

Intergenerational fairness

A SURVEY OF CITIZENS IN 10 EUROPEAN COUNTRIES

Foreword

The intergenerational contract is under strain. Europeans are worried that they and their children may end up worse off than their parents and grandparents, challenging a key premise that underpins societies: that each successive generation should become better off than the previous ones. If we are to sustain the intergenerational contract into the future, we need a step change in our approach to decision-making on issues that have significant intergenerational consequences.

As chartered accountants, our primary interest is to make sure that decision-makers – be they politicians, policymakers, business leaders or finance directors – are equipped with the knowledge and insight needed to make good decisions. Informed by this survey’s findings on how Europeans view issues of intergenerational fairness and drawing on our insights across a broad range of related areas, we propose a framework based on five core considerations to encourage transparent, informed and accountable decision-making. In doing so, we want to encourage a profoundly different approach to taking decisions which will improve the prospects of all generations, current and future.

Ensuring intergenerational fairness entails difficult decisions and a balance between competing needs and priorities, while reconciling short and long-term priorities. We hope our proposed framework, coupled with the insights from our survey of 10,000 Europeans in 10 countries, will help stimulate further debate on how governments take key decisions that will define how our societies continue to respond to demographic, technological and economic change.

We welcome all comments at europa@icaew.com



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Introduction

Intergenerational pressures are increasingly focusing the minds of governments in Europe and beyond. Such challenges are only likely to grow given the demographic trends, structural economic changes, rapid technological developments and strained public finances faced by many countries.

This survey contributes to the growing political focus by providing a unique picture of the aggregate views of 10,000 Europeans on different aspects of the debate on intergenerational fairness. Carried out in mid-2017, the 10 countries surveyed (Bulgaria, the Czech Republic, France, Germany, Greece, Italy, Poland, Sweden, Switzerland and the UK) reflect a broad diversity of size, geography and economy across the continent. The data is further broken down by age group and gender.

Structured in three sections, the survey explores whether Europeans feel that their respective generations are being treated fairly by government and whether they trust their governments are taking account of the longer-term financial impact of key policy choices. It sheds light on how Europeans would prioritise policy issues with a strong intergenerational dimension, before exploring views on who should be in the driving seat when it comes to meeting key societal needs – be it financing pensions, investing in education or tackling unemployment.

The survey builds on our existing work on public finances in Europe, seeking to facilitate discussion among key policymakers and stakeholders on how governments can promote greater confidence in the way they manage their public finances – for today and for tomorrow. Better understanding and management of public finances is a key way to enable governments to deliver better prospects for all generations, current and future.

ICAEW EUROPE

In keeping with ICAEW's founding Royal Charter of 1880, ICAEW's activities in the Europe Region encompass extensive public policy work on a range of areas, most notably in the financial reporting, auditing, governance, public finance, tax, enterprise, sustainability and financial services spheres. Our Europe Region offers access to the portfolio of ICAEW qualifications to a growing community of students and provides services to over 5,000 members based in the EU, outside of the UK. We work closely with other professional bodies and national oversight authorities, including via our innovative Accountancy Profession Strategic Forum and related Quality Assurance Networks.

Key findings

FAIR TREATMENT AND TRUST

- Across the 10 countries surveyed, fewer than 1 in 4 Europeans feel that their generation is being treated fairly by their government when taking policy decisions. This sense of unfairness is broadly shared across genders and age groups.
- Swiss and Swedish citizens are significantly more positive about intergenerational fairness than other Europeans. Majorities in all other countries do not believe their generation is being treated fairly – a sentiment expressed particularly strongly in Greece and Bulgaria.
- Europeans of all ages doubt that their governments are considering the financial implications of policy decisions on future generations: just over half indicate distrust, just over a quarter express trust. Clear majorities in Greece, Bulgaria, the Czech Republic, Italy and Poland concur.

PRIORITISING POLICIES

- Asked to prioritise policies with a strong direct or indirect intergenerational dimension, Europeans display remarkably similar views. Over half think that addressing poverty and unemployment is an extremely pressing issue. Securing pensions and social care is also a top priority. Bottom of the list is action to ensure environmental sustainability and to reduce government debt.
- Most age groups weigh up competing policy priorities in a similar way. The oldest (aged 55 to 64) places more emphasis on tackling pensions and social care; the youngest (aged 16 to 24) is slightly more concerned with environmental and public finance issues.
- Citizens in Bulgaria, France, Greece, Italy and the UK agree: confronting poverty and unemployment is a key priority. In the Czech Republic, Germany, Poland, Sweden and Switzerland, policies relating to pensions and social care are rated higher. Polish citizens are more worried about issues of tax fairness than their counterparts elsewhere.

TAKING RESPONSIBILITY

- Europeans see governments as remaining in the driving seat when it comes to key societal needs with an intergenerational impact, showing little support for the notion of the individual assuming leading responsibility. Differences of opinion across age groups and between genders are limited.
- About 8 in 10 think government is primarily responsible for taking action to alleviate poverty and reduce unemployment as well as financing pensions and social care. Strongest support for the leading role of government is expressed in Greece, the Czech Republic, Bulgaria and Sweden.
- When it comes to investing in education, 6 in 10 identify governments as being primarily responsible - although 1 in 2 Swiss citizens believe such responsibility lies with the family. Sizeable minorities in Italy, France and the Czech Republic agree.

ABOUT THIS RESEARCH

This online survey was completed by 10,288 citizens across 10 different countries within Europe. The survey was open from 30 June to 3 July 2017. The 10 countries that were surveyed were Bulgaria, the Czech Republic, France, Germany, Greece, Italy, Poland, Sweden, Switzerland and the UK. The 10,288 responses have been weighted to reflect the adult population for each country, within the age range interviewed. The survey was commissioned by ICAEW and conducted by Kantar TNS.

I. Fair treatment and trust

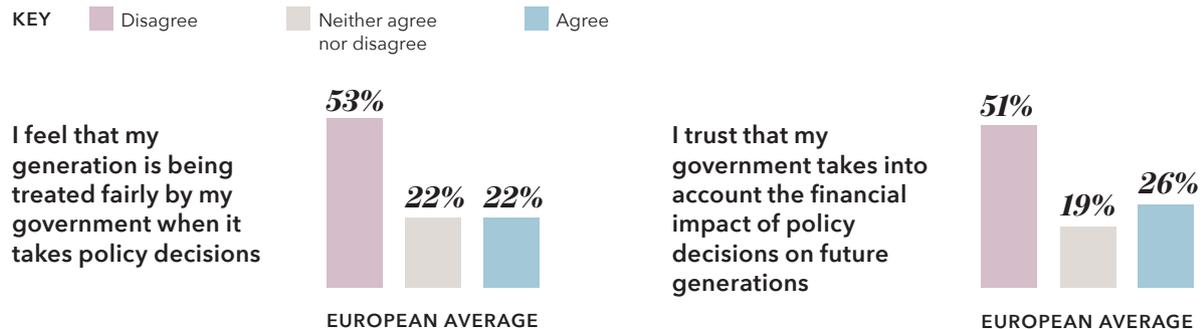
Base 10,288 citizens

Across Europe and beyond, governments need to find ways to improve the prospects of different generations in a fair and sustainable way. Our survey suggests that - in the eyes of their citizens - governments today are largely failing in this task.

LACK OF INTERGENERATIONAL FAIRNESS IN POLICY MAKING?

Over half of the citizens surveyed do not feel that their generation is being treated fairly by government (53%). Only one fifth takes a more positive view on how their generation is considered in policy decisions (22%); the same number find it hard to judge (22%).

Similar sentiments are expressed when citizens are asked if they trust their government to take into account the financial impact of policy decisions on future generations. Half indicate distrust (51%), only a quarter are more trusting (26%) and about a fifth find it difficult to say (19%).



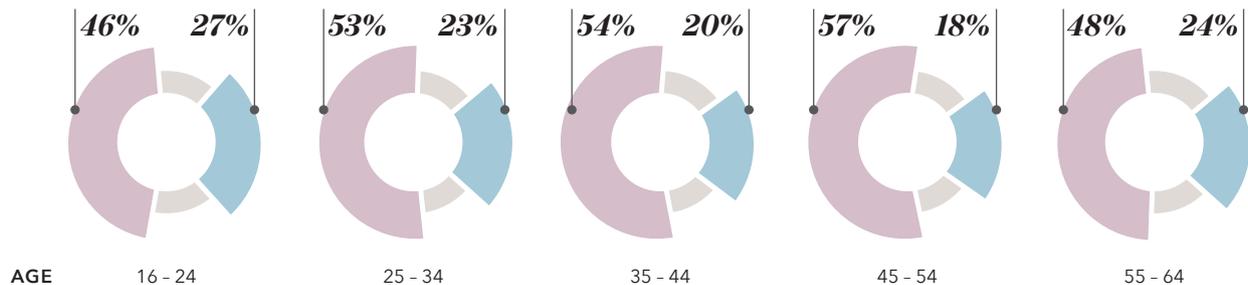
Responses to the question: 'To what extent do you agree or disagree with each of the following statements? (1) I feel that my generation is being treated fairly by my government when it takes policy decisions. (2) I trust that my government takes into account the financial impact of policy decisions on future generations'. Results also broken down by age, country and gender.

NO AGE GROUP FEELS TREATED FAIRLY

This sense of unfairness is shared between genders and across age groups, with a particularly similar outlook among Europeans aged 25 to 54. Younger Europeans (aged 16 to 24) feel somewhat less unfairly treated by their government (27%), although the majority concur with the view that governments could do more to treat their generation fairly (46%). A sizeable minority (23%) find it hard to decide. The oldest age group surveyed (aged 55 to 64) is also marginally more positive (24%).

I feel that my generation is being treated fairly by my government when it takes policy decisions

KEY ■ Disagree ■ Agree



Feel unfairly treated



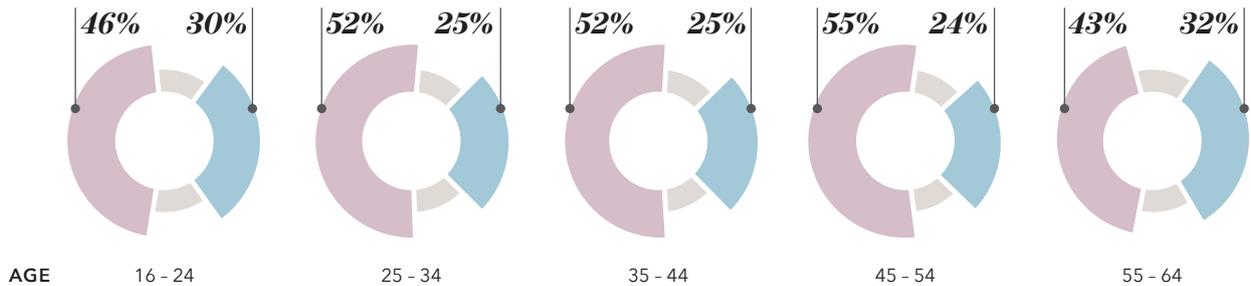
Not shown: results for 'Don't know' and 'Neither agree nor disagree'.

EUROPEANS OF ALL AGES DOUBT THAT GOVERNMENTS TAKE INTO ACCOUNT THE FINANCIAL IMPACT OF POLICY DECISIONS ON FUTURE GENERATIONS

About a third of younger (aged 16 to 24) and older respondents (aged 55 to 64) trust that governments take into account the financial impact of policy decisions on future generations (30% and 32% respectively). Other age groups are more sceptical with only about a quarter expressing trust. Women and men are almost equally distrustful (53% and 49% respectively).

I trust that my government takes into account the financial impact of policy decisions on future generations

KEY Disagree Agree



Feel unfairly treated



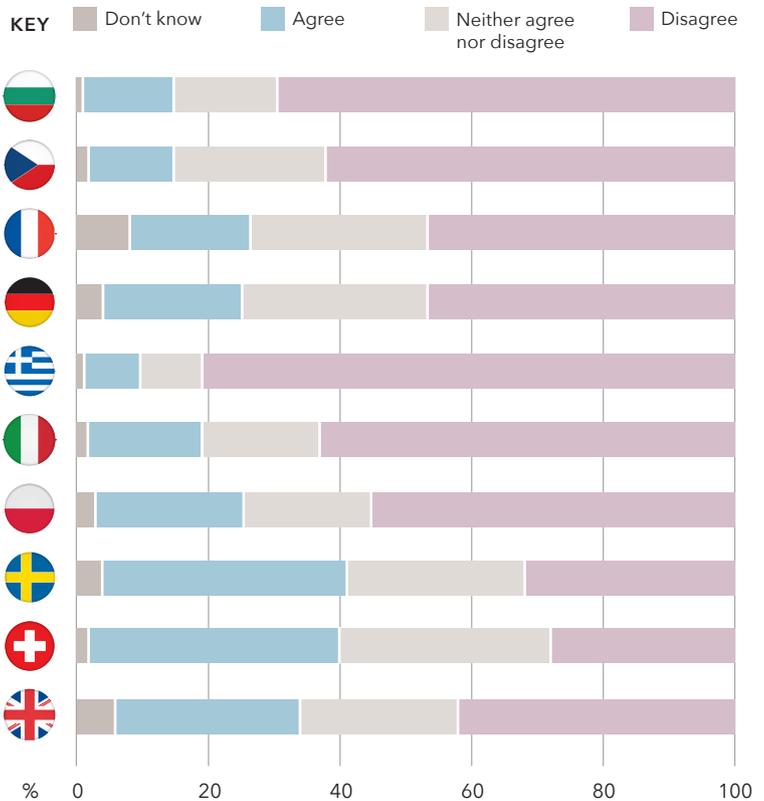
Not shown: results for 'Don't know' and 'Neither agree nor disagree'.

