

A New Generational Contract

GLOBAL INITIATIVE FOR INTERGENERATIONAL
FAIRNESS AND AMBITIONS



**ST.GALLEN
SYMPOSIUM**



A call for intergenerational fairness:

REDEFINING WHAT WE OWE EACH OTHER

In 1972, “The Limits to Growth” **was published by the Club of Rome and subsequently presented at the 3rd St. Gallen Symposium.** The report emphasised the risks of infinite growth on a finite planet and pioneered the concepts of multi-dimensional sustainability and systemic interdependence. It would change the world’s thinking on humanity’s relationship with its natural environment for decades. Fast forward 50 years, and the need for a shift towards leadership that considers the long-term consequences of current decision-making is greater than ever. Multiple ecological crises, rapid technological change and rising inequities demonstrate that current systems are unsustainable.

On the occasion of the 50th anniversary of “The Limits to Growth”, the St. Gallen Symposium and the Club of Rome are uniting to launch a joint initiative – **“A New Generational Contract”** – which will foster dialogue and, subsequently, encourage actions that will elevate a wide range of concerns on intergenerational fairness, putting them firmly at the centre of decisions taken during “our time”. We aim to **leverage the global, cross-generational platforms** that our institutions have created for over half a century.

The need for a shift towards leadership that considers the long-term consequences of current decision-making is greater than ever.

We are building on **an idea that has been brewing for some time**, and that has diverse manifestations around the world, and important implications for us all: **The generational contract captures the principle that different generations depend on each other to provide mutual support across different stages of their lives.**¹ It can be most simply described as “what generations owe each other”², and it reminds us we have a responsibility to be good ancestors, and to consider the impacts of the actions we take today: how will they affect young and future generations?

This joint Call to Action serves as an invitation to join us as we seek to facilitate a dialogue among voices from politics, business, civil society, and academia surrounding the key intergenerational issues and ambitions that demand our attention. The 51st St. Gallen Symposium on 5-6 May 2022 is the starting point of an open, inclusive process that will unite researchers, activists, and decision-makers from business, policy, and technology, so that they can voice their priorities, explore their ambitions, and decide what type of actions will enable us to transition from insights to impact.

Our approach will keep action at the heart of the debate: what are the implications of current inter-generational tensions on business, policy-making, financing, technology, academia and civil society, and how can we move the needle on this?

The St. Gallen Symposium and the Club of Rome are launching a joint initiative to facilitate dialogue and actions for a New Generational Contract.

To begin this global conversation, we have consulted our cross-generational communities – through a global survey of the St. Gallen Symposium’s networks and some 1,000 young and senior leaders³, and hundreds of student essays from 78 countries submitted to the 2022 St. Gallen Global Essay Competition. We gathered their initial views on **intergenerational issues that most demand attention and ideas on how we can jointly tackle them.**

This Call for Action is intended to be the beginning of a burgeoning global platform that facilitates in-depth reflection, dialogue and action on closing the intergenerational divide. We invite you to explore the synergies you identify between this Call to Action and your work. Equally, we encourage you to identify any blind spots: what are we missing? Ultimately, we are all ears about how you would like to engage.

Why act, and why now?

A BROKEN GENERATIONAL CONTRACT

A great deal of our lives is influenced by *when* we were born. **We owe a great deal to the efforts of our forebears:** the dramatic improvements in life expectancy and living standards, technological discoveries and investments in education that they made possible. At the same time, we cannot be blind to the fact that we have also **inherited problematic legacies.**

The generational contract captures the principle that generations always depend on each other and are bound by mutual rights and responsibilities.

This idea can be applied, on the one hand, to how all generations alive at any point in time depend on each other to provide mutual support across **different stages of life**⁴ – such as via education, environmental protection, public debts, and sustainable pension systems. On the other hand, it concerns the **responsibilities of those who are alive at the time for future generations to come.**

The **powerful idea of intergenerational fairness** should be at the heart of any generational contract, as captured in the United Nations Brundtland Commission's concept of **sustainable development** in 1987: sustainable development, according to this impactful definition, means meeting “the needs of the present without compromising the ability of future generations to meet their own needs”.⁵

But we can go further in 2022; instead of talking about not compromising future generations, we should be talking about **ways to repair and recover from social, ecological and economic damage** already done. Our responsibility is not to sustain the current system if it is failing but to create the conditions for a better one.

