Institutional Design and Sources of Short-Termism

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Introduction

Future-oriented institutions are those that aim to balance the legitimate concerns of the present with the potential interests of the future. Achieving this objective can be a challenge because different sources of short-termism may require different institutional responses. If potentially conflicting sources of short-termism are inadequately distinguished from each other, institutions designed to address one source of the problem might work at cross-purposes with those designed to address others. It is also useful to make distinctions between different types of long-term issues and problems. Those issues that involve near-term costs and longer-term benefits may require different institutional responses from those that involve near-term benefits and longer-term costs. Likewise, institutions that are designed to extend the time horizons of decision-makers by several years or decades may be inadequate to address longer-term issues involving actions (or inactions) that will have consequences hundreds of years from now.

This chapter provides an overview of some of the challenges associated with designing future-oriented political institutions. In Section 1, I identify four potential sources of short-termism in democratic systems, and I associated each with specific institutional designs. In Section 2, I make distinctions between different types of long-term issues, and explore how features of the issues themselves may be relevant to decisions about institutional design. I argue that we need a multifaceted, systems-level, approach to designing effective future-oriented institutions. Such an approach is needed because of the multidimensional nature of the long-term issues that we face.

1. Sources of Short-Termism in Democratic Systems

Individuals have many reasons to favour the near-term over the long-term. Some of us simply prefer near-term benefits even if they are worth less than longer-term ones. Those who prefer the near-term to the long-term are impatient: they obtain utility from enjoying benefits immediately. But even those who are willing to wait for longer-term benefits often discount the future to some extent and for one reasons or another (e.g. Frederick *et al.* 2002). Under normal circumstances, future outcomes are less certain than near-term ones: we typically have less information about the future than we do about the present, unanticipated events might intervene in the interim, and future actors

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(including our future-selves) might change their minds or renege on commitments. Near-term costs (or benefits) also tend to be more salient and easier to conceptualize than future potential outcomes (Aspinwall 2005; Jacobs 2011; Kim *et al.* 2013; Pahl *et al.* 2014). There may, as well, be diminishing marginal returns associated with (relatively uncertain) future potential outcomes. For example, if technological developments help solve the climate change problem, the utility of paying near-term costs to reduce pollution may be diminished. The challenge is that we cannot know, today, what developments will be made in the future. These sources of short-termism make long-term decisions particularly difficult to make.

When it comes to dealing with *public* issues, such as budget deficits or climate change, it is also useful to consider *systemic* sources of short-termism. Many scholars have explored the question of whether or not democratic institutions are capable of effectively addressing long-term issues (Garri 2010; Gersbach 2005; Jacobs 2011; Midlarsky 1998; Nordhaus 1975; Ophuls and Boyan 1992; Shearman and Smith 2007; Thompson 2010; Tonn 2007; Ward 2008). Drawing on these analyses, I have identified four potential sources of short-termism in democratic systems, each of which is associated with a different type of political actor or subject: voters, politicians, special interest groups, and future generations. It is useful to make distinctions between these potential sources of short-termism because institutions designed to address one source may be unable to address others. In the worst case scenario, institutions designed to address a particular source of short-termism may make the problem worse if other sources are not simultaneously addressed in other ways. In what follows, I briefly discuss and critique four arguments that have been made about the short-term tendencies of democratic systems. I then explore whether specific institutional responses are (or are not) well positioned to target each of these four potential sources of short-termism.

1.1 Voters

Scholars have argued that democratic systems may be rendered short-sighed by the preferences of voters themselves. As Dennis Thompson argues, “Most citizens tend to discount the future, and to the extent that the democratic process responds to their demands, the laws it produces tend to neglect future generations. The democratic process itself amplifies this natural human tendency” (Thompson 2010, 17)[2]

This argument is intuitively plausible, but the assumptions it is based on should not be left unexamined. Most individuals have modest preferences for the near-term, and there *are* many good reasons to discount the future, at least to some extent. But most of us also have future-oriented interests and concerns. We care about our future-selves and the future wellbeing of our family and friends. Many of us care about the future of our cultural, ethnic, religious, or political communities. Some of us care about ideas or principles that we believe should be maintained and valued in the future. Jana Thompson (2009) has called these “lifetime transcending interests.”

