keeps a promise to everyone: no matter what

will happen, we will not let you down, you will not be alone, and we will help you out. Solidarity is the only kind of insurance that is able to forgive personal failure. With these two concepts in mind, it should be clear that we will always need a system that balances between the poor and the rich, between the generations, between the young and the old, and between healthy and sick persons. Therefore, intergenerational justice is part of a broader concept of justice, as one fundamental pillar of social democratic politics. The vision of social democratic policy is made up of the realization of the political, social, and economic basic rights through their effective institutionalization.

Modern civilizations can not be governed only by appeals to personal conscience. In order to substantiate our moral values on a stable, reliable, and lasting foundation, we have to lay these down in the general conditions and rules of our society. And the most important framework of our society is our basic constitutional law. With the implementation of intergenerational justice and sustainability in our Constitution, all branches of government, especially the legislative, would be charged to realize intergenerationally just and sustainable policies. Every political decision-making process would have to be vetted to meet the requirements of the principles of intergenerational justice and sustainability.

Beside the institutionalization of these basic rights, we have to ensure that all members of our society have the feeling that the distribution of achievements, life prospects, social participation, education, etc. are just in our society. The degree of the realization of justice in our society serves as the legitimizing factor of our politics. Our decisions today directly affect the lives of future generations, and are often made to their detriment. With the implementation of intergenerational justice and sustainability in our Constitution, a first important step would be made to put an end to this injustice.

Intergenerational justice demands that the present generation fulfils its needs without risking that future generations can not fulfill theirs. In my opinion, the indebtedness of our state, for example, contains a deep injustice, even outside of the burden it presents to future generations. The debts of today are the taxes of tomorrow. Moreover, the national debts, and the payments of interests correlated with these work as a reallocation from bottom to top. The money for interest payments is acquired from the national revenue. Consumption tax and wage tax amount to 75% of our tax budget. Every fifth Euro from the tax budget is spent on interest payments. So, we burden the working people in order to pay the interest of wealthy people. And that can not remain that way. Beside the question how to consolidate the national budget, it is in the interest of the next generation to reduce the national debts in order to break through this reallocation.

Intergenerational justice is also always linked with the conflict between the poor and the rich. Future generations want to know what kind of society they will be born into. They ask how just the society is, and how wealth and property are distributed in it. The incomes of private households have been going down for years. Furthermore, the incomes are unevenly distributed. The poorest 20% of the population have only 10% of the total income. The richest 20% have 36%

of the total income. The picture is similar with respect to the distribution of wealth and assets in our society. The wealth of private households correlates directly with their income situation. The poorest 50% of private households have only 4% of the total wealth at their disposal. By way of contrast, the richest 20% possess about 70% of the total wealth in our society. Available income and wealth both define the position of our citizens in society. Thus, one major task is to create jobs, and to improve the chances for the next generations on the job market. In order to achieve this goal, we have to increase our investments in education and research.

Furthermore, the additional costs of demographic change have to be reflected in our tax system. In my opinion, wealth tax and inheritance tax play a crucial role in this formulation. Moreover, we have to adjust the taxation of the various kinds of wealth. In this context, I also want to mention that the financial elite are able to manage their lives without their own effort, simply by investing their capital. It is not their business ideas, not a new product or service, not their own work that are the source of their wealth. If you assume further that inheritance is one of the most significant kinds of wealth formation, the financial elite are able to live from the efforts of their ancestors. But this diminishes the innovative ability and strength of our society.

Campaigning for the weak, for the poor, and for unprivileged people has always been part of the self-conception of social democratic policy. Yet the needs of future generations are hardly borne in mind in the decision-making processes of today. They have no voice. With the implementation of intergenerational justice and sustainability in our Constitution, we will ensure that the needs of future generations will be considered in the political decisions of today.

9.4 “We Have Only Borrowed the Earth from Our Children” – The Green Perspective, by Anna Lührmann, Member of the German Bundestag (Green)

This slogan, which was already on the campaign posters of the Greens 20 years ago, is today more current than ever. Intergenerational justice was a part of the conception of justice of the Greens from the beginning. This concept makes the original green conviction clear that only politics geared toward the future can be good politics. Political decisions must be sustainable, meaning that they may not have negative consequences for future generations. Future generations should have at least the same opportunities in life as people living today.

In the public debate, however, intergenerational justice is being used ever more frequently as a synonym for “the younger generation wants to take the retirement system away from the older”. With sound bites designed to provoke, colleagues in my generation aim to get media attention, but so garner only fears from the older generation.

But this is not about a “war between the generations”. Of course, the younger generation wants things to go well for their parents and grandparents. We have a lot to thank them for – growing up in peace and prosperity, our upbringing and education, and much more. And by the same token, the older generation of course wants their children and grandchildren to have a secure future. So, we should not let the Mißfelders² and Hirrlingers³ of this world convince us to start a generation war. We have collective problems that we can solve only collectively.