At the 76th United Nations General Assembly session in 2021, UN Secretary-General António Guterres warned governments and businesses of a growing intergenerational divide. Young people, he said, will “inherit the consequences – good and bad” of decisions

made by today's leaders in politics and business.⁶ **The UN's Secretary-General is right that divisions between generations have widened in recent years.** Young people are not sufficiently represented in policy decisions that affect them now, which will have implications for their future. A lack of future-oriented decision-making will equally affect future generations: the more than 10 billion people projected to be alive by the end of the century, compared to the 7.7 billion alive today.⁷

In 1987, the United Nations Brundtland Commission defined sustainable development as “meeting the needs of the present without compromising the ability of future generations to meet their own needs”.

In richer, demographically older countries – such as France, Germany, Italy, South Korea, and the United States – most people now believe that the young and next generations will be worse off than their parents.⁸ Rather than enjoying mobility upward, young people now often face worse economic prospects than their parents, particularly in terms of income, savings and housing.⁹ In light of demographic change, policy-making also increasingly panders to older voters. On average, governments spend far more on a pensioner than on a child – and this gap has grown over the last decades.¹⁰

In demographically younger, developing economies, youth face socio-economic challenges such as unemployment, underemployment, informal employment and working poverty in more heightened ways than in developed countries. This social and economic exclusion is often long-term in nature and affects not only individuals but an entire generation.

Moreover, for young and future generations worldwide, climate change poses severe **existential risks.**¹¹ Reducing existential risk has a low cost for all generations currently alive compared to the huge expected value it has for future generations.

Starting a global dialogue:

EARLY FINDINGS ON KEY CROSS-GENERATIONAL CONCERNS

To engage with the views of both young and senior thinkers and decision-makers worldwide, we commissioned a global survey among the St. Gallen Symposium's Leaders of Tomorrow network (individuals largely under the age of 35)¹² and senior decision-makers (individuals largely above the age of 45)¹³. We wanted to ignite a conversation on **impactful ways to foster intergenerational fairness**.

In addition, the **St. Gallen Global Essay Competition** in 2021/2022 received hundreds of student essays from 78 countries on the question: "What should be written into a new intergenerational contract?" Taken overall, these essays and the survey have **reinforced our suspected need for action**. Here's why:

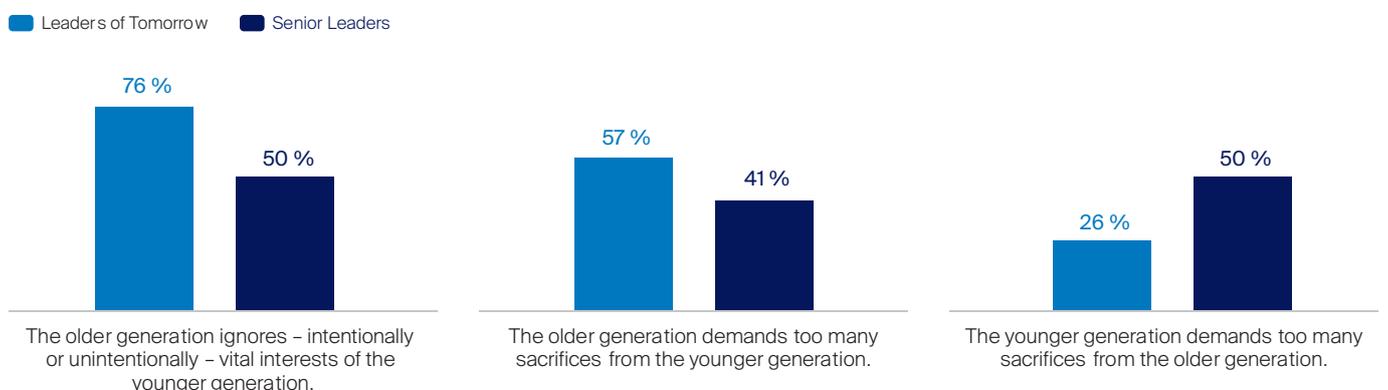
1. WE SEE OPTIMISM WITH REGARDS TO A FRUITFUL BASIS FOR COLLABORATION

On the one hand, our findings suggest that **different generations appear stuck in a situation of mutual accusations**; our survey showed that 76% of young people surveyed feel the older generation ignores

