

Intragenerational inequality and intergenerational sustainability

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Abstract

Many global agendas are intergenerational, such as climate change, environmental problems and financial sustainability, and resolving an intergenerational sustainability (IS) problem becomes pivotal for survival of humans. While there have been several works that address intergenerational problems, little is known about how people behave towards IS under the presence (or absence) of inequality. We investigate how inequality in a generation, i.e., intragenerational inequality, affects the members, hypothesizing that they behave selfishly and IS is compromised under the inequality as compared to the equality. An online intergenerational goods game (IGG) experiment is conducted with 344 subjects under three treatments that correspond to equality, high inequality and super-high inequality in a generation, respectively. In IGG, each subject in a generation decides how much she harvests for herself from an intergenerational common good, given some endowment. If the members (do not) harvest too much, the common good shall be (replenished) depleted and (be transferred) not be transferred to the next generation. Our results indicate that intragenerational inequality induces the members to harvest more, adversely affecting IS. Although the members with high endowments tend to reduce their harvests as compared to those with low endowments under inequality or to those under equality, the reduction is not enough to maintain IS. Overall, this study suggests that intragenerational inequality and IS shall be in a trade-off relationship. Thus, optimally finding a moderate path between the two will be a practical resolution, as capitalism is so dominant that intragenerational inequality is widening in the world.

Key Words: Intragenerational inequality; intergenerational sustainability; intergenerational goods game; common-pool resources