Limited Opportunities for the Employment of Elderly People in Russia

By Eduard Karyukhin

Labour, according to S.I. Ozhegov’s dictionary, is a helpful human activity, intended to produce with the use of tools of production material and intellectual creations [19]. According to a prominent Soviet gerontologist A.A. Bogomolets the first principal of a rational life is work – the entire organism must work (14). The position of any age group in the labour market is characterised by two main factors: the level of active work (the ratio of the economically active population of an age group to the entire employable population in that age group) and the level of employment [32].

Employment is the state of being employed, a ratio of the number of working people to the entire population of a certain age [19, 20, 23]. Interest in the problems of aging of the employable population has arisen from the background of demographic research between 1950 - 1960, including in the USSR. The researchers discussed various aspects of the problem of employment as well as unemployment of elderly people [1, 30, 16, 33, 8, 7] and note the complex nature of the problem including socio-economic and socio-psychological aspects as well as anthropology in general. According to V. Henry who studied employment and unemployment among elderly people, unemployment among pensioners is closely related to their alienation and isolation from society. Employment and unemployment are expressions of the dynamics of the psychology of personality when the process of release from the employment depends not only on old age but also on experience gained during a lifetime. According to S. Forsman studying employment and unemployment among pensioners identifies such problems as psychological (subjective self-esteem of the elderly), financial (lower salary), demographical (competition with younger employees) as well as one of adaptation (an unwillingness to learn a new profession) [16]. There are general and age-related employment types within the population. General employment of the whole population depends on a limit for a maximum working age that is set for each country. When reviewing the problems of employment within a population terms such as average life expectancy, mortality of the working population, mortality, survival to a given age, and average active work duration are used. When talking about motivation for employment among elderly people experts point out the following factors: continuation of work activity, the desire to negate feelings of loneliness, reserves of unspent energy, interest in work as well as familiarity with a job and a team.

The dynamics and tendencies of employment among elderly people within job markets in the country will be shown further at national and regional levels taking into account both the age and sex of employees.

Ratings of employment of elderly men and women in the USSR in age groups of 50 - 59 and 60 and older studied in 1926, 1959 and 1970 are shown in the table below [31].
As shown in the table the dynamics of employment among elderly people in the USSR for almost a 50-year period is characterized by a decreasing number of employed elderly men of a younger cohort and by an increasing number of employed elderly men of an older age as well as by a significant increase of employed women. The employment ratings among elderly women of 50-59 years of age had a tendency to increase by 18%. The data provided in the table confirms the tendency of decreasing active work among elderly people as well as decreasing average expectancy of active work in the USSR in these years. All subsequent years including post-Perestroika Russia are characterized by a progressive process of aging within the population. Since the end of the 1980s the demographical aging occurred within a background of negative socio-economical processes that would lead to the depopulation of the 1990s. Decreasing numbers of the “young” cohorts of elderly people between 60-64 years of age and increasing numbers of elderly people of 80 years of age and older characterised aging at that time. During the same period the economically-active population was declining. This decline had a cyclical nature reaching the figure of 70,968 thousand people in 2001 (95% of the 1992 figure) with 91.1% of these in employment [2]. The formation of job markets caused unemployment and, according to the authors, the level of employment was fluctuating among the economically active population from 5.2% in 1992 to 13.2% in 1998 reaching 8.9% in 2001. Among the factors affecting the rate of registered unemployment were the unique qualities of the labour and pension legislation. The unemployment tendencies among the elderly in Russia did not change until the end of the 1980s making up 30-33% of working pensioners within the entire social group. In future a decrease in the employment ratings was detected. In 1992 the elderly between 60-72 years of age made up 5% of the entire employed population, whereas in 1996 it was 3.3% meaning a decrease from 3.6 to 2.2 million people. According to the provided data the percentage of the working elderly fell from 29.3% in 1989 to 26.3% in 1995. During that period among women up to 55 years of age the decrease went from 53.3% to 43.5%. Among elderly women between 55-59 the employment increased from 37.8% to 45.3%. Among men of up to 60 years of age the percentage of the employed decreased from 51.1% to 48.4% whereas in the group of the employed 60-65 year-olds an increase from 39.1% to 42.1% was detected. In the table below we demonstrate the volume of employment among the elderly based on data provided by the employment services [9,26].

