General Certificate of Education January 2005 Advanced Level Examination



## GENERAL STUDIES (SPECIFICATION A) Unit 6 Society, Politics and the Economy

GSA6/PM

Thursday 27 January 2005 Morning Session

### Case Study Source Material

- This Case Study Source Material should be issued to candidates on or after 1 December 2004;
- a clean copy of the Source Material will be provided at the start of the Unit 6 examination.

### For use with **Section A**

- The material consists of 6 extracts (A F) on the subject of *The cost of the nation's health*. These extracts are being given to you in advance of the Unit 6 examination to enable you to study the content and approach of each extract, and to consider the issues which they raise, in preparation for the questions based on this material in Section A.
- Your teachers are **not** permitted to discuss the material with you before the examination.
- You may write notes in this copy of the Source Material, but you will **not** be allowed to bring this copy, or any other notes you may have made, into the examination room. You will be provided with a clean copy of the Source Material at the start of the Unit 6 examination.
- You are not required to carry out any further study of the material than is necessary for you to gain an understanding of the detail that it contains and to consider the issues that are raised. It is suggested that three hours' detailed study is required for this purpose.
- In the examination you will have approximately 45 minutes in which to answer a range of questions based on the material.

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### NO EXTRACTS APPEAR ON THIS PAGE

### Case Study Source Material on The cost of the nation's health

### EXTRACT A

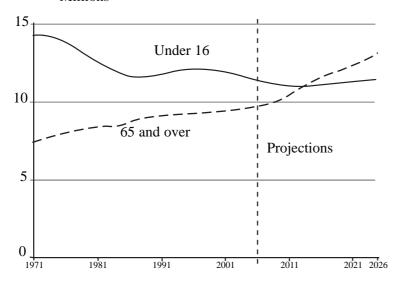
**Figure 1** Population changes 1961 – 2026 by age and sex\*

United I	Kingdom							Percentages	Total population
	Under 16	16-24	25-34	35-44	45-54	55-64	65-74	75 and over	All ages (=100%) (millions)
Males									
1961	25	14	13	14	14	11	6	3	25.5
1991	21	14	16	14	12	10	8	5	27.9
2001	21	11	14	15	13	11	8	6	28.6
2011	19	12	13	14	14	12	9	7	29.5
2021	19	11	13	12	13	13	10	8	30.3
2026	19	11	13	13	12	13	10	9	30.6
Females	<b>;</b>								
1961	22	13	12	13	14	12	9	5	27.3
1991	19	12	15	13	11	10	9	9	29.6
2001	19	11	14	15	13	11	9	9	30.2
2011	17	11	13	14	14	12	9	9	31.0
2021	17	10	13	12	13	13	11	10	32.1
2026	17	10	13	13	12	14	11	11	32.5

<sup>\*</sup> Figures from 2005 onwards are projected

Source: Office for National Statistics

Figure 2 Dependent population 1971 – 2026 by age United Kingdom
Millions



Source: Office for National Statistics

Figure 3 Life Expectancy at birth 1972 – 1999 by social class and sex

England & Wales Years

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	1972-76	1977-81	1982-86	1987-91	1992-96	1997-99
Males						
Professional	72.0	74.7	75.1	76.7	77.7	78.5
Managerial and technical	71.7	72.4	73.8	74.4	75.8	77.5
Skilled non-manual	69.5	70.8	72.2	73.5	75.0	76.2
Skilled manual	69.8	70.0	71.4	72.4	73.5	74.7
Semi-skilled manual	68.4	68.8	70.6	70.4	72.6	72.7
Unskilled manual	66.5	67.0	67.7	67.9	68.2	71.1
All males	69.2	70.0	71.4	72.3	73.9	75.0
Females						
Professional	79.2	79.9	80.4	80.9	83.4	82.8
Managerial and technical	77.0	78.1	78.5	80.0	81.1	81.5
Skilled non-manual	78.0	78.1	78.6	79.4	80.4	81.2
Skilled manual	75.1	76.1	77.1	77.6	78.8	79.2
Semi-skilled manual	75.0	76.1	77.3	77.0	77.7	78.5
Unskilled manual	73.9	74.9	75.3	76.2	77.0	77.1
All females	75.1	76.3	77.1	77.9	79.3	79.7

