

# Reconsidering intergenerational concerns

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This article argues that most government policies towards intergenerational issues are deficient. Government attention has focused largely on environmental and economic considerations, at the expense of other concerns such as social dimensions. Some of these neglected issues, such as social inequality and generational legacies are presently hindering the formation of social capital and social development, as well as preventing individuals from reaching their full potential. These examples highlight that governments should consider a broader range of concerns within the context of reviewing the underlying intergenerational contract in each society as a result of demographic, economic and political changes.

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## Introduction

There is a degree of moral obligation across generations in every society. The notion of an intergenerational contract – an implied agreement between younger and older generations – dates back to Greek philosophers and has formed a central societal pillar throughout history. The contract supposes that each generation takes care of others at differing stages of the life cycle, and is upheld in various forms across societies. The family and the community have been the bearers of the contract for much of history and continue to maintain the contract in states where public or private welfare systems are absent. The government is the primary provider of institutionalised forms of the contract such as education, food programmes and healthcare facilities in most societies. In several states, it also assists children, youth, older people and the family through welfare provisions.

Underlining the contract is the principle of intergenerational equity, which presumes the actions of one generation do not disadvantage another. Future generations should not be made to carry the costs of today's economic, environmental and social policies, nor the ramifications of actions undertaken by previous ones. Every generation is the custodian for the next and the behaviour of one will affect others.

Intergenerational issues are multifaceted, extending across a range of sociocultural, economic and psychological conditions. Despite its scope, governments have focused overwhelmingly on economic and environmental questions when addressing intergenerational concerns. Perhaps surprisingly, social problems have not featured prominently. This research note argues that governments

should pay more attention to social dimensions when considering intergenerational concerns.

## Present intergenerational concerns: environment and economics

Concerns over the environmental conditions inherited by future generations are the basis for environmental policies in most countries. The 1987 Brundtland Report's definition of sustainable development focused on intergenerational equity when it stated that the needs of the present generation should not compromise the possibility of future generations to meet theirs (World Commission on Environment and Development, 1987). This sentiment was reiterated at the 1992 Rio Conference and in subsequent texts such as Agenda 21 and the Millennium Declaration. Government statements presented at the 2002 World Summit on Sustainable Development in Johannesburg highlight the fact that the notion of sustainability has found resonance in the environmental policies of numerous countries, despite difficulties in the implementation.

Recent attention has focused on an upcoming intergenerational conflict where the younger generation will be unable and/or unwilling to support the older. In countries that provide pensions through the state, particularly those with pay-as-you-go schemes that rely on transfers from younger to older generations, the shortfall over the coming decades because of a lack of contributors will be considerable, and the schemes will eventually become unsustainable (Australia, 2002; Bongaarts, 2004; Chand & Jaeger 1999; Holzmann et al., 2005; World Bank, 1994). The forecasted scenarios paint a largely dire picture and

often conclude with some form of political power struggle. In countries where there are no or only limited pension provisions, there are fears that the family support network will be unable to support its members, as a result of demographic change. Planning, formulating long-term strategies and sufficient vision, however, can mitigate these concerns. Countries that are years away from this situation need to begin preparations to ensure that today's economic and social policies do not burden future generations. Measures could include balancing budgets over an extended period to ensure overall equity of the tax burden across generations, equal distribution of resources among the generations and the provision of essential goods and services that benefit all.

### **Missing social dimensions**

By focusing almost exclusively on environmental and economic factors, most governments have neglected the social dimensions that prevent individuals from realising their full potential and the formation of social capital, in their understanding of the intergenerational contract. There needs to be appreciation that intergenerational issues affect societies now, and that related policies should also look at social factors passed on from one generation to the next. Two examples illustrate this point: social inequalities and generational legacies.

#### **Social inequalities**

Empirical studies suggest that social inequalities are transmitted over generations (Kraaykamp & Nieuwebeerta, 2000). Education, for example, is an area where the attainment of one generation can significantly affect the next. Educational opportunities, and consequently prospects for access to productive employment, are to a degree inherited. In some parts of the world, the distribution of education is extremely uneven and determined by the individual's socioeconomic characteristics, wealth and family origin. In Latin America, just 30 per cent of young people whose parents did not complete primary school completed secondary education. In contrast, 75 per cent of the children whose parents had at least ten years of schooling finished secondary education (Sainz, 2004). This large discrepancy reveals that the pattern of inequalities of previous generations largely determines the opportunities of young people.

