

## PLAYING FAIR ACROSS THE GENERATIONS

The challenge at the heart of fairness across the generations is the acknowledgement of the 'vertical obligations' to future generations alongside the 'horizontal obligations' we have to people 'here now'. This issue – with its concern for the wellbeing of future generations, is thus a close cousin of environmental concerns – both challenge us to have a concern for the future. However, the issue of intergenerational fairness is an even more intimate issue, for it involves your son and daughter and grandchildren, and for those of us with only distant relations, my cousin's children and their children.

The case for a 'perfect storm'...

- Our sudden (in historical terms) increase in longevity (over the last fifty years)
- The sudden and sustained fall in the birth rate

In Britain over the next 30 years our population will age significantly. However, the main reason for this is the decline in the fertility rate.

Between 1971 and 1991 the number of youngsters under 15 decreased by about 2.6 million.

Over that same 20 year period the number of people aged over 65 increased by only 1.5 million.

As a result, the average age of the British population rose almost twice as much because of the fewer young people, than because of there being more elderly people.

This combination of high, post-war fertility that lasted into the 1960s, only to be followed by a long period of low fertility, has produced a bulge generation that will reach retirement age from the year 2010 onwards.<sup>i</sup>

(A further challenge is that the current increase in the birth rate in Britain is linked with recent immigration which is concentrated in urban centres (and Lincolnshire) and adds to the perception of immigration being 'out of control and undermining British culture.)

- Mistaking a 'demographic dividend' for the normal working of the economy – in other words... we thought the good times were here to stay...

Demographers and economists have identified the occurrence of a favoured 'demographic window' in which there is the possibility of a 'demographic dividend'.

The UN defines this as the period when the proportion of children and young people under 15 years falls below 30 per cent, and the proportion of people 65 years and older is below 15 per cent.

Such a demographic 'bonus' can last for as long as forty years dependant on the ability of the economy to provide employment for the high number of working age people<sup>ii</sup>.

In the UK this window was estimated to have run from 1950 - 1975<sup>iii</sup>

So younger generations are not to be recipients of the good times and unrivalled opportunities that have characterised the lives of many older people - and add to this the burden of meeting the health care and pension costs of a large and long living generation of elders.... And we can hear the word –'foul' taking shape on the lips of young people.

A fourth complicating factor making for a perfect storm:

- Sudden shock of financial need to re-fund the banks and ensuing debt burden and loss of interest on investments and likely high levels of inflation – which have a disproportionately negative effect on older people and this combines with the fragility of private pensions – for baby boomers as well as younger generations.

And the fifth complicating factor making for a perfect storm:

- Demography trumps democracy: The structural weakness at the heart of our democratic process is exposed by this issue of fairness between the generations.

If we assume that people vote on the basis of self-interest, then the interests of the majority hold sway, and the interests of younger generations get trumped. (NB Hungary – considering giving 2 votes to mothers).

Add to these five contributing issues to a perfect storm, add:

- The high cost of housing
- The 'Ponzi Scheme' nature of state pensions – state pensions are not paid from a pot of money set aside for that purpose but reliant on tax contributions from current and future generations
- The increasing cost of health care: a combination of ever increasing capacity of medical interventions (much of which is delivered to those in later life) and the increasing number of people achieving 'late' old age.

### **Manifestations of the issue**

'Not content with saddling us twentysomethings with mountains of public debt, the over 40s have started pinching our boyfriends too. There will be slim pickings left on the dating scene after ... the so called 'cougars'<sup>iv</sup> have had their fill. In fact, the middle aged are stealing our entire lifestyle. We keep hearing how '50 is the new 25'. What no-one has noticed is that 25 is the new 70. Through little choice of our own, the under 30s are turning into a generation of Saffys. We look on some of our Ab Fabesque seniors falling out of nightclubs and jetting off for some 'time out' to return, no doubt, with bleached locks and those silly bead necklaces from 'a little market in Phuket'.<sup>v</sup>

'The most deplorable thing about the government continuing to land students with more and more debt is that they got their education free. They'll do fine for pensions, they have little debt and made a fortune in property by buying it when they were our age. What will our generation get? Ten years of paying off debts, a laughable pension that'll be worth less than we pay in and the prospect of paying extortionate rents to the very generation, who lucked out. We are the jilted generation and one day we'll all realise it and do something about it.'<sup>vi</sup>

We face a cultural watershed regarding the implicit understanding of rights and obligations between age groups and generations in human societies based on the growing recognition that the social provision and pension rights enjoyed by an older generation are only possible by borrowing from the future, and that such borrowing against future wealth has been, until now, been an unquestioned habit of modern states.