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[2] Edward Tufte (1978) makes a similar claim: “There is a bias toward policies with immediate highly visible benefits and deferred, hidden costs — myopic policies for myopic voters” (143).

Empirical research shows that individuals do not have inflexible preferences for the near-term. Studies in psychology show that our orientations to the future are affected by a number of factors including our age, life experiences, personalities, moods, and even our perceived connections to our future-selves (e.g. Aspinwall 2005; Ersner-Hershfield *et al.* 2009). Economists have found that while individuals tend to discount the future to some extent, most of us prefer rising income profiles to decreasing or stable ones, even when the total amount of money stays constant. This is surprising because rising income profiles will give us *less* money in the near-term (e.g. Frederick *et al.* 2002). In a survey experiment, Jacobs and Matthews (2012) found that those who trust the government to spend money wisely, and those who were assured of the technical viability of government plans, were also more willing to pay taxes to support long-term investments in a public pension system. Opinion polls indicate that many voters support government efforts to address long-term problems such as increasing public debts and climate change, even though these efforts *will* have near-term costs (e.g. BBC 2010; Leiserowitz 2006; Lorenzoni and Pidgeon 2006).

These findings from psychology, economics, and political science have relevance to questions of institutional design. If individuals (or groups) have moderate but adjustable preferences for the near-term, as opposed to strong and inflexible ones, some of the causes of future discounting may be (more or less effectively) addressed through institutional design.

1.2 Politicians

According to another argument, politicians have strong incentives to adopt policies that will have noticeable net benefits over the course of a small number of electoral cycles, and they have equally strong incentives to avoid policies that have near-term costs and longer-term benefits (e.g. Kavka and Warren 1983). This argument is typically cited alongside the claim that voters are shortsighted, but these two claims are conceptually distinct. Elected politicians may face short-term incentives even when voters are not, in principle, opposed to playing some near-term costs. This situation arises because it is more difficult for politicians to make credible claims about prospective benefits than near-term ones (e.g. Garri 2010; Shughart 2006). When improvements to roads and bridges are made, the benefits can be observed as soon as those projects are completed. By contrast, when investments in education are made, the benefits are likely to be realized cumulatively over the course of several decades.

It is more difficult for politicians to make credible claims about prospective benefits because voters have many good reasons to suspect that such benefits may not be realized. Long-term estimates may be inaccurate. Unexpected events such as natural disasters or political crises might intervene. Economic circumstances might change, making long-term investments less feasible or even unnecessary. Politicians might fail to keep their promises, or future governments might renege on commitments made by previous ones. If voters have good reasons to think that prospective benefits will not be achieved, politicians may be incentivized to adopt policies that have demonstrable benefits over the near-term, *even if voters are, in principle, willing to pay near-term costs for longer-term benefits.*

1.3 Special Interest Groups

According to a third argument, special interest groups with both dominant short-term interests and considerable (or undue) political influence can use their influence to win concessions that distribute long-term costs to others and confer benefits on themselves. One version of this argument focuses on powerful economic actors (e.g. Shearman and Smith 2007; Tufte 1978). Another version focuses on the political influence of older generations *vis-à-vis* younger ones (e.g. Thompson 2010; Van Parijs 1998).

According to the first version of this argument, wealthy individuals and businesses have the capacity to effectively oppose or support certain politicians or policies: they fund election campaigns, sponsor political advertisements, or field their own "insider" candidates (e.g. Mansbridge 2012; Nichols and McChesney 2013). Certain actors can also exert *indirect* influence by shaping (or threatening to shape) economic conditions more generally: by withholding investments or threatening to move to jurisdictions that are more business-friendly (e.g. Dryzek 1995; Linblom 1982). If the fortunes of elected officials are dependent on the financial and political contributions of wealthy supporters, and on economic conditions more generally, certain economic actors may have considerable influence over government decisions. *If* such actors have dominant short-term interests, their influence is likely to push certain policies toward the short-term.

The second version of the argument has the same structure as the first. In this case, older generations are assumed to have both short-term interests and considerable influence over public decisions. Older generations tend to have more political influence because, as a group, they control more political resources, vote in higher proportions, and hold more political offices than younger generations. Older individuals may have dominant short-term interests because they are not (as) likely to pay the longer-term costs of today's actions or inactions (Thompson 2010; Van Parjis 1998).

