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Speech by Adam Graycar:

"Young vs old"

delivered to the Australian Population Association,
27th February, 1986.

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AUSTRALIAN POPULATION ASSOCIATION

27/2/86

ADAM GRAYCAR

~~near 70. day 100~~ Older man w/ 5 year comp
 51 or 19 - uncertain must be
~~100 yr old - 4 get around 107 better than I did 102 yr old~~

Demog
 Tri-plex
 Rhythmic
 not odds of progeny
 not odds of character
 about income health account fam structure
 Everybody hand up hand down short people

11.5% 65+
 65 arbitrary - slow growth
 changing prop 75+

Dependency ratio

1901	64	ie	58 + 6 / 9:1
100	51	ie	36 + 15 / 24:1
2011	48	ie	32 + 16 / 2:1

Concept of retirement

important to understand things as they are - portrait paint to grand dam

Australia's population is aged 65 or more. Most are not in the labour force and thus rely for their security on past investments; government pensions and benefits and services; and their families. Some are fortunate in having a combination of all three, others survive on one or two of these.

- a) potential exclusion - scrap heap
- b) ~~arbitrary~~ 65 - different needs of people over 65

With one in ten Australians sixty five and over, and soon one in seven, there is clearly no novelty value in being old. Generations ago it was a real achievement to have survived, against the odds, and being old indicated that one was a survivor, a toughie, and a fount of knowledge and wisdom. Now it signifies that one is just one of the crowd, certainly no fount of technological wisdom and possibly a burden on our social security and tax system. The potential for social exclusion is there and what gains there will be will come about by political activities, and not by virtue of status alone.

Any Social policy, ^{response} is basically about choices between conflicting political objectives and goals, and how they are formulated.

Welfare politics is the conflict between citizen and group demands for inclusion in the face of institutional and group policies which promote exclusion. Who goes on the scrap-heap and who doesn't? Many elderly people find themselves in situations of actual and potential exclusion from a broad range of social allocations.

[It is important to remember that most older people are not sick, are not disabled, are not desperately poor, are reasonably well housed and like the locations they live in. There are however significant numbers that do have difficulties in many areas.] The message I keep stressing is that we must discard the totally inappropriate stereotype that older people are problems, and concentrate instead, on the problems they have. To do so requires good policy analysis, strong community responsiveness and very importantly, the elimination of unrealistic, patronising and unhelpful stereotypes.

D Most of the "young-old" are of an age where people are usually physically healthy and mentally alert. Their main problems relate to adjusting to retirement, and in most cases the associated income reduction. Income maintenance and preventive health services are of great importance. 35 per cent of people over 65 are over 75, the "old-old", and thus are of an age where most people need more than average levels of support from the community. In addition to economic and social dependencies, physical limitations and disabilities become part of the lives of many people.

I would argue that the big political issue relates to the claims that are made in our society and the response to those claims. All persons, elderly and non-elderly alike make claims for allocations, which affect their well being, on ~~the~~ four institutions, ~~the~~ ~~state~~ the state, the family, employers and the local community. Elderly people make claims mostly for an adequate income, for appropriate living arrangements, for high quality services, for independence and dignity, and for institutional responsiveness and a sympathetic attitude towards ageing. - understanding = 100 yr old - get round better joints

Claims on families
local community
employers
governments

then Future prospects depend on the juggling of these claims and the capacity and willingness of each to respond

well-being ^{of other people} ~~is~~ more likely to be determined politically than ~~the~~ economically.

Claims on the community and on the state can be examined by noting three sorts of lobbies as part of the claim structure. First, there is the "direct interest" type. Claims are made by those who are the potential recipients and who thus have a direct interest. The "direct interest" lobby can be divided into two parts - a recipient section, the old people themselves, and a provider section. "Direct interest - recipient" groups include major organisations like the Australian Pensioners' Federation and the Australian Council on the Ageing, as well as many smaller organisations with limited interests. Activities include developing campaigns and pursuing them with varying degrees of intensity, deputations to Ministers and other political figures, and publicity dissemination through community radio and newspapers. "Direct interest - providers" include lobby groups such as the Private Hospitals and Nursing Homes Association in Australia, the Australian Medical Association, groups within the pharmaceutical, health insurance, and medical and hospital equipment industries. This is what has been called the "social industrial complex" - a service industry born of the merging of private enterprise and public capital. Industry lobbies have helped shape medical care and housing allocations directed towards elderly persons.

