



BAILOUTS: THE BEGINNING OF THE END, OR THE END OF THE BEGINNING?

Older, but not any wiser

Sharing the cost of our ageing population is already dividing the generations, writes **George Hook**

ACCORDING to the European Commission, ageing is one of the greatest social and economic challenges of the 21st Century for European societies. It will affect all EU countries and most policy areas. By 2025 more than 20 per cent of Europeans will be 65 or over, with a particularly rapid increase in numbers of over-80s. Because older people have different healthcare requirements, health systems will need to adapt so they can provide adequate care and remain financially sustainable.

Last Tuesday in the Lyrath Estate Hotel in Kilkenny I concluded my tour around Ireland in a series of seminars entitled 'Minding an ageing population — An Engagement with **Bluebird Care**'.

I had been to Dublin, Cork, Sligo, Galway and Kilkenny.

Living in the rarefied atmosphere of broadcasting and watching athletic 20-somethings cavort on a rugby pitch every weekend, the tour brought me down to earth with a bang. For the first time I felt connected to people my own age. It was a sobering experience to discover how Ireland currently treats its ageing population and, more importantly, what plans are being made to cope with the exponential increase in numbers of pensioners over the next 30 years.

Already, signs are appearing in Ireland that sharing out the cost of ageing is creating a divide between the generations. It is interesting to compare the reaction of the young on my radio programme to the attitude of the old as I travel around the country.

There is a distinct perception that the overtaxed and overworked younger generation feel they are supporting a group of cosseted pensioners.

The Irish Government is not alone in not making provision for a future where a smaller and smaller number of workers will be supporting a larger and larger number of retirees.

Silvia Stefanoni the chief executive of Help Age International believes that "European countries are sleepwalking into a future where nearly a third of the population will be older people".

"The world is rapidly ageing: people over 60 years of age already exceed children under 5, and by 2050 they will outnumber children under 15," Ms Stefanoni said. "However, the continual exclusion of ageing from national and global agendas is one of the biggest obstacles to meeting the needs of the ageing population."

According to European Union projections, in the 27 countries each pensioner is today supported on average by four people of working age. By 2050, this old-age support ratio will have fallen to just two. Meanwhile, the average age will have risen from 38 in 2003, to 52 by 2050. In contrast in the USA, that average age will be a youthful 35.

The problem for Europe is the combination of a decreasing mortality rate, a decline in fertility and higher life expectancy. Countries with high emigration rates like Portugal and Latvia are particularly vulnerable as the old stay at home while the productive population leaves.

By 2050, Portugal is projected to have more people aged 60 or over than any other EU member — 40 per cent of

the population against 24 per cent today. Latvia's population decline is striking and its fertility rate one of the lowest in the world, half that of Ireland. Those factors threaten its very existence as a sovereign nation. Should it survive, by 2060 there will be four Latvians of working age for every three aged over 65.

Today, Ireland is in a better position than most of its European partners, but time is running out. The National Pension Reserve Fund, which was the first effort to tackle the demographics in the public service is no more and Michael Noonan has made every effort to make it difficult for people to save or invest for old age by raising DIRT to 45 per cent making it impossible for people to get a reasonable return on savings.

The EU's position outlined in the opening paragraph is stark: "Health systems will need to adapt so they can provide adequate care and remain financially sustainable." The abolition of tax relief on private health insurance and the continuing increase in premiums will drive ever-increasing numbers to cancel insurance and instead add to the burden of the public health service.

Minister James Reilly and his advisers seem unable to grasp the economic realities of forcing people out of self-provision to reliance on the State.

The last few weeks have brought me face-to-face with the realities of being old in Ireland. The people that have to make a daily choice between food or heat; the sons and daughters that care for ageing parents without State support; and how seemingly minor government cuts can be the difference between some comfort and despair.

One contribution in Kilkenny is etched in my mind. The lady who had lost her medical card now puts €6 in a cup every week to pay for drugs. How can Enda Kenny seriously suggest that exiting the bailout was the greatest day in

our history when €6 a week would seem to be difference between life and death.

Publication: Sunday Independent
Date: Sunday, November 17, 2013
Page: 26
Extract: 3 of 3
Circulation: 232,494
Author: George Hook
Headline: Older, but not any wiser



FACE-TO-FACE WITH REALITY: George Hook at a seminar on the future for the ageing population held at the Lyrath Estate Hotel in Co Kilkenny. Photo: Dylan Vaughan

**'It's sobering
to find out
how we treat
older people'**