SWISS AND SWEDISH CITIZENS FEEL MOST FAIRLY TREATED

Citizens from Switzerland (38%) and Sweden (37%) are significantly more positive when asked about intergenerational fairness than other Europeans. In both countries, more citizens are satisfied than dissatisfied that their generation is being treated fairly by their government. Large minorities, however, are unsure (32% in Switzerland, 27% in Sweden).

In all other countries, the majority of citizens do not believe that their generation is being treated fairly; the strength of feeling varies from 81% in Greece to 42% in the UK. In France, Germany, Italy, Bulgaria and the Czech Republic, citizens are more likely to express uncertainty than trust in their government.

I feel that my generation is being treated fairly by my government when it takes policy decisions

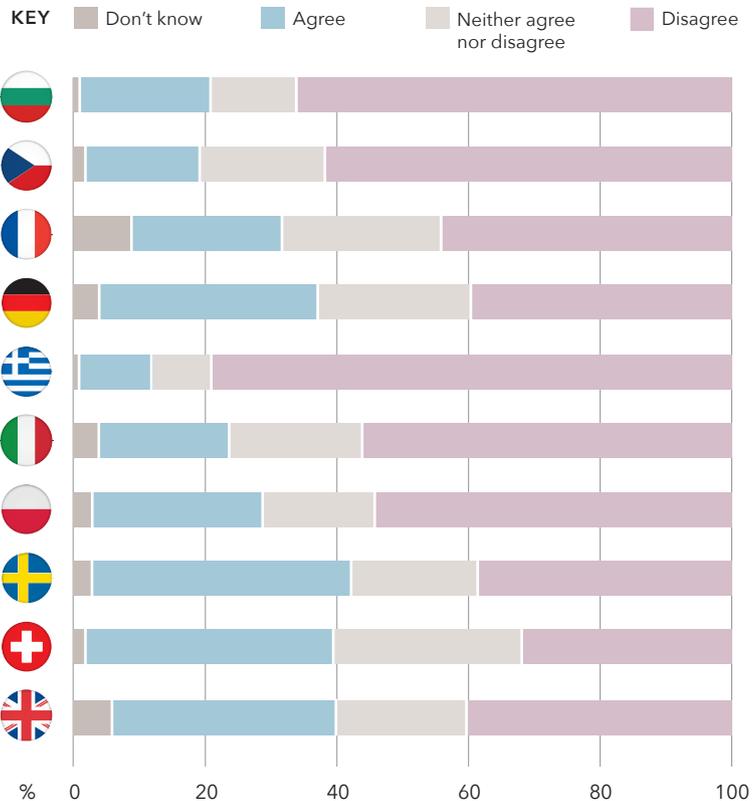


EUROPEANS HAVE LITTLE CONFIDENCE THAT THE FINANCIAL IMPACT OF POLICY DECISIONS ON FUTURE GENERATIONS IS BEING CONSIDERED

Asked whether they trust that their governments take into account the financial implications of policy decisions on future generations, citizens from Sweden (39%) and Switzerland (38%) are again the most positive, followed by Britain (34%) and Germany (33%).

In Greece, almost 8 in 10 (79%) don't believe that the government takes financial impacts of policy decisions on future generations into account. Broad majorities in Bulgaria (66%), Czech Republic (61%), Italy (56%) and Poland (54%) also doubt that their governments take into account the financial impact on future generations.

I trust that my government takes into account the financial impact of policy decisions on future generations



II. Prioritising policies

Base 10,288 citizens

Governments are being challenged to improve the prospects of different generations in a sustainable manner. To do this, governments need to balance competing policy priorities.

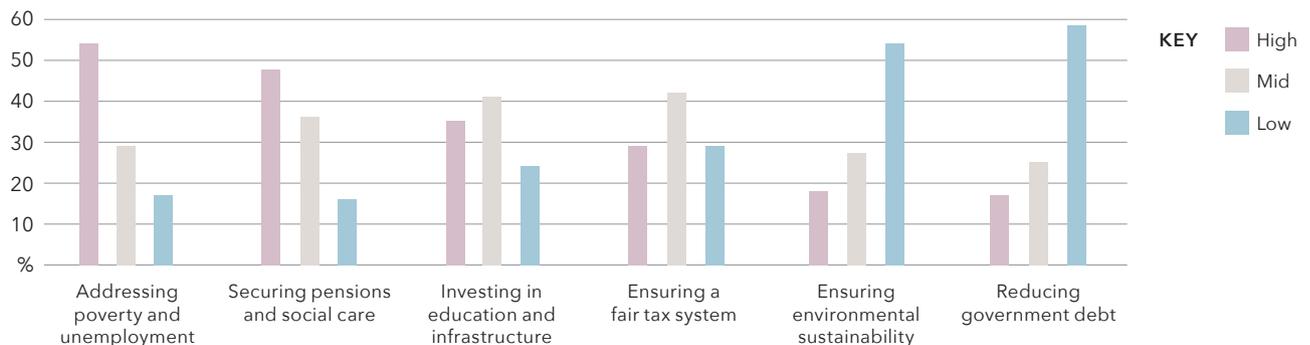
We wanted to know how citizens would make such judgements too. To do this, we asked them to rank several broad public policy issues according to importance. The list is not exhaustive – it does not address issues of housing or inheritance, for instance. Governments clearly have to tackle a far greater number of challenges, both external and internal. However, the six policy areas chosen have a particularly strong direct or indirect intergenerational dimension.

BROAD CONSENSUS ON POLICY PRIORITIES ACROSS GENERATIONS AND BORDERS

Our survey indicates that there is broad consensus on policy priorities. Over half of Europeans identify addressing poverty and unemployment as a pressing policy issue (54%). Just under half consider securing pensions and social care a high public policy priority (47%), followed by investment in education and infrastructure chosen by over a third as a priority (35%).

Ensuring a fair tax system comes lower on the list of priorities (29%). And less than a fifth think that ensuring environmental sustainability and reducing government debt should be top priorities (18% and 17% respectively).

In a situation of competing public policy priorities, which of the following issues do you consider to be the most important?



Responses in percentage to the question: 'In a situation of competing public policy priorities, which of the following issues do you consider to be the most important?' with 6 representing most and 1 representing least important. Results also broken down by age, country and gender. In some cases, results then grouped as low (rated 1 or 2) mid (rated 3 or 4) and high (rated 5 or 6).

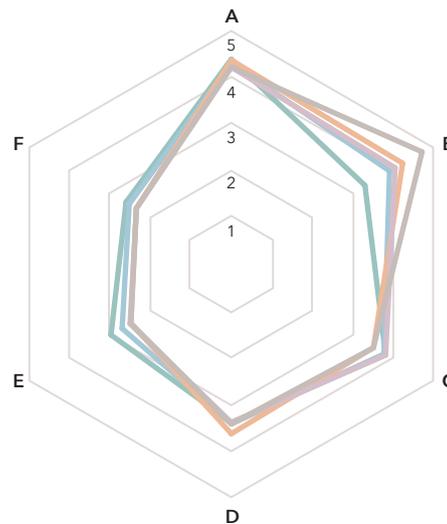
ACROSS MOST AGE GROUPS, ADDRESSING POVERTY AND UNEMPLOYMENT IS SEEN AS THE HIGHEST PRIORITY

Europeans of all ages share surprisingly similar views on the majority of policy priorities. There is strong consensus across most age groups that addressing poverty and unemployment is the most pressing policy issue. Only the oldest age group surveyed (aged 55 to 64) takes a different view, identifying securing pensions and social care as more important. This cohort is also least likely to prioritise reducing government debt.

Younger citizens (aged 16 to 24) are less concerned about pensions and social care and more likely to rank ensuring environmental sustainability and reducing government debt as being important public policy priorities. The older cohorts (aged 45 to 64) consider that investment in education and infrastructure should be lower down on the list of priorities than other younger age groups.

In a situation of competing public policy priorities, which of the following issues do you consider to be the most important?

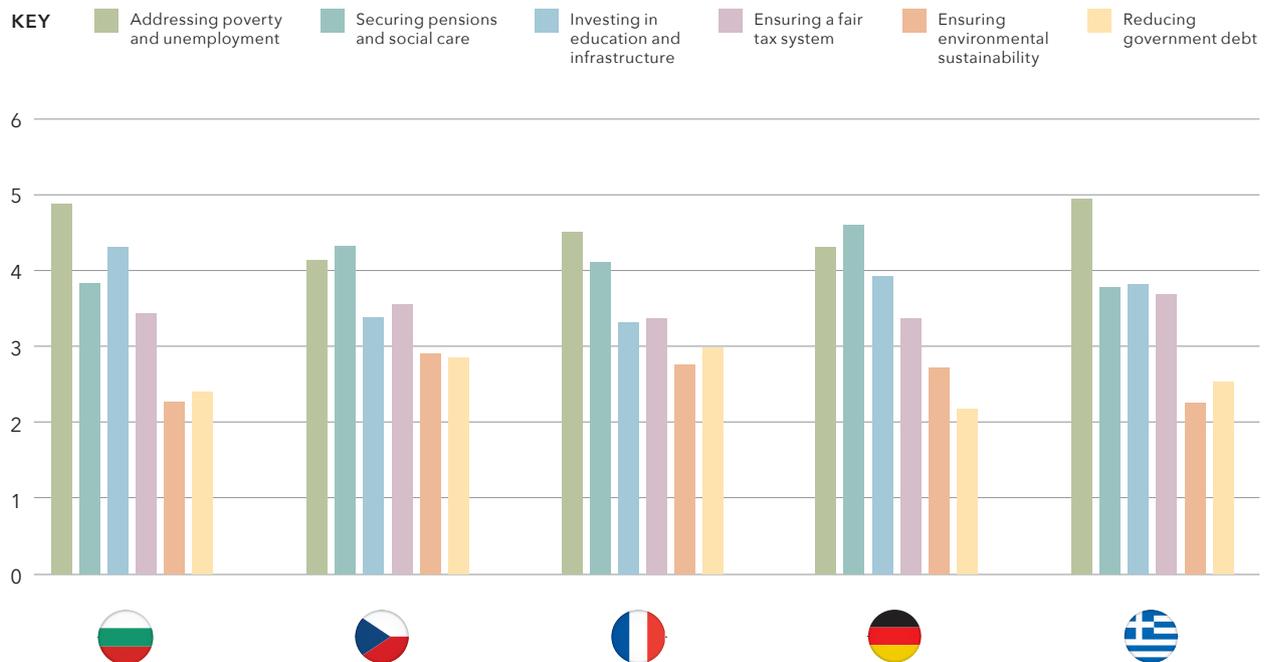
- | | |
|--|------------|
| A Addressing poverty and unemployment | AGE |
| B Securing pensions and social care | 16 - 24 |
| C Investing in education and infrastructure | 25 - 34 |
| D Ensuring a fair tax system | 35 - 44 |
| E Ensuring environmental sustainability | 45 - 54 |
| F Reducing government debt | 55 - 64 |



PICTURE MORE MIXED ON A COUNTRY-BY-COUNTRY BASIS

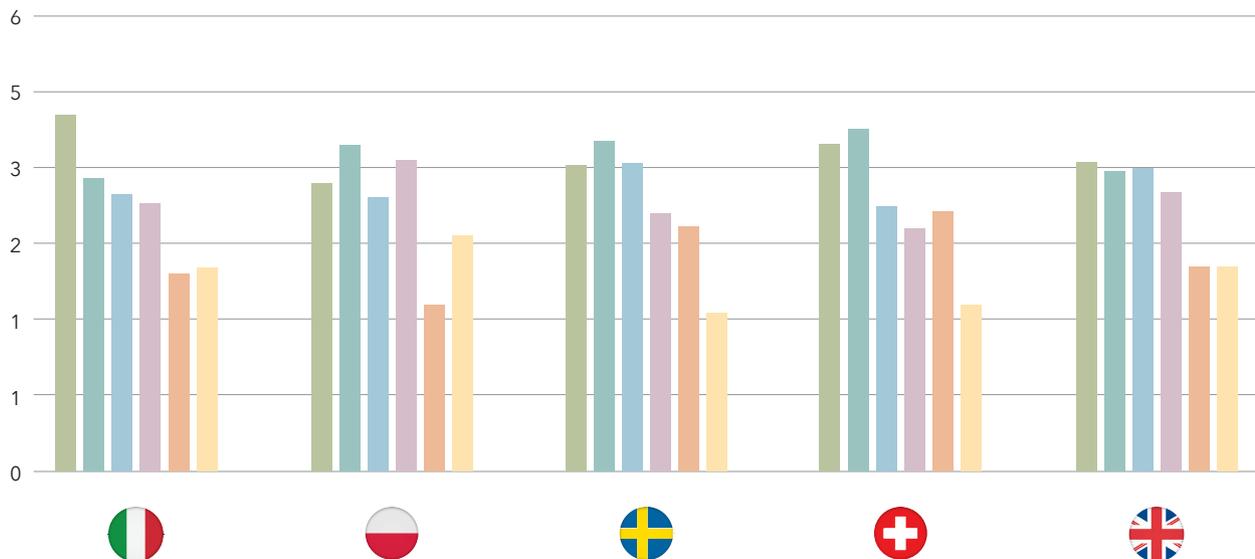
Although there is a broad consensus on the relative ranking of different policies that have an intergenerational impact, there are different shadings across the countries surveyed. Citizens in Bulgaria, France, Greece, Italy and the UK all consider that addressing poverty and unemployment is the most important policy priority. In the Czech Republic, Germany, Poland, Sweden and Switzerland, securing pensions and social care is seen as the top priority.