Although intuitively plausible, these claims should not be left unexamined. Certain actors, or groups of actors, have more political influence than others, but economic actors and older generations do not have dominant short-term interests in all policy areas. Profit-seeking businesses have near-term interests, but like individuals many businesses or industries also have longer-term objectives that they might actively pursue. For example, businesses (or their organizations) might support (or fail to oppose) long-term investments in infrastructure, education spending, and public pensions if 1) the near-term costs of these policies are widely distributed and thus not concentrated on their members, and 2) these policies would help defer the costs of doing business over the long-term.

Similarly, although there *is* evidence that older people tend to discount the future more than those who are middle aged (Read and Read 2004), older individuals are not uniformly opposed to paying near-term costs for longer-term benefits that they might not personally enjoy (e.g. Jacobs and Matthews 2012; Berkman and Plutzer 2004). People of different generations appear to have similar policy preferences on a range of issues that affect different age groups differently, including medicare, education spending, and public pensions (e.g. Fisher 2008; Jacobs and Matthews 2012; Rhodebeck 1993).

Even if there *are* interest groups who have both dominant short-term interests *and* more than their share of political influence, this situation should not be seen as an inevitable feature of democratic systems. Instead, some systems do a better job than others of ensuring that no group (or groups) within society can dominate democratic processes (e.g., Mansbridge 2012; Nichols and McChesney 2013). Institutions or regulations that help mitigate power imbalances between groups can help ensure that both short- and longer-term perspectives are included in decision-making processes.

1.4 Future Generations

A fourth argument focuses on the absence (or non-presence) of future generations. According to this argument, policy decisions are often biased against the future because the "silent majority" of those who will be affected in the future cannot influence political decisions today (e.g., Tremmel 2006; Ekeli 2005; 2009). This bias is likely to affect all types of regimes but it is a normative problem for democracy if we think that democracies *should* be inclusive of all affected interests (e.g., Goodin 2007; Tännsjö 2007). This situation is particularly difficult to address because it raises an existential problem, not a political one. Existing groups or individuals who lack sufficient influence may be more or less effectively empowered. By contrast, future generations cannot be empowered because they do not yet exist.

Even though future generations cannot be included in our decision-making processes, it is possible to more effectively represent their potential interests. Institutions that empower certain actors to actively speak on behalf of future generations may help mitigate some of the short-term biases created by their absence (e.g. Dobson 1996; Kavka and Warren 1983; Ekeli 2005). There are, of course, a number of challenges associated with this approach. Specifically, future generations cannot authorize their representatives or hold them accountable for their decisions. Despite these challenges, a representative approach may be a second-best solution to an otherwise intractable problem.

The four sources of short-termism discussed in this section are not mutually exclusive. It would, in principle, be possible for each to influence policymaking processes to some extent. It is nevertheless useful to distinguish between potential sources of short-termism because each draws on different assumptions about how real democracies work. If shortsighted voters are part of the problem, we may come to the conclusion that they have *too much* influence in public affairs, especially when it comes to making decisions on complex long-term issues. If, by contrast, special interest groups are part of the problem, we might think that voters have *too little* influence in public affairs! In each case, we should be clear about which source of the problem specific institutional reforms are meant to address because each source of short-termism may be associated with different institutional responses.

1.5 Institutional Design and Sources of Short-Termism

Table 1 lists a number of institutional responses and indicates whether they are (or are not) well positioned to target each of the four sources of short-termism identified above. Starting at the top, youth quotas are not well positioned to address those sources of short-termism associated with voters, politicians, and future generations. Saving seats for young representatives will not address that part of the problem that may be caused by voters if young voters, like others, have strong preferences for the near-term over the longer-term. Youth representatives will also face the same structural incentives that make it difficult for elected officials, more generally, to justify near-term costs or make credible claims about long-term benefits that have not yet been realized. Nor are youth quotas likely to provide future generations with better representation in today's decision-making processes. Youth representatives will have incentives to pursue the interests of *today's* young people, but this will not ensure that future generations (who do not yet exist) will also have their interests taken into account. Nevertheless, youth quotas may help address that part of the problem that is associated with the (undue) influence of older generations. Youth quotas would enhance the political influence of younger generations and thereby reduce the power imbalances that exist *between* generations in most democratic systems.

