

# AIA/NAEC SEMINAR ON "A WORLD FIT FOR THE RISING GENERATION"

Discussion Note by Ron Gass

Since the Issues Paper is rather long, this note is designed to focus the debate on the main arguments. The AIA/NAEC series of seminars was launched on the basis of an Issues Paper on *The OECD and the Crisis of Progress* (now published in *Global Social Policy*, Vol. 15, N° 2, August 2015). This Note tries to review the field through the eyes of “the rising generation”.

## I°) A DIVIDED BUT "INTER-CONNECTED WORLD

Globalisation has become the focal point of a divisive political debate, to the point where according to the Secretary-General “there is a loss of trust in democracy and its institutions”. Post-Brexit and post-Trump, the clash is crystallised around the question whether the market or force will prevail.

The Issues Paper contends that both geo-political force and market fundamentalism are challenged in a world interconnected via the internet and social media by a third force: people power. According to the Soft Power Index, “power is moving away from traditional institutions such as governments, and towards cities, multinationals and even individuals” (WEF).

In this polycentric global system, is youth likely to play a bigger political role, through and beyond the ballot box?

## II°) THE ROLE OF YOUTH IN A WORLD OF PERMANENT CHANGE

Setting aside the prospect of a Third World War (so help me God!), the defining feature of the global system will be permanent structural change. Given the primary goal of macro-economic stability (don't forget that 2008 did not replicate the Great Depression of the 1930s), these massive structural changes will need to be self-generated more than imposed by the boom/depression movements of the economic cycle. The Issues Paper argues that, in

consequence, the values associated with entrepreneurship – initiative, risk-taking, creativity – will need to penetrate all sectors of life, including basic and further education.

Although the youth culture of 1968 is now behind us, young people need to be seen as “agents of change” in society, going beyond the notion of youth as human capital for the production system. In other words, innovation across the board – political and social as well as economic – will be the leitmotiv for the rising generation.

If so, the question of the skills needed to cope with a world of permanent change becomes vital. The Issues Paper argues that digital skills are a *tool* for human creativity – nothing more. Recent work by DELSA, DSTI and EDU/PISA seems to point in that direction. For example, *Getting Skills Right* (OECD, 2017) concludes that “skill shortages emerge primarily in social and creative skills as well as in science, technology, engineering or mathematical (STEM) knowledge, while surpluses appear predominantly in routine non-cognitive skills” (p.7). Thus, do creative, innovative skills count more than digital skills in isolation?

If so, it is wrong to characterise the coming era as digital as opposed to analogue, because creative thinking is lateral, crossing cognitive boundaries; as opposed to sequential (digital, additive). In this sense, the human brain beats the electronic brain – whatever is said about algorithms and deep learning!

### III°) THE FIGHT AGAINST INTER-GENERATIONAL INEQUALITIES

In light of the above, it would be disastrous if, as the work of DELSA seems to suggest, inter-generational inequalities persist and deepen. The social exclusion of part of the rising generation – already a reality given that 15% of the youth population were out of work, education or training (the NEETs) in 2012 – amounts to a failure of modern society to institutionalise the accession to adulthood. The Issues Paper suggests two basic policy thrusts to avoid a “lost generation” of youth.

1. A minimum inheritance endowment on reaching adulthood (as proposed by the late Sir Tony Atkinson). This would facilitate access to health, housing, training and self-employment. Is this to be preferred to universal basic income on the grounds that it is a one-shot grant, the costs being spread over time as generations rise?

2. Re-defining meritocracy. The Issues Paper argues that a social divide has emerged between those who gain access to tertiary education and those who do not. There is now a high road and a low road of life chances between the vocational and the higher education routes. Those who take the high road are favoured by family background (PISA) and have more access to life-long learning opportunities (PIAAC). Does the answer lie in re-casting the dice of opportunity over the life-cycle via second-chance education and training opportunities and a redistributive approach to life-long learning? This would mean that firms, as well as schools and the state, would need to engage in the battle for equality of opportunity. They have done it for women, so why not for youth?

The main implication of the above is that the *OECD Action Plan for Youth* should be widened to include aspects such as health, housing and civic participation: youth as citizens as well as participants in the labour market.

#### IV°) NEW FREEDOMS OR "BIG BROTHER"?

#### V°) IN SEARCH OF THE GOOD LIFE

For the rising generation, the imperative of continuing innovation is inseparable from a second one, namely *participation*. The Issues Paper takes the view that participatory processes both legitimate change and facilitate progress towards desired objectives. The underlying phenomenon is that, in a digitalised world, information means power. Via the web and through the transformed relationship between the human being and machines, the diffusion of information – and therefore power – enhances the prospects for both democratic participation and authoritarian manipulation.