their vital interests. At the same time, 50% of current decision-makers feel the younger generation demands too many sacrifices from the older generation.

Intergenerational accusations: Do you agree with the following statements?

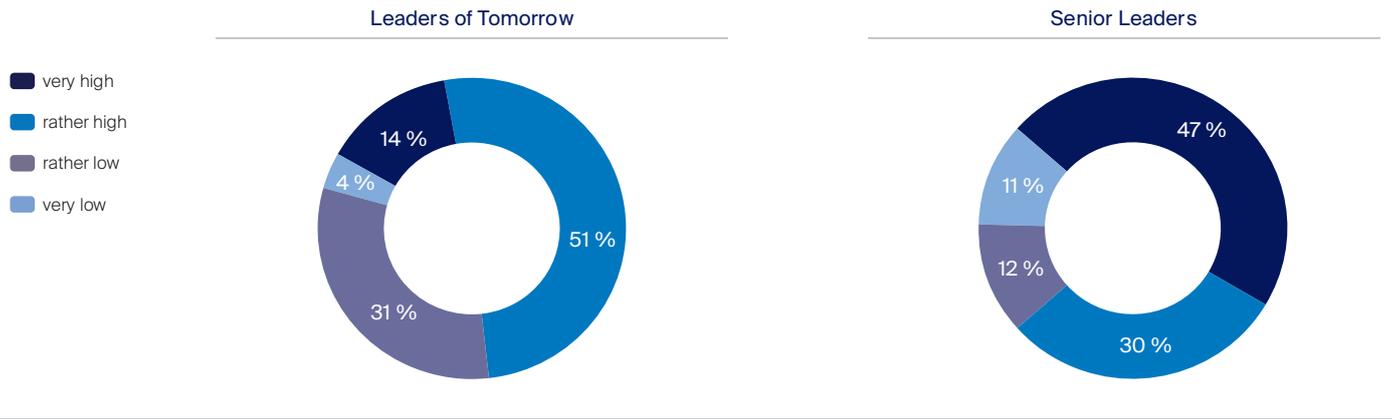
Shown below is the percentage of respondents who "completely agree" or "tend to agree"



n = 683 Leaders of Tomorrow; n = 300 Senior Leaders

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How do you generally rate the chances of the younger and older generations working well together to solve the challenges of the future?



n = 683 Leaders of Tomorrow; n = 300 Senior Leaders
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However, our findings also give **good reason for hope**: In our survey, we asked both leaders of today and tomorrow how they would rate the chances of the older and younger generations working well together to solve future challenges. The chances of collaboration were either 'rather high' or 'very high' among 65% of tomorrow's leaders and 77% of today's. This shows the **willingness of all generations to collaborate** and the existing window of opportunity to develop a New Generational Contract.

"Intergenerational issues are not a zero-sum game. The truth is that the greatest potential lies in combining the strengths of all age groups to create value that is greater than the sum of its parts."