The future of our children has been jeopardized by ecological depletion, as well as short-sighted social, economic, and financial policies for a long time already. It is high time to act.

Intergenerational justice offers the chance to take a long-term look at politics. Our democracy now obviously has a deep-seated structural problem: its bias toward the present, and disregard for the future. Only people living today take part in elections, and in the majority, from politicians they want answers only to the problems that face them today. It is thus rational for politicians to satisfy first the wishes of the populace that were expressed in the last elections, or perhaps those that will be issues in the next. The flaws of the government can so be explained, but that does not excuse placing burdens on the future with an excessive national debt. In environmental and energy policy, the effects of today’s actions can extend particularly far into the future, as some policies can cause irreversible damage. We need to invest in sustainable education and research, instead of concentrating on these short-sighted programs, which will not be sufficient to solve our problems.

We are making the same mistakes as previous generations. Many problems that will face us in the future are already known. Measures to solve these problems early, however, are not politically feasible, because they do not currently have direct effects on the lives of voters.

Intergenerational justice in the Constitution should put an end to short-sightedness in German politics, and institute an equality of opportunity between generations.

Some examples from current political debates illustrate this problem.

- Researchers have been warning us for decades about global warming. The Alliance 90/The Greens have been fighting just as long for initiatives in this field. Earlier, we were laughed at by the other parties – now, they are trying to address the issue, but with inadequate copies of our original propositions. Even so, political initiatives up to this point have been insufficient. We have

² Philipp Mißfelder, a former speaker of the “Junge Union” (the youth organisation of the Christian Democrats), generated a media outcry when he said: “I don’t like the idea that an 85-year old can receive money from the social security system for hip replacements. Earlier they just used a cane”.

³ Walter Hirrlinger, born in 1926, is the president of the “Sozialverband VdK Deutschland”, a pressure group advocating for the rights of veterans and retired persons.

not instituted necessary reforms like the removal of tax exemptions from air travel, the introduction of CO₂ limits for trucks and vehicles, or the institution of a trading system for industrial pollution.

- For decades, the national debt of Germany has been growing ever larger. In principle, there is nothing against state debt, but these debts must be paid back in good economic times. At the moment, a large part of the interest payments of around 45,000,000,000 Euros a year is paid with the taking up of new loans. Our current options of how to deal with debt policy are already being limited. And the debt burden itself grows at a rate of 2,113 Euros per second, further limiting the options of future generations.
- The unemployment rate of older workers has been above the national average for years. However, there are still no retraining and lifelong learning programs that could effectively work against these problems.
- The left within the SPD is arguing against the initiative of younger Representatives for the implementation of intergenerational justice in the Constitution, stating that “the interests of future generations cannot be known to us”.

These examples make frightfully clear the importance of an all-encompassing commitment to the rights and opportunities of future generations. The 2002 platform of the Alliance 90/The Greens already addressed this issue comprehensively, and took the principle of intergenerational justice as a foundation in various policy areas. Therefore, we are very happy to have reached a preliminary decision about the development of the bill with the SPD, CDU, and FDP in October of 2006.

Many of the suggestions of The Greens dealing with intergenerational justice over the past decades did not have public opinion on their side. However, our constant demands for sustainable policies, once a political disadvantage, have now become an advantage. We can show that long-term sustainable environmental policy helps our children’s children, even when it brings with it some unpopular measures. The best example for this is the introduction of the ecotax as part of the ecological financial reform. Green ideology has been decried for years, but few today doubt its effectiveness.

In addition, the SPD-Green coalition has already succeeded in instituting a sustainable, climate-friendly energy provision during the last legislative period. The Renewable Energy Bill is an important building block for generationally just energy and environmental policy. By supporting the development and use of renewable resources and energy, we protect our natural resources. At the same time, renewable resources have turned into an important factor for the economy. The national allocation plan is a precondition for the trade of emissions as a central element of a climate policy that is based on market forces, rather than government regulation. Moreover, environmental protection creates jobs. Already today, more than 130,000 people are working in the renewable energy industry – more than in the coal and nuclear energy industries combined. Through ecological modernization, we can invest in, and export innovation. Whoever sees environmental policy as a hindrance to growth is stuck in the

past, because building a sustainable economy offers us a chance to create new economic sectors, jobs, and prosperity for the future.

But there is still much more to be done – also outside of environmental policy. In social policy, no solutions are currently being found to deal with the burdens of the retirement and pension system. Moreover, demographic change will burden all future generations more than that of the present. Other examples come to mind concerning budget policy, when we have to take out a credit to pay off debts that earlier generations accumulated. All of these aspects should at long last gain the importance they deserve, through a foundation of intergenerational justice in the Constitution.

One goal of our initiative is to generate a wide public discussion on the issue, and gain further support for the goal of sustainability. Of course, not all the details of the bill have yet been clarified, and the content of the changes to the Constitution will necessitate further political compromise.