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<tr>
<td>50-59</td>
<td>95.7</td>
<td>90.0</td>
<td>90.0</td>
<td>69.3</td>
<td>67.2</td>
<td>74.3</td>
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<td>60 +</td>
<td>74.4</td>
<td>53.0</td>
<td>19.0</td>
<td>38.2</td>
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% of the employed at certain ages
The volume of employment among pensioners from the applicants of employment services, %

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<td>40%</td>
<td>15.4%</td>
<td>17.5%</td>
<td>12.5%</td>
<td>18.9%</td>
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According to L. Figlin [32] since 1993 the number of workers older than retirement age declined. In 1995 the number of workers who were older than working age decreased by 34.4%.

In the end of the 1990s this tendency of decreasing employment among the elderly remained. Based on the poll of more than 1000 people over 50 years of age M.B. Denisenko [6] reported that the percentage of the employed pensioners was 21.7% including 26.0% - men and 19.8% women. She also demonstrated that in the age group of 60-65 years practically every second elderly person had a job and by the age of 65-70 years this was already 16.7%. The employment level of elderly women was lower than their male counterparts and progressively declined with age. The poll also revealed that the maximum level of employment was among respondents with the minimum level of pension benefits. By 2004 according to the Russian Federation’s Ministry of Labour the percentage of working pensioners was 18.5% [18]. Gerontologists point out a significantly lower figure – 12% [28].

According to V.V. Kozhevnikov and co-authors after 2006 the percentage of employable population will start to decrease rapidly due to the demographic fall in the birth-rate during the 1990s [11].

Taking a regional sample of employment among elderly people N.N. Smirnova [26] divides the country’s regions in accordance with the degree of involvement of the elderly in active work into three groups:

1. regions where the percentage of working pensioners does not reach 25% (Severo-Kavkazsky, Tsentralno-Chernozemny, Uralsky, Zapadno-Siberian, Volgo-Vyatsky, Povolzhsky, Severny)
2. regions where employment among pensioners reaches 25-30% (Severo-Zapadny, Vostochno-Sibirsky, Tsentralny)
3. regions where working pensioners make up over 30% (Dalnevostochny, Kaliningradskaya region).

According to other experts [29] regional employment ratings among pensioners are different: in the age group of 55-60 years old no more than 15% of men and 12% of women are permanently employed. A very small number of pensioners find jobs through the employment services. According to the author, in 1993 the percentage of working pensioners was 17%, and in 1994 it fell to 13%.

Analysing the ratio of the elderly’s active work in each of the regions [21,12,13,34,27,17,25,5] paints on the whole quite a pessimistic picture: according to the authors of the Nizhny Novgorod report the current job market both in the centre and in the regions is not willing to utilise the experience, skills and knowledge of the older generation. 75% of the pensioners in the city of Oryol who took part in the poll are convinced that it would be very problematic and virtually impossible to find employment. Despite having said that, two thirds of the respondents need to find additional income. 60% of the elderly people who have taken part in the poll view the impact of market forces on active work as negative. Therefore, in the researcher’s
opinion, come increased pessimism, disappointment and a negative attitude among the elderly towards societal change. Another poll taken among Oryol pensioners [4] shows that during delays in pension payments only 5% of the respondents said that they were living on their current income from work while the majority (50%) used their food reserves. Studying these situations showed that only 7% of pensioners in Orlovskaya region had a job, with 63% of these worked in their old jobs and 30% in different professions. A link between the wage rate and the level of education completed was also established. Only one in nine pensioners in Orlovskaya region who wanted to find a job either failed or were rejected and these were mainly elderly women.

The poll in the city of Kemerovo showed that only 5.6% of elderly people had wages as their main income source. From 16.2% of the respondents who mentioned extra income in addition to their pension, 47.9% named salary, 11% - casual income and 6% - seasonal earnings. According to Yaroslavl city researchers 40.4% of elderly people do not have any additional income apart from their pension [24]. It is worth noting that at the polls elderly people rated active work in fifth place among other problem areas of social policy. However, when analysing the respondents’ views on governmental social policy for the elderly “creating conditions for adequate active work” was rated as second in importance after raising pension levels.