In a situation of competing public policy priorities, which of the following issues do you consider to be the most important?



Responses to the question: 'In a situation of competing public policy priorities, which of the following issues do you consider to be the most important?' with 6 representing most and 1 representing least important.

There are other nuances too. In Poland, citizens worry significantly more about the fairness of the tax system than their counterparts in other European countries. They are also slightly more likely to prioritise the need to reduce government debt. In Bulgaria, Sweden, the UK and Germany, citizens also give somewhat higher priority to investing in education and infrastructure compared to their counterparts in other countries.



ADDRESSING POVERTY AND UNEMPLOYMENT

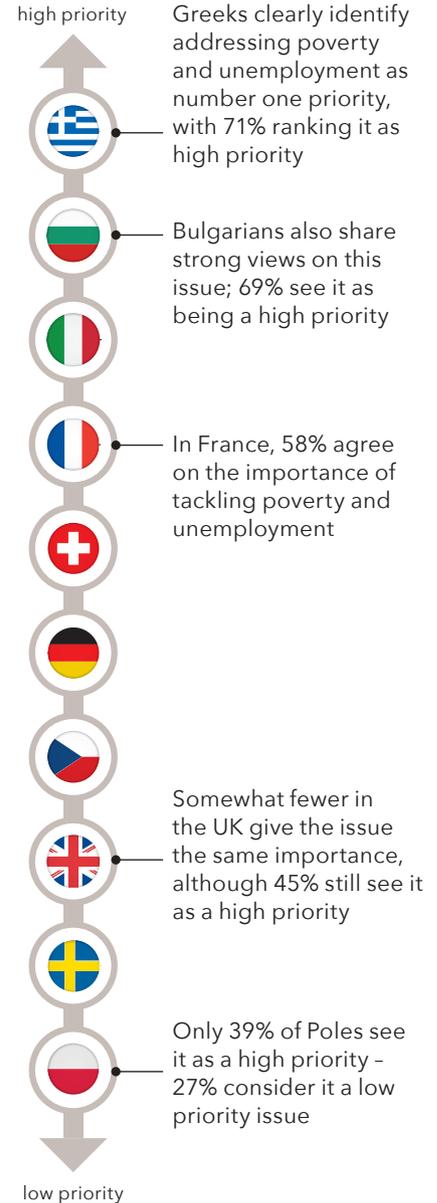
The most pressing concern for Europeans, identified by 54% as a high ranking priority and by 29% as a mid ranking priority



Highest priority for:



low priority	AGE	high priority
18%	16 - 24	57%
17%	25 - 34	53%
17%	35 - 44	54%
16%	45 - 54	55%
15%	55 - 64	49%



INVESTING IN EDUCATION AND INFRASTRUCTURE

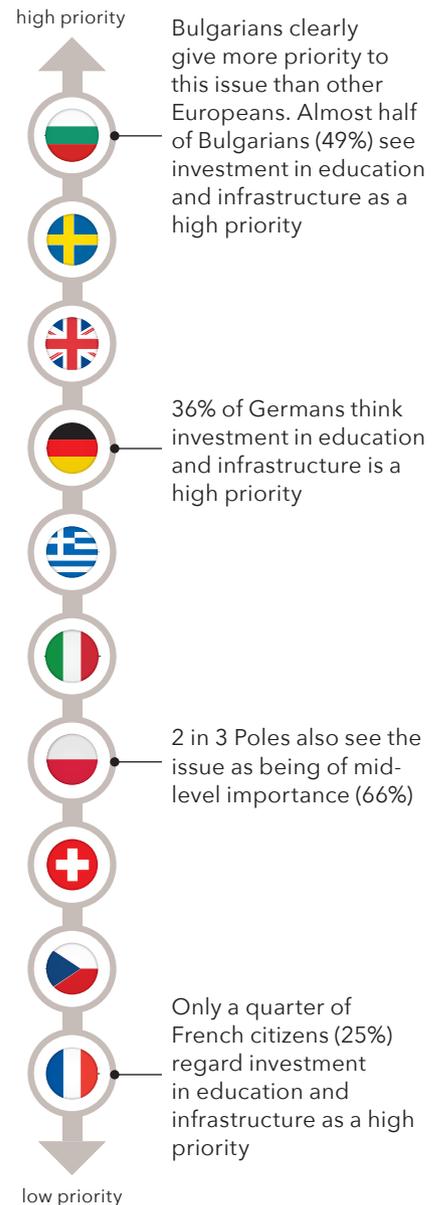
Identified by 41% of Europeans as a mid-level priority, compared to 35% who see it as a high-level issue and 24% ranking it as less important



Highest priority for:



low priority	AGE	high priority
23%	16 - 24	39%
23%	25 - 34	38%
23%	35 - 44	37%
26%	45 - 54	30%
27%	55 - 64	29%



ENSURING A FAIR TAX SYSTEM

A mid-level priority for 42% of Europeans. Similar numbers deem it to be a high (29%) or low (29%) priority



Highest priority for:



low priority	AGE	high priority
33%	16 - 24	26%
31%	25 - 34	31%
29%	35 - 44	29%
26%	45 - 54	31%
29%	55 - 64	25%

high priority



Poles give significantly more importance to this issue compared to other Europeans; 44% rank it as top of the list and 37% as a mid-level priority

Over a third of UK citizens (35%) consider the issue a high priority; another 38% rank it as a mid-level priority

Almost half of Bulgarians (48%) regard it as a mid-level priority

Only 21% of Swiss citizens think ensuring a fair tax system should be a top priority, while 38% rank it as a low priority. 41% see it as a mid-level priority

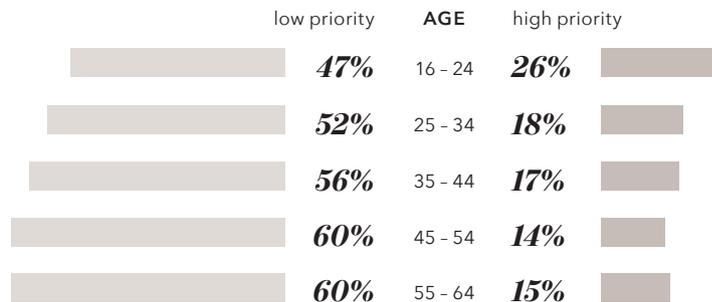
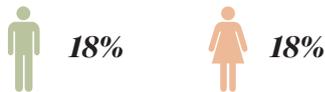
low priority

ENVIRONMENTAL PROTECTION

Identified by 54% of Europeans as a low ranking priority - and only by 18% as a high ranking one



Highest priority for:



high priority



Swiss citizens feel more strongly about environmental protection than others - 31% rank the issue as high priority - but still place it last but one on their list of priorities

Only one in five in France identify environmental protection as a high priority (20%)

In Germany, over half rank the issue as a low priority (55%)

Poles give least importance to environmental protection, with 68% judging it bottom of the priority list

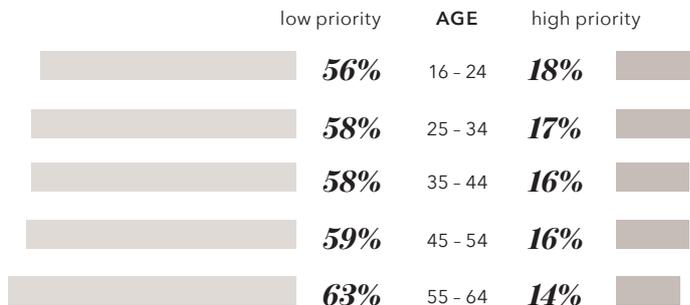
low priority

REDUCING DEBT

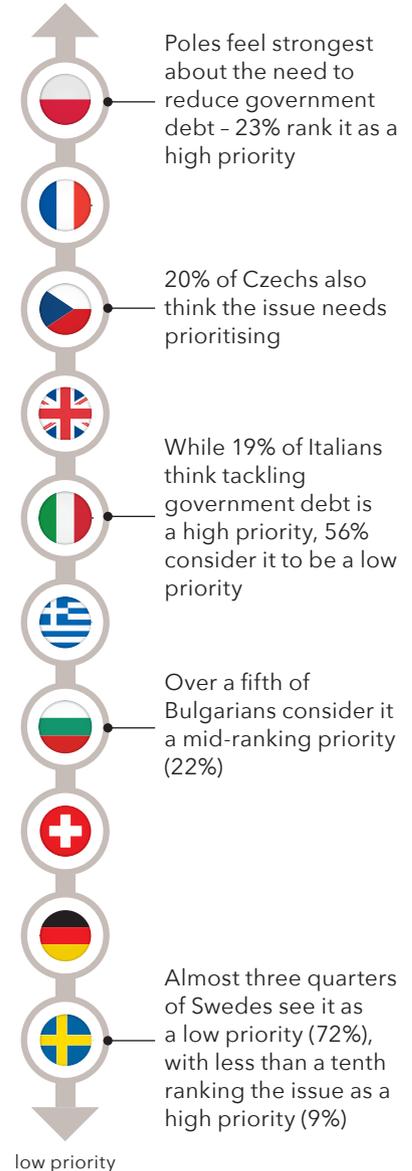
Identified by most Europeans as being low on the list of priorities (58%)



Highest priority for:



high priority



III. Taking responsibility

Base 10,288 citizens

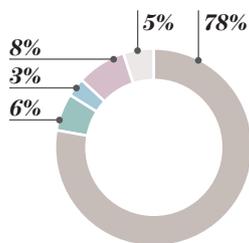
In this final section, we explore who should be in the driving seat for three key areas of societal need which have significant intergenerational implications and where individuals, families and charities can play a significant role. We asked Europeans who they see as being primarily responsible.

FROM LONDON TO WARSAW, BERLIN TO ATHENS, CITIZENS AGREE THAT LEAD RESPONSIBILITY LIES WITH GOVERNMENTS

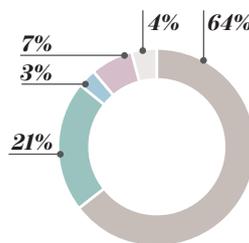
Governments should take the lead responsibility for meeting key societal needs – so say the overwhelming majority of Europeans. This sentiment is strongest for action to alleviate poverty and reduce unemployment, followed closely by measures to fund pensions and social care: 8 in 10 see government as being primarily responsible (80% and 78% respectively).

The picture is more nuanced when turning to investment in education, where 6 in 10 see governments as being primarily responsible (64%) but a sizeable minority (21%) consider that role falls to families.

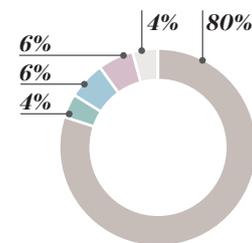
Thinking about society today, who do you think should be primarily responsible for ...