Source: Office for National Statistics

Figure 4 Expenditure on social protection benefits 1990/91 and 2000/01 by function

## **United Kingdom** £ billion at 2000/01 prices

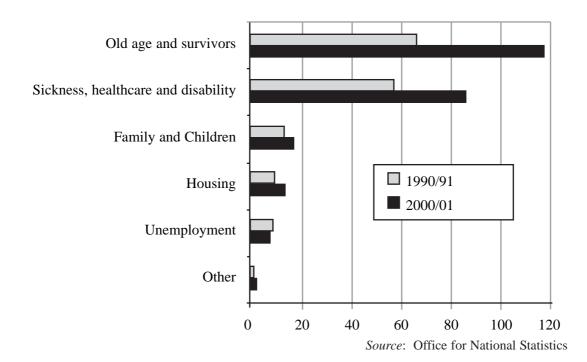
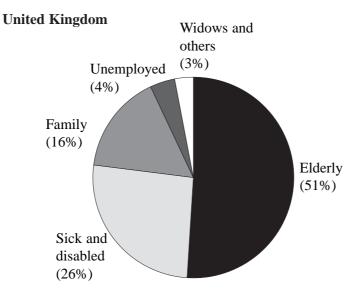


Figure 5 Social security benefit expenditure 2001/02 by recipient group



Total expenditure: £106.3 billion

Source: Department for Work and Pensions

Figure 6 Health and personal social services staff 1981 – 2001

Great Britain	Thousands			
	1981	1991	2001	
NHS hospital and community health service state	ff			
Direct care staff				
Medical and dental	48	56	76	
Nursing, midwifery and health visitors	458	470	440	
Other non-medical staff	95	113	171	
All direct care staff	601	639	687	
General medical practitioners	29	33	37	
General dental practitioners	15	18	22	
Personal social services	241	288	264	

Source: Department of Health

### EXTRACT B

## 'Two nations' divide yawns for over-50s

As well-off embrace a youthful lifestyle, their less affluent counterparts face increased risk of hardship, researchers say

Britain's over-50s will increasingly be split into two nations, affluent early retirers in search of a better quality of life and low-paid men and women compelled to continue beyond pension age because of financial necessity, researchers said yesterday.

Huge increases in the number of middle-aged people living alone after divorce or separation would mean growing demand for rented rooms while more men sliding towards alcoholism and depression would create a new burden for welfare services.

The warning of a dark flipside to the "grey panthers" generation of well-off older consumers, who still see themselves as young, active and sociable, was made in a report for the Economic and Social Research Council.

The generation divide over daily lifestyle between those over 50 and young people was disappearing, it suggested. But that also meant the idea of permanence and maturing into older middle-age, indulging the grandchildren, and participating in community networks, was changing too. The report suggested that for some over-50s "more self-focused. hedonistic attitudes will emerge as they imitate the lifestyles of the young". Already surveys suggested that they had similar alcohol consumption, TV, video and reading habits, and DIY and gardening interests, even if they listened to less music or engaged actively in sport.

And the fireside and slippers image was further slipping as men and women went in search of self-fulfilment. More women, who were enjoying independence because of educational and employment opportunities, could choose to live alone.

That meant the divorce rate, which has already tripled in 20 years from 3% to 9% among those in their 50s, could soar as increasing numbers in the age group re-examined their marriages and relationships in the light of their higher expectations.

The majority would, however, suffer increasing financial hardship. More would have to care for their parents, and the problem would be made bigger by the fact that more of the parents would be older men living on their own. Today one in 10 men over 60 live alone, but by 2020 the figure could be one in three.

"This could lead to greater economic hardship for sons and daughters in their 50s as it forms an added burden for those who may still be contributing to the upbringing of their own children from present or past relationships."

In addition, the longer life expectancy of parents meant their children now might have to wait until their 60s for inheritances that would help to pay off mortgages and fund their children's education.

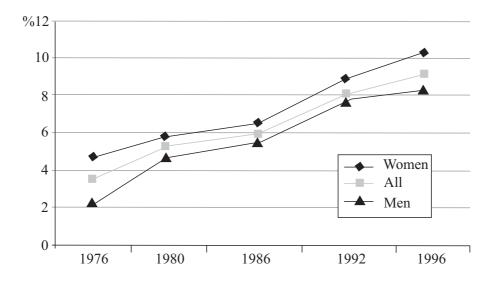
Richard Scase, of Kent University, and Jonathan Scales, of Essex University, authors of *Fit and Fifty*?, said all this was happening as those in managerial and professional occupations had an entrenched expectation of early retirement.

