

Ladies' Opinion Study: The Influence of Retirement-Age Increase on Fertility in Russia*

Inna A. Kulkova

Ural State University of Economics Dept. of Management

*Institute of Economics: Russian Academy of Science, the Ural Branch Dept. of regional socio-economic systems development
Yekaterinburg, Russia
i.a.kulkova@mail.ru*

ORCID 0000-0003-1975-0875

Valery I. Sharin

*Ural State University of Economics
Dept. of Labor Economy and HR-*

Management

Yekaterinburg, Russia

Sharin_vi@usue.ru

ORCID 0000-0003-4934-8975

Abstract— This article deals with the young women opinions about the possible impact of the retirement age raising in Russia on fertility. The aim of the research was to study the issue of how retirement time is taken into account while planning the children birth. It was hypothesized that, on the one hand, a later retirement would reduce the older generation assistance in raising children, which is a significant fertility factor in Russia. On the other hand, the extension of working life can increase the number of births by women aged 40 and older. The methodology of the study is based on a sociological survey which has been held among young women. The authors interviewed 107 respondents in Yekaterinburg megacity in total. As a result, there were determined some points, while holding the questionnaire survey, about the retirement-age increase influence on the desire of giving birth to one more baby. On the basis of the research results and the foreign experience study the authors made pilot forecasts of changes in the birth rate under the influence of the above-mentioned factor.

Keywords: *retirement age increase, fertility factors, birth rate*

I. INTRODUCTION

Pension reform is being implemented in the Russian Federation nowadays, which involves raising the retirement age and increasing working life. While making a decision about the retirement age raising the Russian Government built a number of prerequisites: an increase of workload per one economically active person, i.e. the ratio deterioration of working people to retirement age people; the need of pensions increasing, which becomes impossible in the pension fund deficit conditions without reducing the number of pensioners; growth rate of the average population life expectancy.

Such a serious economic decision (raising the retirement age) was made without taking into account some of the unobvious consequences: employment problems for older people [1], [2], [3], a possible increase in unemployment and social benefits for unemployment [4], [5], the increase in disability (the number of disable people raising) [6].

There are no scientific studies of the retirement-age increase effect on the birth rate at the present stage, since this effect is mediated. Russia is experiencing serious demographic problems at present related with the birth rate reduction, which, in fact, was one of the reasons for pension reform. Raising the retirement age may adversely affect the

birth rate, reduce it; and population problem aggravation may go after in Russia.

The new Concept of State Migration Policy of Russian Federation for 2019–2025, approved by the President, determines that the natural reproduction of the population should be the main source for population replenishment and providing the national economy with labor resources in Russian Federation. At the same time, migration policy should be an auxiliary tool for solving demographic and related economic problems.

The aim of the study conducted by the authors is to identify the nature and extent of the retirement age raising impact on the birth rate. For this purpose, women of fertile age are surveyed to identify their views about the changes of plans in their reproductive behavior as a result of the retirement age raising.

II. THEORETICAL BASIS

Scientists identify a number of fertility factors. So, in the dissertation research framework on the reproductive population behavior features, Ya.A. Skryabina classified the measures necessary to increase the birth rate into two groups: universal measures and the steps of family lifestyle's improvement [7]. Universal economic stability, satisfactory medical services, permanent well-paid job, planning leisure-time, physical activity, forming family prosperity love, a care towards women and children, leading healthy lifestyle and others are involved in the first group. Her survey showed that the most important factor, according to women, is the availability of stable, well-paid jobs (79.5%), also important are: the general economic stability presence (74.6%), quality medical care (66.2%), i.e. factors of socio-economic well-being. In addition, 44.7% of respondents believe that the media should promote family values, respect for women, children, and a healthy lifestyle.