... Financing pensions and social care



... Investing in education



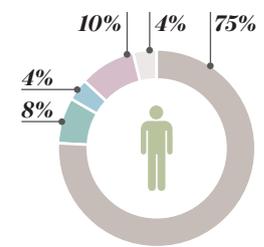
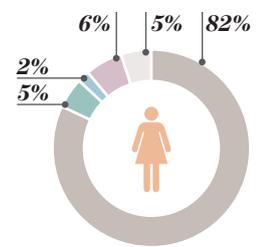
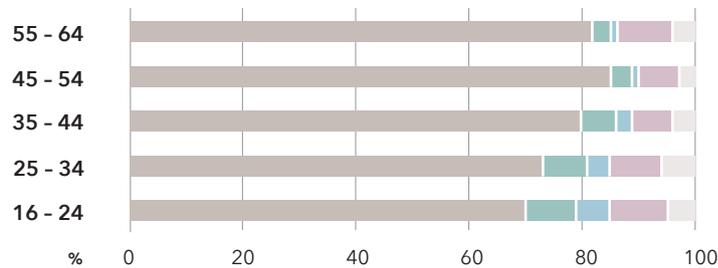
... Addressing poverty and unemployment

KEY Government Family Charity Individual Don't know

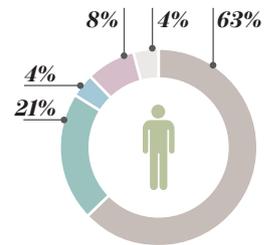
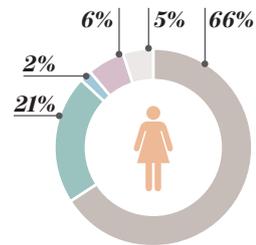
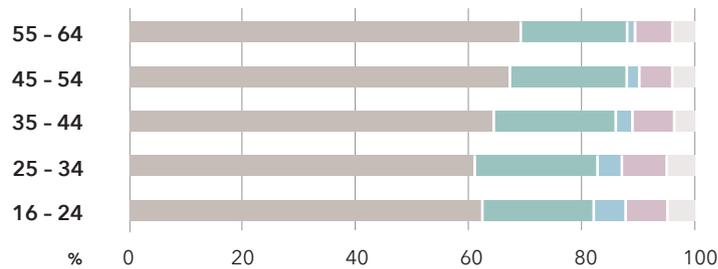
Responses to the question: 'Thinking about society today, who do you think should be primarily responsible for (1) financing pensions and social care, (2) investing in education, (3) addressing poverty and unemployment?' Results also broken down by age, country and gender.

Thinking about society today, who do you think should be primarily responsible for ...

... Financing pensions and social care



... Investing in education



KEY Government Family Charity Individual Don't know

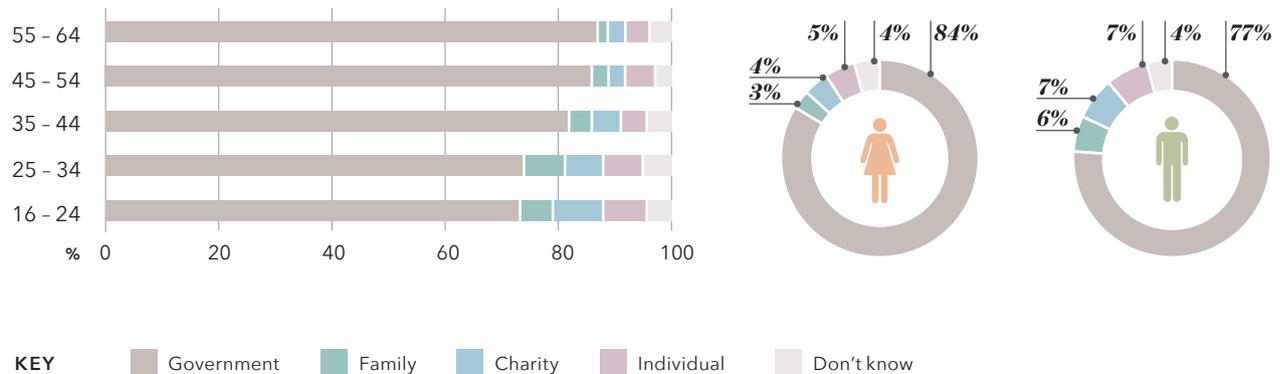
ALL AGE GROUPS AGREE ON GOVERNMENTS' LEAD ROLE

Differences of opinion across age groups are limited. On pensions, 7 in 10 citizens aged between 16 and 24 believe the government is primarily responsible (70%), compared to over 8 in 10 aged between 45 and 54 (84%). When it comes to alleviating poverty and unemployment, about 9 in 10 in the age group 55 to 64 feel very strongly about the role of governments (87%); about 7 in 10 of the younger age group (16 to 24) agree (73%). Views on education are also very similar, although the youngest cohort see a slightly smaller role for governments. Strong minorities in each age group see a lead role for families.

Views between genders are remarkably alike. Slightly more women than men think that governments should take a lead role when it comes to action to provide poverty and unemployment relief (83% to 77%) and slightly more men than women take that view in relation to funding pensions and social care (82% to 75%). Strong consensus exists for education, where about two thirds of both genders agree on governments' prime responsibility (66% of women, 63% of men).

Thinking about society today, who do you think should be primarily responsible for ...

... Alleviating poverty and reducing unemployment



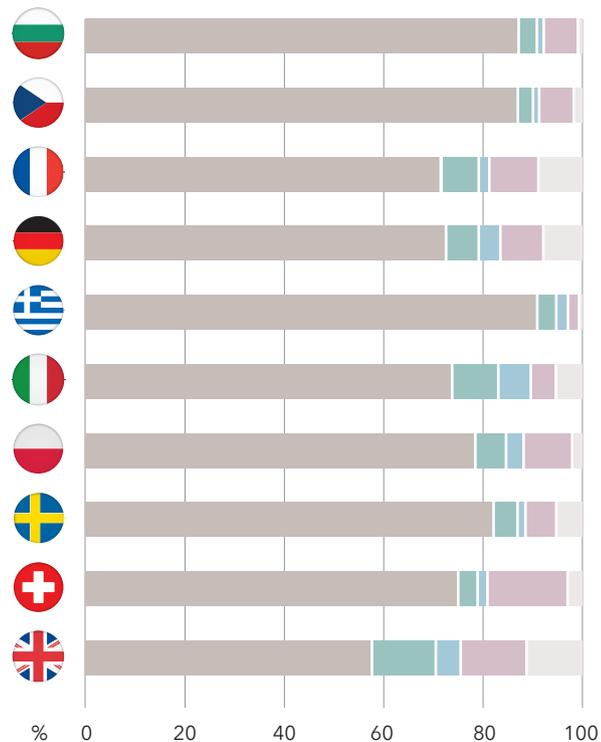
GREEKS, CZECHS, BULGARIANS AND SWEDES EXPRESS STRONGEST SUPPORT FOR GOVERNMENT TAKING A LEADING RESPONSIBILITY FOR FINANCING PENSIONS AND SOCIAL CARE

Citizens in Greece (91%), the Czech Republic (88%), Bulgaria (87%) and Sweden (83%) express the strongest support for governments' lead responsibility in financing pensions and social care compared to a still high European average of 78%. The UK has the smallest majority (57%).

Across the countries surveyed, Europeans show little support for the notion of the individual assuming prime responsibility. From opposite geographic ends of the continent, only 5% of Italians and 6% of Swedes see the individual in the lead. There is slightly more support - yet still a small minority - for this view in the UK (13%) and Switzerland (16%). Similarly low support is expressed for a prime role for families or charities assuming primary responsibility.



Thinking about society today, who do you think should be primarily responsible for financing pensions and social care?



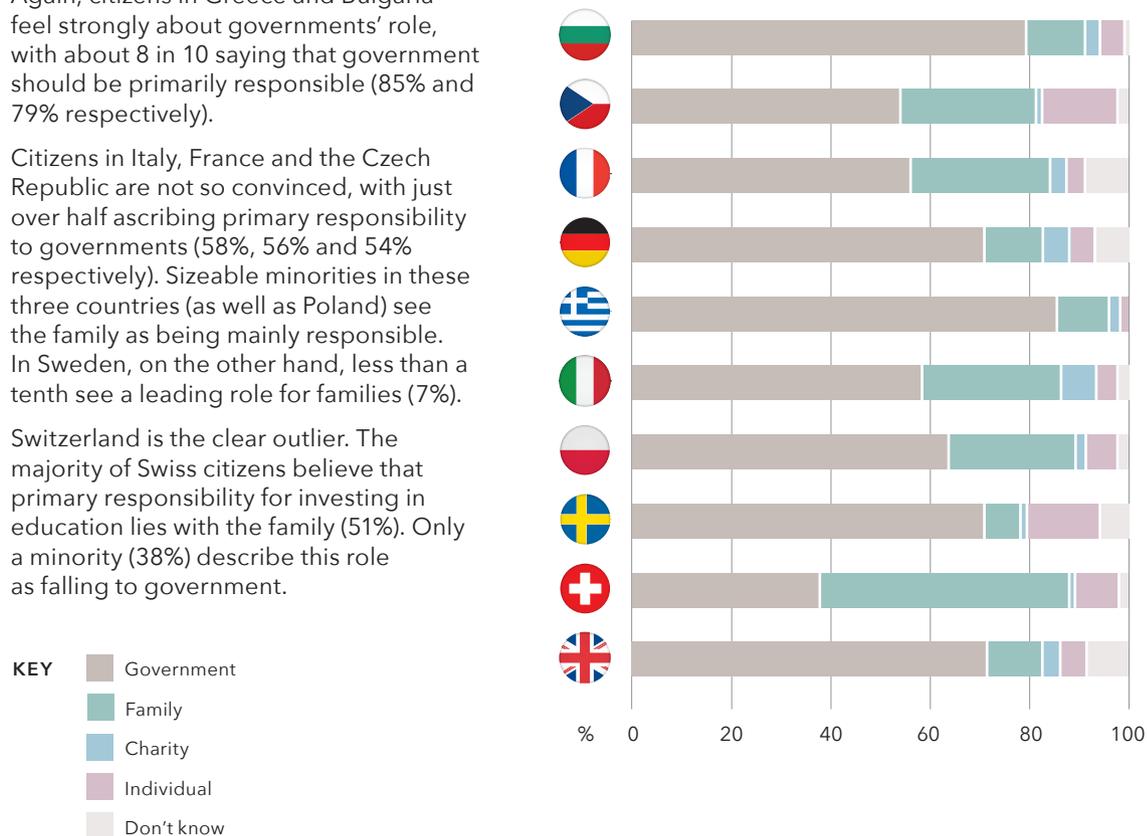
SWISS CITIZENS BELIEVE FAMILIES SHOULD BE PRIMARY RESPONSIBLE FOR INVESTING IN EDUCATION; ALL OTHERS SAY THIS IS THE GOVERNMENTS' RESPONSIBILITY

Differences between countries are more pronounced when asked about responsibility for investing in education. Again, citizens in Greece and Bulgaria feel strongly about governments' role, with about 8 in 10 saying that government should be primarily responsible (85% and 79% respectively).

Citizens in Italy, France and the Czech Republic are not so convinced, with just over half ascribing primary responsibility to governments (58%, 56% and 54% respectively). Sizeable minorities in these three countries (as well as Poland) see the family as being mainly responsible. In Sweden, on the other hand, less than a tenth see a leading role for families (7%).

Switzerland is the clear outlier. The majority of Swiss citizens believe that primary responsibility for investing in education lies with the family (51%). Only a minority (38%) describe this role as falling to government.

Thinking about society today, who do you think should be primarily responsible for investing in education?

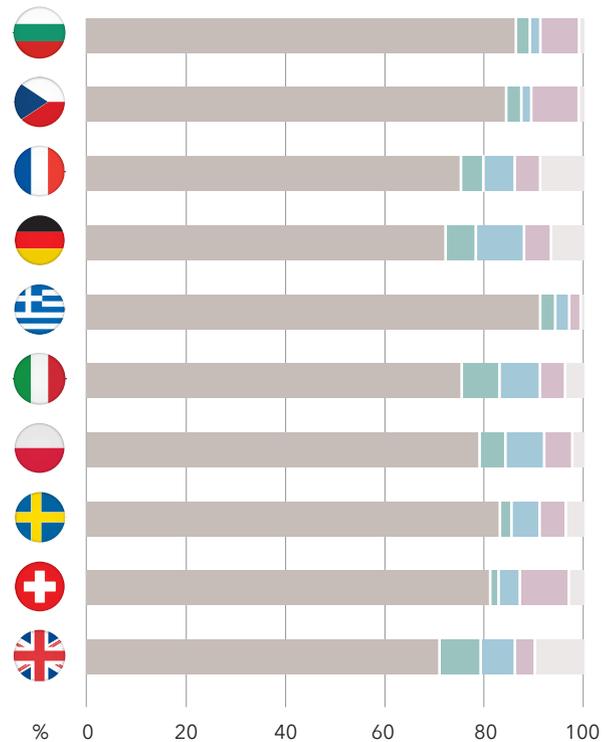


BROAD AGREEMENT ON WHO HOLDS THE PRIMARY RESPONSIBILITY FOR REDUCING POVERTY AND UNEMPLOYMENT

In all countries surveyed, around 7 in 10 citizens think that the government should play the leading role in alleviating poverty and unemployment. Views are particularly strong in Greece (91%), followed by Bulgaria (86%) and the Czech Republic (84%). In no country surveyed do more than 1 in 10 believe that individuals, families or charities play a primary role.



Thinking about society today, who do you think should be primarily responsible for alleviating poverty and reducing unemployment?



Our reflections

FAIR TREATMENT AND TRUST

While governments are unlikely to ever be trusted by all their citizens, our survey indicates a pervasive sense of distrust. By and large, Europeans do not consider that their respective generations are being treated fairly by their governments. There are nuances: the youngest and oldest age groups surveyed, for instance, are slightly less negative. Citizens in Sweden and Switzerland are far more trusting than their counterparts in Greece and Bulgaria. Broad perceptions of unfairness may be indicative of actual policy failures or signal a gap between citizens' expectations and governments' delivery. Equally they could point to shortcomings in governments' communications with citizens on intergenerational issues.