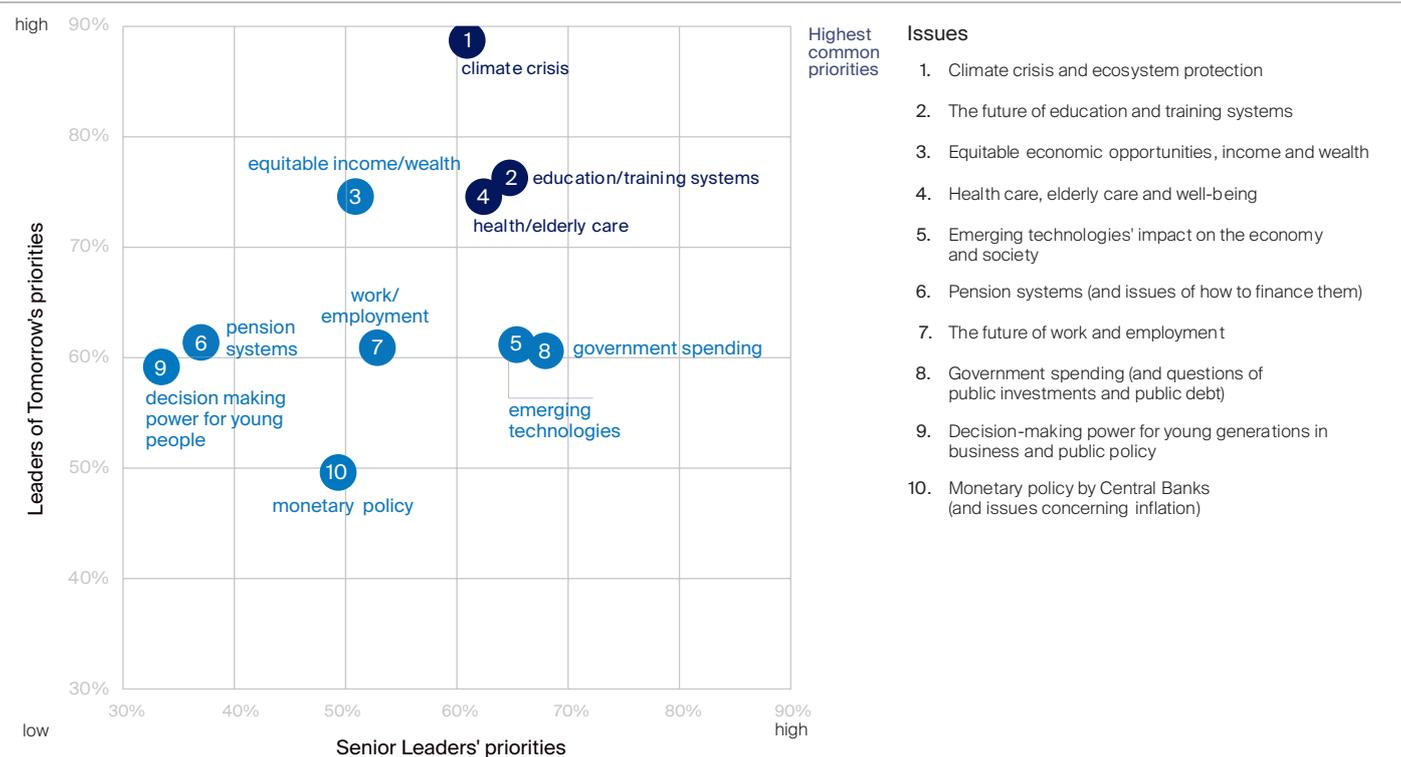
MEGAN HIPPO, STELLENBOSCH UNIVERSITY, SOUTH AFRICA

2. DESPITE DIFFERENCES IN PRIORITIES, WE FOUND COMMON GROUND ON FIVE KEY ISSUES

When both generations were asked about those intergenerational issues they thought should be addressed most urgently, common ground was quick to appear. Interestingly, different degrees of urgency were attributed to certain issues. But both generations agreed that the climate crisis, the future of education, and health and elderly care, are among the most pressing issues

for intergenerational collaboration. Discussions on government spending (including questions of public debt and investments) and the impact of emerging technologies on the economy and society also absorbed a significant amount of energy in both groups.

How urgently do you think the following intergenerational issues should be addressed?
 Prespecified issues; Top2Boxes (extremely urgent + urgent) of 5 answer options (+ n.a.)



n = 683 Leaders of Tomorrow; n = 300 Senior Leaders
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In other areas, however, today's decision-makers need to develop a much greater understanding. Young people surveyed see many more issues as urgent than

their elder counterparts, with differences particularly pronounced regarding a more equitable distribution of income and wealth.

