



Preparing for an ageing society: challenging the crisis of care

A briefing from Autonomy

29 May 2020



Author

Bertie Wnek

Published May 2020 by:

© Autonomy

Autonomy Research Ltd

Cranbourne

Pilcot Road

Crookham Village

Hampshire

GU51 5RU

Introduction

A rapidly ageing population is set to put our society under increasing pressure in the coming decades. A failure to sufficiently invest in our social care system means that we're slowly crawling towards a crisis; one of increasing demand in our NHS, of increasing reliance on formal and informal care work, and of falling employment rates. A lack of innovation and investment into ageing is beginning to catch up with us.

Government responses seem geared towards making people work later into their lives, raising the state-pension age, and shortening the length of retirement.

This strategy is being repackaged in terms such as "removing barriers to remaining in work", and giving people "fuller and longer working lives". Given that social progress in recent decades has been partly measured by reductions in the time we spend working, this response would represent a major step backwards.

An outline of the demographic changes in the UK

The over-65 population is set to increase from 11.6 million today to 15.4 million by 2030, and over 20 million by 2050. The 'oldest olds' (over-85s) are set to double from 1.6 million today to 3.2 million by 2041 and 5.1 million by 2066, equalling 7% of the population.¹

over 65s in the UK

11.6m  20m
in 2020 in 2050

By contrast, the working age population (16-64) will only increase by 3% by 2030. The demographic change will bring about a number of care challenges for our society and economy more generally, many of which are already being felt.

over 85s in the UK

1.6m  5.1m
in 2020 in 2066

¹ 'Later Life UK Factsheet' (Age UK, May 2019).

An outline of the implications of an ageing society— why is this a ‘crisis’?

Increasing social care and NHS costs

The Personal Social Services Research Unit projects that users of publicly funded home care services will grow by 86% by 2035. ²

users of home care + 86%
by 2035

Without improvements in healthy life expectancy or in the productivity of the health service, the UK’s health and care costs will increase as the population ages. Demand for people to provide care for family and friends will also increase.

24% —→ lonely
of people aged 50+ some of the time

Ancillary social problems like loneliness also proliferate with old age. 24% of people aged 50+ living in England today feel lonely some of the time, while 7% (equating to around 1.4million people) feel lonely often.³ The social and economic costs of which are significant.⁴

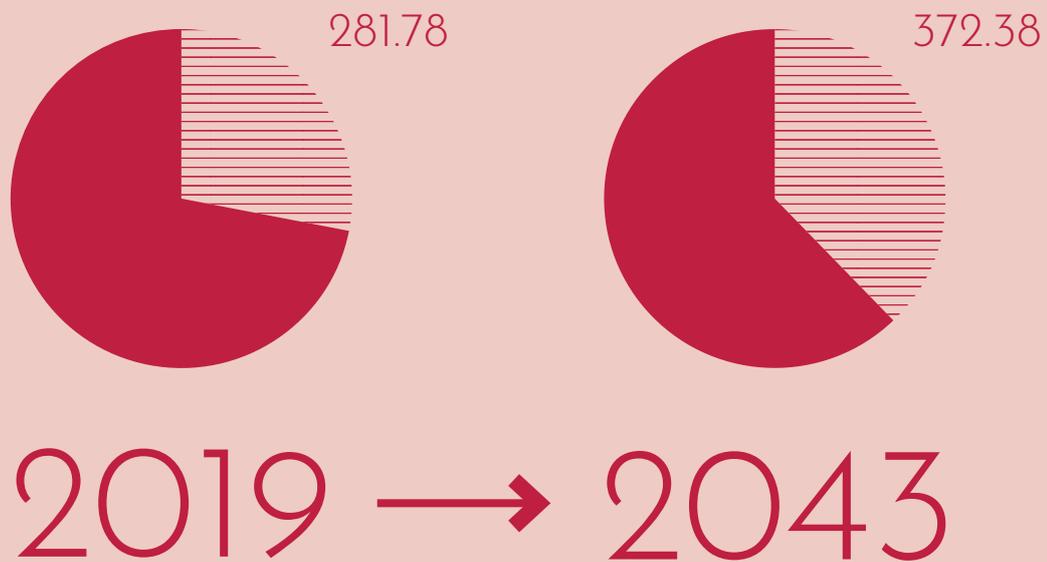
² Raphael Wittenberg and Bo Hu, ‘Projections of Demand for and Costs of Social Care for Older People and Younger Adults in England, 2015 to 2035’, PSSRU Discussion Paper (PSSRU, September 2015).

