

Intergenerational Discounting and Inequality

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Abstract

We study theories of intergenerational justice that disentangle ethical attitudes toward discounting from ethical attitudes toward intergenerational inequalities. We call such criteria modular: each one is uniquely identified by a time-discounting function—capturing attitudes toward time—and a law-invariant aggregator—capturing attitudes toward inequality. We provide an axiomatic characterization of modularity and show its implications. Our framework nests the workhorse criteria used in applied work and yields large, tractable families of alternative criteria obtained by freely combining discounting and inequality attitudes.

Keywords: Intergenerational justice, discounting, inequality.

JEL classification: D30, D60, H43, I31, Q50.

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