

Building a Framework to assess Intergenerational Fairness

UNDESA WORKSHOP ON THE PROMOTION OF INTERGENERATIONAL EQUITY FOR SUSTAINABLE DEVELOPMENT

8 March 2022



Share a framework for assessing Intergenerational fairness

- Origins and purpose of the framework, and how it has been part of a wider debate on IGF
- Explore the framework and how it is being used
- Some cross-cutting insights from applying it

Not-for-profit collective of practitioners working on policy, planning, strategy for next Generations

Intergenerational Fairness Observatory
Putting intergenerational fairness into practice.

About the Observatory | About the Assessment

Fair public policies for all generations

SOIF
The long pandemic: after the COVID-19 crisis

United Nations | Department of Economic and Social Affairs

African Futures
Visions for healthy data governance

Our Future World

Urban Food Futures
Changing the fate of your food environments

WcVA Cggc
BUILDING BETTER FUTURES

Toolkit

Decarbonising UK Transport
Final report and technology roadmaps March 2021

CEPA strategy guidance note on Strategic planning and foresight
February 2021

The United Nations Committee of Experts on Public Administration (CEPA) has developed a set of principles of effective governance for sustainable development. The essential purpose of these voluntary principles is to provide interested countries with practical, expert guidance on a broad range of governance challenges associated with the implementation of the 2030 Agenda. CEPA has identified 62 commonly used strategies to assist with the operationalization of these principles. This guidance note addresses strategic planning and foresight, which is associated with the principle of sound policymaking and can contribute to strengthening the effectiveness of institutions. It is part of a series of such notes prepared by renowned experts under the overall direction of the CEPA Secretariat in the Division for Public Institutions and Digital Government of the United Nations Department of Economic and Social Affairs.

In reading this guidance note, individuals in government ministries and agencies who are less familiar with the topic will be able to understand the fundamentals. Those who have perhaps taken initial steps in this area with limited follow through or impact will be able to identify how to adjust elements of their practice to achieve better results and the better



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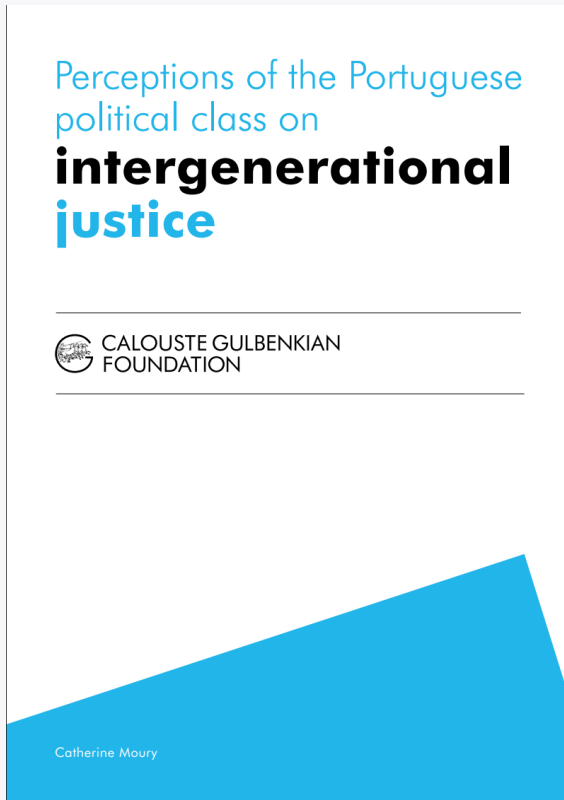
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Building the Ministry of the Future
4th March 2021 5:30pm GMT / 12:30pm ET / 9:30am PST

