The Group of Twenty

Research Report

The Question of: Intergenerational Equity

Note: In any paragraph in this Research Report, ''Youth'' refers to people between the age groups of 18-35.

Introduction

Communication between communication, or the lack thereof, can have extensive effects on the communities. The topic of intergenerational equity highlights such as debt issues, improper use of natural resources & lack of environmental preservation.

In regards to the debt problems, crises usually result in large amounts of of debt by banks, and their local governments using a great deal of money in order to prop them up. Propping up banks results in general prices around the respective countries increasing. When general prices increase, debt and poverty usually follows. The 2008 financial crisis caused a lot of banks to be in substantial debt, most notably in the UK[2] and the US[3].

Regarding the environmental part, it's one of the most deep-rooted issues of today, with the threat of global warming and worldwide pollution threatening to harm the environment into an irreversible state, if it wasn't so to begin with. The environmental part of the issue is at least as concerning as the financial part. Generations upon generations have used the environment to their needs regardless of how big of an area they destroyed or what species they have turned extinct doing so. A hefty amount of countries created policies and establish laws to try to reverse pollution and preserve the environment, but there still are a considerable amount of countries who don't have environmental sustainability on their agenda. A real threat to global cooperation, especially if rejected by bigger economies.

The Committee

The G20 is a committee consisting of the 20 largest economies in the world. The 2019 attendees were the Presidents of Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, United Kingdom, United States, The European Council and the European Commission, with an added invitees of Chile, Egypt, the Netherlands, Senegal, Singapore, Spain, Thailand and Vietnam, also including special guests such and the heads of the IMF (International Monetary Fund) and Antonio Guterres, the UN Secretary General.

A rather recently founded summit, the G20, only has a history reaching back to 20 years, aiming to solve the Asian financial crisis and create a strong financial infrastructure globally. It used to only be attended by the finance ministers of the respective countries for about 10 years, but the 2008 financial crisis led the world leaders to believe that they should assess the problem(s) too, rather than solely leaving it to their financial deputies. As of 2019, the G20 is attended by Finance Ministers, Foreign Ministers and Heads of State[4].

The G20 has transformed from a purely financial summit, to an occasion where not only finance, but also things like economics and sociocultural issues are discussed. Anything said or done in the G20 can have a considerable global effect, which was the case in the last 3 G20 summits; The 12th,

13th and 14th summits, respectively the 2017 G20 in Hamburg, Germany, 2018 G20 in Buenos Aires, Argentina and 2019 G20 in Osaka, Japan drew a lot of attention from the media, mainly due to the decisions made by Heads of State. Many believe that these last few summits have led to a short-term tariff war.

Our committee will use the rules of the THIMUN procedure. That means that you will have lobbying time and will be called to the podium by raising your placards. May I remind all delegates that we don't have the power to sanction or deploy any means of military to any country, as taking immediate and strict action is the duty of the Security Council only. I would sincerely appreciate everyone following their country's policy, act in a diplomatic manner and be respectful to one another. Except for that, I have nothing else to expect. I hope we'll have a very enjoyable conference. This committee is destined to be a great one, especially considering the impact the G20 has on the world.

Key Terms

Intergenerational: Existing or occurring between generations. **(Merriam-Webster[*1])**

Equity: the quality of being fair and impartial **(Google Search[*2])**

Intergenerational Equity: A concept/principle that draws attention to the fairness and equal opportunities between generations regarding the conservation of the environment and use of natural resources. **(Oxford Public International Law[*3])**

- A definition in *John Macnicol's* book *''Challenges of Aging"* chapter 11, pages 229-249[15]summarizes Intergenerational equity as: ''[It can be simply] defined as the view that public resources should be allocated 'fairly' between competing generations''

Purchasing Power Parity: PPP is a theoretical exchange rate that allow you to buy the same amount of goods and services. Used by government agencies to compare the output of countries which use different exchange rates. **(Thebalance.com[*4])**

Gross Domestic Product: The total value of goods produced and services provided in a country during one year. **(Google Search[*5])**

Gross Domestic Product per capita: GDP per capita is a measure of a country's economic output that accounts for its number of people. It divides the country's gross domestic product by its total population. **(Thebalance.com[*6])**

General Overview

Note:

- Statistics from the United States will be used in this research report as a result of having more public data that can be used to support the latitudes of this overview, but the same arguments

could also be made by joining other parts of information of other countries[2, 5, 6] (GDP, PPP, Inflation, etc.).

- The example given aren't disrespect or negative viewpoints to the countries by any means, nor are they opinions. They are their current policies and how they contribute to/help the issue.