A comparative analysis of the social status of pensioners in the City of Ivanovo shows that in 1997 in comparison to 1995 the percentage of people with a permanent job increased 1.5 times and the percentage of those with a second job increased threefold [17]. After the crisis of 1998 employment among pensioners in Ivanovo rapidly decreased from 17.4% in 1997 to 1.8%. It appeared that 90.9% of pensioners do not have a job. The employment analysis and research demonstrated that the number of unemployed pensioners increased from 82.7% in 1995 to 90.8% in 2001 with the number of employed pensioners receiving a pension decreasing from 11.9% in 1995 to 6.4% in 2001. A similar tendency was also seen for those pensioners who had sparse additional income: their percentage decreased from 4.3% in 1995 to 3.7% in 2001.

Social scientists of the Mordovsky University [25] when studying regional problems of social adaptation of the elderly showed a very small degree of utilization of pensioner workforce. That degree was dropping even when the research was being conducted. Although there are no real indicators of the extent of the pensioners’ involvement in active work, when polled to subjectively evaluate the utilization of their experience and knowledge the elderly chose the option “utilized but very rarely” over all others. When characterizing active work of pensioners in the city of Kazan experts report that 76% of those are unemployed [5].

In looking at some of the tendencies of employment among elderly women we see that employment of women of any age (in different countries) is generally lower than that of men [23]. In the past it was explained not by the loss of earning capacity but by a different social status of a woman in the society and family. When characterising women’s employment in general experts identify negative shifts: women are pushed out from the skilled labour force, management, banking as well as industrial labour [15]. On the whole, among women seeking employment two age groups experience most difficulties – women of 16-28 years of age and women of 45-55 years of age [10]. The research showed that among women 35% in the age group of 55-59, 19% in the age group of 60-64 and only 8% between 65-69 continue working [29]. The decline of the market in rural areas and regional centres also deprives women of a
choice of work. There is an increasing gap between work levels for men and women. The differentiation ratio of payment for labour on the basis of sex in the Russian economy is currently 30%. For example, women made only 1.4% of the senior management of the administrative authorities in 74 federal government organizations with male governmental workers getting on average much higher salaries [3]. As a result women are not only unable to exercise their rights but they also remain unaware of them.

In her work E. Chekanova [33] is investigating the roots of injustice towards women. Women work all their lives and only a small part of that work receives payment. The reasons are different: traditional behaviour norms, gender roles regarding housework, underdevelopment of public services. The fact that women reach pensionable age earlier than men provides them with more opportunities for continuing their active work. However the majority have to leave work. Thus, during 1992-1996 among all working women the percentage of female workers in the age group of 55-72 decreased from 10.2% to 8.3% [9]. Employers value elderly female workers for their skills and qualifications but on the other hand their strengths are neither appreciated nor recognized and ultimately are not fairly reflected in their salaries. One of the ways for elderly women to return to professional activity is to start working in positions that require lower qualifications.

N.P. Romanova [22] conducted a research on employment, motivation and other aspects of active work among single elderly women of Zabaikalye region. She established that the majority of the elderly women in this category intend to continue working after reaching their pension age. However women with higher education as well as women with a specific skill such as sewing, knitting or nursing skills have more chances to find additional work. Material needs remain the main reason for elderly single women continuing to work during pre-pension and pension age.

Specialists of the Department for Social Work at Syktyvkarsky University studied the social status of unemployed female pensioners [28]. The study showed that 66% of the respondents live purely on their pension funds, their meals being very poor and unvaried, and the majority cannot afford to buy new clothes or footwear. To improve their situation 5% of the respondents sell their possessions, 25% breed poultry and cattle and only 6% of these elderly women attempt to find occasional work. The conclusion of the authors of this research is that elderly unemployed women are one of the most vulnerable groups of the population and are currently in a very critical situation.

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