Similarly, the link between family circumstances during childhood and adult income suggests that there is insufficient equality of opportunity for people to escape from the circumstances they inherit. Children from poor backgrounds have a greater chance of becoming poor adults than those from other backgrounds. This is largely because of the limited means to break away from poverty and the self-maintaining qualities of intergenerational

inequalities. Studies from the United States, for example, show that parental wealth and income are strong predictors of the next generation's economic status (Bowles & Gintis, 2002). Moreover, children from high-income families are likely to stay in that position, while those from low-income families are not likely to break away from their situation (Nam, 2004). Research into sibling correlation confirms that the family environment and community characteristics significantly determine the income of individuals, particularly those from poorer families (Mazumder, 2004). Similar findings on the influence of family background and individual income have been reported elsewhere (Corak & Heisz, 1999; Couch & Dunn, 1997; Dearden, Machin & Reed, 1997; Dunn, 2003; Gerber & Hout, 2004; Österberg, 2000), particularly for sons, who frequently mirror the employment characteristics of their fathers. Longer term, not only do such discrepancies disadvantage individuals, but excessive intergenerational inequality may also affect economic growth (Breen, 1997).

#### **Generational legacies**

The behaviour of one generation may substantially affect the psychological and behavioural development of another. Intergenerational transmission can influence self-esteem, overall mental wellbeing and the ability to relate to others. This may be in the form of parenting styles (Hops, Davis, Leve & Sheeber, 2003; Van Ijzendoorn, 1992), adultery (Weil, 2003), as well as depression, trauma and violence (Delsol & Margolin, 2004; Ehrensaft, Cohen, Brown, Smailes & Johnson, 2003; Markwood, Dozier, Hooks & Markward 2000; Tomison, 1996; Walker, 1999; Whitbeck et al., 1992; Widom, 1989). These legacies of one generation manifest themselves in the next. If left unaddressed, they can have lasting repercussions throughout an individual's lifetime and that of his or her offspring, especially if the occurrence happened during childhood. The repercussions could also spill over into the wider community. This transference goes against the spirit of intergenerational equity, as the next generation lives with the negative experiences of the previous one.

As societies continue to age and the overall physical health of people improves, the ramifications of psychiatric and neurological conditions play a larger role in health costs and social development. Some one billion people have mental health problems because of mass violence (Project one billion, 2004). Without addressing trauma, depression, alcoholism and other mental health conditions, countries are damning segments of their societies to leading unfulfilled lives and more than likely harming future generations. Investments in such areas as education and training will not yield maximum benefits while individuals live with these unconscious legacies. Health professionals and social workers are in the frontline of

addressing these concerns, but other segments of society, governments and the international community also need to contribute.

Countries ravaged by conflict seem condemned to the transference of trauma and depression for generations to come, if those who need it do not receive appropriate support. For example, over a decade since the civil war ended, many Nicaraguans continue to suffer from traumas caused by horrific experiences from that time. The social consequences of manifesting traumas include isolation, aggressiveness and apathy. Development efforts in Nicaragua have not yielded the desired results, in part, because people have been unable to work through their experiences (Cabrera, 2003). Similarly, the South African Truth and Reconciliation Commission is an example of a collective approach for facing the legacies of past abuses. It offered a vehicle for establishing the truth as an important first step towards collective healing and the development of a new society. During the hearings, blame was assigned to those responsible for committing acts during the Apartheid era. However, by not addressing the psychological needs of individuals, it did not achieve its ultimate goal of reconciliation (Vora & Vora, 2004).

## Conclusion

The international community has adopted a number of declarations<sup>1</sup> calling for greater attention to intergenerational matters. Although most countries accept the need to protect the environment for future generations, few countries have paid much attention to other concerns. Several industrialised states have begun to address intergenerational issues by focusing largely on future financial commitments and associated ramifications. Most governments, however, have paid little more than lip-service. Many seem to disassociate themselves from these issues, believing that they need addressing only in the very distant future. This thinking gives policy makers a false sense of security, for not only do intergenerational concerns presently exist in the form of individual behavioural patterns and the lack of social equality that limit the development of social capital, but also inaction now will only make future decision-making more difficult. With people living longer, and many societies experiencing low fertility levels and changes to family structures, there are concerns that individuals may not find adequate support because of, among other things, shortfalls in public-supported pensions and a breakdown of the family support

1. Examples include: Art. 26(b) Copenhagen Declaration on Social Development (1995); Declaration on the Responsibilities of the Present Generation Towards Future Generations (1997); and Art. 38 General Assembly Resolution A/50/114 (1999).

network. Many more face the prospect of their development being hindered by the debilitating effects of lasting legacies transferred to them from previous generations.

The intergenerational contract will come under increasing strain in the coming decades because of demographic, economic and political factors. Ongoing discussion over the environmental and economic elements of the contract in several countries should be broadened to incorporate a review of the contract within the cultural context of every country. Governments ought to lead the debate on how to address the overlooked social dimensions that are central to the accumulation of social capital and overall social development. The development of long-term strategies to address social dimensions should be given high priority, for like other intergenerational concerns they will not be resolved quickly and future generations should not be made to pay for the unwillingness of today's policy makers to deal with issues that have no immediate political impact.

## Conflict of interest statement

The views expressed herein are those of the author and do not necessarily reflect the views of the United Nations.

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