Intergenerational Leadership: Coordinating Common Goods and Economic Stability

Julia M. Puaschunder
The New School for Social Research, The Schwartz Center for Economic Policy Analysis, Department of Economics

Columbia University, Graduate School of Arts and Sciences

Globalization leveraged pressure on contemporary society. Global systemic risks of climate change and overindebtedness in the aftermath of the 2008/09 World Financial Crisis currently raise attention for intergenerational fairness. Pressing social dilemmas beyond the control of singular nation states call for corporate social activities to back governmental regulation in crisis mitigation. The following paper promotes the idea of intergenerational equity in the corporate world as an alternative means to coordinating the common goods and imbuing economic stability beyond a purely governmental approach. The outlined intergenerational equity constraints herald a call for intergenerational equity – the fairness to provide an at least as favorable standard of living as enjoyed today. As an implicit contract and transfer inbetween living and future generations, intergenerational equity avoids discriminating against future generations and ensures future infrastructure, equal opportunities over time and constant access to social welfare for the youth. Intergenerational equity grants a favorable climate between generations and alleviates frictions arising from the negative impacts of intergenerational inequity. Outlining some of the causes of the current intergenerational imbalances regarding climate stability and overindebtedness prepares for recommendations on how to implement intergenerational transfers. The impact of intergenerational transfers on societal well-being is discussed. Future research avenues comprise of investigating situational factors influencing intergenerational leadership in the international arena in order to advance the idea of the private sector aiding on intergenerational imbalances and tackling the most pressing contemporary challenges of mankind.

INTRODUCTION

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

Though looking back to an epoch of enormous economic progress in the 20th century; the improvement of living conditions seemed to be slowed from the turn of the millennium on due to the impact of unforeseeable system fragility. The era of globalization, featuring complex interconnections and transactions faster than ever before in history, appeared to imply emergent systemic risks (Centeno &

Tham, 2012). What happens in one part of the world today, impacts around the globe. The global interconnectedness imposing dangers creates a need for framework conditions securing from negative consequences emerging from the new web of social, ecological and fundamental transfers on a grand scale (Centeno, Cinlar, Cloud, Creager, DiMaggio, Dixit, Elga, Felten, James, Katz, Keohane, Leonard, Massey, Mian, Mian, Oppenheimer, Shafir & Shapiro, 2013).

Tomorrow's children may not enjoy the same standard of living as Western World economies in the eye of climate change, overindebtedness and heightened austerity demands. Global challenges of climate change but also overindebtedness in the aftermath of the 2008/09 World Financial Crisis currently raise attention to transnational intertemporal fairness. Intergenerational equity nowadays has come into public scrutiny entering the academic and practical discourse in the public and private sector.

Since the 2008/09 World Financial Crisis pervaded societal demand to increase the socioethical commitments of corporations. Social awareness due to mass media reporting heightened stakeholder pressure exerting influence on corporate decision makers for ethicality. Therefore today's most pressing societal long-term downfalls call for corporate social activities to back governmental regulation to steer intergenerational justice. In the implementation of intergenerational equity, the age of globalization shifted the influence of national governments and their policies as a predominant forces in the economy to international governance of the corporate sector. Since decisions in one country can directly impact on the interest of citizens of other societies in a whole new range of trans-boundary problems, the range of influence and efficacy of national democracy got challenged. Limits to and the constraints on national economic autonomy and sovereignty have become blatant due to increased international interdependence. With a trend towards the constitutionalization of free trade and capital movements through bi- and multilateral agreements to protect free markets around the world, corporatism stepping in on societal downfalls grew (Panitch & Gindin, 2012). Holding widespread access to vital economic resources and markets, today multinationals have become quasi-global governance institutions that leveraged into implicit legal and political authorities to regulate economic activity in the architecture of the world economy.

The following paper promotes the idea of intergenerational equity in the corporate world as an alternative to national governance and novel extension of contemporary Corporate Social Responsibility (CSR) models. Intergenerationally responsible leadership is built on the idea that corporate executives have an obligation to incorporate needs of far-ranging constituents, including future generations. In the eye of a current pressing demand for attention to intergenerational equity in the domains of climate justice and austerity, the following paper theoretically highlights the corporate world's potential to alleviate current intergenerational equity imbalances and explores intergenerational justice implementation strategies of the corporate world.

INTEGRATION OF INTERGENERATIONAL EQUITY IN CSR MODELS

Globalization converged the concept of nation states (Held & McGrew, 2007). Nowadays the range of opportunities of what contemporary nation states can autonomously do is ultimately limited by their dependence on each other (Panitch & Gindin, 2012). The role of states in maintaining property rights, overseeing contracts, stabilizing currencies and reproducing class relations has gradually deteriorated since the beginning of internationalization. International interdependence limits national sovereignty and economic autonomy (Held & McGrew, 2007). In the wake of global capitalism, the power and political authority have been diffused away from local state ruling to global governance. The classic ideal of the command and control state was displaced by a philosophy of global economic hegemony (Held & McGrew, 2007).

