

# ***AGEING, MORTALITY AND QUALITY OF LIFE***

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## **WELL-BEING OF THE RUSSIAN OLDER GENERATION: POSSIBLE RISKS AND CONSEQUENCES OF RAISING THE RETIREMENT AGE**

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**Abstract:** *The possible consequences for the well-being of the Russian population due to changes in the state pension system associated with the increase in the retirement age, valid from January 2019 with the adoption of the Federal law № 350-FZ, are analyzed in this article. The article notes that due to the increase in the retirement age there is a need to transform the entire system of social and labor relations in the Russian society. It is proved that in solving the problems of effective use of the labor potential of the elderly population it is necessary to establish a flexible system of communication with older workers, based on their needs and interests. It is concluded, that the formation of the institutional environment to support the health and the development of the continuous education system of the elderly population is of particular importance in maintaining and improving the well-being of older generation workers.*

**Keywords:** retirement age; the older generation; the well-being of the population; the labor market.

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## INTRODUCTION

For many countries, population ageing is becoming one of the key problems, the solution of which requires the authorities to develop effective policies that comprehensively solve not only the problems of economic development and of the whole society, but also the problems of the elderly population. It is which ensures the effective functioning of national economies in the new demographic situation. The ageing of the population is characterized by increase of older persons proportion (60 years and older), decrease of children proportion (under 15 years) and the working-age population (15 to 59 years). As noted in the UN Secretary-General's 2009 report, by 2050, the number of older persons worldwide is expected to exceed the number of children under 15<sup>1</sup>.

In Russia the share of persons over the working age in the population structure is also steadily increasing, currently amounting to about 25,9%, while maintaining the trend of further growth.

In connection with the increasing aging of the population, the government adopted Federal law No. 350-FZ "On amendments to certain legislative acts of the Russian Federation on the issues of assignment and payment of pensions", approved by the President of Russia on 3 October 2018., which involves a whole complex of changes concerning not only insurance old-age pensions, but also social and early pensions of Russian citizens. One of the most significant innovations of the law is the correction of the age at which a citizen of the Russian Federation has the right to an old-age pension. The correction is associated with an increase in the age limit, providing for a gradual increase in the retirement age of citizens – from 55 to 60 years for women and from 60 to 65 years for men for the period from 2019 to 2034. with an annual increase in the age limit for six months. The retirement age will also increase for teachers, medical and creative workers entitled to early retirement, as well as for citizens working in the Far North. Benefits for early pensions will remain for those who work in harmful and dangerous production, women with five or more children, the visually impaired in the first group, one of the parents or guardians of disabled children, victims of the Chernobyl accident and other categories with social benefits. Citizens with long-term employment (40 years for women and 45 years for men) are offered the opportunity to retire two years earlier by the government. At the same time, it is believed that the increase in the retirement age will annually increase pensions for non-working pensioners by one thousand rubles (about \$ 15).). The government justified the need for this measure by the fact of increasing life expectancy in the country, the opportunity to save the budget by reducing budget transfers to the Pension Fund and increase the number of labor resources.

Possible public discontent was probably considered one of the reasons why the government postponed raising the retirement age, despite the fact that similar reforms are already taking place in other post-Soviet countries with similar life expectancy. It should also be noted that against the background of the delay in resolving the is-

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<sup>1</sup> United Nations news [Online]. Available at: <https://news.un.org/ru/story/2009/02/1140271> (appeal date 10/01/2019)

sue of increasing the retirement age, the average pension began to decline: according to Rosstat, in April 2018 it amounted to 30.7% of the average accrued salary in the country against 33% in April 2017 and 31.5% in March 2018<sup>2</sup>.

## METHODOLOGY

Theoretical, methodological and informational base of the study were the works of domestic and foreign scientists devoted to the well-being problems of various social and demographic groups of the population under the global acceleration of aging processes in the context to strengthening. The informational base of the study were the found information resources on the formation of the elderly population well-being and the role of changes in the pension system on this process. The main research method used in the work was the system analysis, the essence of which is to find the relationship between different phenomena and processes.

The problem study of well-being is devoted to enough works in Russian and foreign literature.

In the most general sense the well-being is considered as a space of human activity, largely due to the level of social and economic development of society (Popov, 2010). According to the scientific literature, the most important welfare factor, according to older persons, is “life satisfaction” because it supports their confidence in the future (Wang et al, 2014). The works containing the results of various sociological studies are of interest for the study of well-being on the subjective feelings of the population in the context of different social groups. Thus many respondents associate well-being with the health and quality of interpersonal relationships, as well as with work, material goods, freedom of speech. (Bojanowska & Zalevskaya, 2016).

The well-being of pensioners in Russia is associated by some authors with the level of pension and social security, which should benefit the elderly, ease the burden on poor households and provide additional income. Their calculations show that in the crisis of 2008 and the post-crisis year 2009, pensions and social support not only did not increase, but in some regions even tended to decrease. In addition, the state support for “cash and non-cash” types differs significantly by regions and requires its improvement (Sun., Eremina et al. 2015: 227-235).

The results of other sociological surveys of pensioners contained in the works of Russian researchers show that the lack of work leads many to the conclusion about their uselessness to society, resulting in psychological problems that cause mental discomfort and, consequently, reduce the feeling of well-being<sup>3</sup>.

Interesting research results of factors affecting the welfare of working pensioners were obtained through the analysis of social networks (KAZ & M. Kuchkartaeva 2016). The research results show that working pensioners perceive the level of their

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<sup>2</sup> Finmarket [Online]. Available at: <http://www.finmarket.ru/news/4786752> (appeal date 11/28/2018)

<sup>3</sup> Kozlova O. O. Well-being of older persons [Online]. Available at: <http://book.lib-i.ru/25tehlicheskie/61383-1-blagopoluchie-pozhilih-lyudey-kozlova-tomskiy-politehnicheskij-universitet-tomsk-e-mail.php> (appeal date 10/04/2019)