Table 1: Institutional Design and Sources of Short-Termism

	Targeted Source of Short-Termism?			
	Voters	**Politicians**	**Special Interest Groups**	**Absence of Future Generations**
Type of Institutional Response				
Representation				
Youth Quotas	No	No	Yes	No
Special Representatives of the Future	No	Yes	No	Yes
Longer Electoral Terms	No	Yes	No	No
Second Chamber	No	Yes	No	Yes
Direct Democracy				
Citizens' Initiatives	No	Yes	Yes	No
Referendums	No	Yes	Yes	No
Legislative Procedures				
Sub-Majority Rules	No	Yes	No	Yes
Posterity Impact Statements	No	Yes	No	Yes
Administrative Procedures				
Ombudsman for Future Generations	Yes	Yes	No	Yes
Intergenerational Trusts	Yes	Yes	No	Yes
Constitutional				
Balanced Budget Clauses	Yes	Yes	Yes	Yes
General Protections for Future Generations	Yes	Yes	Yes	Yes
Environmental Clauses	Yes	Yes	Yes	Yes

Institutions that reserve seats for special representatives of the future typically aim to provide future generations with some representation by empowering certain actors to actively consider and defend their interests. These institutions could, at least potentially, also help address that part of the problem that is associated with short-term electoral incentives. In Dobson's (1996) and Ekeli's (2005) proposals, special representatives would be elected on the basis of their capacity to effectively represent the future, and not on the basis of their present period policy proposals. The question is whether it is possible for *any* elected politician to effectively balance (or bracket) present period considerations (and pressures) from future-oriented ones. This will be a particular challenge if short-sighted voters are part of the problem. Unless special

representatives are appointed, randomly selected, or elected *only* by those with longer-term perspectives, they may be required to seek support from short-sighted voters.

Longer electoral terms, such as the 15-year terms proposed by Järvensivu (2012), would help extend the time horizons of elected officials, but this approach would not address the other potential sources of short-termism. In particular, longer terms would not provide better representation for future generations, because they would extend the time horizons of elected officials by only a relatively small amount.

Second chambers that are empowered to review and delay legislation might help address those aspects of the problem that are associated with both short electoral cycles and the absence of future generations. To help address the latter, a second chamber might be given a special mandate to articulate and defend the potential interests of the future. Unless empowered to block legislation altogether, a second chamber would not be able to override the short-term objectives of elected officials, but it may be able to force longer-term considerations onto the legislative agenda. Much will depend on how the members of a second chamber are selected. If they are elected, they will face the same short-term incentives as other politicians. An appointed chamber — like the UK House of Lords — would be able to function more independently from the short-term dynamics of election cycles, but it may have less democratic legitimacy and less influence as a consequence. A randomly selected chamber would not be subject to the political dynamics of short electoral cycles, but it would have more democratic legitimacy than an appointed chamber if it is adequately representative, non-partisan, and deliberative (see MacKenzie, *this volume*). A randomly selected chamber would not help address challenges associated with the short-sighted preferences of voters. *If* individuals have strong preferences for the near-term, randomly selecting groups of individuals and empowering them to review legislation is likely to exacerbate the problem, not help solve it. *If*, however, individuals have more complex orientations to the future, a randomly selected chamber may be an effective way to ensure that both short- and long-term perspectives are included in our decision-making processes.

In the right circumstances, direct democracy mechanisms, such as citizens' initiatives and referendums, might help address sources of short-termism associated with elected politicians and special interest groups. These mechanisms will not help solve the problem if voters are short-sighted, but they may be effective if voters have (at least some) longer-term preferences. Citizens' initiatives and referendums empower voters to circumvent ordinary processes of electoral politics. If voters have longer-term preferences, initiatives and referendums may be an effective way for ordinary citizens to challenge, change, or repeal legislation that is thought to be contrary to the longer-term interests of society (Smith 2001). For this to work, effective regulations need to be in place to prevent initiatives and referendums from being dominated by wealthy and well organized special interest groups (e.g., Lupia and Matsusaka 2004).