Jane Davidson | Kim Stanley Robinson | Cat Tully

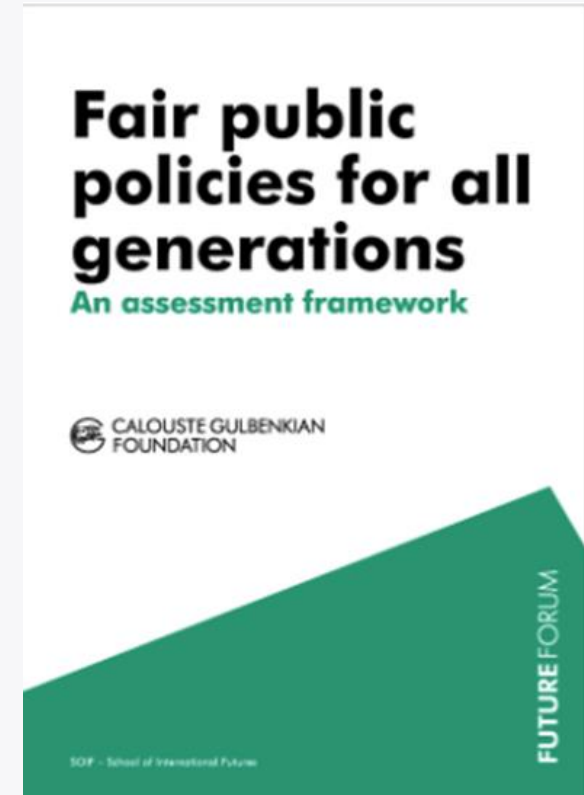
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CHELSEA GREEN PUBLISHES

Since 2018, SOIF has been championing intergenerational fairness assessments in initially in Portugal and then beyond



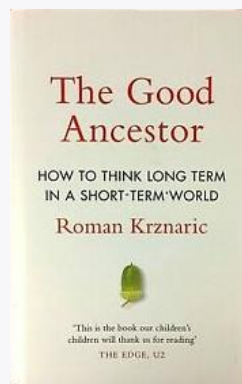
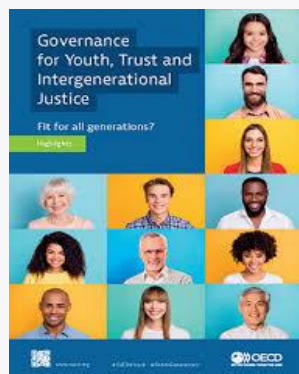
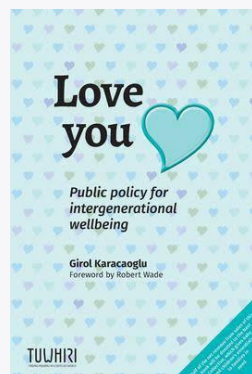
2018 Gulbenkian commissioned work to explore barriers to Intergenerational Fairness in Public Policy: a **constituency** gap and a **data** gap

And then a solution... An assessment



Over 2020-21: A series of EU roundtables and exchanges explore assessment as key to operationalising our duty to Future Generations

Key conclusion: *we need scrutiny of the decisions made by this generation's politicians and decision-makers. This agenda needs to be operationalised and held accountable to ensure "next generations" or "future generations" initiatives are not just empty words*



“Ensure solidarity between generations”

– Von der Leyen Feb 2021

“Ensure intergenerational harmony”

– Priorities of the Portuguese EU presidency Jan-June 2021

“Promoting intergenerational cooperation and the lifelong approach”

– Slovenian Presidency of the Council of the European Union July-Dec 2021

2021-2 Assessment is part of a practical set of solutions that can build on German Constitutional Court Ruling – governance and political

1. Establish IGF principle into an independent institution like an Ombudsman for Next Generations at EU and Member-State level.
2. Reflect in dialogues like conference for the Future of Europe
3. Integrate into existing endeavours: BRE/Foresight toolkit, Semester Reporting. Ministers of the Future network
4. Explore as an Investment Principle and a foreign policy concept
5. Building coalition and networks across and beyond Europe of communities and activists



OPEN SOCIETY
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Policy Assessment Tool: in Action

Public Pension System Reform

Overall assessment of intergenerational fairness:
Probably Fair



WHAT PROBLEM DOES THE POLICY AIM TO SOLVE?