But by and large, we can evaluate the whole process as a productive one. Also within the core group of supporters, a new type of political understanding has developed: young, pragmatic politicians who can agree on collective measures to address future-oriented policy. To be sure, the media has viewed the process as a curiosity, convinced that it must be led along party lines. But in the long-term green perspective, we view this consensus as a constructive basis on which to build sustainable ideas of intergenerational justice in the future.

9.5 Intergenerational Justice in the Constitution – The Liberal Perspective, by Michael Kauch, Member of the German Bundestag (FDP)

The Constitution protects the freedom of today's citizens, and sets limits on state actions. There are no limits, however, on constraining the freedom of future generations. It is even politically attractive to deliver goods to today's voters, but foot the bill to our grandchildren and great-grandchildren.

Intergenerational justice mostly takes place today as compensation for the different interests of the present generation. The interests of future generations, however, are hardly considered in the political decision-making process. To be sure, we set "sustainability" and "intergenerational justice" as goals in the discussion of political and social issues, but this rarely translates to actual application in laws. We need effective, long-term politics. Sustainable politics will work for our grandchildren as well. It is not only an insurance of the future of coming generations, but also a recognition of the achievements of the older generation.

For liberals, intergenerational justice is the fulfillment of the social, ecological, and economic interests of current generations, without incommensurately encroaching on the prospects of future generations. The FDP has recognized the principle of responsibility for coming generations since 1997 in its Wiesbaden resolution, as well as advocating a socially and ecologically oriented market economy.

We face large challenges, particularly in the area of securing our natural basis of existence. We especially need to protect the climate, develop an energy system designed for the future, and protect biological diversity, and thus the genetic reproduction potential of our planet. To act to protect the interests of today's youth and future generations, we need to invest in research and development of these areas, and institute market incentives and a legal framework for dealing with these issues.

Social and financial sustainability is particularly endangered today. National debt, and a social system without financial backing lead to exploitation of coming generations. The financing of the social security system is in danger especially when one considers the effects of demographic change. The system must be reformed. The problems of financial support for retirement, health, and old age care are above all questions of finding a balance of contributions between generations. Of all parties, the FDP sees the largest role for individual responsibility within the context of intergenerational justice: only when the social security system moves toward private accounts can the system truly be sustainable. Only this efficient and consistent approach to financial backing of the retirement, health, and old age care systems will present an answer to demographic developments.

The liberals want an ordered withdrawal from the overburdened and heavily indebted state. Thus, the "modest state" must be constitutionally anchored. The heaviest burden of future generations is the ever more quickly growing national debt, which translates into higher taxes and contributions in the future. This terrible debt takes away from future generations the freedom and opportunities, and possibility to shape politics. The alteration of Article 109 in the Constitution will hinder the ability of the Nation and Länder to borrow more.

The FDP is also the only party to speak for a reform of the limits to debt in the state's financial guidelines, to stop the path toward a nation of debt. Those who want to permanently abolish state debt must forbid the uptake of new debts in the Constitution. The FDP supports a further reform of Article 115, implementing the application of the Maastricht criteria in the Constitution. Additionally, the possibility for exceptions to the prescriptions of Article 115 contingent on economic conditions should be reduced.

The implementation of intergenerational justice and sustainability in the guiding principles of the Constitution will present the state with legally binding impacts. Every government is responsible for respecting and adhering to its laws and decisions. As a directly specified goal of the state, the principles of intergenerational justice and sustainability would receive a higher priority. They give a clear charge to lawmakers to implement future-oriented policy.

The liberals also emphasize intergenerational justice as part of the national sustainability strategy. For a long time, we have advocated the creation of official balance of accounts between generations. In this intergenerational accounting, the contributions and burdens of society in regard to coming generations should be compared. Thus, we could see the relationship between, on the one hand, contributions in education, support for children and youth, and

investments in infrastructure, and on the other hand, social security, national debt, the pension system, and environmental damage. This would create transparency, and form the foundation for a systematic evaluation of the intergenerational contract for lawmakers.

In our nonpartisan initiative to introduce intergenerational justice in the Constitution, our aim is to codify intergenerational justice as a goal of the state, and as a foundation for the national and Länder budget processes. We are unified in the goal to require the protection of future generations within the Constitution. A new Article 20b will be added: “The state must consider the principle of sustainability and must protect the interests of future generations in its decisions”. This would be an expansion on the 1994 addition of Article 20a mandating ecological sustainability.

The anchoring of intergenerational justice and the principle of sustainability in the Constitution would allow coming generations a greater influence on political decisions. The important thing for now is introducing the debate of intergenerational justice into the political arena, so we can later address ways to reach this goal.

The young representatives in the German Bundestag have succeeded, despite political differences, in creating a central goal of future-oriented policy. This is promising for the development of a national sustainability strategy. It hopefully will also mean that the parliamentary committees on sustainable development can orient themselves toward long-term goals, not only those focused on the next election.

UNCORRECTED PROOF