Another approach to designing future-oriented institutions focuses on legislative and administrative procedures. Ekeli (2009) has proposed using sub-majority rules to encourage elected officials to more actively represent the future. In his proposal, any minority that makes up one-third of a legislative chamber would be empowered to: 1) delay legislation until the next election if the minority agrees that a law would "inflict serious harms or risks upon posterity"; or 2) trigger a referendum if the minority agrees that a law would "have a serious adverse impact on the life-conditions of

posterity" (449). These procedural rules would empower a small number of representatives to put critical long-term issues onto the political agenda. Ekeli argues that these rules might also encourage lawmakers to anticipate and avoid potential challenges by writing law proposals that more adequately consider the potential interests of the future (432).

Posterity impact statements are another example of a procedural rule designed to encourage longer-term thinking (e.g. Thompson 2010). Posterity impact statement laws require lawmakers to publicly justify any actions that might have long-term negative consequences.[3] These laws would not *directly* address short-term incentives associated with electoral cycles, but they would force elected officials to think about and publicly articulate the potential interests of future generations. Given the incentives that politicians may have to provide disingenuous justifications for near-term actions, posterity impact statement laws are likely to be most effective in more deliberative environments where disingenuous claims can be challenged by others on substantive grounds.

An Ombudsman for Future Generations is an example of an administrative body that is well positioned to address three of the four sources of short-termism identified here: the political dynamics of short electoral cycles, the shortsighted preferences of voters, and the absence of future generations. An Ombudsman for Future Generations is an independent office headed by an appointed official who is empowered to review legislative agendas and law proposals (e.g., Brown Weiss 1990; Shoham and Lamay 2006). As an independent (non-partisan) institution, an Ombudsman would not be subject to prevailing public opinions or to the electoral pressures that politicians face. Such an institution would (ideally) be free to defend the longer-term interests of society even when pursing those interests would require imposing (potentially unpopular) near-term costs. The real influence of an Ombudsman is likely to depend, however, on its political legitimacy as judged by other bureaucrats, elected officials, and the general public. Furthermore, unless it is empowered to veto legislative proposals — which would raise questions about its democratic legitimacy — an Ombudsman would not have the power to *directly* challenge the power of elected officials or special interest groups with dominant short-term objectives.

Intergenerational trust funds legally protect specific sources of public money from being spent in current accounts. The money is instead saved for future generations or earmarked for particular long-term investments (e.g. Brown Weiss 1990). Intergenerational trust funds fulfil at least three functions: 1) they aim to achieve some measure of intergenerational justice by saving for the future a share of whatever wealth is created from resources that no one generation can legitimately claim for themselves; 2) they protect certain sources of money from being pillaged by future politicians for their own short-term objectives; and 3) they protect that money from being redirected to

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[3] Thompson (2010) has argued that governments should be required to justify “any adverse effects their actions might have on the democratic capacities of future citizens” (32). In principle, governments, and other entities such as corporations, could be compelled to publicly justify any actions that will (or might) have significant long-term consequences. Such practices have found expression in some aboriginal communities in the form of the "seventh generation rule." According to this practice those involved in making any public decisions are obliged to consider the likely impacts of their actions on the next seven generations (e.g., O'Sullivan 2011).

alternative purposes in the face of changing public preferences. In these three ways, trust funds are well positioned to address, respectively, three potential sources of short-termism: the absence of future generations, the political dynamics of short electoral cycles, and the immediate preferences of voters.

Future-oriented constitutional clauses aim to protect the future from the actions of the present. Tremmel (2006) identifies three different types of future-oriented clauses that have been proposed or adopted in constitutions around the world. There are general clauses that aim to protect the fundamental needs of future generations. There are balanced budget clauses that aim to minimise intergenerational borrowing. And there are clauses that aim to protect the natural environment from exploitation or pollution. Future-oriented clauses help ensure that the potential interests of future generations are respected, represented, and acted upon when public decisions are made. If effectively enforced, these clauses may help circumvent the political dynamics of short-electoral cycles and the influence of (potentially) short-sighted voters. Constitutional clauses might also provide politicians, or judges, with the political resources needed to effectively challenge the objectives of special interests groups with dominant short-term interests.