3. THE NEXT GENERATION CALLS FOR SYSTEMIC AND INSTITUTIONAL TRANSFORMATIONS

In their essays, students expressed the need for all generations to hold themselves accountable for addressing the diversity of intergenerational challenges we currently face. This is reflected in the University of Hong Kong's Ka Yu Lau's words that "instead of asking our offspring to 'pay the bill', all global citizens shall reflect on what actions they could take to ease the pressing situation."

"Our impulsiveness and myopia often bias us towards the paths that prioritise short-term gains and overlook the ramifications of our decisions."

SOMDEEPA DAS, JAWAHARLAL NEHRU UNIVERSITY, INDIA

A recurrent theme that students worldwide emphasised was the **need for systemic and institutional change – rather than quick fixes**. For Somdeepa Das, a student at Jawaharlal Nehru University in India:

Similarly, Anna Seidel from the University of Oxford emphasised how **our current decision-making mechanisms don't support long-term thinking**: "Despite the acknowledged fact that short-termism in policy-making underlies many questions of intergenerational equity, there is no coherent global

structure guiding long-term thinking and addressing the system's risks to intergenerational justice."

Singaporean student Bryan Kwang Shing Tan from Peking University explained that the democratic process has traditionally maintained **intergenerational solidarity** through feedback from electorates via the ballot box but that this facet of the intergenerational contract is under threat because of a **"growing intergenerational democratic deficit** arising from the demographic transition towards an ageing population".

Proposals for change include creating a **"Generations Council"**, which, students envision, would have substantial rights and powers. According to Laura Müller of the Karlsruhe Institute of Technology, it would be "a useful and meaningful instrument for taking into account the interests of future generations in decision-making and for making their needs heard". In their essays, students touched upon a wide range of key issues which should be addressed in a New

Generational Contract. Below, we're focusing on three themes in particular – sustainability, education, and health – which stood out. Going forward, we will facilitate an inclusive and open process on thematic focal areas of our initiative, including the role of business, financing and emerging technologies, which were equally a key concern.

"It is imperative that the voice of the younger generations be heard when policies are crafted. Governments should spearhead the creation of platforms for young people to convene and discuss issues if such platforms do not yet exist."

BRYAN KWANG SHING TAN, PEKING UNIVERSITY, CHINA

Sustainability, education and health:

THREE AREAS GIVING RISE TO TANGIBLE IDEAS FOR GREATER INTERGENERATIONAL FAIRNESS



Environmental Sustainability

The **responsibility of generations currently alive to leave young and future generations a healthy and livable environment is an essential component of the generational contract.** Intergenerational equity is a widely recognised principle in international environmental law, repeatedly referenced in the UNFCCC¹⁴ framework and reaffirmed by the Paris Agreement. Yet, the environmental dimension of intergenerational fairness seems also to be the most precarious – and a lack of sufficient ambition and speed in global efforts to combat climate

change and protect the biosphere has been decried by millions of school-age protestors around the world in recent years.

The fact that young people are increasingly raising their voices and demanding action is visible in the many essays we received on the core role of **environmental sustainability** as part of the generational contract. Sydney Stevenson from the London School of Economics emphasised the severity of the challenge, and its psychological implications, for young generations.

"At this point in the climate crisis, younger generations feel they can no longer rely on older generations for essential support at distinctive stages of their life."

SYDNEY STEVENSON, LONDON SCHOOL OF ECONOMICS, UNITED KINGDOM

What are possible solutions? "Approaches that leverage nature's abilities – so-called **Nature-based Solutions** (NbS) – have gained much traction," writes student Andrea Byfuglien of the University of Oxford. "These consist of protecting, restoring, and improving land management activities to prevent the emission of greenhouse gases and increase carbon uptake and storage in ecosystems such as forests, wetlands, grasslands, and soil."

