

A significant change in the age structure of population, including the proportion between pensioners and people at working age motivates to ask a substantial question, how the welfare is divided between generations and what are the main causes or determinants of such a division. Moreover, are we able to search for better solutions in the field of intergenerational fair division of the welfare, or to identify some tools of socio-economic policy that stimulate it?

A broadly understood research problem studied in this project is the intergenerational relation in the socio-economic sense and its determinants in the era of ageing and declining populations in European countries. Referring to the macroeconomic definition, a pension system is a tool for dividing the current GDP between the working generation and the generation of pensioners (see: Góra 2003, Barr and Diamond 2006). This division of GDP between generations of workers and pensioners is actually very convergent with the division between remuneration of production factors (the work of economically active generation) and consumption of the population of pensioners. This model is worth developing through adding the third generation of children and youth. The part of GDP spent on this generation is in fact an investment in human capital through a process of education. Additionally, the generation of workers accumulates its wealth for retirement period to smooth its consumption, whereas the generation of pensioners consumes accumulated wealth to finance its consumption. This affects the GDP growth, and as a result, the GDP that will be divided between generations in the future. Therefore, the mentioned intergenerational fairness refers mainly to the fair division of current GDP and, in economic view, means the intergenerational proportion of income distribution. If the state did not intervene in this distribution and a pension system were appropriately individualized (e.g. through individual pension accounts), the part of GDP consumed by the generation of pensioners (providing that pension assets are invested or pension entitlements/rights are acquired only in a given country) would be a derivative of contributions paid to the system during working life, adjusted by a rate of return (on financial markets, or GDP growth). However, the state usually intervenes in income distribution that is reflected by both intragenerational as well as intergenerational redistribution.

In view of the research problem formulated above, undertaking and conducting studies on this subject requires realization of the following research objectives:

- A theoretical objective: to define an intergenerational fairness as the multidimensional phenomenon (category) in the socio-economic terms and to identify and characterize its dimensions.
- A methodological objective: to develop the concept of the measurement and evaluation of the dimensions of intergenerational fairness in socio-economic terms.
- An empirical objective: to compare selected dimensions of intergenerational fairness in socio-economic terms across different welfare state regimes.

The realization of objectives formulated above allows us to answer the following research questions:

- 1) How does the change in the age structure of population in the European countries impact the proportion of welfare distribution between generations?
- 2) How do the relations between state and free market or between social policy and market economy impact different dimensions of intergenerational fairness?
- 3) What is the model of socio-economic policy that supports intergenerational fairness?

Answering these questions will be possible due to application of a broad comparative study of the intergenerational fairness across different welfare state regimes. First, we will group studied European countries into welfare state regimes. The grouping criteria will refer to the relation between state and free market or between social policy and market economy. Afterwards, we will compare these groups in terms of different dimensions of intergenerational fairness and assess (1) how the regimes differ in terms of this fairness and, (2) which features of them enforce this fairness, and which weaken it. The methods employed which allow us to group many countries into regimes as well as to study the relationship between the features of the regimes and the level of intergenerational fairness, will be mainly based on multivariate statistical analysis and regression models.

The results of our project will have also important practical value and indicate possible direction of socio-economic policy enforcing intergenerational fairness. Moreover, through the popularization of the result of our project, we hope to increase the societal awareness of the issue of intergenerational conflict and the consequences of the politicians' short-term decisions improving the situation of a given generation by the deterioration of the situation of another one.