Table 1 does not provide an exhaustive list of future-oriented institutions. Instead, it illustrates which sources of short-termism specific institutions might most effectively address. Table 1 also underscores the importance of adopting a multifaceted, systems-level, approach. For example, although constitutional clauses are well positioned to address each of the four sources of short-termism identified here, they do not empower citizens to act in future-oriented ways like direct democracy mechanisms might. But citizens' initiatives and referendums will not address that part of the problem that may be associated with the shortsighted preferences of voters. If one is concerned about that problem, an institution that is insulated from prevailing opinions, such as an Ombudsman for Future Generations, may be more attractive. A democratic system that incorporates a number of different future-oriented institutions will be better positioned to adequately balance the legitimate concerns of the present with the potential interests of the future.

2. Mapping Long-Term Issues

In addition to thinking about potential sources of short-termism in democratic systems, it is useful to make distinctions between different types of long-term problems and issues. This is because, like different sources of short-termism, different types of long-term issues may be associated with particular institutional responses. In particular, it is useful to map public issues on (at least) two dimensions that are relevant to both time and politics. The first has to do with the distribution of intertemporal costs and benefits. The second has to do with the length of time between actions and consequences.

2.1 Intertemporal Costs and Benefits

Political issues differ from each other with respect to the temporal distributions of associated costs and benefits. Short-term issues have costs and benefits that are

(largely) concentrated in the current period. By contrast, long-term issues have costs and benefits that are distributed across time in different ways: some long-term issues are associated with near-term benefits and long-term costs; others are associated with near-term costs and long-term benefits. Budget deficits are an example of the first type: in this case, near-term benefits are obtained through borrowing and costs are deferred to the future. Carbon emission taxes are an example of the second type: in this case, near-term costs (i.e. taxes) are paid for longer-term benefits (i.e. cleaner air and less global warming).

Although it is useful to draw distinctions between different types of long-term issues, such distinctions are not always clearly delimited. For example, when governments borrow money to finance near-term projects (such as investments in infrastructure or national defense systems) they often do so not only to fulfill near-term needs but also to provide benefits to the future (such as bridges and roads, or peace and security). Thus the distribution of costs related to any particular issue may involve near-term benefits and long-term costs, as well as longer-term benefits. Despite these complications, it is useful from an institutional design perspective to think about whether present period actors will either 1) *benefit from* or 2) *pay for* particular near-term actions. Dealing with issues that involve near-term benefits and longer-term costs requires *constraining* near-term actions in one way or another. Dealing with issues that involve near-term costs for longer-term benefits requires *motivating* near-term actions. These two types of problems raise different design challenges. Institutions designed to constrain near-term actions and prevent future harm may be insufficient to motivate (potentially costly) actions aimed at improving the future in one way or another. Of course, constraining actions that might harm the future (such as dumping plastic in landfills) might also require motivating positive actions (such as recycling). Given this, it is worth identifying which institutions may be able to 1) help prevent future harm, 2) promote future benefits, or 3) address both types of challenges.

Many future-oriented institutions are designed to help protect the future from the present by constraining near-term actions in one way or another. Balanced budget clauses, for example, aim to constrain public spending and thereby *protect* the future from mounting public debts. Other constitutional clauses are designed to help protect the future from environmentally destructive actions (see, e.g., Ekeli 2009; Tremmel 2006). An Ombudsman for Future Generations can also be understood as a primarily protective institution. The role of an Ombudsman is to review legislative proposals and make judgments about whether specific government actions are likely to be harmful to the future. Although an Ombudsman may have some capacity to initiate public discussions about long-term issues, such an institution is not designed to motivate or empower democratic publics to act in future-oriented ways. Similarly, Ekeli (2009) has conceived of his proposal for submajority rules in primarily protective terms: these rules would help protect future generations from having their living conditions seriously and adversely affected by present period actions (440).

Although protecting the future from the present is a crucial component of any effort to promote intergenerational justice, it is also useful to think about how institutions may be designed to initiate, motivate, or underwrite collective actions that would *benefit* the future in one way or another. Intergenerational trusts, for example, are not merely designed to help protect the interests of the future, they are also typically conceived of

as a way to transfer specific benefits or resources to the future (Brown Weiss 1990). Other institutions, such as citizens' initiatives, may be conceived of as empowerments: they empower democratic publics to act in collectively intentional ways (Smith 2001). In the right circumstances, citizens' initiatives may be used to *initiate* actions on certain long-term objectives, such as preserving public lands for parks and recreation or improving education systems.

