



Submission to the Department of the Taoiseach on the National Risk Assessment 2023

Age Action is Ireland's leading advocacy organisation on ageing and older people. Age Action advocates for a society that enables all older people to participate and to live full, independent lives.

Age Action Ireland

30-31 Camden Street Lower, Dublin D02 EC96, Ireland

CRO 198571, CHY 10583, RCN 20027254

Tel: +353 (0)1 4756989

Email: info@ageaction.ie

Web: <https://www.ageaction.ie/>



Rialtas na hÉireann
Government of Ireland



pobal

government supporting communities

Age Action is part-funded by the Scheme to Support National Organisations 2022-2025, which is funded by the Government of Ireland through the Department of Rural and Community Development

Introduction

Age Action welcomes the opportunity to make a submission to the Department of the Taoiseach on the National Risk Assessment 2023.

In response to the Department's set questions, we recognise the significant nature of the 25 risks identified and we do not suggest any additional risks.

We provide additional commentary below in relation to ten of the identified risks.

Inflation

We welcome the identification of those on fixed incomes and older rural households as particularly affected. More broadly, all older persons who can no longer generate an income for themselves rely heavily on the State Pension and on public policies to reduce uncertainty and to maintain their standard of living.

The cumulative effect of inflation has dramatically reduced the spending power of those who depend on social protection as their sole or main income, not least State Pension recipients. The 2022 data on deprivation shows a 30% increase in deprivation among people aged 65 or older compared to 2021, and consistent poverty rates are likely to show a rise when data for 2022 is published later this year. Cash savings have lost a significant amount of their spending power (a loss of 20% compared to 2020), which will undermine the capability of a generation of savers to meet their needs in older age.

All of this underscores the need for benchmarking and indexation of social welfare incomes as a mechanism to reduce uncertainty and ensure spending power (and aggregate demand as an automatic stabiliser of the economy) is maintained during times of high inflation. Specifically, a cost of ageing study should be undertaken to provide an evidence base on the real costs facing people in older age so that the State Pension provides an adequate income. On an annual basis, the rates of the State Pension should be indexed to both

average earnings growth and price inflation. Private and occupational pension policies can also lack adequate or any indexation, and this is an issue for regulation.

Public finances and the financial system

Age Action endorses the top-level recommendation of the Commission on Taxation and Welfare report on the need for tax and social insurance revenue to rise significantly to meet the challenges Ireland faces in the years ahead, including sustaining the State Pension as the bedrock of income in older age, and to ensure public services are sufficient to meet everyone's needs. Discussion of this risk should also acknowledge the evidence base that exists to manage the risk effectively by broadening the tax base and increasing social insurance in a measured way over time.

Social cohesion

The National Risk Assessment should not list “intergenerational inequalities” as a factor without defining and qualifying what is meant by this term. Age Action is concerned about a poorly informed narrative in public discourse about intergenerational conflict or blaming older persons for contemporary problems such as climate or housing. Often the narrative of intergenerational inequality is based on partial or incomplete analysis. While housing is an acute issue for younger people, deficiencies in health and social care are felt most by older persons.

There are many examples of intergenerational solidarity. For example, a study by Edwards found that two-thirds of older person in Ireland provide financial support to the younger generations within their family.¹ The CSO's study of intergenerational wealth transfers found that more than a third (36%) of households have received inheritance or a gift, with a median value of €80,200 among recipient households.² More broadly, people in older generations

¹ https://edwardsprod.blob.core.windows.net/media/Gb/about%20us/edwards_unifying_ireland%20report_2022_final.pdf

² <https://www.cso.ie/en/releasesandpublications/ep/p-itw/intergenerationaltransferofwealth2020/keyfindings/>

experienced Ireland's decades of poor economic performance and widespread poverty, but they nonetheless laid the foundations for today's prosperity, not least through developing a culture that values education.

It is a significant omission under this heading that the National Risk Assessment does not name poverty and inequality as leading causes of the erosion of social cohesion.

Housing and sustainable development

The terminology of a 'locked-out' generation assumes home ownership is a superior form of tenure, which is an ideological assumption that is not appropriate for the National Risk Assessment. A more appropriate formulation would identify that there are deficiencies in housing adequacy for a growing proportion of the population, which point *inter alia* to weaknesses in the long-term protection of tenants in Ireland compared to other jurisdictions where rent moderation and long-term tenancy are better established.

A tenure-neutral framing of the issue of housing is not incidental, as framing the risk as one of housing inadequacy opens up a wider set of possible solutions, including a new model of public housing and a new model of regulating private tenancies. In this context, it is timely to note the just-published report from NESC (*Private Rental in Ireland*) which identifies some solutions.³

A crucial aspect of this NESC report from Age Action's perspective are the difficulties faced by renters in older age: "There is very limited reliance on private rental among older age cohorts in Ireland at present. Continuation of current trends implies that this will change in the future, posing a challenge as to how people will pay private rents in retirement. There would be a cost to the State if subsidies were provided to enable a large increase in private renters being able to afford their rents in retirement." Census 2016 found that 2.4% of

³ https://www.nesc.ie/app/uploads/2023/02/159_private_rental.pdf

older persons rent in the private rental sector, and Census 2022 is expected to report a significant increase in this number.