The maturing of (a generous) public pension system in a context of ageing population had put the financial sustainability of the Portuguese PAYG system at high risk. Therefore, in 2006 the Government and Social Partners reached an agreement to reform the pension system.

OVERALL INTERGENERATIONAL FAIRNESS ASSESSMENT

Taking into account the objectives of the reform (partially achieved) and the clearly unfair outcome in the no-reform scenario (very high and increasing taxes for future generations), this reform is probably fair: disadvantaged people are probably better off than in the no (or alternative) reform scenario.

TRANSITIONARY PERIOD (UNTIL 2016)

• Almost no impact on those who retired up to 2007 (other than less generous annual updates). For those who retired from 2008 the replacement rates of their pensions (compared to final salary) have gradually descended, and the age of retirement has been increasing. This generation contributed at the same rate as previous pensioners, but will be working longer and receiving lower pensions.

FULL EFFECT OF REFORM REACHED (2016-2042)

• According to the government assessment made in 2006, without the reform the public pension system would have been financially unsustainable by 2016. This means that higher social contributions or taxes would have been needed to finance the system. Therefore younger workers or even younger generations would have to support the entire burden. The transitory regime of the 2007 reform allowed the smoothing of this burden and turned the system more sustainable.

FULL EFFECTS IN PLACE (2042+)

• Most new pensioners at this time will be calculated using the new formula. New pensioners will have had 35 years to plan for their retirement on the basis of the reformed system.

DOES THIS POLICY DO ANY OF THE FOLLOWING?

- 1. Disadvantage people at any particular life stages?** Those who retired from 2008 onwards had contributed at the same rate than previous pensioners but will be working more and receive lower pensions. **Yes**
- 2. Disadvantage people at any period in time, present or future?** Younger workers, or even younger generations would have to support the entire burden. **Yes**
- 3. Increase the chances of inequality being passed on through time?** The available studies point to progressively lower inequality over time. **No**
- 4. Restrict the choices of future generations?** It may be necessary to adapt the current pensions regime depending on its social adequacy and fiscal sustainability in the relevant scenarios. **Probably Not**
- 5. Move society further away from its vision for the future?** This reform contributes to several "Portugal We want" dimensions: promote sustained, inclusive and sustainable economy, national wealth to be distributed fairly and reduce inequality; a Portugal that makes decisions with the people by directly listening to communities and engaging with them. **Probably Not**

For list of recommendations and detailed assessment, please visit www.igf.com/airport OR scan the QR Code using your mobile device



Future Check: Environment Bill 2020

This bill sets out the government's agenda for environmental reform and governance post-Brexit and makes provisions on specific environmental policy areas.

We believe this bill sets out a positive framework for environmental governance that will benefit future generations.

However, without accountability mechanisms or independent oversight it may not be enough to achieve desired outcomes or avert catastrophic consequences.

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Future Check: Environment Bill 2020

IMPACTS ON FUTURE GENERATIONS both positive and negative

- ⊕ Reduction in mortality and morbidities caused by pollution
- ⊕ Improved air quality, freshwater and sewage management
- ⊕ Recovery of local nature areas and biodiversity
- ⊖ Limited independence of the Office for Environmental Protection, potential gaps in target setting, and a lack of sanctions may result in insufficient progress on climate change to avert catastrophic consequences
- ⊖ Waste disposal sites could produce pollution near vulnerable populations, contributing to increased inequalities for future generations
- ⊖ May limit the building of affordable housing in rural areas

POLICY MAKING FOR THE LONG TERM

This bill ensures that the Secretary of State will set long-term targets for air quality, water, biodiversity, and resource efficiency; a wide ranging, but not exhaustive, set of environmental issues. There are questions over whether these targets will be binding or enforceable via sanctions.

The newly formed Office for Environmental Protection's (OEP's) reliance on funding from the Department of Environment, Food and Rural Affairs does not give it complete independence.

The bill focuses on end-of-life solutions for waste rather than reduction of up-stream waste production. Waste disposal sites tend to produce air and chemical pollution near vulnerable populations, contributing to increased health, social and financial inequalities within future generations.

