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The Changing in Welfare of Older People Compared to Previous Generations

Ekaterina Silifonova^{a*}, Sergei Dukart^a

* Corresponding author: Ekaterina Silifonova, silifonovaev@gmail.com

^aTomsk Polytechnic University, Department of Economic, Lenin Avenue, 30, Tomsk, 634050, Russia, E-mail: silifonovaev@gmail.com

Abstract

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The aim of the study is to examine such a question as: are older people today better off than older people from previous generations in terms of financial and social resources? And also we'll try to answer the question whether increasing live expectancy is a result of improvement of living conditions for older people or it is the only result of medical science achievements. The paper investigates how the changes in population aged proportion influence on conditions of live of the older people, is it become better than the live of previous generations or not? Also data of such countries as UK and Russia are compared in order to see the differences and similarities and try to give some kind of recommendations. The article examines the determinants of the quality of life of older people such as life expectancy, income, social and marital support, the impact of innovation and how these factors changed over the past decades.

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1. Introduction

It is common for all countries that rate of birth is becoming lower and life expectancy increases. So the result for such situation is increasing older people among population. So percentage of population aged 60 and over in developed countries such as Japan is 27.9, United Kingdom – 21.8, USA – 17.2 and Russian Federation – 17.1. Our planet is rapidly ageing: every second in the world two persons celebrate their sixtieth birthday. Over the past three decades, the



population aged 60 years and over doubled, while this share will increase in two times by 2050 (Russian business consulting, 2013). If in 1950 in UK the number of population aged 65 and below was 5483 thousands, in 2015 this indicator was predicted as 11521 thousands (Statistic UNdata, 2014).

Hence, we can assume that the life of older people became better. So the result of such improvement is increasing of life expectancy. The indicator of life expectancy over the last 50 years grew up to 20 years (Statistic UNdata, 2014).

2. The reason of gerontology investigations

Such questions as: life conditions for older people, discrimination of older people's employment chances, confidence of older people and others have been investigated not so long ago. Before XIX century these questions were not examined at all. The first reason of such situation is comparatively small life expectancy. So, in 1900, global average lifespan was just 31 years, and below 50 years in even the richest countries, even in 2005, average lifespan reached 65.6 years; over 80 years in some countries (Prentice). Moreover, women in the most developed countries outlive men by between 5 or 9 years. In addition, in 1900 the gap between male and female life expectancy was only 2-3 years and high male rate of death was not uncommon (Kinsella, 1992). As Kinsella noted the main reason of such gap is reduction of mortality of females and also increasing the rate of such diseases as heart diseases and cancer. It is impossible not to agree with this statement.

So as life expectancy later was not high the questions of gerontology didn't examined. The people died because of different infectious and respiratory diseases when they where quite young. Hence generally older people live today better than previous generations, because they have more qualified medical support and they can live much longer than their grandparents.

But on the other hand increasing of life expectancy increase the number of chronicle and physical disability diseases. So to live longer doesn't always mean live healthy and actively.

3. Changing the older people's life

3.1. Life and active life expectancy

Nowadays we more often use the term of active life expectancy or disability-free life expectancy. To understand the comparisons of life improvement we should examine not only life expectancy but also if this increasing is accompanied by good health or physical disability. The investigations conducted in Southern Europe showed socioeconomic factors influence the increasing of disability. «Disability-free life expectancy was higher for women and decreased as area deprivation increased (for deprived areas – 5.3; the most deprived – 9.4). In the period 2004–2008, men of the least deprived quintile had a disability-free life expectancy 6.7 years longer than those of the most deprived quintile, Moreover, life expectancy with disability was higher with increasing deprivation» (Martin, Esnaola, 2014). There are three points of view: compression of morbidity, that means that the appearance of chronic disease can increase more rapidly than life expectancy; expansion of morbidity, the rate of progression of chronic diseases doesn't alter as a result of changes in mortality and finally dynamic equilibrium, that combines these two theories, and means that medical interventions and improved lifestyle will slow the progression of chronic disease, thus decreasing the time spent with severe disability.

The one of indexes that examine changing in conditions of life of older people is the Global AgedWatch Index (Global AgeWatch Index, 2014). This Index is based on data of such fields of people's life as: income, health, capability and enabling environment.

According to this index in 2014 United Kingdom ranks at 11th place and results in all domains are rather high (income security — 82.7/100; health status — 69.3/100; capability — 46.1/100; enabling environment — 81.8/100). The life expectancy is 84 years, 17.7 years of health life expectancy for people aged 60 who are expected to live in good health, 100% of population receive pension and there is national ageing policy. In comparison, the Russian Federation is ranked at 65th place. The data of health status, capability and enabling environment are rather low (27.1, 45.1 and 55.5 correspondently). The indicators of life expectancy are 77 years, healthy life expectancy at 60: 13.8 (Global AgeWatch Index, 2014).

So healthy life expectancy is also very important. This indicator is related to the development of medical care in the country. The health-care expenditures in comparison with the past increased and that was the reason of improving the quality of life and expectancy of life activity. For instance, health-care expenditures in UK in 1995 were 6.8% of GDP in 2012 – 9.4, for Russia: 1995 – 5.4, 2012 – 6.3 (data World bank, 1995).