Similar outcomes are evident when Europeans are questioned about the financial impact of policies in time. Governments are generally not trusted to be considering the financial implications of policy decisions on future generations. This holds across genders and age groups. Some variations between countries are visible: citizens in Greece doubt that their government is doing enough, whereas citizens in Switzerland and Sweden are more confident. Despite some expected variations, why do so many of those surveyed have such limited confidence, irrespective of the differences in their countries' economic and fiscal outlook? Coupled with the significant minority of Europeans who find it hard to judge, the findings suggest that there is ample room for improving understanding of the potential financial impact of policy decisions with a significant intergenerational dimension.

PRIORITISING POLICIES

Ensuring intergenerational fairness requires competing interests to be balanced; difficult trade-offs need to be made. Our survey suggests that there may be common ground to start making such choices, building on the broad consensus we find across age groups on how to rank different policy priorities. While country-specific factors may influence the weighting given to different public policy issues - for instance views on the specific characteristics of what constitutes a fair tax system may differ from one country to another - the commonality across different countries remains striking. Addressing poverty and unemployment and securing pensions and social care are placed squarely at the top of the agenda; measures to ensure environmental sustainability or to reduce government debt are at the bottom of the in-tray.

This shared outlook appears to be more centred on the here and now, suggesting that while Europeans distrust the longer-term vision of their governments, they too might be more likely to prioritise policy decisions which may have greater short-term consequences. This may be of particular relevance when it comes to tackling government debt, last on the list for most. Conversely, the importance attached to addressing poverty and unemployment could be symptomatic of growing concerns about the future of work – and the potential longer-term impact that a more unstable job market may have on individuals’ lifetime prospects. Taken at country level, this may help to explain why citizens in countries which at first sight have strong employment rates and low numbers at risk of poverty or social exclusion are as likely to prioritise these issues as citizens in countries currently not doing as well.

TAKING RESPONSIBILITY

Europeans also agree that governments are in the driving seat when it comes to meeting key societal needs. This consensus is especially noteworthy when it comes to action on alleviating poverty and reducing unemployment, and for financing pensions and social care. Views are remarkably consistent across different age groups. A similar outlook also holds across the countries surveyed, even if the role of the state might be quite different. While a majority of Europeans (with the exception of Switzerland) also think that governments are primarily responsible for investing in education, a significant minority deem that families should assume the lead, perhaps reflecting some structural differences in how education is provided and financed in individual countries.

This broad agreement on the primary role of government may be expected. But is it sustainable? It also raises questions on the balance between the role of the state and the role of the individual – particularly pertinent in a context where demographic trends are challenging, the structure of the economy is rapidly changing and public finances remain under pressure.

A decision-making framework for intergenerational fairness

Tackling issues of intergenerational fairness calls for a profoundly different approach to political decision-making - which all stakeholders in society can understand, contribute to and scrutinise. As chartered accountants we bring clarity, rigour and integrity to help enhance decision-making in any organisation and in any sector. Building on our insights, we are proposing a framework based on five core considerations to encourage transparent, informed and accountable decision-making on what is generationally fair. We hope this will trigger further ideas and suggestions on how to refine and apply such a framework.

PERSPECTIVES	TIMEFRAME
<p>Are all perspectives being considered?</p> <p>Awareness and understanding of different perspectives underpins effective decision-making. While not all generations have a voice in the debate, their interests must be taken into account, particularly if they are likely to be directly affected in the future.</p>	<p>What timeframe do we need to think about?</p> <p>Being smarter about timeframes is critical. Different policy challenges need to be addressed at different speeds. But short-term and long-term policy measures ultimately need to pull in the same direction.</p>

FINANCIAL FLOWS	TRADE-OFFS	TRANSPARENCY
<p>How do the overall financial flows work?</p> <p>Financial modelling is critical to understanding the distribution of resources, the investment needs, the management of existing assets and the generation of public revenues. Different financial models will need to assess the long term, or the collective potential impact of choices across different policy areas.</p>	<p>What are the reasons for trade-offs?</p> <p>The assumptions and judgements underlying trade-offs need to be made explicit. Clarity is needed on the upsides and downsides of different policy options. One way of tackling this could be by including high-level intergenerational fairness criteria in impact assessment processes.</p>	<p>Is transparency underpinning decision-making?</p> <p>Transparency embeds accountability in the system. It is relevant to considerations on perspectives, timeframe, financial flows and trade-offs. It encourages greater societal scrutiny and more informed public debate on what is intergenerationally fair and possible.</p>

Bulgaria



Base 1,024 citizens

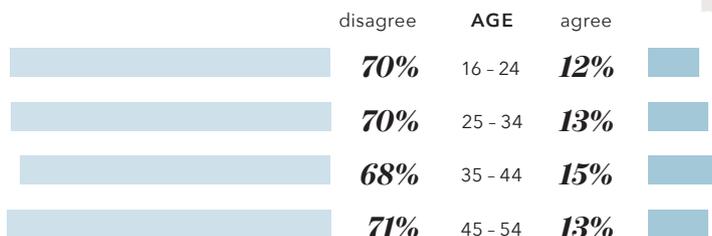
IN BRIEF

Trust that the government takes into account the financial impact of policy decisions on future generations in Bulgaria (20%) is lower than the European average (26%).

Bulgarians are particularly concerned about addressing poverty and unemployment. Investment in education and infrastructure is ranked higher than in any other European country.

Only a minority of Bulgarians across all age groups feels that their generation is being treated fairly by government (13%), significantly lower than the European average (22%).

I feel that my generation is being treated fairly by my government when it takes policy decisions



20%

I trust that the government takes into account the financial impact of policy decisions on future generations

POLICY PRIORITIES IN BULGARIA:

- 1** addressing poverty and unemployment
- 2** investing in education and infrastructure
- 3** securing pensions and social care
- 4** ensuring a fair tax system
- 5** reducing government debt
- 6** ensuring environmental sustainability

QUICK FACTS

(Source: Eurostat. Data from 2016 unless otherwise indicated)

Population: 7.12m

GDP in PPS (€)*: 6,600

Public debt per citizen (€): 1,953

Unemployment (% of total labour force): 7.6

NEET (% of population 15-24):** 18.2

At risk of poverty or social exclusion (% of total population)*: 41.3

General government expenditure (% of GDP)*: 40.7

Social protection: 13.3

Health: 5.5

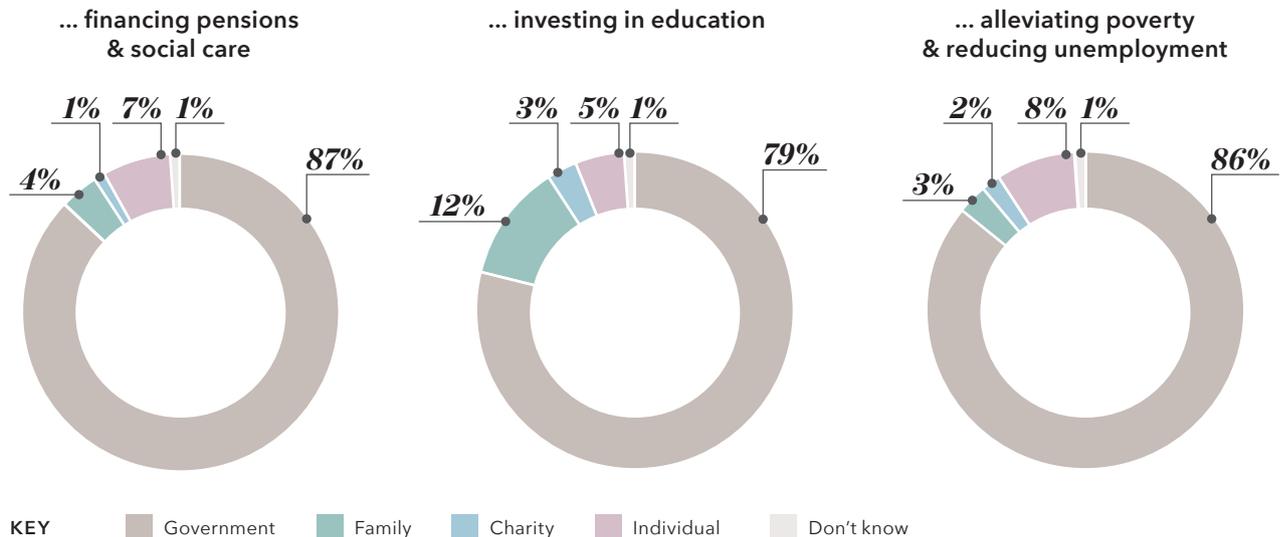
Education: 4.0

Environmental protection: 0.8

* GDP in PPS (purchasing power standards) eliminates differences in price levels between countries, and calculations on a per head basis allows for the comparison of economies significantly different in absolute size.

** NEET: Young people not in employment, education or training

WHO SHOULD BE PRIMARILY RESPONSIBLE FOR ...



Czech Republic



Base 1,036 citizens

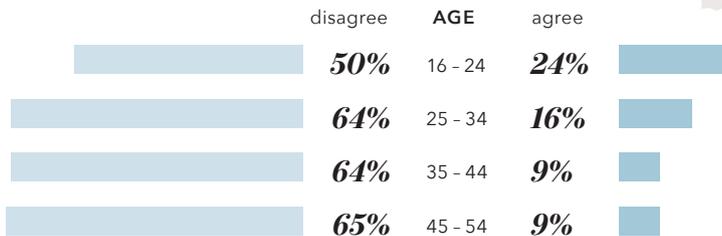
IN BRIEF

Trust that the government takes into account the financial impact of policy decisions on future generations in the Czech Republic (18%) is lower than the European average (26%).

Czechs are particularly concerned about securing pensions and social care.

A minority across all age groups feel that their generation is being treated fairly by government (13%), which is just under half the European average (22%) - although young Czechs (aged 16 to 24) are marginally less skeptical (24%).

I feel that my generation is being treated fairly by my government when it takes policy decisions



18%

I trust that the government takes into account the financial impact of policy decisions on future generations

**POLICY PRIORITIES
IN THE CZECH REPUBLIC:**

- 1** securing pensions and social care
- 2** addressing poverty and unemployment
- 3** ensuring a fair tax system
- 4** investing in education and infrastructure
- 5** ensuring environmental sustainability
- 6** reducing government debt

QUICK FACTS

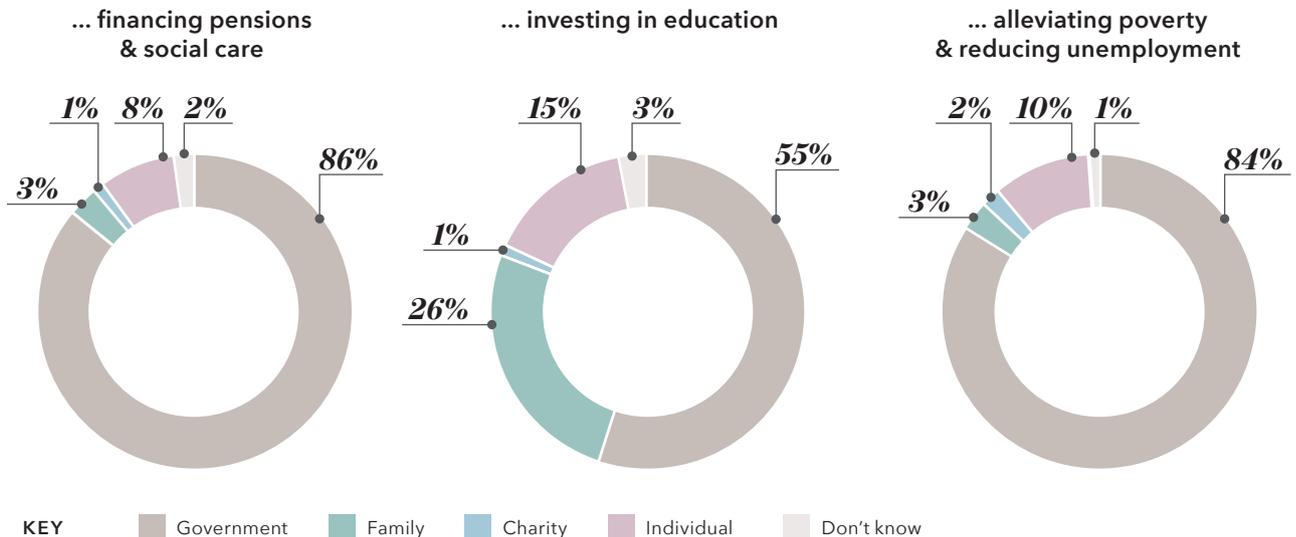
(Source: Eurostat. Data from 2016 unless otherwise indicated)

Population: 10.56m
GDP in PPS (€)*: 16,700
Public debt per citizen (€): 6,154
Unemployment (% of total labour force): 4.0
NEET (% of population 15-24):** 7.0
At risk of poverty or social exclusion (% of total population)*: 14.0
General government expenditure (% of GDP)*: 42.0
Social protection: 12.7
Health: 7.6
Education: 4.9
Environmental protection: 1.1

* GDP in PPS (purchasing power standards) eliminates differences in price levels between countries, and calculations on a per head basis allows for the comparison of economies significantly different in absolute size.

