

Population Aging and the Elderly in Belarus

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Abstract

Unlike in the countries of Western Europe, where population aging emerged mostly due to the unprecedented improvement in longevity, in Belarus low fertility has been the main determinant of the growing proportion of the elderly. Nowadays, the share of the elderly already exceeds that of children and as the cohort of baby-boomers starts entering its 60s the shift in age balance will continue. This paper explores the nature and specifics of population aging in Belarus and estimates its demographic consequences. Since population aging has its implication at both macro and micro levels, it also focuses on the analysis of the recent changes in the socio-economic potential of households headed by the elderly compared to other types of households. Based on the data of “Income and Expenditures of Households” Survey this paper pays a special attention to the re-assessment of reported poverty incidence among households by using alternative indicators and approaches.

Introduction

As many other countries, Belarus has been facing the process of population aging. However, unlike in the countries of Western Europe, where aging emerged mostly due to the unprecedented improvement of longevity, in Belarus low fertility has been the main determinant of the growing proportion of the elderly. The impact of mortality on aging is certainly less pronounced; for a long time (since the middle of the 1960s) there has been no improvement but rather deterioration of life expectancy among the population at advanced ages. In 2005, the proportion of the elderly (people aged 60 and above) constituted 18% in total population, an increase from 11% in 1960. Recently, the share of the elderly already exceeds that of children and the age balance will continue to shift as the cohort of baby boomers starts entering its 60s. Moreover, the median age of population grew from 26 years in 1960 to 37 years in 2005, or by 42%. According to the United Nations projections, the proportion of people aged 60 and above in Belarus will double over the next 50 years and reach more than 35% in total population.

Clearly, population aging has the prospective to become the single biggest economic and social policy issue of the coming decades; its consequences are wide-ranged on both micro and macro levels. The concern on population aging and the evaluation of its demographic and socio-economic implications have been widely highlighted in the literature; yet, the majority of researches almost exclusively focused on the Western developed countries with less attention paid to the countries of Eastern Europe or the former Soviet Union.

For Belarus, the country facing socio-economic transformations, population aging represents an additional significant challenge. The present paper explores the nature and specifics of population aging and assesses its demographic consequences in the future; it deals with the analysis of past mortality and fertility trends and the projection of the population age composition. Attention is also paid to the analysis of the situation of the households headed by the elderly in terms of income poverty and other dimensions of well-being. The analysis of the well-being of the elderly is at equal importance with the evaluation of implications of population aging at macro level. The growing share of the

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elderly potentially increases the share of expenses devoted to subsidies and benefits in total expenditures of the social security funds. The level of welfare of the elderly might also affect their health status and consequently put pressure on the health and long-term care services. Despite the fact that in general the economic status of the older people relative to workers has improved over the past two decades, poverty has not been eradicated among them; it still remains an issue for the analysis.

Data and Methods

The intended analysis of demographic development is based upon the data from the Human Mortality Database. Besides, "Income and Expenditures of the Households" Survey results are used to evaluate the socio-economic status of Belorussian households. The survey is conducted annually by the Ministry of Statistics and Analysis of Belarus; each year a sample of about 6000 households is selected. All types of households, except the collective households, are covered by the survey.

The measurement of the population aging is based on the following indicators: age composition of population by broad age groups (0-14, 15-59 and 60+), median age, ageing index, young and old dependency ratios, potential support ratio and parent support ratio.

To analyze the extent of population aging a projection of population dynamics up to the year 2050 is made. The forecast deals with two different scenarios of fertility change: medium and constant fertility. The first scenario assumes that fertility will stabilize at the replacement level by 2050, while in the second scenario the fertility rate is maintained constant throughout the forecasted period. In both scenarios mortality is assumed to decline steadily during the period of the projection and migration level is kept at the level of the initial year of the forecast.

The analysis of the well-being of different types of households is based on several poverty and inequality measures. Households headed by the elderly are ranked by level of per capita disposable resources into quintiles in order to study the structural distribution of well-being indicators among them.

Selected Findings

The long-term precedent fertility trends had the negative impact on the formation of the age composition of the Belorussian population; as the proportion of the elderly continues to make up a growing percentage, the population is getting older. During 2005-2050 the share of people aged 60 and above is projected to double and will almost reach the proportion of those at working ages. By 2050, for every hundred of working population there will be 87 elderly people and the number of those aged 60 and above will be 3.6 times higher than that of children below 15.

The population aging is expected to put certain strains on the pension and health care systems and have an impact on the labour market. The number of the economically active people already decreased by 19% between 1990 and 2005 and this tendency will continue. The baby-boom generation still remains in the labour force; however it will reach the retirement age and significantly increase the number of pensioners over the few coming decades.

Analysis of the economic status of Belorussian households reveals that, on the whole, households headed by the elderly have less pronounced poverty and inequality in income distribution than other types of households. In 2005, among the households with elderly heads only 7% were below the poverty line, though another 55% had an income level that hovered just above the poverty line and thus had a great risk to become the poor. The survey results also demonstrate the existence of disparities by the level of income, expenditure and income structures among the households headed by the elderly.