

### **The Elderly and Issues of Social Security in modern Russia**

Transformation processes in CEE countries actualize problems connected to the formation and realization of active social policy. Social policy is the substantiate system of purposes, directions and principles for the activity of power and managerial bodies in social sphere. State social policy is directed to the coordination of interests of classes, social groups, territorial communities, nationalities, to the regulation of social relations, the prevention and settlement of social contradictions and conflicts, the providing social order as a condition for the progressive development of society.

State social policy includes following functions:

- social security of population – providing guaranties of citizens’ rights established by the constitution;
- social support - a system aimed at the creation of conditions for social-economic growth and development;
- social aid – care about citizens who are not able to support normal living conditions themselves.

These functions of social policy complement each other. Depending on economic mechanism, one function can be used as system organizing.

From the beginning of 1990, the socialistic model has been transforming into the model of market economy in Russia. By the opinion of reformers, it is a social market economy, which presupposes a principally another mechanism of social sphere functioning. In accordance with clause N7 of the Constitution, Russia is a social state. Its policy is directed towards the creation of conditions providing worthy life and free development. The constitution proclaims and guarantees the rights of life, freedom, inviolability of person and private life, sanctity of the home, private property, freedom of thinking, speech and faith, and participation in government. According to the constitution, every body has the right for labor. Therefore, everyone has the right to dispose of his working abilities. Russians have the right of rest, social provision due to age, disease, disability, the rights for education, health

protection, medical aid, safe ecology etc. Thus, in accordance with the accepted economy model in Russia, the functions of social protection are most important.

Social protection is a social activity, which includes the package of measures for the realization of social justice. State as one of its main subjects has to provide the every citizen's right for worthy life in his country, to insure against risks in market conditions. Other subjects participate in such activity, too. For example, public organizations fulfil functions of defense and charity. Since many social problems have remained unsolved, people in transforming countries are in need of effective social protection, in the elaboration and realization of its social and economic mechanisms.

Today elderly people are one of most vulnerable strata in Russian society. On reaching certain age they find themselves in the situation of risk i.e. disability, financial deprivation, and loss of usual social networks. As a rule, elderly people live on pension, which is the main source of income. There are some transfers supplementing it: benefits in payment for flat and public utilities, transport, telephone, medicines and medical service; regional allowances and address aid. Incomes from dacha; material aid from relatives or voluntary organizations are very important for elderly people, too.

Elderly people savings are not very significant because of the devaluation in nineties and low pension. In conditions of political and social-economic instability, continuous inflation and increase in prices, the average pension is not sufficient for normal life. In connection with it, the program "Social protection of elderly people" has been started. The program includes the improvement of living conditions, services by organs of social protection, intensification of additional social protection and social insurance. The main purposes are the stabilization of elderly people's living standard, active longevity, the development of self-providing and rational way of life. Some support programs are being carried out on the regional level. There is a network of veteran organization helping elderly people to defend their rights.

Despite all efforts, the living standard of elderly people is not sufficient for the providing of worthy life. In February 2001 the average pension was 903,9 rubles (for comparison, the average per capita income was 2115,2 rubles; average monthly wage was 2590 rubles). Thus, the average pension was 42,7 % of the average per capita income and 34,9% of average monthly wage. Whereas in accordance with Goscomstat (State statistical committee officially established subsistence minimum was 1574 rubles in the end of 2001, the average pension was only 1135,8 rubles. The average pension was 94,9% of the subsistence minimum of pensioner.

Elderly people don't have enough money even for food, especially in big cities, where a significant part of income is spent on the payment for flat and communal service. Sociological researches demonstrate that elderly people have been forced to resign from the usual food; many cannot afford meat (replacing it to entrails), quality sausages and cheese, some dairy products, confectioneries, fruits. They don't have enough money for medicines, clothes, and appliances. Most of them cannot travel or have a treatment in resort and even to invite friends because of financial difficulties. Many have to work being pensioners to support necessary living standard. Usually elderly people work in budget sphere, where wages are low. Many grow fruit and vegetables in their dacha not only for private consumption but also for sale (it is especially typical for small towns). Here they are faced with different problems of delivery and storage. Despite the old age, people demonstrate fantastic inventiveness, a lot of energy in self-providing.