** NEET: Young people not in employment, education or training

WHO SHOULD BE PRIMARILY RESPONSIBLE FOR ...



France



Base 1,014 citizens

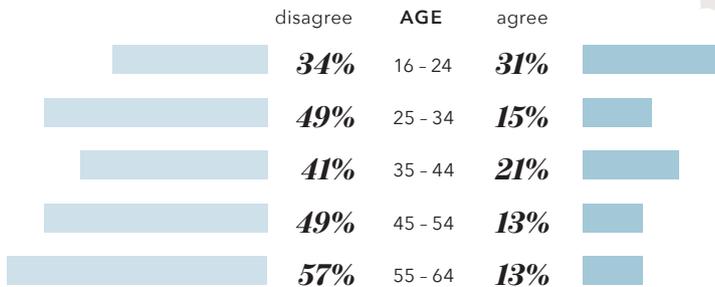
IN BRIEF

Trust that the government takes into account the financial impact of policy decisions on future generations in France (23%) is lower than the European average (26%).

French citizens are particularly concerned about addressing poverty and unemployment.

Only a minority across all age groups feels that their generation is being treated fairly by government (18%), which is below the European average (22%). A larger minority of younger citizens in France (aged 16 to 24) feel fairly treated (31%).

I feel that my generation is being treated fairly by my government when it takes policy decisions



I trust that the government takes into account the financial impact of policy decisions on future generations

POLICY PRIORITIES IN FRANCE:

- 1** addressing poverty and unemployment
- 2** securing pensions and social care
- 3** ensuring a fair tax system
- 4** investing in education and infrastructure
- 5** reducing government debt
- 6** ensuring environmental sustainability

QUICK FACTS

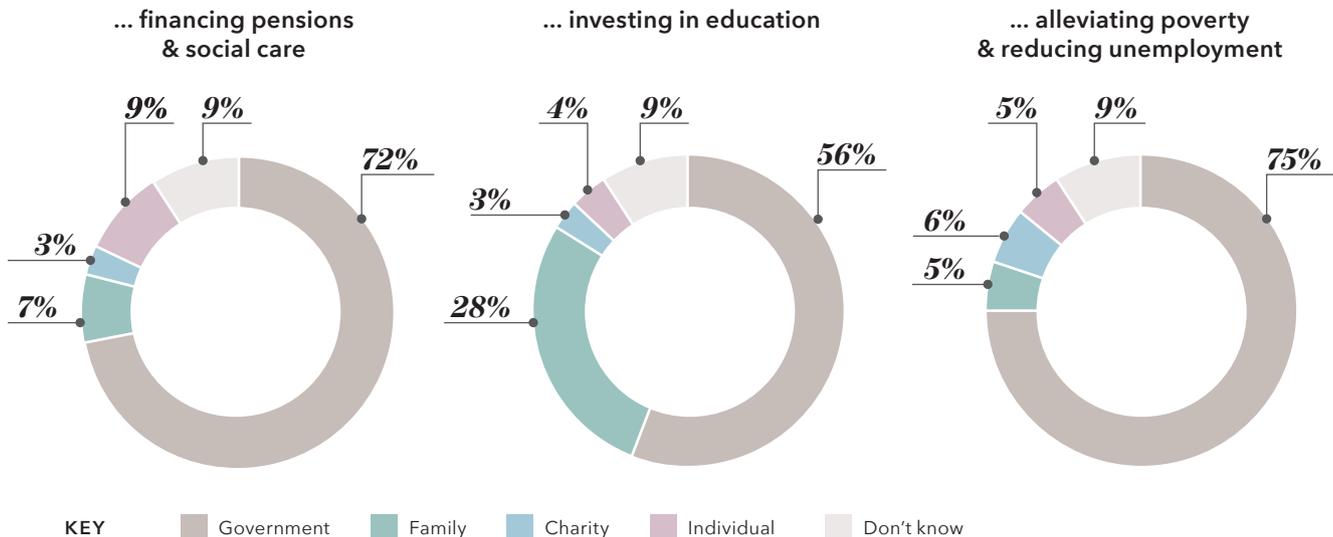
(Source: Eurostat. Data from 2016 unless otherwise indicated)

- Population:** 66.89m
- GDP in PPS (€)*:** 33,000
- Public debt per citizen (€):** 32,166
- Unemployment (% of total labour force):** 10.1
- NEET (% of population 15-24)**:** 11.9
- At risk of poverty or social exclusion (% of total population)*:** 17.7
- General government expenditure (% of GDP)*:** 57.0
- Social protection:** 24.6
- Health:** 8.2
- Education:** 5.5
- Environmental protection:** 1.0

* GDP in PPS (purchasing power standards) eliminates differences in price levels between countries, and calculations on a per head basis allows for the comparison of economies significantly different in absolute size.

** NEET: Young people not in employment, education or training

WHO SHOULD BE PRIMARILY RESPONSIBLE FOR ...



Germany



Base 1,012 citizens

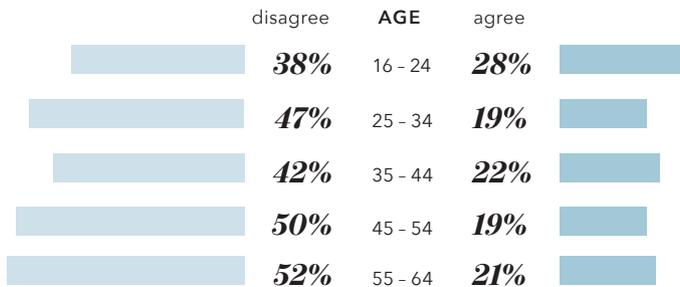
IN BRIEF

Trust that the government takes into account the financial impact of policy decisions on future generations in Germany (33%) is higher than the European average (26%).

Germans are most concerned about securing pensions and social care.

Only a minority of Germans across all age groups feel that their generation is being treated fairly by government (22%), in close alignment with the European average (21%). Young Germans aged 16 to 24 are the most likely to feel fairly treated (28%).

I feel that my generation is being treated fairly by my government when it takes policy decisions



33%

I trust that the government takes into account the financial impact of policy decisions on future generations

POLICY PRIORITIES IN GERMANY:

- 1** securing pensions and social care
- 2** addressing poverty and unemployment
- 3** investing in education and infrastructure
- 4** ensuring a fair tax system
- 5** ensuring environmental sustainability
- 6** reducing government debt

QUICK FACTS

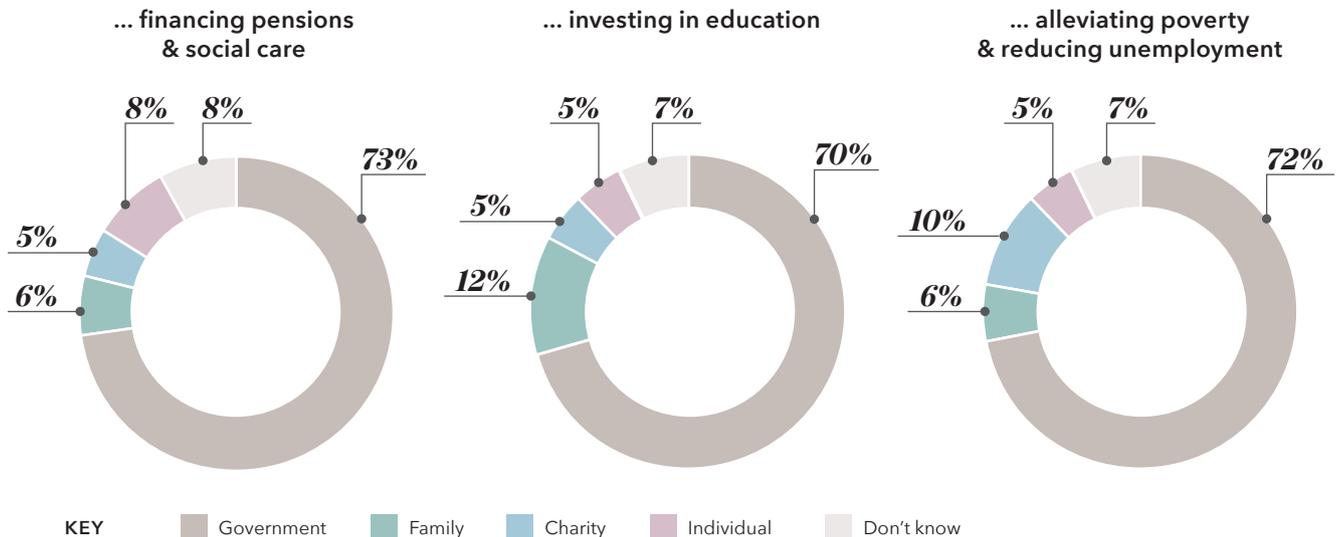
(Source: Eurostat. Data from 2016 unless otherwise indicated)

Population: 82.48m
GDP in PPS (€)*: 38,100
Public debt per citizen (€): 26,046
Unemployment (% of total labour force): 4.1
NEET (% of population 15-24):** 6.6
At risk of poverty or social exclusion (% of total population)*: 20.0
General government expenditure (% of GDP)*: 44.0
Social protection: 19
Health: 7.2
Education: 4.2
Environmental protection: 0.6

* GDP in PPS (purchasing power standards) eliminates differences in price levels between countries, and calculations on a per head basis allows for the comparison of economies significantly different in absolute size.

** NEET: Young people not in employment, education or training

WHO SHOULD BE PRIMARILY RESPONSIBLE FOR ...



Greece



Base 1,015 citizens

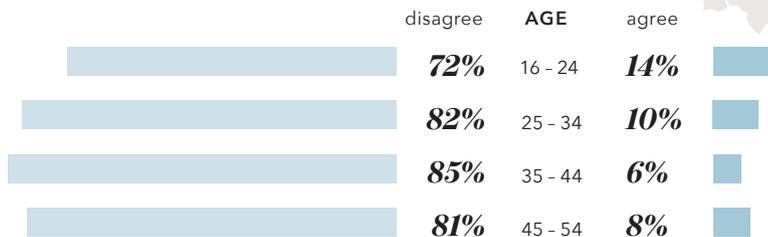
IN BRIEF

Trust that the government takes into account the financial impact of policy decisions on future generations in Greece (11%) is less than half the European average (26%).

Addressing poverty and unemployment is seen by Greeks as a clear policy priority.

Only a small minority of Greeks across all age groups feel that their generation is being treated fairly by government (9%), significantly lower than the European average (21%).

I feel that my generation is being treated fairly by my government when it takes policy decisions



11%

I trust that the government takes into account the financial impact of policy decisions on future generations

POLICY PRIORITIES IN GREECE:

- 1** addressing poverty and unemployment
- 2** investing in education and infrastructure
- 3** securing pensions and social care
- 4** ensuring a fair tax system
- 5** reducing government debt
- 6** ensuring environmental sustainability

QUICK FACTS

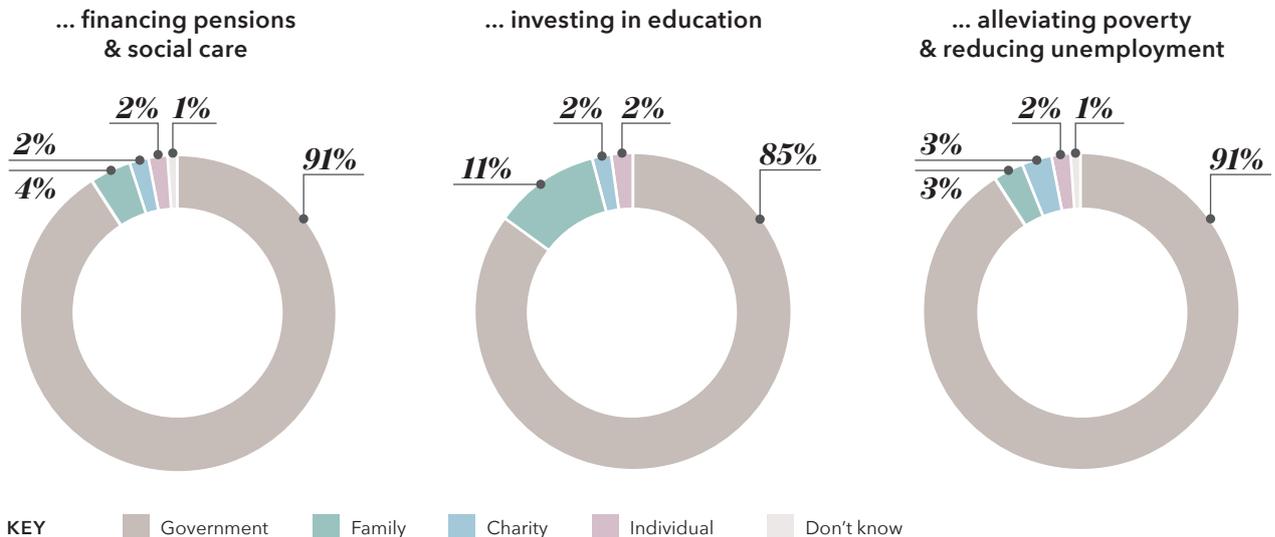
(Source: Eurostat. Data from 2016 unless otherwise indicated)

- Population:** 10.77m
- GDP in PPS (€)*:** 16,300
- Public debt per citizen (€):** 29,201
- Unemployment (% of total labour force):** 23.6
- NEET (% of population 15-24)**:** 15.8
- At risk of poverty or social exclusion (% of total population)*:** 35.7
- General government expenditure (% of GDP)*:** 55.4
- Social protection:** 20.5
- Health:** 4.5
- Education:** 4.3
- Environmental protection:** 1.5

* GDP in PPS (purchasing power standards) eliminates differences in price levels between countries, and calculations on a per head basis allows for the comparison of economies significantly different in absolute size.