But for many there would be economic and other burdens. "Evidence suggests that women are more capable than men of managing their emotional and social lives, suggesting that the growth of single person households among those in their 50s is likely to lead to growing social and psychological problems for men."

Source: James Meikle, The Guardian, 20 November 2000

### EXTRACT B CONTINUED

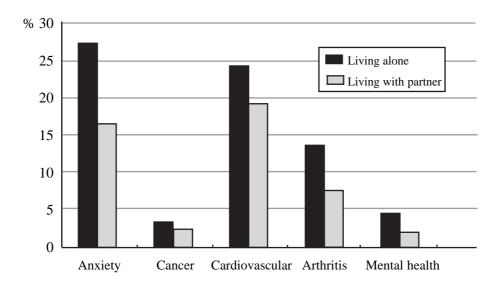
**Figure 7 Divorce** % of men and women aged 50 – 59 divorced



Source: General Household Survey, 1997

Figure 8 Health

% of men aged 50 – 59 who experience specific health problems



Source: General Household Survey, 1997

### EXTRACT C

### Why the middle-classes look twenty years younger

The effects of old age, once seen as life's great leveller, overtake manual workers up to 20 years earlier than their whitecollar counterparts, according to startling new research.

A major survey of ageing has revealed that the popular image of life's "third phase" as a golden sunset for all is far from the mark. While Britain's managerial and professional classes may be able to enjoy the fruits of their labours, the bluecollar masses will more likely be already toiling under the blights of physical and mental decay.

The English Longitudinal Study of Ageing, based on detailed information on more than 12,000 individuals, has uncovered significant inequalities in almost every aspect of daily life among those aged 50 and over.

The study, the largest of its kind conducted in Britain, shows age appearing to sharpen the social divide, with the lower classes showing signs of getting old far more quickly than their more privileged peers.

The findings, compiled by researchers from University College London, the Institute for Fiscal Studies and the National Centre for Social Research suggest that the well-documented rise of a long old age – resulting from an increase in healthy life expectancy and improvements in the economic position of many older people – may be a short-lived phenomenon.

Instead, life for the elderly could become decidedly rocky as pension provisions fail to keep up with the growing numbers of older people.

Sir Michael Marmot, coauthor of the study and Professor of epidemiology and public health at University College London, said that he was shocked by the depth of the social and economic inequalities to emerge from the study.

"The finding that people from lower socio-economic groups get their illnesses 15 years before professionals surprised me. It was a much bigger gap than I had imagined."

"If you take the very worst case scenario and assume that having less wealth results in you having less health, then the results could be disastrous for society. If people are going to retire with diminished financial circumstances, compared with half a generation ago, they will be less comfortable and have less independence and less good health."

The findings will have far reaching policy implications as governments struggle to cope with the demands of growing numbers of pensioners. Recent attempts by ministers to encourage more people to save for retirement – such as the creation of the stakeholder pension – have been largely unsuccessful.

On health inequalities, the study found that a third of men in routine and manual jobs aged

50 to 59 had some form of limiting, longstanding illness, while rates for men in the professional and managerial groups remained even lower until they reach 75. Only just over a quarter of professional and managerial men aged 60 to 74 reported any type of limiting, long-term illness.

Similar inequalities emerged with mental abilities. In cognitive tests, university graduates aged 75 and over performed as well as, and sometimes better than, younger academically unqualified people.

Overall, the researchers were surprised by the high levels of physical disabilities among younger people in the sample, with 43 per cent of participants in their 50s reporting some difficulty with mobility and 13 per cent saying they had problems with at least one basic activity of daily life, such as getting themselves dressed or cooking for themselves.

Pensioner poverty has also been thrown into a new light by the findings, with the focus switching to inequalities in wealth rather than the usual measure of inequalities in income. Excluding property and pension wealth, a quarter of the population aged over 50 have financial assets worth less than £1,500 while half have less than £12,000. Those in the wealthiest quarter have assets worth more than £44,500.