Some future-oriented institutions may be capable of performing both empowerment and protective functions. Citizens' initiatives may be used to initiate public investments in the future, but they might also be used to stop laws that threaten to harm the future in one way or another. Consider, as well, the practice of reserving seats for special (elected) representatives of the future. These representatives might be expected to actively oppose legislation that could harm the interests of the future, but they would also be empowered to *initiate* legislation that they believe might benefit the future. A randomly-selected chamber might also perform both protective and empowerment functions if it is mandated to both review law proposals and *initiate* proposals of its own (see, MacKenzie, *this volume*).

Although it may be difficult in some cases to distinguish between those actions that aim to *protect* the future from harm and those that aim to *benefit* or *improve* the future, it is worth thinking about which institutions will make it possible for us to achieve both objectives. If we focus our attention only on those institutions that aim to help protect the future from the present, we may be unable to motivate or initiate collective actions that aim to improve the future but that would not actively harm the future if neglected. When designing future-oriented institutions, it is therefore useful to think about whether specific issues involve near-term costs and longer-term benefits, or near-term benefits and longer-term costs. Issues in the first category typically raise motivational challenges that may be addressed by "empowerment" institutions. Issues in the latter category typically require *constraining* near-term actions and thus may be addressed by "protective" institutions. In some cases, specific institutions may be designed to achieve both objectives, but only if we are aware of the design challenges associated with each type of long-term issue.

2.2 Length of Time Between Actions and Consequences

The amount of time between actions and (probable) consequences also has relevance to questions of institutional design. On this dimension, public issues may be organized into at least three categories: short-term, long-term, and *very* long-term. Short-term issues are those that have actions (or inactions) with consequences that are largely concentrated in the present. Long-term issues may be thought of as those that involve actions with consequences that will be manifest over the course of decades: 10, 20, 50, or even 60 years. *Very* long-term issues, such as the storage of nuclear waste or climate change, involve actions (or inactions) that will have consequences many decades, hundreds, or even thousands of years in the future.

It is not possible to make definitive distinctions between these different types of issues — in part because where we draw conceptual lines between short-, long-, and very long-term issues will normally depend on our own time horizons. But this is precisely the point: politically relevant distinctions between different types of issues may

be drawn according to whether we expect the most important consequences of any near-term action (or inaction) to affect our present-selves, our future-selves, or primarily future-others.

Most institutions rely, at least to some extent, on mechanisms that leverage self-interest to motivate collectively desirable actions. Electoral institutions, for example, aim to motivate socially desirable actions by appealing to each politician's (assumed) interest in being re-elected. This does not mean that politicians typically want power for only self-interested reasons; indeed, they may be motivated by self-interest, the public interest, or both at the same time. Regardless, electoral institutions leverage self-interest to encourage politicians to act in ways that large segments of their constituencies will either support or at least not actively oppose.

Leveraging self-interest to motivate action often works well over the near-term, but self-interest tends to be less effective as a motivational device as we look further into the future. There are two reasons for this. First, our future-selves are not identical to our present-selves (e.g., Parfit 1984). In the future, we will be different people and we are likely to have different specific wants and needs. Changing circumstances make it difficult to identify our future interests except in very general terms, but we know our present interests and concerns comparatively well. As such, we typically have more motivation to benefit our present-selves than our future-selves, even if we know and understand the benefits of acting in future-oriented ways.[4] Second, when it comes to very long-term issues, self-interest (at least in its conventional form) may be irrelevant if only future-others are likely to be affected by our actions or inactions.[5] This means that, on very long-term issues, some mechanism other than self-interest may be required to motivate behaviors that are collectively desirable from the perspective of both the present and the future.

The difficulty of identifying mechanisms to motivate *very* long-term actions means that many future-oriented institutions aim to extend the time horizons of political actors by several years or decades but not more than that. As mentioned above, Järvensivu's (2012) proposal for a legislature with members elected for 15 year terms would help extend the time horizons of politicians by that amount of time, but it would not necessarily motivate them to act in the interests of the more distant future. Similarly, youth quotas might make the system more sensitive to the concerns of young people, but they would not necessarily motivate decision-makers to think past the expected lifetimes of the youngest (adult) generations.