The issue of Intergenerational equity is a very promising one, as it's a more recent issue, and has not been addressed that frequently throughout history, opening the floor for new ideas which will create the well-built infrastructure of equity between generations, hopefully a long-term sustainable and self-developing one. But at this point, an urgent call to action is needed. The UN SDGs are also vital to solving the problem, and should definitely be taken into account.

Intergenerational equity will lead to solving two major problems of depletion of natural resources and economy. The history of intergenerational equity is very simple and has 2 big milestones, The first documented recording debt by the Sumerian Civilization~, and the environmental crisis of the post 2000s. The last two G20 summits have not specifically focused on intergenerational equity, but have focused on improving the global economy and intervening with the depletion of natural resources, being two issues directly associated with Intergenerational Equity. It (Intergen. Equity) is a topic that most are not aware of, but debate indirectly by debating fairness and the difference between generations, which makes up the topic.

The principle of intergenerational equity states that different generations from the same country, or similar areas of living should have equal opportunities and rights, thus have ''fairness'' between the generations. It can be seen that many people, especially the younger ones (Post- 1980s), are concerned about the inequality that is present between generations, and the large gap of communication which makes it even more difficult to solve the problem, as the inequality is rejected by many. Even though an argument concerning the part who think that nothing has changed between generations could be made. inflation rates divided into GDP per capita statistics show that younger people are less likely to buy housing or other luxury items. This is partly due to the debt coming from previous generations and because of the increase in cost of living[7]. Simply put, the problem that is trying to be solved is inequality between generations.

Whether people had equal opportunities and resources has been a significant issue that people have debated on. For example, one would argue that Baby Boomers in the United States, people born between 1946 and 1964, had it easier, as a depiction of the increased birth rates, hence the name ''Baby Boomers''. However, the Baby Boomers point out that they had a very rough childhood and it was incredibly hard living only 5-10 years after the most devastating war In human history. In this debate, both sides seem to be correct on their own point of view, thus it seems like most that is/was done is justified, such as using natural resources, or drowning in debt. In this example, the Purchasing Power Parity of the United States, adjusted with inflation, shows that It has decreased[5] from $14,940 to $4.674 (Adjusted with the 8.26 inflation[6] rate from 1960 to 2019), thus making the newer generations less wealthy and in a situation ridiculed with debt, and a threat that is global warming. The principle of Intergenerational Equity states that all generations should have fairness. That would mean that the newer generation should have $10,266 more on average in this particular scenario, but they don't, which means that, Intergenerational Equity has arguably not been reached between the Baby Boomers and Millennials, or any generation living in 2019. It's a fairly simply put example of intergenerational equity, there are

many factors to the financial part, and there's also the resource consumption part of the issue, regarding the environment.

The financial part, if a very high accuracy solution is sought out, should have factors as technological improvement, political relations of the country one inhibits, Prosperity of someone's life compared to people in other countries (Prosperity that mostly isn't available as statistics, similar to accessible technology, class standards, the effort it takes to rise to a certain position in a job, socio-cultural ability and efficiency etc.) and so on so forth. *The environmental part* of the issue

~: *Many* sources confirm that the Sumerians have the first documented recording of debt, but what exact year B.C. seems to change from source to source.

is a different layer of debate, which I'll do my best to explain in the paragraph. The threat possessed is huge. The environmental problem has two aspects to it: The earlier generations' misuse of the environment, and misuse in our current decade(s).

The misuse of older generations isn't easy as pointing fingers and saying ''They didn't respect the environment, its *all their fault*''. Yes, the earth has been getting hotter since the 1800s[7], but the general public only become aware about 20-30 years ago, thus all the excessive use of wood, petrol & clean water sources could have been less if people had known about this global crisis. Again, much like other subjects, it could be argued otherwise, and that they ''should've know'', but that's not the topic of this committee, or any MUN conference. *The misuse of current generations* is what's extremely concerning. Developed countries are ignoring global warming and using even more of natural resources. The U.S. has completely rejected climate change and pulled out of the climate agreement. The Chinese Government has cooperated with the UNDP[9], but their companies and nations itself is still extremely consumptive, with nearly 80% of their GDP coming from consumption[10]. Many more countries such as Saudi Arabia, Qatar, the UAE and the Russian Federation are also relatively consumptive, with respectively having 37.9%[11], 24.6%[12], 38.5%[13], and 47%[14] contribution to their GDP. I believe a quick comparison is all that is needed to summarize the magnitude of the consumption rates: If all of Europe decided to go environmentally friendly, which are around 500 million people, with -let's say- more than half of the U.S., about 150 million and 200 million people from other countries decided to go environmentally friendly, it would total to around 850 million people around the globe doing so. China's population is 1.38bn alone. This example is not counting countries who are populously dense as India, Russia, and the whole African continent. Negativity should be despised at all costs, but our globe won't last long If these actions are continued. We can't fault these countries because, from a political standpoint, these countries are trying to improve their economies by consuming, and creating the product that is to be consumed.