Referring to what she viewed as "one of the most direct 'intergenerational agreements' that currently works", Sophie Lara Neuber from the University of Cambridge **suggests using pensions as "a mechanism to guide environmentally sustainable decisions** and contribute to solving the intergenerational conflict of interests", by enshrining sustainable investment principles in public and private pension funds.



Education and Learning

In their essays, students equally emphasised that **education and learning** empower the next generation to choose their path in life, be active citizens, and embrace the opportunities of the digital revolution. As COVID-19 has disrupted learning worldwide, and as rapid technological change transforms the skills and competencies required for the future of work, **the key role of education in a new generation becomes a recurrent theme.** As Lochlann Attack from Bath Spa University in the UK underlined, "national education systems should be understood, not in a figurative or metaphorical sense, but a literal and binding sense, as an intergenerational contract" and "mutual support can only be achieved through deference to the respective advantages of each generation".

"National education systems should be understood, not in a figurative or metaphorical sense, but in a literal and binding sense, as an intergenerational contract."

**LOCHLANN ATTACK, BATH SPA UNIVERSITY,
UNITED KINGDOM**

For Rosemarie Dasmaraais from the University of British Columbia, "the health of democratic institutions and the pursuit of ecological citizenship values are intricately linked with the dynamism of educational institutions. Schools are innovation labs in which durable social change can occur. [...] Educational institutions are

both a cause and a consequence of the state of the world. They hold the promise of bringing together teachers and learners from all ages and horizons and contribute to netting strong communities that thrive within the intergenerational contract."

Student ideas of how to future-proof the way we teach and learn ranged from a **reorientation of school curricula on digital literacy to undoing the hierarchal relationship configuration present in schooling** in which we distinguish the helper starkly from the helped, as well as **focusing learning around values of an open society.**

To prepare students for a technology-driven future, Frieder Schwoerer of the University of Maastricht called for "a global educational reform focused on understanding data-based algorithms, improving (social) media use, ethics of machine learning, and consequences of internet use".

There was, equally, a feeling that we should be taking more advantage of the exchanges in schools by creating **a more horizontal, holistic and 'inter' education system.**

"We need to create an ecosystem that encourages dialogue and facilitates collaboration, to prepare our children for the challenges of the future world."

**ANKITA BHATKHANDE, UNIVERSITY OF
MUMBAI, INDIA**

This, to Ankita Bhatkhande, also includes learning centered around key values of an open society: "Children of today who are the active citizens of tomorrow need to imbibe the values of diversity and inclusion and this would only happen if the systems that govern our curricula open doors of a more liberal, assimilative world for students."



Health and Well-Being

During the Covid-19 pandemic, lockdown measures across the world were first and foremost taken to protect the elderly and vulnerable members of the population. The pandemic is only the most recent and prominent example demonstrating that health care has important intergenerational dimensions. Like pension systems, many public health care systems run on intergenerational transfers of resources so that everyone is protected in case of illness – no matter one's age. At the same time, climate change and pandemics resulting from human-animal interaction will significantly impact the health of future generations, demonstrating that a more sustainable planet will also be a more healthy one.

A key health concern among young people, as found in the essays we received, is that we are **entering what is likely to become a pandemic era** and that there is a moral duty to ensure that people who fall ill should not have to choose between poverty or a lack of sufficient treatment: should **health equity**, therefore, be written into a new intergenerational contract?

We found that leaders of tomorrow are worried about **the rising costs of medicines potentially widening the gap of intergenerational access to healthcare**; they feel that decreasing pharmaceutical expenditure would be an effective response. In this vein, Alya Akbar, a London School of Economics student, argued

“Only when we value people over profit will we progress towards intergenerational justice in access to healthcare.”

ALYA AKBAR, LONDON SCHOOL OF ECONOMICS, UNITED KINGDOM

Tomorrow's leaders also see a need to identify and address the underlying drivers of chronic disease to leave future generations with a legacy of improved health outcomes. A correlation is also made between climate change and mental health, with younger generations feeling that today's youth are expressing their fears and anxieties over what they perceive to be a global human emergency but being let down by older generations whose actions affect their future.