William Ophuls has argued that *very* long-term issues, such as climate change, cannot be adequately addressed through institutional design alone. He argues that what is needed, instead, are new ways of thinking about how the individual is situated in the world, in society, and in time (Ophuls and Boyan 1992; Ophuls 2011). Philosophies that treat the individual as an entity that stands apart from others and apart from nature also

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[4] Studies have found that individuals discount the future less when there is a greater degree of similarity between their present-selves and their perceptions of their future-selves (e.g. Ersner-Hersfield *et al.* 2009; Hersfield 2011a, 2011b).

[5] Although, Jana Thompson (2009) has developed a theory of self-interest that is applicable over the longer-term. She notes that many individuals have what might be called “lifetime-transcending interests.” These interests may be leveraged to encourage longer-term thinking among self-interested individuals.

tend to discount or ignore the interconnections that exist between individuals, between us and nature, and between the past, the present, and the future. If our concerns are limited to ourselves and to our near relations (or friends), our time horizons will not extend much past the expected lifetimes of those we know and care about. By contrast, when we adopt a more holistic, interconnected view of the social and natural world, we will have reasons to look further into the future. As such, it may be necessary to confront very long-term issues through educational and cultural institutions, such as schools, universities, media systems, and religious organizations, before we can expect such issues to be effectively addressed in political institutions.

Even if Ophuls is right, it may nevertheless be possible to use political institutions to encourage longer-term thinking on *very* long-term issues. For example, institutions that make genuine deliberation possible might help promote longer-term thinking by encouraging participants to defend generalized positions that take into consideration the potential interests of all those affected, including future-others (e.g., Ekeli 2009; Elster 1986; Goodin 2003). If this is the case, a deliberative body like an independent, non-partisan second chamber, might help encourage longer-term thinking even when participants do not consciously or initially possess future-oriented world-views (MacKenzie, *this volume*).

More generally, political institutions that officially mandate certain actors to consider the potential interests of the more distant future, might help encourage *very* long-term thinking where it would not otherwise exist. Institutions that give certain actors special powers to act in future-oriented ways leverage the motivations that these actors (presumably) have to act in ways that are consistent with the roles they have been given (e.g., Goodin 1986). Thus those who are designated special representatives of the future — such as an Ombudsman for Future Generations — are likely to feel compelled to act in ways that take into consideration the potential interests of the distant future, even if, outside that role, they would be unlikely to do so. Likewise, posterity impact statements and constitutional clauses are designed to compel certain political actors to more consciously consider the potential interests of both the near and the more distant future. Thus even though many individuals do not consciously possess world-views that take into consideration the potential interests of the far future, it may be possible to use political institutions to mandate or compel certain political actors to do so.

Conclusion

I have argued that it is useful to adopt a multifaceted, systems-level, approach to designing future-oriented institutions. Such an approach is called for because of the multidimensional challenges associated with effectively addressing complex long-term problems. In Section 1, I identify four potential sources of short-termism in democratic systems. It is useful to make distinctions between different sources of short-termism because each is associated with different assumptions about how real democracies work. As a consequence, institutions designed to address one source of short-termism may be ill-equipped to deal with others. A systems-level approach makes it possible to both manage different and diverse aspects of the problem, and to ensure that those institutions which are adopted work well with others.

In Section 2, I argue that it is also useful to think about how different aspects of long-term issues might structure institutional responses. Institutions that are designed to protect the future from the present may be an effective way to manage issues that have long-term potential costs, but they may be insufficient to motivate or enable democratic publics to act in ways that aim to improve the future beyond what may be required by justice. Likewise, institutions that extend the time horizons of decision-makers by a few years or decades are not likely to encourage political actors to seriously pursue the potential interests of the more distant future. In order to more effectively represent the interests of future generations, it may be necessary to either: 1) grant certain actors special powers to do so; or 2) compel *all* political actors to do so through legal means.

In brief, when designing future-oriented institutions it is useful to consider the following questions: What is the source of short-termism that any particular institution is meant to address? Are there institutions that might be used to address other sources of short-termism? How are the costs and benefits of specific issues distributed in time? Do we need to protect the future from the present, motivate collective actions to benefit the future, or both? Lastly, what is the length of time between actions (or inactions) and their expected consequences? Answers to these questions will motivate different institutional responses. It is unlikely that any one institution will be capable of effectively balancing the legitimate concerns of the present with the potential interests of the future.

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