Second, there is an "executive initiative" approach, where expansion and increases in benefits come from, the authorities (for whatever reason). The "executive lobby" covers politicians and bureaucrats, and the policies they propose and support vary with dominant political agendas. In Australia the executive lobby played a large part in the introduction of the age pension and now that the tide is turning they play a role in moves that they hope will lead to greater efficiency, better evaluation, and cost-cutting.

~~Bureaucratic politics is often noted for its empire building tendencies and in some ways certain bureaucrats develop the utility of ageing to expand areas over which they preside. This provides a nice opening for direct interest lobbies and can be a good example of the executive lobby really delivering. One must not lose sight of the fact that many bureaucrats have a strong commitment to the groups with which they work and continually support that groups' interest. Other bureaucrats are more detached.~~

Third, there is the lobby of "conscience", comprising persons and groups acting out of a sense of noblesse oblige - those who have nothing to gain directly, other than the satisfaction of their humanitarian aspirations by positive social pay-off. This lobby includes individuals in the churches, voluntary organisations, professions and academics who possess a sense of social justice, a belief in a reduction of inequality, and a hope for a better social future. This forms the basis of their activism.

It can be argued that direct interest lobbies will be the most likely to set social directions and press claims. Coalition formation will be important and the degree to which an activist coalition will acquire support will depend

on the legitimacy of the claimant group, the legitimacy of the claims made, the resources the group has to trade and the consequences of exclusion. When looking at the elderly their political resources are fairly limited, though their legitimacy is high. The "conscience lobby" has an opportunity to express viewpoints on their interpretations of need, and on policy proposals in general. Their influence depends on their general standing in the political climate as much as on the quality of the evidence they put forward and the strength of their arguments. Very often, groups in the conscience lobby can identify a crisis situation and, with a concerted media campaign, attempt to place it on the political agenda.

It is very likely that the most severely disadvantaged among the elderly are not part of the direct interest lobby, and that the goals articulated by the various organisations vary so greatly that any single focus is severely blunted. To test this would require profiles of the most severely disadvantaged as well as profiles of the organisations in question. It is most likely that fragmentation of interests will occur unless there is an active search for a consensus which ensures the protection of the weak, the vulnerable and the disadvantaged.

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That's the backdrop to an assessment of future prospects - the dynamics of getting a share - no judgement on the size of the share. Mostly we're talking about transfers both cash & non-cash, and most of the conflict will come about in terms of who is responsible for what transfer.

One wild card - more akin to concrete shoes for those who think they can walk on water & sort things out rationally - Fed/State rels.

Slide 2

Looking at combined Commonwealth and State outlays, roughly the same amounts are spent on the young as are spent on the ~~old~~ ^{aged}.

The ratio of State outlays on the young to State outlays on the aged is almost 5:1.

The ratio of Commonwealth outlays on the aged to Commonwealth outlay on the young is 2:1.

For every \$1 the Commonwealth spends on the young, the States spend \$1.50.

For every \$1 the States spend on the aged, the Commonwealth spends \$6.80,
or

for every \$1 the Commonwealth spends on the aged the States spend 14 cents.