While industrialization has weakened the power of local governance and national control, globalization has also lead to unprecedented problems of climate change and overindebtedness in the aftermath of the 2008/09 World Financial Crisis. Globalization also shifted national governments' intergenerational equity implementation to international governance solutions in the corporate world (Panitch & Gindin, 2012). Nowadays pressing dilemmas beyond the control of singular nation states call for attention for intergenerational fairness and corporate social activities to back governmental crisis mitigation (Centeno et al., 2013).

In the light of growing sociopolitical and environmental challenges, heightened stakeholder concern has risen attention of global stakeholders on corporate ethical conduct in the intergenerational domain. Today's intergenerational imbalances become blatant through information provided to stakeholders by heightened transparency in the digital age that makes corporate conduct and governmental actions visible to a broad range of constituents. Local communities, customers, employees, and NGOs as well as shareholders are increasingly monitoring ethical behavior in the digital age featuring greater transparency, accessibility and reachability of corporate conduct. Especially in the aftermath of the 2008/09 World Financial Crisis, corporations have become under scrutiny for societal contributions and corporate board managers increasingly respected for corporate social conduct with stakeholders playing a conspicuous role in influencing the interaction between governments and business. The corporate world is nowadays more than ever urged to consider the needs of a wider range of stakeholders in their decision making, go beyond ethical requirements and outperform responsibility expectations within the surge of a positive organizational scholarship movement.

With growing socio-political and environmental challenges around the world in the domains of financial social irresponsibility, environmental resource consumption and growing costs for an aging populace, there is increasing pressure from stakeholders – among them governments, local communities, NGOs, and society at large – that corporations and their leaders contribute to societally-attentive business practices. Access to information law revolutions in the Western World have steered attention to corporate ethicality. Corporate social reporting and the engagement of stakeholders have led to the adoption of a variety of global ethical standards, which may directly impact on the propensity to engage in intergenerational equity implementations. In the age of heightened shareholder and stakeholder activism towards corporate social endeavors, the time is ripe to investigate the potential of corporate activities to engage on intergenerational equity in the aftermath of the 2008/09 World Financial Crisis.

As multilayered economic system are structured by the strategic coordination of international corporate entities, corporate multinationals nowadays have turned to solve global societal crisis beyond the control of singular nation states. International trade, global capitalism and economic hegemony of corporations have led to a strategic coordination of public and private actors' awareness of intergenerational imbalances (Binder, Kriebaum, Marboe, Nowak, Reinisch & Wittich, 2014). Intergenerational equity deficiencies subsequently are tackled in bottom up approaches to shed light on the rights of upcoming youth, voice the needs of unborn not being present in courtrooms and lobby for favorable future conditions.

Increasing and expanding CSR initiatives indicate that more and more business leaders commit their companies to contribute to the "triple bottom line" to harmoniously considers social, environmental, and economic sustainability in every day corporate decision making (Elkington, 1997). Respect for 'people, planet, and profits' has become a corporate necessity and industrial imperative. Corporate sustainability and social responsibility has thus emerged to unprecedented momentum in academia and practitioners' discourse. In the international arena, the UN Global Compact has raised over 10,000 members 2000, including over 7,000 businesses in 145 countries around the world. Today business leaders tend to contribute to the creation of economic and societal progress in a globally responsible and sustainable way by means as never before experienced.

Given the pressing demand for attention to climate change mitigation and overindebtedness soft landing demands in the aftermath of the 2008/09 World Financial Crisis, the need for an introduction of intergenerational equity conscientiousness in the corporate world is blatant. In a climate of corporate governance and global challenges beyond the control of singular nation states, the idea of promoting intergenerational equity in the corporate world has reached unprecedented momentum. Departing from narrow-minded, outdated views of responsibilities of corporations only adherent to making profit for shareholders and abiding by the law (Friedman, 1970); corporate executives nowadays are more prone to act responsibly in meeting the needs of a wide range of constituents. Apart from avoiding unethical societally harmful behavior, such as bribery, fraud and employment discrimination, corporate executives currently pro-actively engage in corporate governance practice with a wider constituency outlook, including the needs of future generations.

The future conceptualization of sustainable and responsible managerial behavior may therefore embrace the wider constituency range and stretch the concept of corporate responsibility to voluntary sustainability for future generations. An extended stakeholder view considers a broader set of constituencies, including future generations, in corporate decision making with impact on the social performance and long-term viability of their organizations. A broader, social contract between business and future society may be enacted by discretionary activities that are not expected of corporations and their leaders in a moral or legal sense but directly contribute to societal welfare and the wellbeing of future generations. This suggests that there is a need for a broader definition of corporate responsibility that goes beyond compliance and encompasses the obligation to contribute to societal progress in a responsible and sustainable way.