Shaping a New Generational Contract Together

AN INVITATION TO JOIN US

This Call to Action marks our intention to start a **global conversation on practical ways to foster greater intergenerational fairness**. The 51st St. Gallen Symposium on 5-6 May 2022 has launched a **Cross-Generational Transformation Lab**. We facilitate an inclusive, global dialogue of voices from politics, business, civil society and academia to set the thematic agenda together, and develop **joint cross-generational ambitions on key**

intergenerational issues. The Transformation Lab will initially run for one year, and will host regional, **cross-generational workshops, roundtables and listening sessions** in partnership with leading academic institutions in the Americas, Africa, Asia and Europe. The 52nd St. Gallen Symposium in May 2023 will discuss main findings and key **impact projects** that will drive our transition from insights to impact.



1 | Awareness

We consult all generations on **key intergenerational issues which demand attention** and raise awareness on the need for greater intergenerational equity.



2 | Ambition

We involve dedicated experts and our global, cross-generational community to define actionable recommendations and **joint ambitions** on key intergenerational issues.



3 | Action

We mobilise our network of partners from academia, the private and the public sector as well as civil society to collaborate on **concrete impact projects**.

These discussions will be informed by in-depth research on intergenerational fairness. Together with the EQx index, the St. Gallen Symposium has developed **the NextGen Value Creation Barometer**, which measures the extent to which countries and their economic models create value for – or extract value from – future generations.

The Lab will be enriched by the **50Percent Initiative**, an international collective of young people who – in partnership with the Penn State University Sustainability Institute and the Club of Rome – aim to collect the concerns, fears and excitement of a diverse young generation.

We are actively looking for collaborators to join our Initiative and, in particular, we are seeking:

- **Knowledge partners** with whom we'll further develop and shape the thematic agenda and Transformation Lab to distill key insights and ambitions, including through surveys and regional consultations.
- **Impact partners** from business, policy, technology and civil society to engage in our global consultations, and co-design and deliver impact projects for a New Generational Contract.

Would you like to collaborate on concrete actions toward greater intergenerational fairness? Reach out to us at info@symposium.org.

About Us

The St. Gallen Symposium is the world's most relevant organisation and platform for **cross-generational dialogue and collaboration**.

The symposium brings together different generations of leaders from business, politics, science and civil society to foster mutual understanding and joint action on our most pressing challenges and chances. We believe in positive change for a better world by bringing generations together and our vision: Lead with the Next Generation in Mind.

The Club of Rome is a platform of diverse thought leaders who identify **holistic solutions to complex global issues** and promote policy initiatives and action to enable humanity to emerge from multiple planetary emergencies.

The organisation has prioritised five key areas of impact: Emerging New Civilisations, Planetary Emergency; Reframing Economics; Rethinking Finance; and Youth Leadership and Intergenerational Dialogues.

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² Shafik, Minouche (2020) What We Owe Each Other. A New Social Contract.

³ The full survey results can be found in the Nuremberg Institute for Market Decisions and the St. Gallen Symposium's forthcoming joint publication "Voices of the Leaders of Tomorrow 2022: Passing on the Baton?"

⁴ Intergenerational Commission (2019) A New Generational Contract.

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⁹ CNN (2020) „Many Millenials Are Worse Off Than Their Parents“.

¹⁰ Intergenerational Foundation (2021) Age Bias: How Government Spending is Skewed Against the Young.

¹¹ An existential risk is a risk that threatens the premature extinction of humanity or the permanent and drastic destruction of its potential for desirable future development, as defined in Bostrom, Nick (2018) Existential Risk Prevention as Global Priority

¹² 683 respondents from 81 countries in the 2022 wave of the annual Voices of the Leaders of Tomorrow Report, published jointly with the Nuremberg Institute for Market Decisions. The Leaders of Tomorrow are a carefully selected, global community of very promising young talent invited to challenge, debate and inspire at the St. Gallen Symposium. Find out more about our Leaders of Tomorrow Community: symposium.org/young-community

¹³ 300 C-Suite executives from 26 countries from the world's largest 2000 companies

¹⁴ United Nations Framework Convention on Climate Change