winners & losers - rights / laws / claim

tion in the face of demographic and economic changes in the ability of the community, economic and political leaders and ordinary citizens to develop a broad social contract in which the process and substance of claims in the public sector have a clearly understood and implied legitimacy. Lobbies will have to ensure that they do not become themselves played off against one another. The acceptance of a general interpretation in the welfare arena needs to be questioned. Certainly more people are going to be making claims on the system because we are going to have more old people, an imbalance between supply and demand for labour, more school leavers, and more women going to find a place in the workforce. If we ~~do not~~ provide services for those who make ~~claims~~ ~~on the system~~ ~~we are~~ ~~in~~ ~~a~~ ~~situation~~ ~~where~~ ~~more~~ ~~people~~ ~~are~~ ~~making~~ ~~claims~~ ~~on~~ ~~the~~ ~~system~~ ~~and~~ ~~we~~ ~~are~~ ~~not~~ ~~providing~~ ~~for~~ ~~them~~ ~~we~~ ~~are~~ ~~headed~~ ~~towards~~ ~~some~~ ~~form~~ ~~of~~ ~~political~~ ~~bankruptcy~~. If we exclude people and state that they are worthless because they are in the 'non-productive' sector, then we are headed towards some form of political bankruptcy. The crucial political issue is trying to determine who ought to be included and who excluded. And when we state these things clearly, we are laying out the sorts of agendas on which a lot of the politics of the ~~1980s~~ ^{next decade} will be based. The future of Australia's welfare state will be tied up to a very large extent with the politics of exclusion. ~~_____~~

how you
as
old

Different participants in our welfare system have different things to contribute. Those in the various lobbies must consider not only the interests of their own special groups, but those of others. - 200

for and

Government, ~~the~~, has an important role to play. It must be responsive to coalition claims, or people will be forced into positions of greater dependence or onto the social scrap-heap. The extent to which this occurs will be a measure of government's moral and political bankruptcy. There are three ways government can avoid the slide into bankruptcy. First of all, it must espouse and support the concept of citizenship from a social, and not just a political or legal perspective. This means that when faced with choices in an equity/efficiency trade-off it must not automatically opt for efficiency. Second, it must work co-operatively at the structural level in developing workable and enduring divisions in the separation of functions between the various levels of government and between the statutory and non-statutory sectors, bearing in mind at all times that social purpose, humane support and equity must underpin its activity. Third, it must assist in the development of a better knowledge base for understanding what sorts of programmes work and what sorts do not. It has an obligation to ensure that all possible data be made available for use in research and evaluative activities by its own officers and by those outside government. Government should not be afraid of those outside who might provide a critique, and with whom (if government has its wits about it) it can constructively join in debate.

In conclusion, prospects for the elderly relate to the reconciliation of

issues of inclusion and exclusion; of equity and equality; of consensus and citizenship; of social change and social contract; of individualist and group activity; of interpretations and assessments of need; of activist strategies and coalition formation and of claims and the willingness and capacity to respond to those claims.

- Policy
- choice

93 100 100 100 100 100 100 100 100 100

PROVISION AUSPICES

	Statutory			Commercial	Voluntary	Informal
	C'Wealth	State	Local			
Income Support						
Health Services						
Accommodation						
In-home Services						
Services to facilitate access information and communication						
Employment						
Transport						
Recreation						
Education						

~~2/27~~ Comments on
slides 2 & 3

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or

for every \$1 the Commonwealth spends on the aged the States spend 14 cents.

AGED SERVICES GRID.

PROVISION AUSPICES

	Statutory			Commercial	Voluntary	Informal
	C'Wealth	State	Local			
Income Support						
Health Services						
Accommodation						
In-home Services						
Services to facilitate access information and communication						
Employment						
Transport						
Recreation						
Education						

COMMONWEALTH AND STATE OUTLAYS (a) DISTRIBUTED TO
DEPENDENT YOUNG AND DEPENDENT AGED

1981 (\$'000)

1981	Dependent Young (0-15)	%	Dependent Aged (65+)	%	Total Outlays	Total %
C'wealth	2,588,723	<u>31.7</u>	5,571,311	<u>68.3</u>	8,160,034	<u>100.0</u>
	39.7		87.3		63.2	
State	3,936,415	<u>82.9</u>	812,988	<u>17.1</u>	4,749,403	<u>100.0</u>
	60.3		12.7		36.8	
Combined Outlays	6,525,138	<u>50.5</u>	6,384,299	<u>49.5</u>	12,909,437	<u>100.0</u>
Total %:	100.0		100.0		100.0	

(a) Outlays for Social Security, Health, Education and Employment

Source: The impact of population changes in social expenditure: projections from 1980-81 to 2021. Social Welfare Policy Secretariat, Canberra, January, 1984. (Table 3.12)