Intergenerationally responsible leadership is called for that steers intentional corporate executive actions to benefit the stakeholders of the company as well as the larger society including future generations. Intergenerational corporate leadership imbues s*hould-do* care for future generations alongside concerns about future society. Not simply considering to avoid unethical behavior, such as bribery, fraud and employment discrimination, but also adopting a positive and proactive ethics lens, intergenerationally responsible leadership is an ueberethical drive to consider the interests of a wider range of stakeholders. Intergenerational justice concerns of the corporate world thereby directly reach out to future world inhabitants. Surpassing state-of-the-art ethical corporate leadership quests on ethically compliant behavior and avoidance of unethical corporate conduct, incorporating intergenerational equity into contemporary CSR models may extend the idea of 'positive CSR' – that is outdoing legal and ethical expectations – with respect for future constituents. Going beyond mere compliance involves actions that pro-actively promote social good, beyond what is required by law, intergenerational corporate responsibility extends CSR as a broader social contract between business and society over time. Intergenerational equity leadership of the corporate sector defines social responsibility beyond compliance and encompasses the wider obligation to contribute to societal progress in a responsible and sustainable way. Stretching the constituency attention to future generations is based on a voluntary sustainability with respect for future generations' needs to ensure the long-term viability of society.

Corporate leaders thereby pro-actively outperform legal and ethical expectations regarding the rights and needs of future generations. This positive CSR drive refers to an ueberethical enhancement of societal welfare beyond the narrow scope of the current generation. As a broader definition of corporate responsibility beyond avoidance of negative downfalls, the call for intergenerational responsible leadership in the corporate world encompasses the obligation to contribute to societal progress with respect for the needs of future generations. Defining novel responsibilities with a broader social contract between business and society embraces discretionary activities that contribute to sustainable societal welfare and thereby provides a broad range of corporate, social and societal advantages.

INTERGENERATIONAL CSR MODEL ADVANTAGES

In the given literature on global responsible leadership in the corporate sector and contemporary CSR models, intergenerational equity appears to have widely been neglected. While the notion of sustainability has been integrated in CSR models (Steurer, Martinuzzi & Margula, 2012), intergenerational equity has hardly been touched on as intergenerational fairness differs from sustainability as for being a more legal case for codifying the triple bottom line, which pays attention to a balance of social, economic and environmental obligations of corporations to the wider constituency.

Since 2008 the International Law Commission of the United Nations has been promoting intergenerational equity primarily on global governance issues – such as climate change awareness, overindebtedness and pension reform – to the public sector. The implementation of intergenerational equity in this domain, though, seems to be slowed by an ongoing discussion of whether international law can overrule nation states' sovereignty. The debate has just recently started and may not come to a satisfactory end in the foreseeable future.

Integrating intergenerational equity in CSR models in academia and practice appears as advantageous alternative given the enormous untapped potential of transnational Corporations and Multinational Enterprises (TC&MEs) to implement equity. Nowadays, international trade is driven by transnational corporations. As corporate entities with economic influence beyond the borders of nation states holding subsidiaries in various nations of the world (Binder et al., 2014), TC&MEs are acknowledged as international legal entities and must therefore abide by international law standards and fulfill international court laws (e.g., ICSID and UNCITRAL). As a consequence TC&MEs should, like nation states, consider adopting concern for intergenerational equity.

There are several advantages of TC&MEs implementing intergenerational equity as a CSR means. TC&MEs hold enormous economic power, with the largest multi-national corporations having revenues larger than many nation states. In their corporate governance, TC&MEs leadership decision making quickly adapts to market demands without having to reach international consensus – contrary to stakeholder engagement and international negation demands of classic global governance entities such as the United National, International Monetary Fund and the World Bank.

In addition, TC&MEs are not dependent on voters – such as governmental officials – and can thus address intergenerational concerns faster and more flexibly than governmental technocrats. Further TC&ME leadership may be more stable than governmental officials enacted through voting cycles – that is global corporate leaders are likely to stay longer in 'office' than their governmental counterparts. Governments, being unsure to be re-elected, are inherently short-sighted and may not fully take into account the longer term implications of deficits.

If the corporate world adopts intergenerational equity in current CSR endeavors, it could help governmental officials in very many different ways ranging from tax ethics to first-aid global governance support. For society, acknowledging intergenerational equity in the CSR practices promises to alleviate currently-pressing societal predicaments of overindebtedness, social welfare reform needs and environmental threats in the wake of climate change. Investigating the possibilities to integrate a temporal dimension in contemporary CSR thus innovatively guides the implementation of financial social responsibility, environmental protection education and social welfare. Corporate attention to intergenerational concerns would thereby embrace future crisis prevention in the eye of the societal costs and negative externalities of corporate misconduct and financial collapse resulting in economic downturns, unemployment and pension saving losses. Besides averting negative impacts of managerial unethical corporate conduct, corporate intergenerational ethicality would also build business reputation attracting talent, raise customer confidence as well as sustainable employee and citizenry welfare. Within academia integrating the notion of intergenerational fairness in corporate governance models fills an up-to-date undiscovered research gap that spearheads interdisciplinary behavioral law and economic models.