TURN OVER FOR EXTRACT D

### EXTRACT D

## An end to grey deference

ld people are off the hook. Social policy's big scare of the last two decades is officially over. In an ageing society spending is not going to rise inexorably.

Even before Thatcher came to power, commentators were painting a dark scenario. The grey army was going to grow, blocking NHS beds, diverting the sweat of younger brows into their pensions. Then, in the 80s and 90s, it suited the Tories to exaggerate.

They talked up the "burden" of ageing to justify their battle against the welfare state. The drastic scaling down of the state earnings-related pension (Serps) was one of their victories. At first Labour fell into line. Tony Blair's rhetoric in 1997-98 about grand-slam welfare reform was backed by the grey fear.

But lately the threat has lifted. We are ageing sustainably, it now turns out. Of course pension costs will rise. Yet last week Gordon Brown announced pensioners' credit which will eventually add 1% of GDP to the cost of cash assistance for people over retirement age. Suddenly, that is no longer the onerous burden it used to be.

The Wanless report did not quite give ageing Britain a

clean bill of health, so to speak, but it did deflate extravagant predictions about how demographic change will pump up health spending.

During the next two decades, the UK population will grow, by 4m-5m; there will be at least 50% more people aged over 85. That sounds dramatic but all it means is that by 2023 there will be 1.6m of these "old old" people out of a population of 64m.

As the retired population grows, demand so residential and nursing home places will rise – by 65% over the next three decades. This will push care spending up by 148% in real terms between 1996 and 2031. But all that imply, since the population of younger people is going to fall, is a rebalancing of social need. And it might even go along with a reduction in the hospital costs of the very old.

At present, the average annual cost to the NHS of someone aged 85-plus is six times that of 16-44 year-olds. But a quarter of all acute care costs are incurred in the last year of life. To put it crudely, if people can be kept out of hospital till they are nearly dead – what the experts call "compression of morbidity" –

the NHS costs of ageing could fall. And they can.

The old generalisation that older means sicker needs heavy qualification. The 65-year-old of 2020 is likely to be fitter than a 65-year-old today. Future health depends on how we were brought up and how we are looking after ourselves now. Smoking is linked to a wide variety of illnesses so the recent decline in the habit's popularity could mean that tomorrow's elderly will be healthier.

The calculations are not straightforward. In principle, the baby boomers born in the 1960s ought to arrive at retirement in a fitter state than baby boomers of the late 1940s and 1950s, though the latter enjoyed free NHS orange juice and better childhood care than their predecessors. But the generation born in the 1960s faced high unemployment when they entered the job market - in the high days of early Thatcherism - with knock-on effects on their health.

An important factor in determining how much disability will cost is family ties. The latest annual British social attitudes survey spells out, once again, how "liberal" younger people are about

marriage and cohabitation. The Office for National Statistics says fewer future elderly people will be married or living in a cohabiting union than is the case today.

A higher proportion of women born in the 1960s remain unmarried in their early 30s than in previous generations. What if a higher proportion of those born when the Beatles' first single came out never marry? Their need for public support in their old age may be greater.

Marriage and cohabitation are not, generally, just good for physical and mental health (with some variation between the genders) but cheaper in terms of the care budget. A social-policy-conscious chancellor would be asking how much spending on public health now (and "family policy"?) would save future health spending.

Health spending is not just about illness; it also reflects demand. Baby boomers who found their political voice in the 1960s will be vociferous in demanding attention when they are very old. As the Office for National Statistics tactfully puts it: "social care agencies, purchasing authorities and trusts in 2030 will be faced with clients who will expect to be involved in the development of services".

The Wanless report said that spending on heart and orthopaedic care for the very old today would need to increase by 11% to give them equality with the younger elderly. But today's very old are deferential and accept their lot. Tomorrow's may not be.

Source: adapted from DAVID WALKER, The Guardian, 3 December 2001

### **EXTRACT E**

# Nice people should know that IVF is a misuse of cash Finite NHS funds ought to be used to alleviate pain, not improve lifestyles.

For truly chilling prose, try reading the report produced by the National Institute for Clinical Excellence (NICE) on the subject of beta interferon for treating sufferers from multiple sclerosis (MS).

