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Generations on war footing [1]

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Last week, we wrote about the assault on UK pension savings [3] that is just one way to claw back some of the benefits the baby boom generation has enjoyed. Well, a wider campaign against the boomers is getting itself organised with the formal launch this past week of The Intergenerational Foundation [4] which claims to ?promote fairness between generations.?

The IF says it believes ?each generation should pay its own way, which is not happening at present. British policy-makers have given undue advantage to the older generation at the expense of younger and future generations.? It?s hard to argue with the basic premise that politicians with a short-term view to the next election have been catering to the largest demographic group with scant regard for long-term costs.

Going through the IF?s detailed projects like education, employment, health, housing and taxation, its analyses of the issues sound reasonable but it?s short of practical solutions. Of course, it?s early days and the IF is mostly warning that it will be ?monitoring? or ?studying? policies for now.

So far, so good and we look forward to seeing the IF?s big ideas. However, a disquieting theme running through the IF?s material is a repeated call to ?fairness.? This is a noble concept in theory but has generally been a disaster in practice as it leads our short-termist politicians to enact special privileges and convoluted schemes with unintended consequences.

Hopefully, the IF will come up with ideas that do away with existing privileges rather than proposing new off-setting privileges. It all comes down to money and we look forward to any proposals that simplify the tax regime, eliminate special-interest spending and just generally let people get on with their lives as they see best.

Unfortunately, early indications aren?t encouraging. On the matter of housing, the IF wants to deal with the ?hoarding of living space? (ie. ?under-occupation?) by chasing older people out of big houses into smaller ones. Its proposed policies include abolishing stamp duty for those downsizing, changes to planning rules to increase the supply of suitable housing for people downsizing, ?nudge? policies such as the withdrawal of some ?universal? benefits for those living in houses worth over £500,000, a property value tax and abolition of council tax concessions for single occupation.

If future ideas from the IF call for yet more taxes and more tax-code fiddling, it?ll be just another special interest group grasping at the public purse. This could be a very expensive intergenerational war. Maybe we can save a lot money by proposing pistols at dawn between IF co-founder Angus Hanton and Saga?s Director General Ros Altmann.

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