

The Project Outline

This project addresses such global issues of increasing social concern as a) global warming, b) population aging/decline, c) sustainable economic development, and d) transition to a market economy. It aims to make both theoretical and empirical analyses of the distribution of well-being among different generations from a politico-economic perspective. The project clarifies the current and future intergenerational situation of economic well-being, examines cohort-by-cohort motivations for mitigating intergenerational conflict, deepens conceptual understanding of intergenerational equity, and provides a new analytical framework for seeking fair distribution of well-being among different generations. It will propose policy options for specific issues, including political reforms for the smoother coordination of activities affecting the well-being of overlapping generations.

The term of this project is four years and six months, running from October 2000 to March 2005.

Interview with Asahi Shimbun

On Preventing Intergenerational War: Think about Your Grandchildren! - Prof. N. Takayama

A: Why are you interested in intergenerational issues?

T: Now that conflict between socialism and capitalism has subsided, intergenerational conflict is growing on a global scale. The social system of pension, health care and long-term care transfers income from the younger generations to the old. As the number of the aged grows and the burden on younger generations becomes heavier, there is a risk that conflict between different generations will intensify. Global warming is also an intergenerational issue.

A: How would one reconcile such intergenerational conflict?

T: In the social security pension debate, there exists the criticism that the aged receive far more than they have paid. The old generation is aggravated by such criticisms. They feel that it was they who willingly paid to educate the younger generation and passed on what social infrastructures they had developed and technical innovations they had made. In return, they are now receiving pension benefits and medical treatment. They are angry because the younger generation does not see this overall picture. And I believe they have every reason to be angry. Income transfer from the young to the old generation has a "give and take" meaning. It is necessary to persuade the younger generations of this by showing them what the old generation has left them.

A: Does that mean that the elderly have every right to receive their current level of pension benefits?

T: No, that is not true. Whether or not we should transfer income, and how much we should transfer, are separate issues. When we look at benefits and contributions for social security pensions, health care and taxes, it becomes clear that the process of income transfer has gone too far. That is, the elderly are receiving a little too much and the young generation is somewhat under-rewarded.

A: Do you think that the elderly will agree to step aside?

T: For them to agree, it would be best for them to consider the situation of their own children and grandchildren. They need to be asked, "Aren't your children and grandchildren in straitened circumstances due to company restructuring, salary cuts, payment of housing loans and educational costs?" In the same vein, in order to assist in familiarizing people with the issue, we hope to clarify what kind of income

transfers are taking place from the young to the old generation, and vice versa, at the individual household level.

(Interview conducted by Mr. Yotaro Hamada)

List of DP series

1. Suzumura, K. & Tadenuma, K., "On the Normative Foundations of Policies towards Global Warming," November 2000. (*)
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* a paper in Japanese

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