3.2. Personal income and life expectancy

Another very important factor of improvement of older people's life is increasing of income. The economic situation is improved over the years. But despite all endeavours the poverty rate among old people is still high. For instance, old age poverty rate in UK is 9.2% for people aged 60+ with income of less than the country's average income; in Russia – 9.7%, in Norway this rate is equal to 1.8% and in Ghana 21.4%. Now, the situation with economic welfare among old people is much better that it was in the past. As J. Schulz (2010) points out, in 18th and 19th centuries old people were economic deprived. The first Social Security programs emerged in Germany in 1889, under the leadership of O. von Bismarck and covered large segments of workers. In UK the first universal welfare system was developed by Sir William Beveridge in 1942.

As for Russia until the 19th century pension system was extended to civil servants and the military. In 1918 social security for workers emerged, in 1924 - for researchers and teachers. Pensions depended on the size of the average monthly salary. Then, in the 1920s, the pension system was replaced by the social insurance system, based on the principle that all organizations should pay taxes to the state that formed the country's budget. This system remained until the collapse of the USSR in 1991.

Moreover, in agrarian-based society there are no pensions at all. Individuals are expected to work until the end of his life, unless their family can support. (C. Victor, 2005) In 1900, 80% of men aged 65 and more were employed, in 1953 – 50% and 2001 only 7% were economically active.

At the present time, about 90% of older persons receive social benefits. Retired workers get an average benefit equal to \$12.530, and for retired couples this indicator is twice higher (Schulz, 2010).

The influence of retirement could be examined in the different points of different theory approaches. So functional studies were concentrated on such questions as financial aspects of retirement and its evaluation.

3.3. Social and marital support

The widespread social support for older people is also the huge challenge for all population. The parallel reduction in the number of people of working age and retirement people could be a challenge for tax system. It can seriously reduce living standards of all groups of population. So if in 1982 state and local pensions contributions according to the data of NASRA Issue Brief were \$22, in 2011 - \$96 billions (NASRA Issue Brief, 2011). For each European pensioner today, on average, it is four people of working age, but by 2050 this proportion could be 1 to 2.

The problem of ageing population in the developed world enhances the current crisis in the world economy. The companies massively fire their workers. Moreover they don't employ new employees who are potential taxpayers. Thus, the burden of pension provision lies on the state.

Traditionally, their children provided support for the old aged parents in developing countries. However, with the rapid increase in the number of pensioners and intense reduction in the working age population, this burden can become unsustainable for the young generation. Moreover, in a highly individualized world, fewer young people are willing to provide material and social support for their parents. And without the proper state support system in the near future we can face big social problems.

The question of aging population is also important in Russia. In 2012 the number of people aged 60 years and more was 19.4% of the total number of people living in the Russian Federation. According to the official population forecast of Global AgeWatch, by 2050 the population aged 65 and more will exceed 25%. Many experts believe that a truly effective action that will change this situation could be rising the retirement age.

But this decision also has a negative effect on social sphere. The first reason is a shortage of places in kindergartens. Currently, this problem is largely solved by women who retire at 55 years and caring for grandchildren, allowing their daughters to go back to work. The second reason is a shortage of social care services for the elderly disable population who are also supported by their retired kids.

So if in the past old people were forced to work because there was no retirement system or it was not developed, in the future old people were forced to work because of widespread aging and reducing of population of working age.

The status of socialization is also changed. Traditionally older people were the custodians of knowledge and traditions. They lived with their family or get support from them. Now families tend to concentrate on their nuclear families. The old persons lived alone or with their spouse (Grundy, 2006).

Historically the attitude for marital status for older people doesn't changed dramatically. Concerning the Russian Federation in 1979 only 0.7% of men aged 65 and more were single and about 90% were married and 4.2% and 31.5% of women over 65 years correspondingly. Such low percentage for married women is the reason of WWII and also lower life expectancy among male population, so about 52% of women were widowed. As for 2010 years the situation for Russia wasn't changed dramatically. Married men over 65 years old is about 68.2%, single only 1.3%. For women 25.2% married, 62.3% widowed and only 1.1% lived separately.

As for UK in 1971 7.4% of men over 65 years old were single and 2009 it reduce to 6.9%. As for women over 12% were single in 1971 and 2009 only 5.3%. So as previous generations a lot of women experience widowhood that is a rather big problem for further socialization.

Moreover, when ageing the role of family in the life of older people increases. Stop working when they reach retirement age and reducing of social contacts turns all attention of older people to the family. It is important to note that a housework, helping other family members and care for children, helps the elder people to keep confidence and usefulness. Hence, reducing family support and communication with family members in recent years deprives older people.

3.4. Innovation and active life expectancy

Despite all difficulties the current generation of older people has much assistance that is provided by new technologies. (McCreadie, 2010) for a person in the 19th century all domestic work was done by hand. Technology is now a part of everyday life. They help people to stay independent longer.

New technologies help people to communicate with kids and friends who live far away and also to provide immediate assistance in emergency situations. Statistics show the percentage of households with phone increase dramatically since 60-s years of late 20th century from about 25 to 95%. However new technologies can be also the reason of lack of attention for elder parents and material support for them.

3. Conclusion

In conclusion there are some points in improving life such increasing life expectancy and also healthy live, material income and independence for of older people. Today old people in most cases have more opportunities than in the past, they are free of decision to continue to work after retirement age. But on the other hand, decrease in family support, loneliness, increasing of chronic diseases make new challenges for older people.

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