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PROFESSOR

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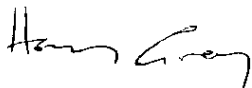
Dear Mr Fotakis,

Many thanks for your helpful letter of 1st August with its useful comments.  
I have looked at the web pages you suggest and found them informative.

I enclose for your interest a paper I am presenting to the Chief Executive of the NW Regional Development Agency which highlights the importance of understanding that the current demographic changes as mean an enlarged workforce and therefore the balance between healthy and frail old people changes as well. The great need is for a reconceptualisation of the ageing process and reaching an understanding of the economics of age differently

Thanks for your interest and attention,

Yours sincerely,



Harry Gray.

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## Briefing - NWDA

[We need to be] ‘helping older workers to integrate to the labour market and adapting the traditional concept of retirement’

*Peter Mandelson, Commissioner for Overseas Trade, European Commission  
20 June 2005*

‘In 1972 people were expected to live 17 years after retirement at 60 – now it is more likely to be 27 years’

*Sir Andrew Turnbull on his retirement as Cabinet Secretary (aged 60)  
Guardian 21.jun.2005*

## *World scale change*

Changing demography throughout the world is characterised by

- people living much longer (up to 30 years),
- being generally in good health,
- a decline in the value of pensions and savings
- a willingness and sometimes necessity to continue to be economically active
- an increase in the size of the national workforce
- a variation in the skills requirements of each country

The nature of this demographic change has been much researched (e.g. Rowntree 2004 and ESF programmes) and commented on by many including government departments such as DWP but very little has been done in the way of new strategic thinking, the design of nationwide support and development systems for older workers, and re-conceptualising of the nature of age as being a new area of resource rather than a welfare matter.

***The real situation is that people are being excluded from the workforce simply by virtue of their age and not because they lack experience or skills. This is a growing sector of middle-aged people whom it is inappropriate to categorise as ‘old’. A better description would be experienced and capable.***

***In economic terms, the most significant effect of the growing age cohort is that there is a huge reservoir of skills and talent in every region that is largely untapped and without any systematic oversight or strategic provision.***

## **Current misconceptions**

The dominant view in government circles is reinforced by the self-interested perspective of age charities and some commercial organisations who have the need to enlarge the category of people they relate to. There is a growing tendency to lump all people over 50 together as ‘old’ and therefore in some way defective, deficient and dependent. Even government bodies and agencies fall into the trap of condescension and being patronising. The way the over-50s are almost universally thought of is reminiscent of the way women were viewed before emancipation. Gross categorisation means that there is an almost universal ignorance that the

work force is in fact nowadays much larger than it has ever been and that services for old people should be reducing rather than increasing.

### ***Implications for regions***

At both national and regional levels economic planning generally overlooks the consequences of demographic change. That the size of the work force is actually growing with many able and experienced people with professional and trade skills is largely ignored. The concept of 'workforce' should embrace a much larger number of people and perceive a much greater potential for development than has been traditionally been the case. There are major considerations at regional and sub-regional levels for how the workforce is developed as part of economic regeneration and urban/rural renewal. It is the way the workforce is managed that determines the quality of goods and services that drive the economy. With a workforce consisting of people aged from 18 to 80 there has to be a fundamental rethinking about how regional economies are envisioned and managed.

Apart from a brief attempt in the late 1990s to consider Interdepartmental collaboration at government level, there has been no serious consideration given to either the nature of the new demography or the opportunities that are waiting to be taken. This is particularly true of the labour market at both national and regional levels where demographic change has been largely ignored in determining regional industrial and commercial specialisms. Although everyone claims otherwise, the quality of *strategic* thinking has been poor because the greater urgency at local level has been focused on social need. There is a long tradition of health and welfare approaches to ageing which no longer apply to the majority of older people and needs to be revised.