** NEET: Young people not in employment, education or training

WHO SHOULD BE PRIMARILY RESPONSIBLE FOR ...



Italy



Base 1,012 citizens

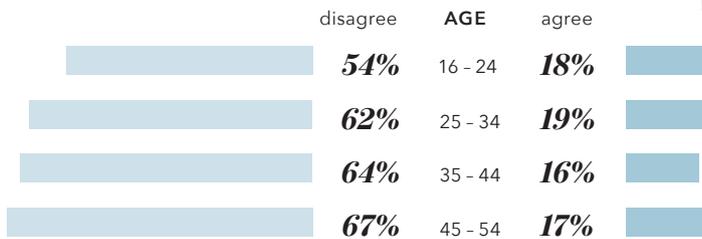
IN BRIEF

Trust that the government takes into account the financial impact of policy decisions on future generations in Italy (20%) is below the European average (26%).

Addressing poverty and unemployment is seen by Italians as a policy priority.

A minority of Italians across age groups feels that their generation is being treated fairly by government (17%). Views of different age groups are fairly aligned on this question.

I feel that my generation is being treated fairly by my government when it takes policy decisions



20%

I trust that the government takes into account the financial impact of policy decisions on future generations

POLICY PRIORITIES IN ITALY:

- 1** addressing poverty and unemployment
- 2** securing pensions and social care
- 3** investing in education and infrastructure
- 4** ensuring a fair tax system
- 5** reducing government debt
- 6** ensuring environmental sustainability

QUICK FACTS

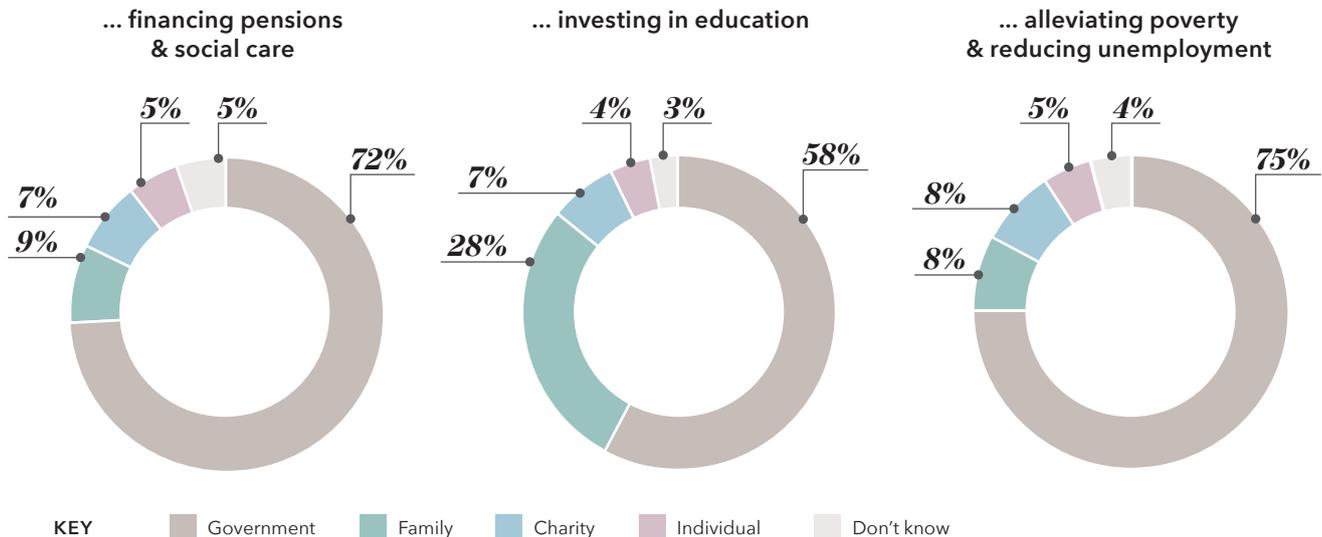
(Source: Eurostat. Data from 2016 unless otherwise indicated)

Population: 60.62m
GDP in PPS (€)*: 27,600
Public debt per citizen (€): 36,560
Unemployment (% of total labour force): 11.7
NEET (% of population 15-24):** 19.9
At risk of poverty or social exclusion (% of total population)*: 28.7
General government expenditure (% of GDP)*: 50.4
Social protection: 21.5
Health: 7.1
Education: 4.0
Environmental protection: 1.0

* GDP in PPS (purchasing power standards) eliminates differences in price levels between countries, and calculations on a per head basis allows for the comparison of economies significantly different in absolute size.

** NEET: Young people not in employment, education or training

WHO SHOULD BE PRIMARILY RESPONSIBLE FOR ...



Poland



Base 1,016 citizens

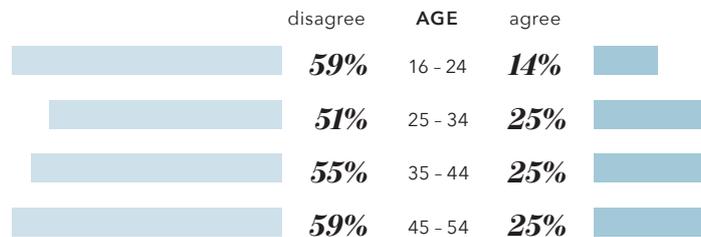
IN BRIEF

Trust that the government takes into account the financial impact of policy decisions on future generations in Poland (26%) matches the European average (26%).

Most Poles consider securing pensions social care the highest policy priority. It is the only country in which ensuring a fair tax system is ranked second.

A minority of Poles across age groups feel that their generation is being treated fairly by government (23%). Against the wider European trend, the youngest (aged 16 to 24) feel least fairly treated.

I feel that my generation is being treated fairly by my government when it takes policy decisions



I trust that the government takes into account the financial impact of policy decisions on future generations

26%

POLICY PRIORITIES IN POLAND:

- 1** securing pensions and social care
- 2** ensuring a fair tax system
- 3** addressing poverty and unemployment
- 4** investing in education and infrastructure
- 5** reducing government debt
- 6** ensuring environmental sustainability

QUICK FACTS

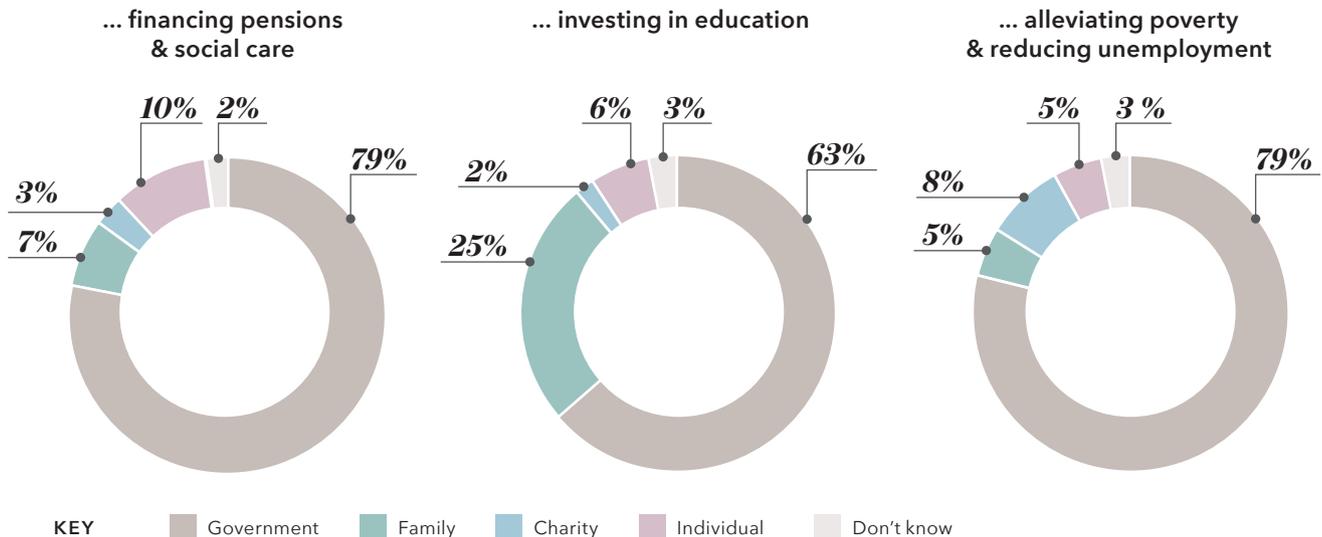
(Source: Eurostat. Data from 2016 unless otherwise indicated)

- Population:** 37.97m
- GDP in PPS (€)*:** 11,000
- Public debt per citizen (€):** 6,010
- Unemployment (% of total labour force):** 6.2
- NEET (% of population 15-24)**:** 10.5
- At risk of poverty or social exclusion (% of total population)*:** 23.4
- General government expenditure (% of GDP)*:** 41.5
- Social protection:** 15.9
- Health:** 4.7
- Education:** 5.2
- Environmental protection:** 0.6

* GDP in PPS (purchasing power standards) eliminates differences in price levels between countries, and calculations on a per head basis allows for the comparison of economies significantly different in absolute size.

** NEET: Young people not in employment, education or training

WHO SHOULD BE PRIMARILY RESPONSIBLE FOR ...



Sweden



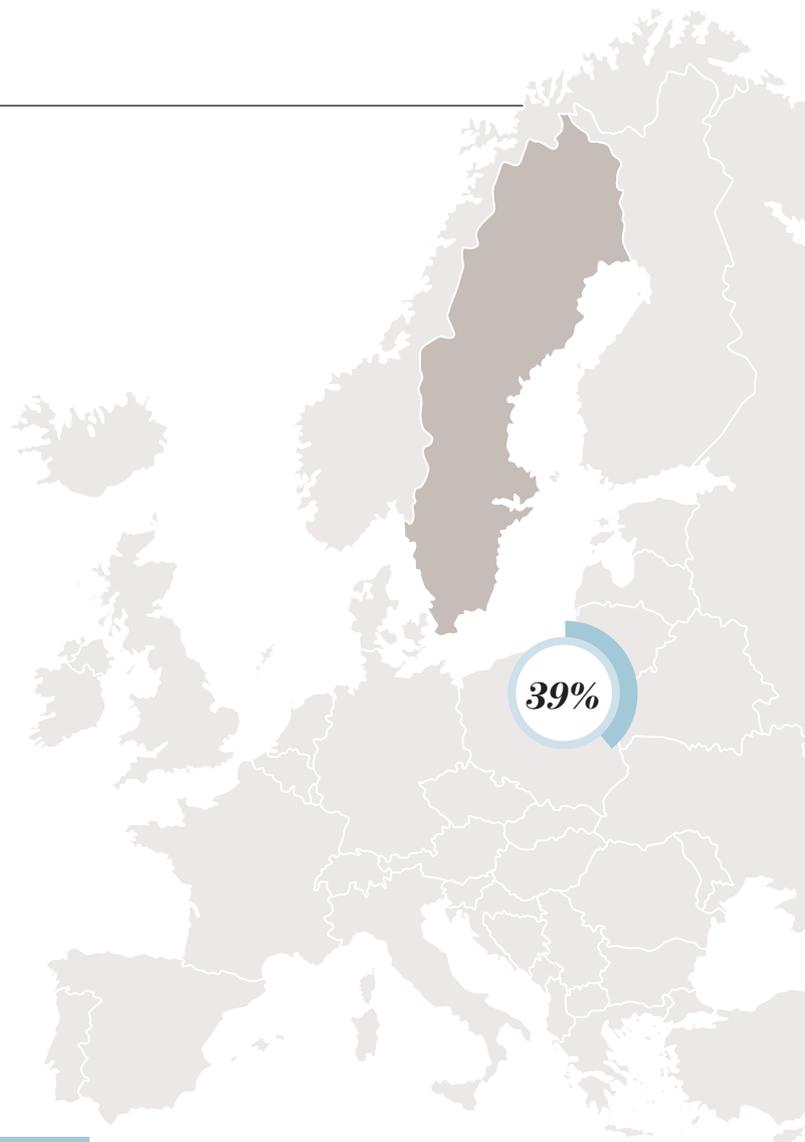
Base 1,049 citizens

IN BRIEF

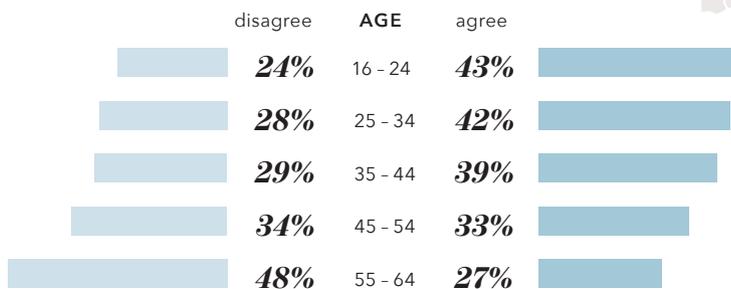
Trust that the government takes into account the financial impact of policy decisions on future generations in Sweden (39%) is the highest in Europe (average 26%).