In such a situation, the reform of pension system is a strategic direction of social protection. Since 1995 the reforming of pension provision has started. It was supposed to take 5-7 years. The purpose is the transition to the qualitatively new system of three-level pension provision. The first level is a subsidiary fixed (independent of length of service and payments in the pension fund) pension on reaching the pension age or in case of disability. The second level is the 'earned' pension depending on deductions to the fund. The third level is an additional pension, which is formed from individual savings through insurance companies. The expected result is reduction of the subsidiary part to a minimum and stimulating individual participation in pension 'earning'. The main problem here is to be sure in the pension funds safety.

The law 'About calculation and growth of state pensions' proclaims that pensions should be indexed in accordance with the growth of average monthly wage. Another normative document 'About state social aid' (No. 178-FZ 17.07.99) guarantees help for needy families or singles from the budget. Poor people can get social allowances, subsidies and compensations. The other direction of social protection is the provision of their employment in public sector, which is an effective measure of social rehabilitation and adaptation to the new market conditions. Structural reorganization of economy gives possibilities for using elderly people's labor in developing industries, ecological productions, small business, farms etc. It demands help of the state and charity organizations (information, training, investing i.e. preferential credits or interest-free loans).

Changes in social position of elderly man, rupture of social networks generate the serious problem of social exclusion. In this connection, the support of organizations helping elderly people to cope with loneliness (territorial centers, centers of cultural and spiritual communication) becomes an important task of social security. Since 1995 the federal law 'About social service of elderly people and invalids' has been functioning. It regulates state activity in the sphere of social protection and establishes economical, social and law guarantees for elderly people and invalids basing on principles of mercy and benevolence. In accordance with the law, social service of elderly people includes care, organization of nutrition, assistance in getting medical, legal, natural, social and psychological kinds of aid, provision of employment, organization of ritual services etc. The law presupposes that the social service is free or demands partial or full payment in dependence on current income. The service is free for people whose current income is lower than subsistence minimum for the corresponding category of citizens. The service is partially paid for people whose current income is 100-150% of subsistence minimum. If current income is more than 150% of the minimum services they should pay fully.

Today there are special hostels and mental hospitals for the aged in Russia. The network of special dwelling houses for elderly singles and couples is developing. Living and social service in such houses is free of charge. They have different workshops: sewing, joiners, shoe etc. Financing of such houses is an important task of administration. Help at home is actively developing, too. A research has showed that among most significant kinds of such service are the following: care in the case of illness – 83,9%, food delivery – 80,9%, medicines delivery – 72,9%, laundry service – 56,4%. Moreover, many kinds of social aid are concentrated in local centers: urgent, daily, home attendance, and organization of free nutrition. The special regulation about local service of urgent social aid presupposes urgent measures directed to the temporary support of vital activity for people who need social protection. The service is formed on the base of territorial centers of social service and departments of home attendance.

The measures mentioned above have had an important meaning for the formation of the system of social aid for elderly people. Albeit there are many problems connected to the law 'About social service of elderly people and invalids' fulfillment. The law itself does not guarantee high quality service, timely and effective support in a difficult situation. Main reasons include the shortage of personnel, scanty earnings in the sphere, low prestige of the occupation and insufficient motivation. All this causes the fluctuation in the supply of personnel.

We consider there are two main ways for solving the problem. The first is the increasing of the wages and the improving status of social worker in the system of administration. The second is the activation of volunteers, drawing young people, using international experience. The state law on social service with the formulation of social workers' legal and economic rights should be accepted. Another important aspect here is the formation of highly skilled personnel having special knowledge, abilities and the potential for social innovations in the sphere of social protection. Today the sector of special personnel training is developing intensively. But university graduates cannot find job in the sphere often because of the lack of vacancies. Owing to 'repartition' in the sphere many former trade union leaders and party officials, people with pedagogical education are working here. Because of the evident shortage of specialists with the qualification 'social worker', we need a legislative state initiative providing the university graduates the first place in this sphere.