For support drafting parliamentary questions or amendments for future generations, contact secretariat@appfuturegenerations.com

SUGGESTED PQS:

The department for PQs is DEFRA

- ❓ To ask the Secretary of State if he will commit to enshrining environmental targets into law to ensure that they are binding?
- ❓ To ask the Secretary of State if he will commit to reasonable sanctions for failing to meet environmental targets?
- ❓ To ask the Secretary of State what provisions he is putting forward to ensure that the Office for Environmental Protection is a) fully funded and b) independent in the next 20 years?
- ❓ To ask the Secretary of State how he will reduce the use of non-plastic, single use materials?

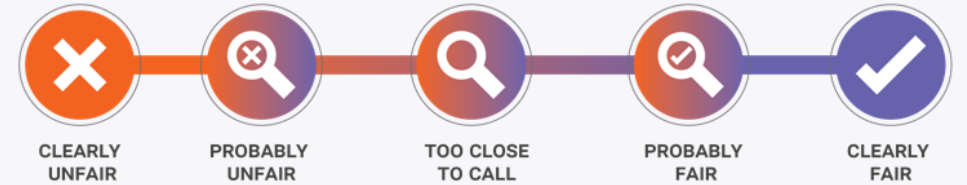
FUTURE CHECK

FEBRUARY 2021

To support assessment of policies in Portugal against intergenerational fairness

With UK Parliament to support independent and cross-parliamentary assessment of new bills and legislation

A Practical Definition and Five Key Questions



Policies that are fair to all generations:

- Allow people of all ages to meet their needs.
- Meet the needs of the present without compromising the ability of future generations to meet their own needs.

A policy is unfair when it:

1. Moves a society away from its vision for the future.
2. Strengthens the transmission of inequality through generations.
3. Disadvantages people at any specific life stage.
4. Disadvantages any generations, alive now or in the future.
5. Restricts the choices of future generations.

Do unto future generations as you would have past generations do unto you.

Political Liberalism, John Rawls, 1993

Intergenerational Fairness Framework

Three elements

1. The **right institutional ownership** provides legitimacy and independent accountability to the public by embedding the processes in multiple institutions within government and society.
2. The **national dialogue** drives the policy assessment tool with each country's vision for the future. It generates deeper understanding of drivers of change and creates far-reaching public engagement.
3. **The policy assessment tool is how we** shine practical clarity on the questions of intergenerational fairness without relying on a level of quantification or objectivity that is impossible or misleading.

It can be used by civil servants, independent institutions, civil society, citizens and the media while policies are being designed or after they have been implemented.



Developed in collaboration with The **Calouste Gulbenkian Foundation** Future Forum

**POLICY ASSESSMENT ALONE CAN'T SOLVE
INTERGENERATIONAL UNFAIRNESS**

but it can shine a light on unfairness
where it exists and creates space for necessary
conversations

Key insights learnt on this journey

- Helpful at family and community decisions as well as national and global policy
- German constitutional court ruling is a major sea-change
- Care must be taken in IGF framing to avoid traps laid by far-right and populists:
 - The goals and measures to support social justice and Intergenerationally fair outcomes are complementary
 - Focus on Intergenerational solidarity and Intergenerational cohesion not Zero-sum conflicts between young and old
- Must make a difference to key political challenges of the day – Build Back Better
- Connected to calls and need for intergenerational social contract and “national dialogues”
- Role of a senior statesperson to champion and act as an intergenerational steward is key
- Core to UN Special Envoy on Future Generations’ role






Thank you and Goodbye

For more on intergenerational fairness and to access resources

- Training and Capability Building
- Piloting Assessment Tools
- Adaptation of Assessment Frameworks

soif.org.uk/igf

Contact cat@soif.org.uk or april@soif.org.uk

 Specialist report Learn the details of the design and development framework.	 IGF Toolkit Download everything you need to get started including the tool, how to guide and example assessment reports.	 Training Register for a one-hour introductory class or three-hour training on conducting an assessment.
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