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Labour activity as a factor of the lifelong well-being of older people Tomsk Polytechnic University

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Abstract

The paper deals with labour activity as a factor of the life-long well-being of older people. In the modern historical period one of the key economic goals of society is to provide a continuous well-being of its members. In the conditions when the aging of the population is a present and future problem of developed and developing countries, the most topical trend in the study of well-being of the individual in terms of the economic system is to provide a lifelong well-being of older people. A single formulated concept of the lifelong well-being and factors forming the lifelong well-being in economic theories are absent. In this paper the notion of the lifelong well-being, main factors of its performing are formulated. Material security as one of the key factors to ensure the lifelong well-being is described in details. Under the main condition for material security the labor activity allowing the retiree to increase total income to meet basic needs and also higher needs is distinguished.

Keywords: Lifelong well-being, labor activity, material security;

1. Introduction

One of the most important social indicators of development in the modern world is well-being, and in the terms of population aging and the aging of the elderly population - the well-being of older people. In this case, the objective and subjective components of this indicator are studied. Many authors describe the objective and subjective assessment of well-being using such groups as material security, social relations, health and environment. Material security and labor activity as a condition of well-being are examined.

2. Author Artwork

The economy of developed and developing countries has faced with the problem of population aging, and Russia is not an exception. With the development of the health system and environmental protection, countries, population is continuously getting older, and the existing fertility rates are not able to compensate this. For the last decade, the population aged 60 years and older is increased by 178 million, by 2050 the population of older population will be projected increased on 22% in the proportion of older people of the total number of the world's population aged 60 [2].

To illustrate the current situation in Russia it is necessary to compare figures of working-age population and the population of retirement age according to "The forecast of a long-term socio-economic development of the Russian Federation up to 2030". Despite chosen variant of the three described in the forecast will the number of working population is decreasing and the population of retirement age is increasing. The graph (Fig. 1) shows the changes in the working age population based on the first two variants of country development.

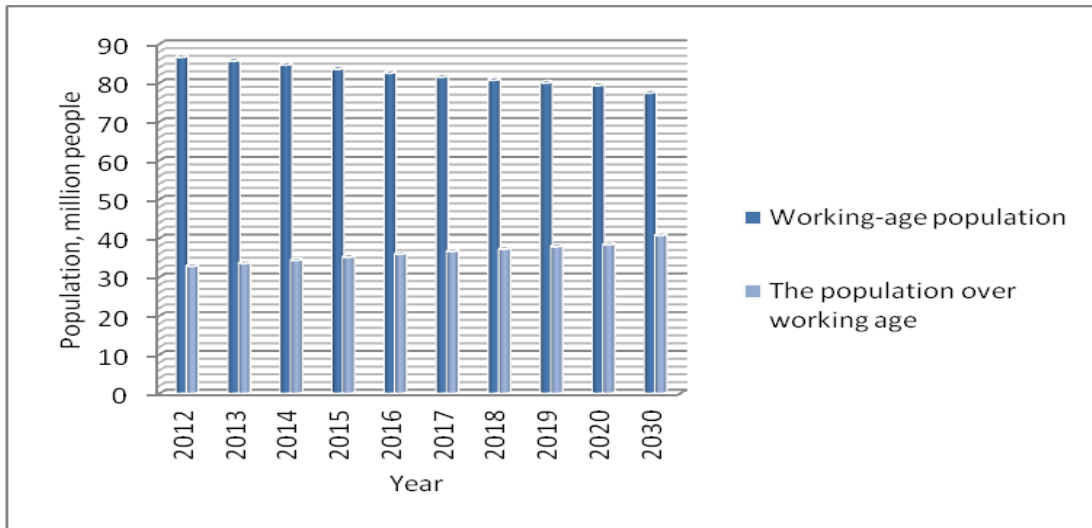


Fig.1 The demographic situation in the labor market per year, million people (forecast data).

Based on the above data, it can be concluded that the aging of the population is a problem of present and future of developed and developing countries. This one of actual problems is to ensure lifelong well-being of older people.

There is no one formulated concept of the lifelong well-being in economic theories. In this article, the following assumptions are taken into consideration:

1. Well-being is a concept that expresses a subjective assessment of individuals financial position, social relationships, health and state environment and objective indicators of life quality;

2. Lifelong well-being is the immutability of these indicators during the changes of social status (student, employed, pensioner).

Factors of lifelong well-being, due to above mentioned assumptions, include:

1. Material security;
2. Social networks;
3. Health status;
4. Environment.

In the work of the Organization of Economic Co-operation and Development (OECD) 11 parameters of welfare are emphasized, T.Rat and J.Harter [5] formulated five elements of well-being. According to the Global AgeWath Index 13 indicators, grouped in four main groups are distinguished: income security, health status, education, and enabling environment. These groups of indicators are selected according to the key components of well-being of older people.