Overall, enhancing intergenerational social conscientiousness in the corporate world is an innovative way to unprecedentedly leverage untapped potentials to implement social welfare and environmental protection through future-oriented and socially responsible economic market approaches. Thereby averting future predictable economic, social and environmental crises serves the greater goal to ensure a future sustainable and temporally-harmonious mankind.

INTERGENERATIONAL EQUITY IMPLEMENTATION

The outlined intergenerational equity constraints are complex and their solution interdependent. The current world economy opens possibilities but also threatens future generations. This unprecedented intergenerational kink heralds an overall call for intergenerational equity – the fairness to provide an at least as favorable standard of living as enjoyed today. Eternal equity addresses justice over time. As an implicit contract and transfer in between living and future generations, intergenerational equity not only reduces unfairness for future world inhabitants who are born in less favorable condition than their parents. Intergenerational equity also ensures future infrastructure, equal opportunities over time and constant access to social welfare for the youth. Intergenerational equity avoids discriminating against future generations on the basis of remoteness of the time at which they will live. Thereby intergenerational equity grants a favorable climate between generations, ensures climate stability and averts frictions arising from austerity plans and diminishing social welfare standards.

The economics of climate stability: Climate burden sharing with bonds

Climate change accounts for one of the most pressing problems in the age of globalization as for exacerbating more risks than ever before in terms of water crises, food shortages, constrained economic growth, weaker social cohesion and increased security risks (Centeno & Tham, 2012; The World Economic Forum Report, 2015). The implementation of climate stability accounts for the most challenging contemporary global governance predicament that seems to pit today's generation against future world inhabitants in a trade-off of economic growth versus sustainability. Current climate stability policies (e.g., cap & trade, carbon tax, green energy) outline that the burden of climate change aversion – including the cost of mitigation and adaptation – is unevenly distributed by falling mostly on the current generation. The excess burden for current generations has also been implicit in the work of the typical Integrated Assessment Model, IAM, (Nordhaus, 2008), contemporary threshold as well as other mitigation and adaptation models, e.g., social cost of carbon. Innovative intertemporal fiscal policy approaches (e.g., of Jeffrey Sachs, 2014) guide the development of a basic framework to study how an efficient and fair allocation of efforts towards mitigation and adaptation can be achieved.

In standard neo-classical economic models, climate change abatement is perceived as trading off from economic growth as for cost cutting behavior. While classic economics portrayed balancing the interests of different generations as ethical problem of competitive markets requiring governance for intergenerational transfers and some economists even opposed discounting of future utilities (Allais, 1947; Harrod, 1948; Ramsey, 1928); climate change has leveraged intergenerational equity as contemporary challenge of modern democracy and temporal justice an ethical obligation for posterity.

In general, resources are balanced across generations by social discounting to weight the well-being of future generations relative to those alive today. Regarding climate justice, current generations are called upon to make sacrifices today for future generations by mobilizing low-carbon energy to cut carbon emissions to avert global warming (Sachs, 2014). Climate change mitigation at the expense of lowered economic growth seems to pit the current generation against future ones. Costly climate change abatement prospects are thus hindering currently necessary action on climate change given a shrinking time window prior to reaching tipping points that make global warming irreversible (Oppenheimer, O'Neill, Webster & Agrawal, 2011).

As a novel alternative to ensure climate justice, Sachs (2014) proposes to fund today's climate mitigation through intertemporal fiscal policies funded by climate bonds financed through taxation faced by future generations. Climate stability bonds are introduced as a means of intergenerational climate change burden sharing strategy to elicit future-oriented climate stability for posterity. The current generation mitigates climate change and provides infrastructure against climate risk financed through climate bonds to be paid by future generations. Since for future generations the currently created externalities from economic activities – the effects of $C0_2$ emissions – are removed, this entails that the current generations remain financially as well off as without mitigation while improving environmental well-being of future generations. As Sachs (2014) shows, this intergenerational tax-and-transfer policy turns climate change mitigation and adaptation policy into a Pareto improving strategy. Sachs' (2014) intergenerational burden sharing idea presents a 3-model climate change burden sharing through fiscal policy (with bond issuing) and reflects the implementation regarding contemporary finance and growth models with respect for maximizing utility of the model. The current generation thereby mitigates climate change financed through bonds to remain financially as well off as without mitigation while improving environmental well-being of future generations.

