

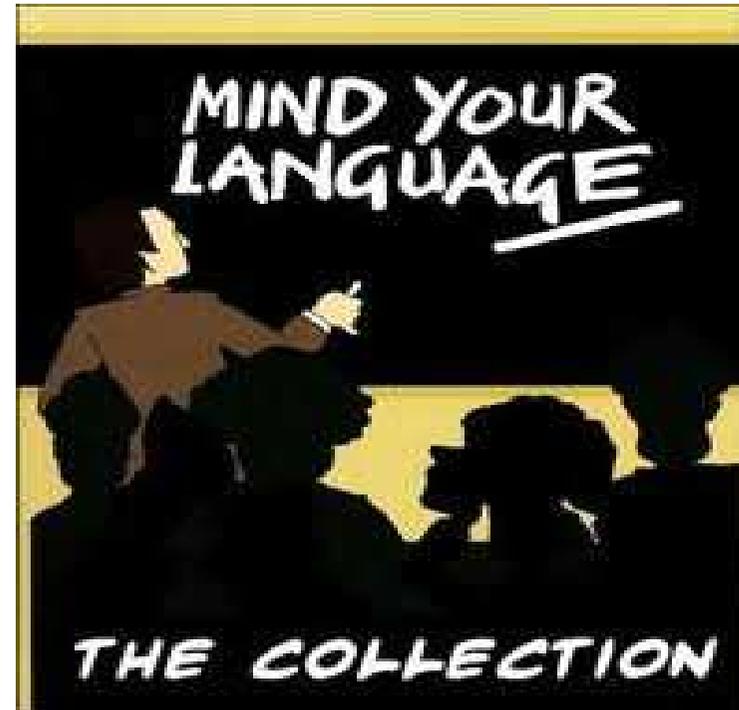


The Financial Crisis and the Battle of the Generations: Careless Talk and Political Consequences

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Language, Policy and Politics

- Does it really matter what language we use?
- That depends on whether we see language as a reflection of some underlying reality or truth
- Or, whether the way we talk about things actually creates a certain reality
- We are social, talking creatures. We might say there is no truth or reality without the reality or truth we put into words
- I think we should pay attention to the way in which we talk about things
- A philosophical question, but with practical aims in mind

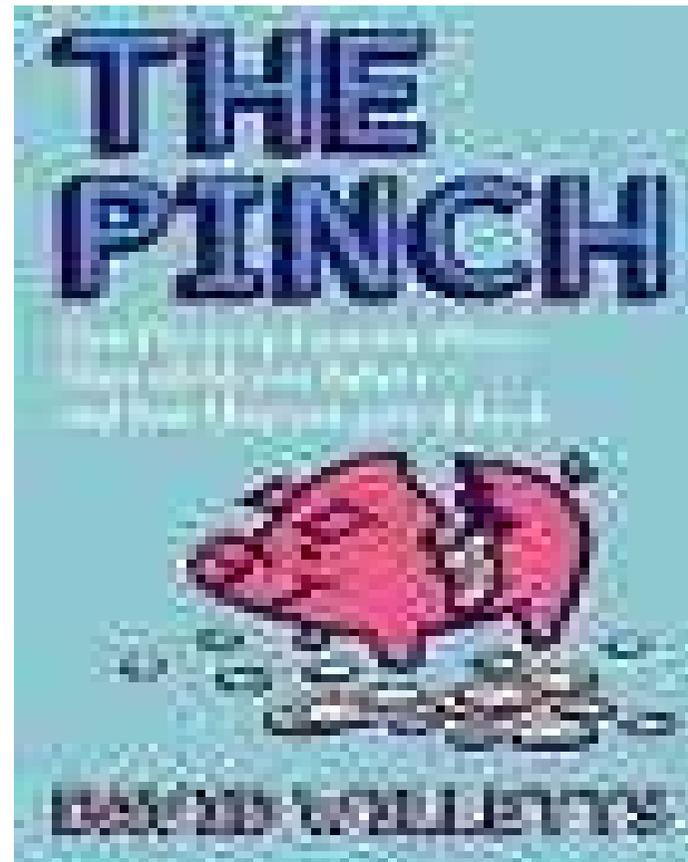


How are we talking about the current crisis?

- Even labelling something as a crisis generates a certain kind of response
- I am interested in the way in which we are talking about the current recession/financial crisis/economic crisis
- Particularly in the way in which it is being framed in terms of a battle between younger and older generations

Examples of the crisis as one of inequality between generations

- David Willetts: 'The Pinch. How the baby boomers took their children's future – and why they should give it back'
- Willett's book isn't really about intergenerational conflict, but rather what he sees as a decline in values of reciprocity and sacrifice
- But the genie is out of the bottle!