### **So far only a feeble response to the issue**

The assumed solution to re-balancing fairness between the generations is to extend the retirement age upwards, and many governments have chosen to do this. While this may ease the tax burden, it is unlikely to help younger people achieve the 'narrative of identity'<sup>vii</sup> that comes from decent employment. With both men *and* women now seeking paid employment,

unless the amount of paid work increases substantially, raising the retirement age is likely to *add* to the existing difficulty of younger people getting a good job.

Increasing the age of retirement is the least imaginative way through the problem of inter-generational fairness because it increases the likelihood of the older generation staying on the top rungs of the ladder and receiving 'top dollar' remuneration for even longer.

To resolve the pension crisis by re-establishing the relationship between age and fitness to work would mean retirement age rising not just by two or three years but by ten to fifteen years. If we really wish to ease the burden of our pensions on future generations a more moral but less palatable response would be to scale up the level of pension contributions, with contributions increasing more significantly from the age of 50, but even so, the need to reduce pensions received over the decades of retirement, would remain.

### **The dastardly dynamic of resentment**

All this unfairness – deep, structural unfairness contributes to an issues of even greater magnitude – that of resentment between the generations. Resentment once it get hold is very hard to dampen down and resentment can be the springboard for a host of unruly and uncivil developments. However, resentment of older generations carries an especial jeopardy: Each of us, over time will find ourselves ageing and becoming old, at least that is our hope.

'When we are young or in our prime we do not think of ourselves as already being the dwelling place of our own future old age...

This unique trait of old age, that, barring misfortune, it is everyone's destiny, makes the resentment of older people a risky business, for it involves resentment of what we are to become. Resentment in response to this perceived (and actual) unfairness risks leading younger generations into a negative view of what it is to be old - and therefore a negative view of their future selves. It is a particularly big ask for younger generations to resist the temptation to blame older people for their tough circumstances compared with the apparently easy blessings heaped upon older generations.

© Ann Morisy *Based on Ann's book "Borrowing from the Future: A Christian Approach to intergenerational fairness" published by Bloomsbury*

---

<sup>i</sup> Based on the work of Phil Mullan (2000) *The Imaginary Time bomb: Why an ageing population is not a social problem*. London: I.B. Taurus, p.61

<sup>ii</sup> Bloom, David E., David Canning and Jaypee Sevilla, 2003, [The Demographic Dividend: A New Perspective on the Economic Consequences of Population Change](#), Population Matters Monograph MR-1274, RAND, Santa Monica.

<sup>iii</sup> Other estimates of 'demographic windows of opportunity' made by the United Nations include China: 1990-2025; India 2010 – 2045; USA 1970 -2010; Japan 1965 -1995, Eritrea 2045-2080; Uganda and the Yemen: 2060 -2090. See the report *World Population to 2300* by the Department of Economics and Social Affairs Population Division (2004); United Nation, New York

<sup>iv</sup> The 'cougar' is slang for older women keen to date younger men. The term comes from a Canadian television series 'The Cougars' and the film (2007) "The Cougar Club". The term is now used widely on dating sites.

<sup>v</sup> Rosamund Urwin "The over-40s are stealing my golden years" in the Evening Standard 12 November 2009

<sup>vi</sup> By B. Morgan, BBC News Website, readers comments 1 December 2003 and cited in E. Howker and S. Malik, *Jilted Generation*, London: Icon Books, 2010 p.199

<sup>vii</sup> The significance of achieving a positive narrative of identity is essential to achieving appropriate and healthy self-esteem. This idea is at the heart of Richard Sennet's 'The Corrosion of Character' which has the sub-title 'The personal consequences of work in the New Capitalism'. See R. Sennet (1998) *The Corrosion of Character*, New York: W. W. Norton and Co.