Jeffrey Sachs (2014) novel angle towards climate justice elicits future-oriented loss aversion, which lead to a fairer solution across generations. Shifting the costs for climate abatement to the recipients of the benefits of climate stability appears as novel, feasible and easily-implementable solution to nudge many overlapping generations towards future-oriented loss aversion in the sustainability domain. This powerful strategy instigates immediate climate change mitigation in an overall Pareto improving crisis management for all generations. While intergenerational burden sharing on climate change is a novel economically superior strategy and real-world relevant emergent risk prevention means (Centeno et al. 2013); we currently lack information on the impact of climate mitigation through debt on economic growth and the model's sustainability over time. Testing for the feasibility and sustainability will provide real-world relevant means how to implement climate stability on a long-term scale. Studying the types of bonds issuing that would achieve such goals will help exploring the more complicated bond issuing practices involved. In this context, it should also be investigated if the climate change debt adjusted growth model stays within the bounds of a sustainable fiscal policy.

This elementary but very innovative model by Sachs (2014) can be integrated in contemporary growth and economic climate models. Yet unknown remains how climate bonds can actually be phased into climate policies to obtain socially optimal solutions. A starting point of this large scale model is in particular the model by Klasen, Maurer, Semmler & Bonen (2015), which includes both the allocation of funds to mitigation and adaptation as well as funding those costs through climate bonds. To solve, calibrate and test such a new model of climate change policies and to show that such a debt augmented growth model stays within the bounds of a sustainable fiscal policy, new methods like nonlinear model predictive control (NMPC), which solves complex dynamic systems with different nonlinearities for finite decision horizons should be employed. Future research should also analyze micro- and macroeconomic insights on the well-balanced harmonization of climate change mitigation and adaptation in order to provide public policy recommendations.

Overall climate stability bonds offer to lead a well-balanced climate mitigation and adaptation public policy mix guided by macroeconomic analysis results. Shifting the costs for climate abatement to the recipients of the benefits of climate stability appears as novel, feasible and easily-implementable solution to nudge overlapping generations towards future-oriented loss aversion. Adding onto the contemporary idea and practice of climate bonds alongside providing incentives to channel funds into climate stability, research in this area will also retrieve information on the harmonious interplay of climate change mitigation and adaptation in the public policy domain for ensuring a sustainable mankind.

The case of overindebtedness

In response to the 2008/09 economic downturn, nations experiment with austerity, which restricts public spending but also lowers investments and thus may bleed into economic stagnation and prosperity decline. Curbing essential government spending on education, social welfare, public safety, retirement, health, and infrastructure slows economic activities and hinders recovery. The negative effects of austerity cuts are severe with estimated costs for the US between 1.25 and 1.75 percent of GDP in 2013 (International Monetary Fund, 2013). Austerity cuts in the Eurozone have led to reductions in overall output in excess of the total level of spending cuts. Austerity economics are making inequality worse due to austerity-driven cuts essential to public service (Aja, Bustillo, Darity & Hamilton, 2013; Howell, 2013; Pollin, 2013). Not only downplaying the importance of government spending neglects its multiplier effect on economic growth; but also will austerity induce recession-like effects on economic growth (Marglin & Spiegler, 2013; Proaño, 2013) and destabilize nation states (Lawson-Remer, 2013).

In Europe, austerity measured bred inequality resulting in welfare losses and extreme decreases in workers' wages. In Greece real wages fell by more than 30% since 2009, inflicting damages on social cohesion, living standards and the EU social model (Semmler, 2013). During this period of increasing financial stress and budget consolidation policy, the EU monetary union using the same currency, led to weaker countries being unable to devalue their own currency, which might have stimulated their economies by increasing exports and debt repayment burden easing (Semmler, 2013). Nations having no national central bank that can control the monetary policies of sovereign nations or a sufficient deposit insurance that might calm people who fear a banking collapse, led to countries' downward pressure on wages. Unprecedented credit expansion and active monetary policy resulted in fixed-rate, full allotment of liquidity of banks on demand on its leveraged investment positions. Longer term refinancing operations were targeted at reducing uncertainty and to encourage banks to provide credit to the economy (Semmler, 2013).

Regime dependent negative austerity multipliers resulted in different value at different stages of the business cycle at different levels of financial stress and external indebtedness of the country. In Greece, high levels of austerity triggered a strong contractionary multiplier (Semmler, 2013). The strong downward effect caused high unemployment, more financial stress in the financial sector with increased credit and bond spreads, banking risks and falling internal and external demand (Semmler, 2013). For instance, Greek public consumption fell by 9.1%, which caused investment to fall by 20.7%, imports by 3.4%, private consumption by 7.1% and the aggregate demand by 7.1%. An austerity driven reduction in spending had a stronger negative effect on output and employment when there was severe financial stress, which in turn reduced consumption and investment, feeding a downward spiral (Semmler, 2013).