³ ‘All the Lonely People: Loneliness in Later Life’ (Age UK, September 2018).

⁴ ‘The Cost of Loneliness for Employers’ (New Economics Foundation, 2017).

Wider economic implications

Having an even lower proportion of tax payers, employed persons and carers has serious macro-economic implications. A useful measure is the Old Age Dependency Ratio (OADR), which measures the ratio of people of pensionable age and over per 1,000 people of working age. The OADR is projected to rise from 281.78 today to 372.38 in 2043.⁵



⁵ 'Living Longer and Old-Age Dependency - What Does the Future Hold? - Office for National Statistics'

An outline of mooted Government responses to the crisis of social care:

As of yet, the current government's plan to transform social care is yet to be released. The Conservative Party's commitments in the run-up to the election can be found online.⁶

Elsewhere more detailed government analysis has been published which gives a clearer idea of how policy will be shaped in the coming years. A House of Lords report on responses to ageing concluded that the UK needed to:

- Reform the pension system, and review age as a determinant of income need.
- Educate the public about how to make the most of their housing and other assets.
- Raise the retirement age, and end the cliff-edge retirement.⁷

A Future of Ageing report released by the government in 2017 echoed a number of these attitudes suggesting:

- The ageing population should lead “fuller and longer working lives.”
- Adapting the workplace to enable older workers to remain in the workplace for longer.
- Building a model where training and re-skilling opportunities are available to enable later retirement.

6 'What Have the Parties Pledged on Health and Care? | The King's Fund'

7 'Ready for Ageing?' (London: House of Lords Select Committee on Public Service and Demographic Change, 14 March 2013).

- Enabling lifelong learning, by addressing cost, and facilitating easier training programs in digital and technical skills for older people
- Improving the housing system to make it accessible for older people, reducing pressure on health services.
- Improving neighbourhood services and access to them.
- Improving transport, digital infrastructure and physical environments.
- Adapting the health and care system to meet future demand.
- Supporting unpaid carers and family.
- Capitalising and investing in new health care technologies.
- Coordinating response across sectors and understanding regional divides.⁸

Many of these suggestions are vague and it is unclear how exactly carers, for example, would be supported in the plans.

Many of these are also premised on the assumption that responses to the care crisis should be focused on creating conditions for older people to stay employed for longer.

Whilst it's not government policy, a think-tank with close ties to the government also suggested raising the state pension age to 70 by 2028, and 75 by 2035.⁹

More recently, a government response hints at using the relatively large economically inactive proportion of society (individuals not in employment who are not actively looking for employment) to shoulder some of our society's care burden. This is to overlook the many social, economic and personal reasons individuals have for

8 'Future of an Ageing Population' (Foresight, Government Office for Science, 2016).

9 'Ageing Confidently: Supporting an Ageing Workforce' (Centre for Social Justice, August 2019).

not being in employment.¹⁰

The economically “inactive” group of society are in fact often just carrying out unpaid work¹¹; it is made up mostly of students, unpaid carers, unpaid domestic workers, long-term sick or disabled individuals and others who would either not be able or willing to shoulder the social care burden.

Whilst individuals may be classed as economically inactive clearly this does not mean they are inactive; just because our economy ignores and undervalues this form of work, does not mean it doesn't exist.

This measure comes as the government signals its intention to introduce a points-based immigration system that would prevent low-wage migrant workers from entering the UK and working in social care. This will of course put incredible strain on our health services and economy more generally.

But when thinking about the effects of these immigration reforms, rather than simply asking ‘who will we get to do this undervalued and precarious work?’ we should be asking instead how it's possible to increase the value and dignity of the care work already being done within our society; focusing on properly remunerating all carers—migrants or not, formal or informal—and on improving working practices, conditions, and caring environments. Autonomy has outlined some of these measures in proposals for the Valencian Regional Authority¹² and urban strategy concepts like Long term Care Centres.¹³

10 Abbas Panjwani, ‘Who Are “Economically Inactive” People, and Could They Join the Work Force?’, Full Fact

11 Participation in unpaid work is directly related to socially constructed power relations, and is carried out disproportionately by women and ethnic minorities. See: <https://www.ons.gov.uk/peoplepopulationandcommunity/culturalidentity/ethnicity/articles/ethnicityandthelabourmarket2011censusenglandandwales/2014-11-13>

12 Autonomy, ‘The Future of Work and Employment in the Valencian Region’ https://autonomy.work/wp-content/uploads/2020/01/FutureOfWorkComVal_Eng_DGTL.pdf

13 Julian Siravo, ‘Long Term Care Centres: a strategy for formal and informal carers alike’ <https://autonomy.work/portfolio/ltccinformalcarers/>

Comparison to responses elsewhere in the EU

The EU outlined their plan for Active and Healthy Ageing based on five topic areas:

- Translate the ageing population into economic growth
- Stimulate investment and innovation in ageing.
- Bring about innovation in health and social care systems
- Build a programme of technology in the health sector.
- Improve inclusivity of society more generally with regard to ageing.