### ***Differentiation needed***

One key problem of the exercises done to date is that they do not differentiate appropriately among the different characteristics of older people within the broad demography. There is a strong tendency to lump all older people together as if they have the same needs. In fact, there are fundamental differences among industries, trades and professions as well as economic and health circumstances, some industrially induced. The 'new' basic assumption in trying to understand demographic change and bring about solutions to its problems is to view all (sic) goods and services for older people - i.e. those over 50 - as an economic issue. If this is further expressed in terms of an economic development perspective a whole new range and set of considerations arises for ALL goods and services. This allows for realistic differentiation of what kinds of services are needed to provide support for people in the second half of their lives.

The key to this viewpoint lies in managing opportunities in such a way that there is a contribution to the general economic and social welfare of all enterprises centred on older people. One domain lies in the labour market with the development of new forms of work and employment. The other domain centres on providing goods and services for frail or needy older people around enterprises that contribute in some way to broader economic advantage.

### ***Local authority reviews***

Most local authorities are undergoing a review of their services for older people but generally they are little more than a compilation of current services and practices. No local authority appears to have attempted an innovative strategic policy on demographic change that will inform new practices and services in their area. In any case, the interest in the over 50s age group is defined by the legal roles and obligations of local authorities delivered by statutory functions in collaboration with government departments and agencies. For this reason the coverage is of a patchwork nature and unrelated to the distribution of work and employment. As an example, the City of Manchester nestles within a larger conurbation but its expenditure has to be confined within the municipal boundaries.

### ***A national lead by the RDAs***

It would seem to appropriate for the lead in thinking afresh about the new demography to be taken by the RDAs because they hold a brief for economic development that encompasses a broad and yet manageable structural division of industry and commerce. This brief relates to where people are actually living at the present time and does not involve labour migration as some international schemes do. Such a role can only be undertaken if it is predicated on fresh assumptions about the *local* labour market and fresh thinking about the true resource of experience in the labour force. The first need is for there to be a consideration of the nature of the new age cohort 60 to 80 which takes note of the varying forms of 'middle age' that exist in the region with particular reference to industry, profession, sex, social class and culture (including ethnicity) Too much of the thinking about age assumes a homogeneity that simply does not exist for individuals or social contexts. In essence the exercise should be about economic development in the widest context considering new ways of developing the delivery of integrated socio-economic schemes of regeneration.

Here are some examples of what is being considered in the NW region at the present time.

#### **University of Chester**

An approach is being made by BGOP to the University of Chester to establish a function that deals with emerging issues in late career and ageing. These will centre on learning opportunities for older people and the development of new kinds of lifestyle which have a balance between work and leisure. It will lead to a strategic approach to population growth and change at international, national and regional levels.

#### **NW Institute**

This is a proposal for a regional alumnus college bringing together the experience of older senior executives and academics to support the development of innovation and knowledge transfer throughout the region. It will draw on previous work in economic development by the DTI and lessons learned about university-industry collaboration.

### **International Seniors Academy**

This will build on an initiative in Ahlen, Rhineland-Westphalia, Germany, to develop older people as key contributors to local economic generation, in this case in tourism. This is a project being supported in the NW by the WISDOM Co-operative in association with Burton Manor College and the University of Chester.

### **Crewe Station Gateway**

The new project to develop Crewe station as a Gateway to the northwest can draw on additional resources from the older workforce to enhance the project beyond its current conceptualisation. If the changing nature of the older population of south east Cheshire is to be drawn on, there is whole new way of thinking about economic possibilities through the Crewe Station development. The project can be enhanced through support from key employers for their older workers as they move towards formal retirement.

There has been some preliminary thinking on these issues with the East Midlands RDA (EMDA) and some discussion with Yorkshire and the Humber RDA but in neither region has it been possible to make the desired progress because of the shape of regional planning. The NWDA appears to be in the most advantageous position because of work already done in the NW. The need now is to take the next step and consider the labour market for the growing population in extended middle age and to review the conceptual basis on which thinking about ageing in the region is based.

Harry Gray  
9.8.05