There have nearly been no references to Intergenerational equity except for ''*Protecting future generations from war''* and ''*to protect the planet from degradation'' in* the United Nations Sustainable Development goals according to a report by *Otto Spijkers*[*~]. But there have been references to ''saving future generations'', thus it's the UN's duty to do so; The UN <u>needs to</u> solve the issue of intergenerational equity if they want to save their future generations.

Major Parties Involved

Directly Related:

Note: As mentioned in further parts of the MPI, a country not investing in their youth would have serious economic problems in the future. It's debatable whether the way they countries invest in their youth is right or not, but most developed countries invest in their youth one way or another.

https://www.theguardian.com/politics/2016/jul/02/tory-tax-benefit-plans-generation-divide[16]

The European youth (Members of the EU)[16]: The European youth have had more than a few instances of where they have protested against their situation. As mentioned in the general overview, the GDP per capita adjusted with inflation has significantly decreased over the last few decades. The image on the right is showing teenagers protesting against the unfair tax brackets although allegedly promised otherwise. Communication regarding the problems of the newer generation(s) is also vital, as they learn about the similar struggles of others. *The members of the EU will eventually have to take notice of these widespread protests, if they haven't already. This could cause big trouble in the EU, as most of their youth is already leaving for countries which can provide more financial gain. The EU being habitable depends on their inventive and modern viewed culture.*

https://canadiandimension.com/articles/view/the-blind-alleys-of-generation-screwed[17]

The American youth (United States & Canada)[17]: The image on the right of this paragraph shows Canadians who are protesting against the debt they struggle to pay from previous generations, rise in everyday goods and the general unfairness they seem to supposedly struggle with. The U.S. would especially struggle with treating the newer generations 'unfairly~~' as most of the upper-middle class and middle-class citizens inhibiting the U.S. are ''old money*"[19].

Indirectly Related:

Signees of the Paris Climate Agreement/Accord[18]: 185 states, the EU and 11 signatories are/should be responsible of protecting the climate, and the environment's resources, again, indirectly contributing to solving the problem of intergenerational equity. This means that most states that have taken notice of the dissatisfaction and the obvious~~ dissatisfaction of their youth means that if they are treated unfairly, the countries' economies could take a big hit, especially when in 5-10 years when the current working class will be replaced and taken over by the new generations as the heads of means of business.

*: I don't have the authority to decide on what's fair and what's not, it's only an opinion but could be debated upon. ''Old Money'' means families with significant amount of money left for more-than-a-few generations.

~~: Arguably obvious. It could easily be rejected by a country who doesn't invest in their youth as much as others. But if argued otherwise, the future of the country's economy wouldn't be as beneficial since a lot of the new generation who believe they are being treated unfairly could leave the country, and take stocks & means of investment with them while doing so.

Timeline of Events :

Date:	Event:	By:	Place:	Relevance:
3500-4000 B.C.	Creating the first documented record of 'family debt'	The Sumerian Civilization	Mesopotamia	Debt from previous generations is one of the main issues that is trying to be solved in Intergenerational Equity. It's history is beneficial to the topic.
4-5 July 2012 & 2013	Global Conference on implementing intergenerational equity[20]	The World Future Council and UN Environment Development Programme **(UNEP)**	Varembe Conference Room, Rue de Varembe 1-3, 1202 Geneva, Switzerland	A world-wide conference to raise awareness on the topic and discuss possible solutions
21st of June 2018	''Intergenerational Fairness: which challenges, which solutions?''[21]	AGE Platform Europe and the European Youth Forum, in participation with EP Heinz K. Becker, MEP	European Parliament, Brussels	The largest non-UN event regarding the subject in the last decade, organized by the EYF and AGE EU.