Debt stabilization depends on complex regimes and the economic environment as described by financial stress, the vulnerability of the banking system, monetary policy and the state of internal and external demand, exchange rates and other factors. The level of aggregate expenditures and taxes are relevant as well as the composition of spending and taxes – if government money spending is on health, education, infrastructure and wages and salaries in the public sector, then the multiplier will trigger positive long run effects (Semmler, Greiner, Diallo, Rajaram & Rezai, 2011; Stein, 2011).

Overall, austerity as a cure is supposed to be worse than the disease as austerity economics may plunge countries into worsening unemployment, record poverty rates and growing civil unrest (Aja et al., 2013; Semmler, 2013). Hastily enacted EU austerity programs will have uncontrolled distributional effects and endanger the future of the EU welfare state (Boyer, 2012). In particular, social spending on the elderly hurts young people if retirement and elderly health care spending takes funding away from investments supporting education and youth development (Ghilarducci, 2013). Support from spending on the elderly and the young are thereby seen as complements. Policies should thus focus on economic opportunity and foster a strong middle class to stabilize democracy (Lawson-Remer, 2013). Potential policy options include increasing tax revenues for social and infrastructure spending – e.g., through taxing top-income earners (Piketty, Saez & Stantcheva, 2011) – in contrast to spending cuts and debt budget plans in line with the Bowles-Simpson proposals (Washington Post, 2013). Austerity driven by controversial economic theory and politics can thus result in inadequate socio-economic downfalls yet without austerity there is the constant fear of bankruptcy. As a result there is a deep division among economists on austerity linked to fundamental differences in morality over the ultimate purpose of economic and social policy rather than technical debates on methodology (Milberg, 2013). While the intellectual argument for austerity appears to be week, political forces behind austerity are strong (McGahey, 2013).

Austerity may deepen societal inequality and heighten the tensions and contradictions inherent in capitalist economies; we need to explore a range of policy approaches that can reduce the level of risk for borrowers and lenders through governmental loan guarantee programs and raise the costs for banks to continue holding cash hoard (Dymski, 2013). The post-2008/09 World Financial Crisis liquidity trap – featuring zero-interest rate policies – is made worse if there is a fiscal austerity agenda instead of focusing on federal stimulus (Pollin, 2013). As an alternative, President Obama sought to stimulate the economy when he took office during the Great Recession but also targeted long-term debt reduction by creating the National Commission on Fiscal Responsibility and Reform in terms of the Bowles-Simpson Commission (McGahey, 2013). However, also the effects of stimulus are still highly debated. The neoclassical idea is that government expenditure crowds out private investment, so it will not be stimulatory in the long run. The Keynes-Kalecki-post-Keynesian position states that stimulus is fine up to full employment levels are achieved, when inflation may set in. In order for stimulus to have a lasting positive impact on output, employment and real wages as well as the productivity of labor must also be raised so as to keep unit labor costs down.

DISCUSSION AND FUTURE OUTLOOK

Overall, in the eye of an unprecedented intergenerational equity kink, it has become economically efficient to think about the next generation and future world-inhabitants' living conditions. Governments must breed hope through forward looking strategies in the eye of radical austerity cuts and unemployment gaps to take away people's fear of the future. Policy makers are pressured to revise social services. While intergenerational equity concerns are as old as mankind – the 2008/09 World Financial Crisis has put a new stance on the dimensions of overindebtedness and irreversible destruction of future potential, which may serve as an explanation for the 2011 occupy Zeitgeist reclaiming public space as a symbol for common goods. In the eye of leaving next generations' debt, unfeasible social welfare and sustainability threats, intergenerational equity is an urgent topic of concern.

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

The balance between the welfare of present and future generations can also be established through spontaneous and individual saving decision of the present generation as well as policy implementations of this preference seeking to arrange tax collection and governmental actions affecting the economy to distort or amend the individual saving preferences in favor of future generations (Bauer, 1957). Social discount rates weight the well-being of future generations relative to those alive today. Society can use intergenerational fiscal transfers to allocate the burdens across generations without the need to trade off from generation's well-being for another's (Sachs, 2014).

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

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

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

A human-imbued ueberethical drive towards intergenerational conscientiousness comprising of social responsibility and future-orientation is argued as the basis of eternal equity constituting legal foundations, public policies and regulation but also echoing in bottom-up participatory democracy and social representations of intergenerational equity.

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

Future perspectives

Globalization has placed social and environmental concerns on managerial agendas to an increased extent while more and more managers operate in a global environment. Multidisciplinary and multilevel research approaches may therefore investigate the comparative and cross-national dimensions of intergenerational equity and their implications for leadership decision making and behavior in the global arena. Interdisciplinary and multilevel research approaches could feature scientific collaborations with researchers based in different countries to investigate the comparative and cross-national dimensions of intergenerationally responsible managerial behavior representing different disciplinary backgrounds (economics, business, psychology, etc.), research fields (e.g., strategy, organizational behavior, and international and cross-cultural management within the field of business), methodological approaches (both qualitative and quantitative), and regional expertise (indepth knowledge of North-American, European, and Asian business systems and institutional environments). International studies of intergenerational equity should be targeted at deriving a sophisticated conceptualization of 'responsible behavior' in the intergenerational domain that is applicable to all cultural groups and stakeholders.