It acknowledges that clinical trials have shown that the products "reduce relapse frequency and severity", on average avoiding one relapse every 2.5 years. It admits that it received clear representations from sufferers extolling the "very positive effect" that the drugs had on their MS. Then it coolly concludes that the drugs should not be prescribed to new patients.

The NICE committee had looked at the "costs per qualitylife year" concluded that they were too high to be justified. Economists can produce a model for just about anything and were not stumped by a "quality-adjusted life year". Most of us, however, would shrink from withholding someone who from condemned to MS a treatment that had been shown to lessen the misery. The fury that greeted the NICE report last year prompted the Department of Health to override its relatively new creation and work with the drug companies to establish a scheme that would make beta interferon available to new patients. But such is the bureaucracy involved that the latest deadline for the scheme being fully operational is now November and slipping.

But the harsh truth is that the National Health Service does

not have limitless funds. The tiers of new bureaucrats it is recruiting have to be paid for from the same budget that balked at the £7,259 annual cost per patient of a course of beta interferon. This is the same budget that NICE now suggests should be stretched to pay for six courses of IVF treatment for any couple that might want it.

As a mother of three, I would be the first to admit that children have a dramatic effect in quality-adjusting life. How the economists would calculate it I don't know, and I could not put a value on it: each of my three is simply invaluable to me. I have known, and felt for, those who desperately wanted to have children and were unable to do so. Yet I query whether NHS funds should be spent in this way.

If the demands on the health service are not to be limitless. there has to be a clear understanding of its role. The alleviation of pain and suffering seems a reasonable starting point and, such are the strides in medical science, that it is now a much more wide-reaching - and expensive – agenda than it once was. The calls on the NHS range from keeping alive the tiniest of premature babies at one end of the scale to replacing ancient and worn out hips at the other, with cancer, heart disease and the rest to be coped with en

The understanding is that, should we be sick, the NHS ought to look after us. But definitions of what constitutes sick have become very fuzzy

round the edges, blurred by the growing belief that we all deserve perfection. So the NHS faces soaring bills for drugs that are more lifestyle-enhancer than necessity, such as Viagra. Doctors faced with obese patients now prescribe the fatbusting drug Xenical where once a strict lecture and a diet sheet might have been all that were forthcoming.

Those who can afford to buy the treatments they want will always do so, whether it be Botox injections or the footnarrowing operations that are apparently all the rage for those who want to squeeze into their Manolos. It is not only the really rich who resort to such treatment: people work overtime and go deeply into debt to buy the plastic surgery that they are convinced will change their lives. Sometimes it does. And sometimes the case for altering a facial disfigurement is so pressing that even NICE would concede that the NHS should pay.

But once one acknowledges that NHS funds are finite, decisions have to be made about what the parameters will be. The Government established NICE as a mechanism that would allow it to evade potentially vote-threatening territory. The beta interferon episode, however, demonstrated that these issues cannot be left to clinicians and economists alone, for they are essentially political.

Perhaps the politicians will agree that it is the right of every couple to be helped to have children. The changing demographics in the country and looming pension problem would certainly encourage the more cynical of politicians to favour anything that might increase the birthrate. IVF treatment, however, places tremendous strains on relationships, is not guaranteed to be successful and costs around £15,000 for each couple.

The irony is that while as many as one in six couples have fertility problems, the abortion rate in Britain continues to grow. The most recent figures, for 2001, show that there were 168,800 abortions, 93 per cent of them carried out because of the judged risk to the health, mental or physical of the mother, which in most cases means simply that the child was unwanted.

Only 3,400 children were adopted in England in the year to March 2002. The desperate shortage of babies to adopt drives more and more childless couples to travel to the Far East or Eastern Europe in search of children to call their own. And anecdotal evidence shows that both parents' and children's lives are tremendously enhanced by their coming together. There can be no masking the nature of these adoptive relationships but love is even thicker than blood. Parents may always wonder what their own progeny would have been like but that does not mean that they will not wholly devote themselves to someone else's unwanted child.

The economists at NICE would surely see the benefits of trying to match the possible supply with the obvious demand instead of killing it off, even if the politicians would be too frightened to mention it.

Source: PATIENCE WHEATCROFT, The Times, 13 August 2003

### **EXTRACT F**

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