		Brando Benifei, MEP Lambert Van Nistelrooij, Vice-Chairs of the Intergroup subgroup on Active Ageing and Solidarity between Generations		It's a step towards solving the problem in itself.
16th of July 2019	BCCIC's youth delegation to the UN High Level Political Forum **(HLPF)** organized an event for Intergenerational Equity and the Sustainable Development Goals **(UNSDG's)**	British Columbia Council for International Cooperation **(BCCIC),** Co-hosted by the Canadian Council for International Cooperation **(CCIC)**	466 Lexington avenue New York, New York, United States	The post 1990s generations taking direct action in cooperation with the UN in order to solve the issue

Previous attempts to solve the issue

Previous attempts to solve the issue were predominantly conferences and other ways of bringing the problem to the general public's knowledge. The UNEP has very closely followed the issue as seen by their input to organizing conference. Two of the 17 UNSDG's [See last paragraph of the General Overview] state, respectively, ''Decent work & economic growth'' and ''Reduced Inequalities'' which both apply to the situation, so it's only right for the UNEP to take action. The World Future Council and the respective youth branches of unions are also highly active in the area, especially in Scandinavia and Europe, regarded as one of the top contributors the subject[22,23]. The university of Utrecht has also published a very extensive report on the subject, reviewing both local and global intergenerational equity, and opening it to the public[23], which gives everyone a chance to have a very detailed read on the subject.

The Future

What the future currently holds for the subjects is not much different than its history: mostly different ways to draw attention to the subject with conferences, but there have been a spike In research regarding the subject from Universities[23] and researchers[*~,24]. Currently, as the years go by, more reports should be published as statistics show, but a plan with a very strong infrastructure has to be done before 2030 if the SDGs want to be achieved. With the anti-climate change wave slowly fading away nearing 2020, there are ten years left to properly develop means to meet the principles of Intergenerational Equity.

Questions a Resolution Must Answer (Q.A.R.M.A.)

Dear Delegates, a resolution should address the financial and environmental part of the issue, but the more ways to solve a problem there are, the better any resolution will get, so please don't limit yourselves to the things I've written in both this Q.A.R.M.A part and the Research Report as a whole. It doesn't only have to be the two sub-topics (financial and environmental), solutions could be added or replace if believed to be more beneficial for the UN and the world as a whole. -Kuzey Mungan

Intergenerational Equity isn't precisely mentioned in the UNSDG's, but that only opens the floor delegates to pave their own way and create their own restrictions on the issue, with such an issue connecting vital issues of economy and climate change, how could the UN approach this issue?,

- Will a proper plan to increase the financial situation of the youth effect the respective countries' economies?
  - If so, how much would it effect it?
- How big of a hit are countries willing/able to take on their economies to be considered 'worth it' for the UN and a good investment for the countries?
- Could the same standard be set among all member states or is there another way around it?
- Does the financial plan correlate with the environmental plan?
- Since the UN doesn't have strict jurisdiction over any country, how will other countries agree to participate in the suggested intergenerational equity plan?
- Can the consumption rates of countries balance out the others who lack wealth?
  - If so, how would it be done while following the UN Charter?
- Why should countries agree with the presented clauses?
  - How would it benefit them?
  - How will a common point be reached?
- Are the (most) of the youth's requests fulfilled?
- Does this [Hypothetical] resolution take action?
- How long will this resolution stay in effect?
  - How long will it take to reach it's full effectiveness?
- Does this resolution create the infrastructure for improvements to be made?

Further Reading

- If general info on the committee and its history is needed, this link sums it up in a shorter than usual manner, but is great in order to get a grip of the concept:
  - https://www.thebalance.com/what-is-the-g20-3306114

- A debate-like article about Intergenerational Equity:
  - https://www.cairn-int.info/article-E_RFS_544_0641--rethinking-inter-generational.htm

- A 16 page downloadable PDF written by Rita Vasconcellos Oliveira. The first 12 pages could bebotbeneficial to read:
  - https://www.mdpi.com/2071-1050/10/2/427/pdf

- Investopedia's take on defining PPP and GDP *[A more serious and diplomatic approach to the definitions*]:
  - https://www.investopedia.com/updates/purchasing-power-parity-ppp/

- Thebalance.com's definition of PPP *[A very casual and relaxed approached to the subjects, definitely **shouldn't** be quoted in session, but it helps to understand PPP's use]:*
  - https://www.thebalance.com/purchasing-power-parity-3305953

- The University of Utrecht's very extensive report on both local and global intergenerational equity:
  - https://dspace.library.uu.nl/bitstream/handle/1874/361333/E_Dirth_5786851_Thesis.pdf?sequence=2&isAllowed=y

Bibliography

Bibliography for the definitions of key-words:

[*1]:https://www.merriam-webster.com/dictionary/intergenerational**(Merriam-Webster Dictionary)**

[*2]:https://www.google.com/search?q=equity+definition&oq=equity+definition&aqs=chrome..69i57j0l5.1981j0j4&sourceid=chrome&ie=UTF-8 **(Google Search)**

[*3]: https://opil.ouplaw.com/view/10.1093/law:epil/9780199231690/law-9780199231690-e1421 **(Oxford International Law)**

