

## Faculti Summary

<https://staging.faculti.net/the-cross-sectional-implications-of-the-social-discount-rate/>

This video discusses the ethical considerations of intergenerational trade-offs that policymakers face, specifically focusing on how to balance the interests of current and future generations. It outlines two types of intergenerational trade-offs:

1. **Temporal Trade-offs**: These involve policies whose costs are incurred today, but benefits are realized in the future, such as climate change mitigation efforts. Policymakers must weigh immediate costs against long-term benefits to future generations.
2. **Cross-sectional Trade-offs**: These consider the interests of different age groups within the current generation. For example, during the COVID-19 pandemic, there was a debate about how to prioritize resources for younger versus older individuals, given that older individuals faced greater risks.

This video highlights significant ethical debates around social discounting—the practice of placing less value on future benefits. A substantial body of literature suggests that it is unethical to discount future generations' well-being, arguing for equality in the treatment of interests across generations. Notably, the paper also critiques implications of this stance, presenting the argument that prioritizing younger individuals' needs may be necessary if policymakers are to treat futures as equal to present-day costs.

Furthermore, the author reviews varying perspectives on social objectives, suggesting a need for policymakers to apply a contextual approach rather than adhering to a rigid framework. This video concludes with a call for reevaluation of normative criteria guiding policymakers in navigating intergenerational trade-offs, encouraging the exploration of alternative frameworks that could yield more equitable outcomes.