These suggestions are outlined in more detail and represent a more comprehensive strategy, although the plan is largely market-led and tends to frame problems of social care as opportunities for private business development and market growth. In Finland, a similar plan for social care, offering to expand the role of private companies in the healthcare system, was widely opposed and eventually failed, resulting in the resignation of the entire government in March, 2019.¹⁴

Wider implications of the UK strategy

In many ways the policy attitudes within the UK align with existing trends—there are an increasing number of over-65s in work; since the turn of the century, employment among pensioners has steadily increased from 4.9% to 11% today, which translates to an increase of 1.3 million people.¹⁵

Furthermore, life expectancies differ regionally by up to 10 years between the richest and most deprived areas, and for some, where

¹⁴ 'Finnish Government Announces Resignation', BBC News, 8 March 2019, sec. Europe.

¹⁵ 'Employment Rate 65 + People - Office for National Statistics', accessed 4 May 2020, <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/timeseries/lfk6/lms>.

regional inequalities translate to far lower life expectancies, a state-pension age of 75 would come two years after the average person is expected to die.¹⁶

Significantly, our economy is over-reliant on low pay, low-productivity jobs. The UK productivity slump continues to hinder our national living standards and public services. Our average annual productivity growth slumped to 0.4% on average over the last decade, the second lowest in the G7. Policies aimed at increasing the number of older people in employment suggest a worrying failure to see that we desperately need to focus on improving current working processes, boosting productivity, as opposed to forcing people who have laboured for many decades to work long into their old age.

The state pension is a reward for decades of employment, it is a recognition that people deserve to enjoy self-directed lives in their later years. Solving the care crisis requires a far more rounded response, but one that first requires us to consider the value of people's lives beyond mere employability.

¹⁶ 'Life Expectancies - Office for National Statistics', accessed 4 May 2020, <https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/lifeexpectancies>.

References

Age UK. 2018. 'All the Lonely People: Loneliness in Later Life'.

Age UKa. 2019. 'Later Life UK Factsheet'.

BBC News. 2019. 'Finnish Government Announces Resignation', 8 March 2019, sec. Europe. <https://www.bbc.com/news/world-europe-47496326>.

Centre for Social Justice. 2019. 'Ageing Confidently: Supporting an Ageing Workforce'.

Foresight, Government Office for Science. 2016. 'Future of an Ageing Population'.

House of Lords Select Committee on Public Service and Demographic Change. 2013. 'Ready for Ageing?' HL. London.

King's Fund. 2019 'What Have the Parties Pledged on Health and Care?'. Accessed 4 May 2020. <https://www.kingsfund.org.uk/publications/parties-pledges-health-care-2019>.

New Economics Foundation. 2017. 'The Cost of Loneliness for Employers'.

ONS. 2020. 'Employment Rate 65 + People'. Accessed 4 May 2020a. <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/timeseries/lfk6/lms>.

ONSa. 2020. 'Life Expectancies'. Accessed 4 May 2020b. <https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/lifeexpectancies>.

ONSb. 2020. 'Living Longer and Old-Age Dependency - What Does the Future Hold?' Accessed 4 May 2020c. <https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/ageing/articles/livinglongerandoldagedependencywhatdoesthefu->

[turehold/2019-06-24](#).

Panjwani, Abbas. 2020. 'Who Are "Economically Inactive" People, and Could They Join the Work Force?' Full Fact. Accessed 4 May 2020. <https://fullfact.org/economy/economically-inactive/>.

Siravo, Julian. 2020. 'Long Term Care Centres: A Strategy for Formal and Informal Carers Alike'. Autonomy (blog). Accessed 28 May 2020. <https://autonomy.work/portfolio/ltccinformalcarers/>.

Wittenberg, Raphael, and Bo Hu. 2015. 'Projections of Demand for and Costs of Social Care for Older People and Younger Adults in England, 2015 to 2035'. PSSRU Discussion Paper 2900. PSSRU.