Most Swedes are particularly concerned about securing pensions social care.

Swedes across all age groups feel more fairly treated than most of their European counterparts. This is particularly the case for the younger age groups.



I feel that my generation is being treated fairly by my government when it takes policy decisions



I trust that the government takes into account the financial impact of policy decisions on future generations

POLICY PRIORITIES IN SWEDEN:

- 1** securing pensions and social care
- 2** investing in education and infrastructure
- 3** addressing poverty and unemployment
- 4** ensuring a fair tax system
- 5** ensuring environmental sustainability
- 6** reducing government debt

QUICK FACTS

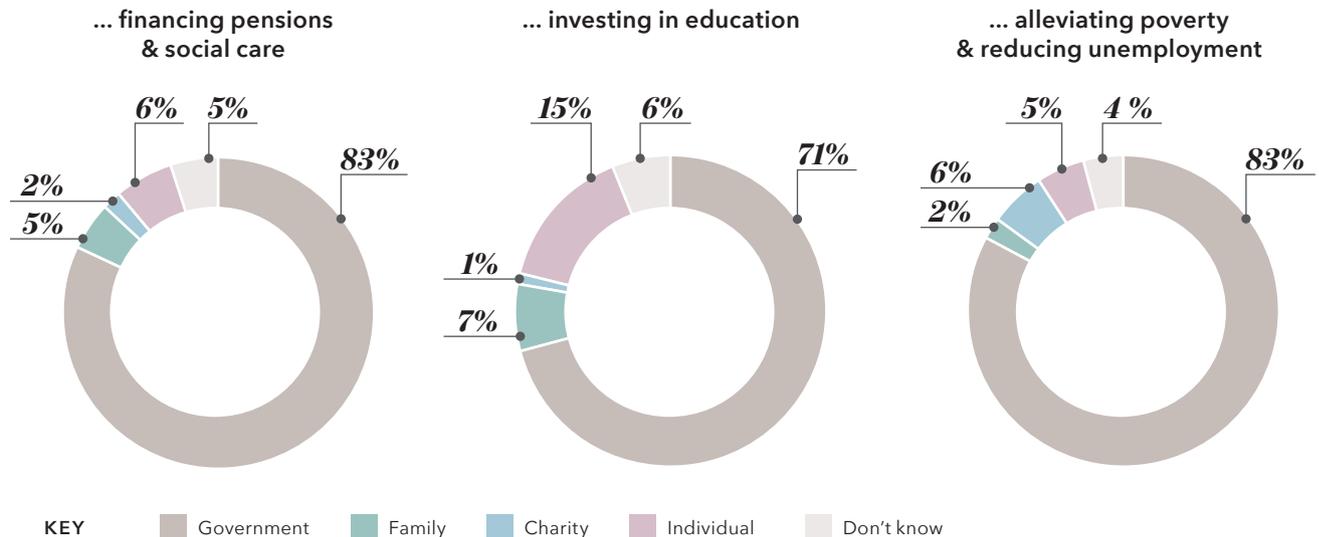
(Source: Eurostat. Data from 2016 unless otherwise indicated)

- Population:** 9.92m
- GDP in PPS (€)*:** 46,600
- Public debt per citizen (€):** 19,344
- Unemployment (% of total labour force):** 6.9
- NEET (% of population 15-24)**:** 6.5
- At risk of poverty or social exclusion (% of total population)*:** 16.0
- General government expenditure (% of GDP)*:** 50.2
- Social protection:** 20.9
- Health:** 6.9
- Education:** 6.5
- Environmental protection:** 0.3

* GDP in PPS (purchasing power standards) eliminates differences in price levels between countries, and calculations on a per head basis allows for the comparison of economies significantly different in absolute size.

** NEET: Young people not in employment, education or training

WHO SHOULD BE PRIMARILY RESPONSIBLE FOR ...



Switzerland



Base 1,006 citizens

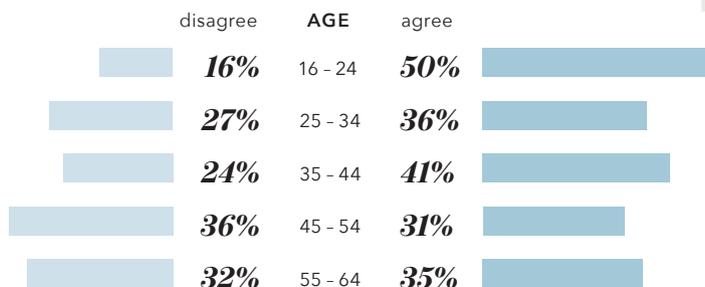
IN BRIEF

Trust that the government takes into account the financial impact of policy decisions on future generations in Switzerland (38%) is the second highest in Europe (average 26%).

Swiss citizens are particularly concerned about securing pensions social care.

All age groups express a higher level of trust that they are being treated fairly compared to the European average. This is particularly the case for the younger age groups, where half of those aged 16 to 24 feel fairly treated (50%).

I feel that my generation is being treated fairly by my government when it takes policy decisions



38%

I trust that the government takes into account the financial impact of policy decisions on future generations

POLICY PRIORITIES IN SWITZERLAND:

- 1** securing pensions and social care
- 2** addressing poverty and unemployment
- 3** investing in education and infrastructure
- 4** ensuring environmental sustainability
- 5** ensuring a fair tax system
- 6** reducing government debt

QUICK FACTS

(Source: Eurostat. Data from 2016 unless otherwise indicated)

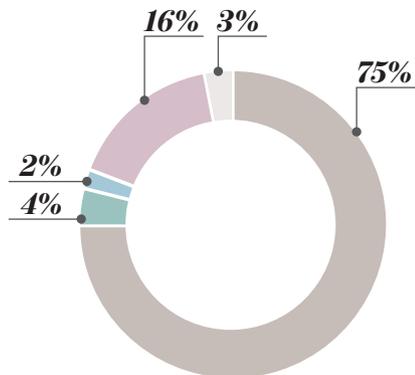
Population: 8.37m
GDP in PPS (€)*: 71,200
Public debt per citizen (CHF): 27,280 (nationaldebtclocks.org)
Unemployment (% of total labour force): 4.3
NEET (% of population 15-24):** 7.3
At risk of poverty or social exclusion (% of total population)*: 14.6
General government expenditure (% of GDP)*: 33.9
Social protection: 13.5
Health: 2.2
Education: 5.8
Environmental protection: 0.7

* GDP in PPS (purchasing power standards) eliminates differences in price levels between countries, and calculations on a per head basis allows for the comparison of economies significantly different in absolute size.

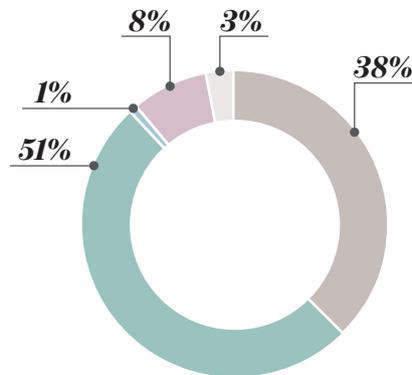
** NEET: Young people not in employment, education or training

WHO SHOULD BE PRIMARILY RESPONSIBLE FOR ...

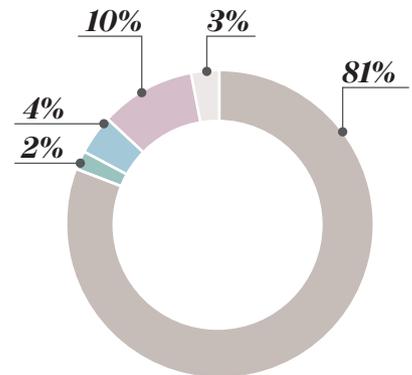
... financing pensions & social care



... investing in education



... alleviating poverty & reducing unemployment



KEY Government Family Charity Individual Don't know

UK



Base 1,066 citizens

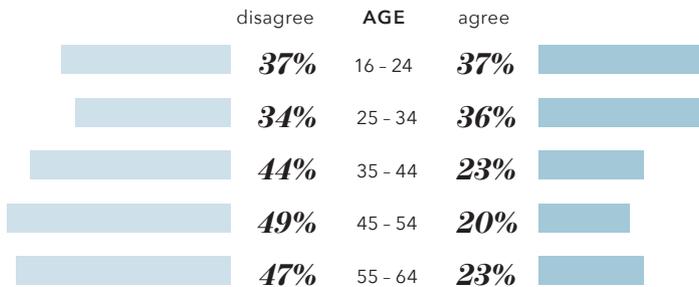
IN BRIEF

Trust that the government takes into account the financial impact of policy decisions on future generations in the UK (34%) is significantly above the European average (26%).

UK citizens are most concerned about addressing poverty and unemployment, although investing in education and infrastructure and securing pensions and social care are also ranked highly.

Only a minority across all age groups feels that their generation is being treated fairly by government (28%) - although still higher than the European average (22%). Citizens aged 16 to 34 feel notably more fairly treated (37% and 36% respectively).

I feel that my generation is being treated fairly by my government when it takes policy decisions



34%

I trust that the government takes into account the financial impact of policy decisions on future generations

POLICY PRIORITIES IN THE UK:

- 1** addressing poverty and unemployment
- 2** investing in education and infrastructure
- 3** securing pensions and social care
- 4** ensuring a fair tax system
- 5** reducing government debt
- 6** ensuring environmental sustainability

QUICK FACTS

(Source: Eurostat. Data from 2016 unless otherwise indicated)

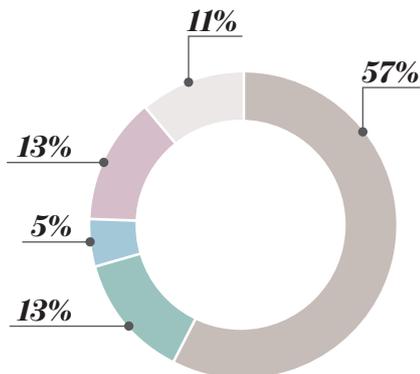
Population: 65.59m
GDP in PPS (€)*: 36,100
Public debt per citizen (€): 30,929
Unemployment (% of total labour force): 4.8
NEET (% of population 15-24):** 10.9
At risk of poverty or social exclusion (% of total population)*: 23.5
General government expenditure (% of GDP)*: 42.8
Social protection: 16.4
Health: 7.6
Education: 5.1
Environmental protection: 0.8

* GDP in PPS (purchasing power standards) eliminates differences in price levels between countries, and calculations on a per head basis allows for the comparison of economies significantly different in absolute size.

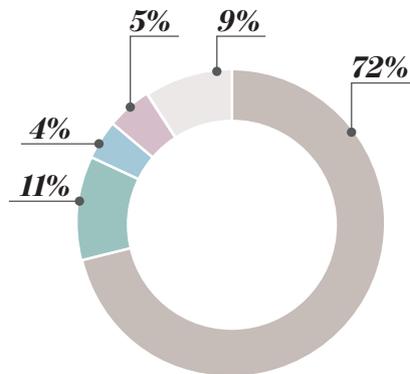
** NEET: Young people not in employment, education or training

WHO SHOULD BE PRIMARILY RESPONSIBLE FOR ...

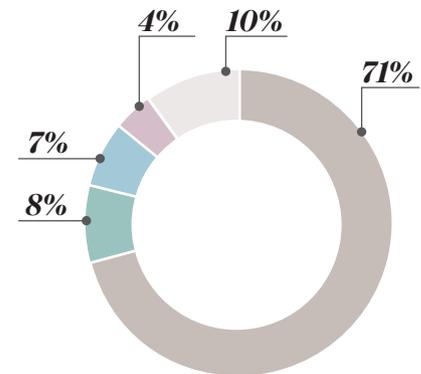
... financing pensions & social care



... investing in education



... alleviating poverty & reducing unemployment



KEY Government Family Charity Individual Don't know

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Training, developing and supporting accountants throughout their career, we ensure that they have the expertise and values to meet the needs of tomorrow's businesses.

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