Worse examples of talk of intergenerational conflict

- Daily Mail, 23rd February 2011
 - ‘Pampered pensioners cost taxpayer £16bn’
- Polly Toynbee, the Guardian, 20th August 2011
 - Quotes Willetts book with approval and proceeds to document how the plight of the ‘neglected’ current generation young people is largely due to the selfishness of people of her generation and their gilt-edged pensions and free bus passes
- Philip Inman, the Guardian, 28th February 2011
 - Worse still. Talks of the 1946+ generation as ‘millionaire baby boomers’. So-called because of their asset wealth
- (Unknown) Comedian’s diatribe:
 - ‘You have stolen our money, taken all our resources and destroyed our planet, but still you refuse to die!’ And people actually laughed... heartily.

**The millionaire baby boomers.
Anybody you know?**



What fears underlie this talk of intergenerational conflict

- That older people are exploiting their electoral power ('the grey vote') to secure an unfair share of shrinking state resources:
 - Winter Fuel Payments
 - Free Bus Passes
 - Free TV licences
 - State Pension (one of the lowest in the OECD)
- General feeling that pensioners have fared better than other groups through the cuts
- Institute of Economic Affairs (2011) – pensioners 'have been almost exempt from spending cuts'
- Costs of care and pensions escalating out of control

Social injustice pure and simple

- True that pensioners are less likely to be in very low income (below 40% or less of median household income after housing costs) than other groups.
- Pensioner poverty has been declining since early 2000s with introduction of Pension Credit
 - 1998/99, 29% of pensioners on low incomes (60% or less of median income)
 - Now 16% are on low incomes. That is still 1.8 million
 - Future poverty levels are highly sensitive to tax and benefit changes
 - For pensioners, increases in VAT and excise duties outweigh any gains resulting from above-inflation increases in the Basic State Pension and Pension Credit (Age UK, 2010), given no other opportunities to increase income
- Age UK report 2010 on impact of spending cuts on older people:
- Need to look at changes in taxes and benefits as well as cuts in services spending
 - Over-75s receive on average £18,000 of services per year (equivalent to 113% of household income) plus cash transfers of £8,800 (equivalent to 55% of household income)
 - 65-74s receive £13,700 (equivalent to 71% of household income) plus cash transfers of £8,700 (equivalent of 45% of household income)
- 'Pensioner households (65+) in the poorest two income deciles end up losing income and services equivalent to 32.7% (poorest) and 22.3% (second poorest) of their net household income respectively.'

Rhetorical Tricks

- ‘Of course we recognise that there are rich and poor, good and bad etc. within generations, but..... ‘
- E.g. Richard Inman:
‘Rich and poor are both found in the boomer cohort just as much as they are in any other. Yet the accusation that boomers are protecting themselves at the expense of everyone else still stands, because relatively ordinary boomers will retire as millionaires, paid for by younger workers. Even the poorer over-50s need to recognise that they are going to take out of society more than they put in.’
- But the question is: if this is about social and economic inequality and injustice in general why bring the generational question in at all?

What does this kind of talk do?

- It feeds prejudices and animosities that are already there beneath the surface
 - E.g. Ideas that older people are a drain on then welfare state; that they are not economically or socially productive
- It simplifies what are actually very complex issues – e.g. pensions; position of older people vis a vis cuts
- It makes certain ideas seem natural, necessary or inevitable – e.g. that there should be a major shift of public resources from the old to the young.
- It may provide a certain justification for not tackling the current crisis in older adult social care – e.g. Dilnot recommendations
- It leads us to talk of averages not people
- It may even fuel a certain sense that older people just don't matter; an attitude that can lead to the abuse and neglect of older people
- It stops us talking about the issues in other ways – e.g. why not class?

What else might we talk about?

- The contribution that older people make to the care of other older people
 - 25% of carers are over 50. Their contribution could equal as much as £22 billion a year. Getting on for double what is currently spent on social care (Audit Commission, 2010)
- The contribution that older people make to the 'Big Society'
 - 65% of volunteers are over 50
- The contribution that older people make to child care
- Adding it all up: the over 65s make a net positive contribution to the economy of £40 billion (Womens Royal Voluntary Service, March 2011)



Inequality, inequality, inequality

- The structural deficit of £70bn this year is less than the amount by which the wealth of the 1000 richest UK individuals increased in one year, £77bn (Dorling 2010)
- Some of them may well be of the older generation, but what has that actually got to do with it?

Remember!