International research on intergenerational equity could unravel drivers of intergenerationally responsible managerial behavior. Cross-national, multi-level analyses could thereby retrieve influence factors on the adoption of globally responsible intergenerational leadership and corporate practices. Knowledge of contextual factors that promote intergenerational managerial decision making with regard to corporate sustainability and social responsibility could include favorable characteristics of the organization and aspects of the broader institutional and cultural contexts in which firms are embedded that automatically trigger intergenerational concern. Thereby the antecedents of sustainable and responsible management at multiple levels (individual, group, organization, national context, supranational bodies) but also the interlinkages among variables should be investigated.

Institutional contexts within which companies and their managers operate determine executives' responsible choices. Differences in corporate governance and legal contexts but also the nature of regulation and the likelihood of enforcement shape business ethics as well as expectations of what is considered good governance and ethical conduct in a country. Managers' responsible leadership may therefore vary across institutional contexts in the international arena. What may be considered as intergenerational practice in one part of the world may not be ethical state-of-the-art in another. As a consequence, corporate leaders embedded in different national systems may exhibit different intergenerational ethics. Cross-national variations in socially responsible practices could be captured in order to derive implications for organizational decision makers on how their corporate responsibility. Adopted CSR strategies may be scrutinized for globally standardized, locally adapted, and transnational factors to delineate globally consistent as well as locally-oriented intergenerational equity CSR approaches with attention to intergenerational equity.

With the underlying premises of exhibited behavior being a function of both the person and the environment in which that behavior takes place, future research may also unravel ethical decision making under situational constraints that the broader cultural and institutional environment impose on the adoption of sustainable and socially responsible practices. Cross-culturally operating institutions may face challenges for intergenerational equity implementation stemming from local differences in corporate practices and social ethical norms as well as differing thresholds to sustainable behavior. For instance, challenges arise if corporations or even nation states of the industrialized world outsource intergenerational practices (e.g., environmental pollution) into territories with weaker law enforcement and public scrutiny. These findings emphasize the need for sensitivity to local conditions, transparency along the production and value chains as well as stakeholder expectations monitoring when conducting business in different contexts. Future research may also address ethical dilemmas facing managers in the global arena and their coping strategies in order to enhance research outcomes are leaders' potential operating in the global arena to balance global and local considerations in making responsible decisions. As an implication, intergenerational CSR practices should be locally-oriented and emphasize sensitivity to local conditions when conducting business in different cultural contexts. Corporate executives with foreign subsidiaries should gain training to adapt to specific needs and circumstances of local CSR intergenerational equity customs.

The role of supranational factors that influence responsible leader behavior provide further insight into the propensity to engage in intergenerational equity. With supranational institutions – such as the UN – having turned to the codification of the triple bottom line in the UN Global Compact, managers are increasingly respected for their accountability and responsibility. Insights on the influence of supranational regulatory measures and institutions (e.g., NGO activism and the enactment of the UN Global Compact) on intergenerationally-responsible managerial behavior may shed light on success factors in the adoption of intergenerationally socially responsible corporate practices in the global arena. International institutions should set priorities on the corporate intergenerational equity implementation agenda. Quantitative metrics based on standardized evaluation frameworks will coordinate a global monitoring and impact assessment of the role of corporations in the intergenerational equity implementation. Indices of local, national, regional and global corporate intergenerational equity endeavor will help build public private partnership synergies but also shed light on positive and negative externalities and trade-offs. Independent governance institutional evaluation frameworks will help streamline social, economic and environment goals through cost-benefit analysis, life cycle cost discounting and social equality programs. Public private partnerships will aid adaptability and flexibility in collaborations between governments, the private sector and academia. International organizations' emergent risk and crises prevention frameworks will help reform CSR endeavors to imbue an intergenerational equity focus.

Academic research can aid to spearhead temporal perspectives in contemporary CSR research. In particular, a macroeconomic model of global intergenerational equity could study intertemporal transfers between generations with special attention to public and private sector contributions as well as benefit and burden sharing. Based on the intergenerational equity dimensions of social responsibility and future orientation, public and private sector intergenerational benefit transfers and burden sharing will thereby capture social, environmental and economic intergenerational contribution potentials of the corporate world. Cross-cultural differences could be outlined by cross-sectional regression analyses on a global scale.