In each of the presenting works occur the most important factors for the lifelong well-being are presented en papers.

Material security is a factor, allowing individuals to meet their basic needs, to meet the needs of a higher order.

According to the study conducted in 2014, by All-Russian Public Opinion Research Center (WCIOM) - those who consider themselves unhappy, have low-income. [7]

Poverty problem, in particular, the poverty of older population is an actual one in Russia. The current situation with the pension provision of the population is illustrated by the situation where the average size of pensions increases, but their actual size decrease -sand and it is demonstrated in graphics (Fig. 2, 3).

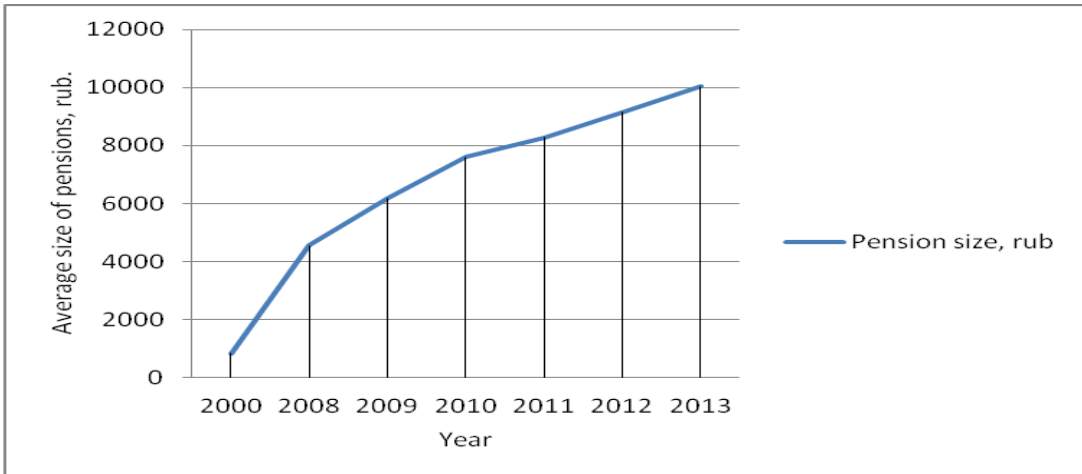


Fig.2 Average size of pensions in the Russian Federation

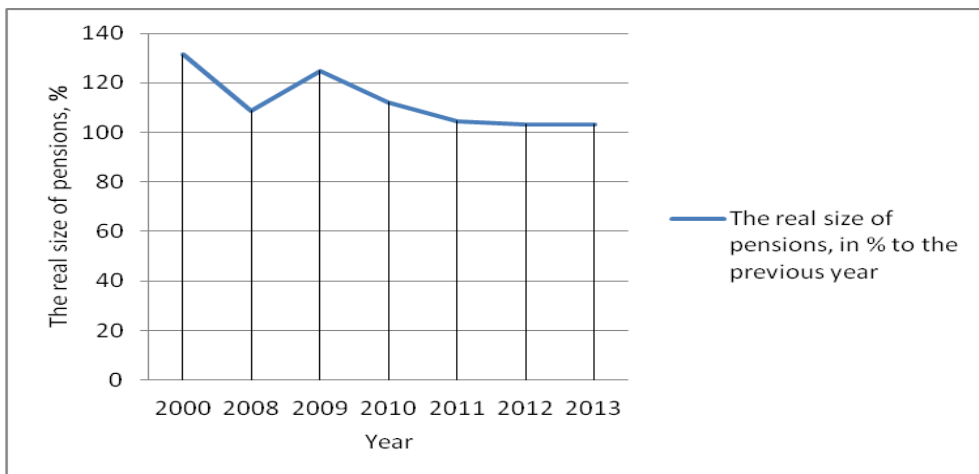


Рис. 3 The real size of pensions % in the Russian Federation

Analyzing presented data graphically, it is necessary to pay attention to the fact that in the conditions of lowering purchasing power of pensions and their relationship with the cost of living and consumer basket. Today pensioner incomes are sufficient to meet the basic needs. Under these conditions of well-being there is not only satisfaction of basic needs but also higher needs.

In the current living conditions the labour activity of the older people allow improving its real income, as it gives the opportunity to receive a salary and retirement pension. Thus, the continuation of the employment activity en retirement age is an opportunity to meet physiological

and social needs through of goods and services with the highest score of subjective utility, and as a result to be in the conditions of continuous well-being at the change of social status.

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