Migration and integration

Intersectionality with older age is an important consideration when identifying migration and integration as a risk. In Census 2016, one in ten people aged 55-64 identified as something other than white Irish, including nearly 5,000 people who identified as having an Asian or African background. Among 50-64 year olds, approximately 49,000 people speak a language other than English or Irish at home, and over 13,000 do not speak English well. Among those aged 65+, over 3,000 do not speak English well, and that was before the arrival of over 1,000 Ukrainians over the age of 65. A similar pattern pertains for religious beliefs. This all points to the need for public initiatives to promote a positive, multicultural society to be age-friendly, and for all publicly funded services to be alert to the additional needs and challenges facing older persons from different backgrounds.

Demographic change

The use of the ‘dependency ratio’ approach in this section is outdated and erroneous. This approach assumes that everyone of working age is at work and everyone aged 65 or older is not working, which is absurd.⁴

Many people of working age are students or are not able to work due to disability, care duties or other reasons. Conversely, one in nine people aged 65+ are at work (not least those aged 65 who are not yet entitled to a State Pension).

The absolute number of older workers (aged 55+) has tripled since 1998, up to 500,300 in 2022 versus 168,200 in 1998, and they now represent 18.7% of the labour force versus 9.9% in 1998. Government policy is to encourage people to work beyond the traditional retirement age and public service contracts permit working until age 70. Moreover, many older persons remain economically active

⁴ For a commentary on this point, see the forthcoming NES paper, *Understanding the Irish Economy in a Time of Turbulence*.

as business owners, landlords and investors, in addition to being active outside the formal economy as carers and volunteers (saving the state billions of euro).

The analysis in this section needs significant revision to reflect the reality of modern work practices and a more nuanced understanding of the economic impact of an ageing population.

A gap in policy is the absence of a comprehensive national ageing strategy, across all departments and relevant agencies, so that developing age-friendly practices become mainstreams to mitigate the risks associated with an ageing population.⁵ In this context, the 2023 United Nations report, *Leaving No One Behind in An Ageing World*, is a key reference,⁶ as is the WHO's *Global Report on Ageism*,⁷ and the 2022 EU Green Paper on Ageing.⁸

Digital exclusion

Age Action is deeply concerned about the issue of digital exclusion and the potential of 'online only' services and cashless transactions to disempower many older persons.

In 2022, 45% of those aged 75 or older were not using the internet at all and 6% had not used it within the last three months, for a total of 51%. One in six (17%) of those aged 60-74 were not using the internet or had not used it in the last three months.⁹ Many of these people will be alive and well in twenty years' time, and a significant proportion of them will still not be using the internet or digital devices. Of those who are using the internet, significant numbers have a low level of skills.¹⁰

The national digital strategy aims for 90% of public services to be accessed online, while also envisaging a much greater use of digital technology by SMEs.¹¹

⁵ The National Positive Ageing Strategy expired in 2019 and was limited in both its scope and the level of available resources at the time of its publication.

⁶ <https://www.un.org/development/desa/dspd/wp-content/uploads/sites/22/2023/01/2023wsr-fullreport.pdf>

⁷ <https://www.who.int/publications/i/item/9789240016866>

⁸ https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12722-Demographic-change-in-Europe-green-paper-on-ageing_en

⁹ <https://data.cso.ie/table/ICA76>

¹⁰ https://www.ageaction.ie/sites/default/files/digital_inclusion_and_an_ageing_population.pdf

¹¹ <https://assets.gov.ie/214584/fa3161da-aa9d-4b11-b160-9cac3a6f6148.pdf>

While the strategy pledges to develop assisted digital approaches and to focus resources on those who struggle with technology, there is little evidence of this in practice.

Many older persons manage their affairs through cash, and if they are not using the internet, they cannot check their bank balance online. Many older persons are not confident about making financial transactions online.

Digital exclusion is linked to the above societal risk of a breakdown in social cohesion, and the funding of 'offline' services as well as assisted digital should be a priority in addressing this issue.

Extreme weather events and other natural disasters

Older persons, especially those living alone in rural areas or those affected by disability, are particularly likely to be affected by adverse weather. The loss of electricity in more remote rural areas is an annual concern, and as government policy encourages all-electric systems for home heating, this creates a risk for older persons who cannot cope with losing home heating. Older persons need to be identified as a particular group at risk whose needs must be addressed in planning and disaster response measures.

Pandemics, and antimicrobial resistance

Most deaths from COVID-19 were of people aged 80 or older and they have similar medical vulnerability to seasonal flu and other infectious diseases. Nearly three-quarters (72%) of all deaths in Ireland were people aged 75 or older. Of those who died, most (84%) had an underlying condition.¹² Older persons were five or six times more likely to be hospitalised due to COVID-19.

¹² See page 22, deaths between week 10 2020 and week 3 2022. https://www.hpsc.ie/a-z/respiratory/coronavirus/novelcoronavirus/surveillance/epidemiologyofcovid-19inirelandweeklyreports/COVID-19%20Weekly%20Report_Slidset_HPSC_24012022_v1.0_website.pdf

The lack of a comprehensive adult vaccination strategy is a gap in policy that contributes to the seriousness of these risks.¹³

Older persons should be named as a category facing a heightened risk, from both the impacts of the disease and the response measures, under both categories. Responses to a pandemic should be based on the respect of the rights and dignity of older people. In this context we note Ireland's commitment to 'fully promoting and respecting the dignity and rights of older people and to mitigate the negative impacts during and after the COVID-19 pandemic on their health, lives, rights and wellbeing'.¹⁴

¹³ See, for example, <https://pubmed.ncbi.nlm.nih.gov/32703743/> and https://www.afar.org/imported/AFAR-GCOA-Vaccination-Report_070720.pdf

¹⁴ https://www.un.org/development/desa/ageing/wp-content/uploads/sites/24/2020/05/ENG_final_-with-countries.pdf