[*4]**:** https://www.thebalance.com/purchasing-power-parity-3305953 **(Thebalance.com definition)**

[*5]:https://www.google.com/search?q=gross+domestic+product+definition&oq=gross+domestic+product+definition&aqs=chrome..69i57j0l5.6130j0j4&sourceid=chrome&ie=UTF-8 **(Google Search)**

***6:**https://www.thebalance.com/gdp-per-capita-formula-u-s-compared-to-highest-and-lowest-3305848 **(Thebalance.com)**

Others:

[1]**:** https://g20.org/en/summit/about/ **(Information on the Summit and the attendees)**

[2]:http://theconversation.com/more-and-more-young-people-are-falling-into-debt-but-its-not-their-fault-86006 **(UK's bank prop-up resulting in debt)**

[3]:
https://www.theguardian.com/commentisfree/2011/jan/24/curb-the-banks-government-propped-them-up **(US propping up banks)**

[4]**:** https://www.thebalance.com/what-is-the-g20-3306114 **(G20 Attendees & general info)**

[5]**:** http://www.demographia.com/db-ppp60+.htm **(Purchasing Power Prosperity Chart of 14 nations)**

[6]**:** http://www.in2013dollars.com/us/inflation/1964?amount=1 **(Inflation rate of the U.S.)**

[7]**:**https://theconversation.com/millennials-are-us-1-trillion-in-debt-but-theyre-better-at-saving-than-previous-generations-112206 **(Millennial Debt)**

[8]:https://www.ucsusa.org/global-warming **(Global Warming)**

[9]**:** http://www.cn.undp.org/ **(China's UNDP website)**

[10]**:** http://www.chinadaily.com.cn/a/201809/20/WS5ba30475a310c4cc775e7413.html **(80% of China's GDP coming from consumption)**

[11]**:** https://www.ceicdata.com/en/indicator/saudi-arabia/private-consumption--of-nominal-gdp (Saudi Arabia's GDP Contribution of consumption)

[12]**:** https://www.ceicdata.com/en/indicator/qatar/private-consumption--of-nominal-gdp (Qatar's GDP Contribution of consumption)

[13]**:**
https://www.ceicdata.com/en/indicator/united-arab-emirates/private-consumption--of-nominal-gdp (United Arab Emirates' GDP Contribution of consumption)

[14]**:** https://www.ceicdata.com/en/indicator/russia/private-consumption--of-nominal-gdp (Russian Fed.'s GDP contribution of consumption)

[*~]: https://www.mdpi.com/2071-1050/10/11/3836/pdf (Report by Otto Spijkers)

[15]: https://link.springer.com/chapter/10.1057/9781137283177_12 **(Digital version of John Macnicol's book pages 229-249),**

[16]: https://www.theguardian.com/politics/2016/jul/02/tory-tax-benefit-plans-generation-divide **(The Guardian, Photo & information)**

[17]:https://www.google.com/url?sa=i&source=images&cd=&ved=2ahUKEwjS4Masr83jAhXFCewKHRnfDjEQjRx6BAgBEAU&url=https%3A%2F%2Fcanadiandimension.com%2Farticles%2Fview%2Fthe-blind-alleys-of-generation-screwed&psig=AOvVaw1C4dxfyqvf8TuFAJfjsxsi&ust=1564050173630737
https://canadiandimension.com/articles/view/the-blind-alleys-of-generation-screwed **(Photo & article on protests of the Canadian Youth)**

[18]: https://en.wikipedia.org/wiki/List_of_parties_to_the_Paris_Agreement (The only link to Wikipedia you can see in this research report) **(Signees of the Paris Climate Agreement)**

[19]: https://marketbusinessnews.com/financial-glossary/old-money/ **(Amount of ''Old Money'' in the U.S.)**

[20]:
http://sdg.iisd.org/events/global-conference-on-implementing-intergenerational-equity-bringing-future-perspectives-to-the-status-quo/**(Global Conference on implementing intergenerational equity, organised by the UNEP and World Future Council)**

[21]:
https://www.age-platform.eu/event/intergenerational-fairness-which-challenges-which-solutions **(Intergenerational Fairness conference)**

[22]: http://oecdinsights.org/2013/10/29/intergenerational-justice-in-scandinavia-super-model/ (The Scandinavian Model)

[23]:
https://dspace.library.uu.nl/bitstream/handle/1874/361333/E_Dirth_5786851_Thesis.pdf?sequence=2&isAllowed=y **(The University of Utrecht's report on the issue)**

[24]: https://www.mdpi.com/2071-1050/10/2/427/pdf (Report by Rita Vasconcellos Oliveira)