The OECD finds itself in the middle of this debate because, ever since DSTI's work on the Information Society, regulation to protect the privacy of the individual has been on the agenda. GOV's Observatory of Public Sector Innovation is promoting participatory approaches to change. Various models of "active citizenship" are present in the work of GOV and Strategic Foresight, the latest being *Towards a New Partnership with Citizens – Jordan's Decentralisation Reform* (OECD 2017). All these developments represent an enrichment of representative democracy, but there lurks the worry that the use of behavioural insights to

“nudge” people in the direction desired by authority could be misused (*OECD Report on Behavioural Insights and Public Policy*, 2017).

This brings us to a key question: “Can « active citizenship » thrive if the digitalisation of the economy leads to alienation in the workplace? Is the good life for the rising generation to be found in leisure while the robots do the work?” In recent NAEC discussions, Edmund S. Phelps and Roberto Unger have put their money on the idea that the new production revolution will introduce new freedoms in the workplace. This is fundamental because history has shown that alienation in work can lead to political conflict – even revolution.

#### VI°) A WORLD WITH A FUTURE

#### VII°) THE RESILIENCE OF THE OECD POLICY PARADIGM

#### VIII°) CONCLUSION -- A NEW PATH TO HUMAN PROGRESS?

A crisis of progress driven by the globalisation of the economy and society has propelled nation states, the multilateral institutions and civil society into a complex, indivisible *problématique*. The Issues Paper stands for the idea that the Western Enlightenment which powered economic and social progress across much of the world has now reached a limit because of glaring inequalities, the potential exhaustion of planetary resources and the threat of nuclear conflict. Even if there is now some light at the end of the economic tunnel, these challenges will remain.

In effect, the rising generation is faced with the task of re-building the system of international relations that the previous generation established after World War II. With the disintegration of the British Empire and now the seeming isolationism of the American superpower, the dominant view is that globalisation has led to a multipolar world as China, India, Brazil and others move up the economic hierarchy. In this view, the international order is seen as a struggle between state power and market forces – a sort of geo-political poker game between nation states based on hard power. Is it not more realistic to recognise that the Web, tourism, student flows and international business are leading to a *polycentric* world in which soft power will play a determining role? In such a world, nation states cannot meet their goals without going into partnership with cities, regional and local authorities, NGOs and multinationals.

This scenario makes the global role of the OECD easier to define: that of a policy pathfinder in a coalition of international organisations. Since the OECD does not have the political legitimacy to set the goals for such a coalition, its adherence to the U.N. 2030 Policy Agenda (the SDGs monitored by OECD/PCSD) is vital. Indeed, the SDGs provide the long-term road map that can serve as a compass for the multiple actors in a polycentric “global alliance” and the endorsement of the SDGs by the G20 at the 2016 Hangzhou Summit already gives teeth to such a polycentric strategy.

So how does the OECD Triangular Policy Paradigm stand up? Sustainability depends on the complex interactions between the economic system, the societal system and the ecological system. This is why complexity theory has entered the policy debate. But the reality is that macro-economic theory provides, for the foreseeable future, the only overall, systemic basis for achieving a stable long-term growth path. However structural changes involving complex interactions between the three legs of the paradigm call for complementary models emerging from the physical, biological and social sciences.

But the fundamental change that is taking place is the recognition that economic growth is a means, not an end. This is why ethics and philosophy are forcing the OECD door! If “better lives” is the goal and “inclusive growth” the means, then the OECD is faced with the historic challenge that Harari has defined in *Sapiens, A Brief History of Humankind* (2014, Harvill Secker): vast perspectives of technico-economic advance, but for what purpose?

“*It’s all about people*” has become an OECD slogan pronounced at the highest level ever since the 2013 Ministerial Council. The loss of popular trust in the power of political and technocratic elites to deliver economic and social progress challenges the international community to forge a new vision that puts people back into the centre of policy. Eric Beinhocker at the NAEC Roundtable in December 2016 formulated this as: a new growth model, a new social contract and a new idealism. The Issues Paper calls this a New Humanism.

Such a new path to human progress would have to be founded on values and principles that could appeal to the rising generation across the world. This is a task for the U.N. and is already implicit in the U.N. 2030 Policy Agenda. But the OECD as policy pathfinder is already making its contribution, as follows:

A Common Humanity. The *Better Lives Initiative* and its translation into the developing world by the Development Centre. DCD's emphasis on human needs.

Socio-cultural Diversity. PISA's work on global competencies for an inclusive world, which seeks to prepare children of different cultures to cooperate.

Deconcentration of Power. GOV and CFE on the new role of cities, regions and local communities. LEED on the empowerment of individuals.

Equitable sharing of the Fruits of Progress. ECO and DELSA on intra-country inequalities. TAD on fair trade and CTP on tax evasion in relation to inter-country inequalities.

Could PCSD and the Development Centre – which has China, India and Brazil as members – pull these various threads together?