A wider conceptualization of intergenerational equity leadership based on comparative cross-cultural research will help detect intergenerational equity antecedents. Interdisciplinary, multilevel research will unravel drivers of intergenerational responsibility and situational influence factors on intergenerational conscientiousness in the international arena. Avenues of future research could also enhance our understanding of how companies and other stakeholders can effectively promote socially responsible behavior for future generations. The organizational-, situational-, societal, and supranational-level determinants of responsible managerial behavior can be influenced by top management teams, policy makers, educators, and external regulators. Best practice studies in this area could shed light on how companies can systematically design and utilize human resource management practices and leadership development programs to promote responsible managerial behavior. Prospective findings may thus enhance our understanding of how companies and other stakeholders can effectively prevent, manage and control the corporate risks associated with unethical conduct of leaders. Capturing the impact of external factors on intergenerational equitable decision making and coping with the ethical dilemmas in leadership challenges may serve as a basis for training and development activities. The implementation of intergenerational equity could further be solicited through building corporate cultures that enhance an ethical climate.

On the corporate incentive level, intergenerational equity may be implemented through performance management and reward systems to hold managers accountable for irresponsible behavior as well as creating psychological incentives to think about future consequences of current corporate conduct. Best practices studies on intergenerational equity in the corporate world will serve as corporate risk management tool to help build a culture of intergenerational CSR and foster a corporate design that pays tribute to intergenerational leadership. In building a cadre of intergenerational equity corporate leaders through corporate trainings and team building development but also corporate intergenerational performance measurement and intergenerational equity reward systems, intergenerational leadership in the corporate sector will be advanced.

At the organizational level, when recruiting, selecting and promoting managers, it is essential for organizations to understand how individual-level variables such as personality traits, motives and values may predict managers' propensity to engage in ethical behavior. For example, firms can use personality tests and integrity tests, along with interviews and assessment centers, to help determine which employees might be more likely to act irresponsibly. They can also assess applicants' attitudes and values to decide whether they will match the corporate culture, with the assumption that candidates' formal qualifications and job-related skills may not be the best predictors of responsible behavior on the job. Studying personality traits but also motives and values that steer managers' propensity to engage in intergenerational equity will allow to set up assessment centers that reveal which individuals are more likely to act irresponsibly and if the managerial ethics will likely match the corporate culture on the intergenerational equity scale.

Intergenerational equity can also be imbued in corporate activities by creating and enforcing company policies and codes of conduct, supporting training and development initiatives which are aimed at increasing moral awareness regarding future generations. Once the individual has joined the organization, induction programs, individual coaching by the supervisor, training and development programs, and other socialization practices could ensure that newcomers learn values, expected behaviors, and social knowledge that are necessary to become intergenerationally conscientious managerial leaders. In terms of communication and control systems, top management teams and governmental officials may actively promote responsible behavior and discourage irresponsible behavior by communicating ethical integrity messages. Implementing performance management and reward systems to hold managers accountable for irresponsible behavior could in addition create a psychologically favorable situation for intergenerational ethicality (Crane & Matten, 2007).

CONCLUSION

The age of globalization heralded the call for intergenerational responsible leadership. With internationalization trends imposing significant challenges regarding sustainability of climate stability, indebtedness and social welfare for an aging Western world population, the need for intergenerationally responsible leadership has leveraged into an international concern. The quest for an integration of intergenerational equity in contemporary CSR models of capitalism in the 21st century is targeted at strengthening socially responsible economic market approaches. Adopting intergenerational equity in the corporate world underlines the legal case for codifying intergenerational fairness on a global basis. Contributing to interdisciplinary behavioral law and economic models in intergenerational leadership may help alleviating current intertemporal predicaments and future predictable economic, social and environmental crises. Acknowledging the untapped potential of corporate entities to address global challenges beyond the reach of singular nation states, calls for the integration of intergenerational equity into contemporary CSR models with attention to differing societal cultural values and institutional aspects related to social responsibility and ethics. Differences in business systems, legal context, the nature of regulation and the likelihood of enforcement and punishment modes therefore have to be scrutinized when shaping intergenerational business ethics in the global arena. Future research should connect the individual experience to social responsibility in order to unravel ethicality nudges. Common goal compliance is hoped to be modeled by contexts that automatically nudge corporate decision makers in an intergenerational equitable direction. Public and private sector discourse on intergenerational imbalances will help fortify the codification of intergenerational fairness on a global scale. Internationally validated intergenerational equity models will elucidate intercultural, national and regional differences on social responsibility in the intergenerational domain. The prospective findings will help imbue efficiency measures on intergenerational equity implementation through real-world relevant means. CSR advocates advanced with intergenerational conscientiousness will lead to fruitful corporate contributions for a sustainable mankind alongside fostering a harmonious corporate-citizen relation. Cross-national sustainability solutions and interculturally-sensitive intergenerationally equitable business practices may help imbue intergenerational equity in corporate conduct in the global arena with direct implications for today's and tomorrow's society.

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