The second group included a number of factors that will be indicated in decreasing order of importance [7]: the privileges of buying realty (91.4%), fringe benefits for each child and payments to women after parturition (78.1 %), both parents presence, idealistic view towards family structure roots (61.1%), children care discount in kindergartens (52.0%), tax incentives for employed parents (51.4%), changes in labor legislation (51.0%), accounting maternal

labor for future pension (36.9%), grandparents' help in children bringing up processes (12.3%), the abortion prohibition (8.4%). As can be seen from the results of the study, the older parents' assistance in raising children is an important factor in fertility for 12.3% of young women.

A study conducted by the authors continues to study fertility factors, however, not all factors were studied during it, but only those that arise in connection with an increase in the retirement age. This approach has a certain scientific novelty.

The study is based on two directions of sociological theory [8]. The first is the postponing the children birth because of the desire to reduce the missed opportunities size. So, Miller [9], proved that a year of deferred motherhood increased women's incomes by 9%, their work experience by 6% and the average wage rate by 3%. As another study showed the motherhood penalty is the highest for women at young age, and weakened significantly when women are in the age of 40 or 50 [8]. The authors hypothesized that women's working life lengthening can increase the number of births in older fertile age, since they will have enough time to raise a child before the end of their working life.

Another direction of sociological theory is associated with the social network as a source of social capital [10], [11]. Most of the existing research about social capital as a determinant of low fertility has focused on the ex-communist Eastern European countries. Buhler and Filipov [10] present a broad theoretical discussion about how social capital is associated with social networks and how this affects the formation of some reproductive intentions.

According to the authors of this paper, raising the retirement age in the social networks theory framework can help to increase the birth rate due to the availability of money support for the grandparents who continue to work, on the one hand. But, on the other hand, the lack of opportunity for grandparents to help personally in raising a child can significantly reduce birth rates, since according to previous studies [12] 87% of respondents or 37% of families with children have noted that such assistance is an important factor influencing the decision to have a child (especially for the second and following children).

III. METHODOLOGY

The study of factors affecting fertility is traditionally made by using a sociological method, since the intention to have one more child is subjective. Population surveys [13], [14], observations [15] or panel studies [16] are usually conducted for this purpose.

The authors are going to conduct a full-scale sociological survey of the childbearing age women to achieve the study objectives, which is scheduled in 2020. The survey will be conducted by using quota sampling of different age groups in urban and rural areas. 850 women in total will be surveyed then in various Russian regions.

Quota sampling is one of the most popular sampling methods. Its essence lies in the fact that usually 2-3 significant features are selected, by which further sample control is carried out. The ratio of the respondents' groups in the sample according to these criteria should be proportional to the ratio

The reported study was funded by RFBR, project number 19-010-00545\19 "The impact forecast of the retirement age increasing on the birth rate in Russia"

of such groups in the general population, thus, quota selection almost completely coincides with the general population according to the given parameters. Socio-demographic attributes will be used as quotas parameters: according to the authors, they are crucial for women to have children.

The general population is the entire number of women in the Russian Federation, which as of January 1, 2019 is 78,674.5 thousand.

The structure of the general population is determined by two parameters:

- age (with two age groups of childbearing age women: from 15 to 27 years and from 28 to 44) The authors chose the borderline of 27 years because it is the average age of the first child birth in Russia. It has been hypothesized that, after the baby birth a woman's reproductive behavior may change;
- place of residence (urban and rural areas). A hypothesis was put forward on the dependence of reproductive behavior on the place of residence.

When placing the sample, the authors will seek compliance with the general and sample populations according to the specified parameters. During the pilot study, the structure of the interviewed women corresponded to the structure of the female population in the Sverdlovsk region, since the study was conducted mainly in this region. However, the data for Russia as a whole may not coincide with the pilot study, as 85% of the population lives in urban areas in Sverdlovsk region.

The object of the study is the opinion of reproductive age women living in Russian Federation about their decision to give birth to (another) baby in the current environment.

The authors put forward the following hypotheses:

- the increase in the birth rate after the age of 40 due to the increase in the working life is episodic and is not able to significantly increase the birth rate in Russia;
- the increase in the time of possible financial assistance to parents from grandparents as well as a decrease in the retirement age for mothers with many children can increase the birth rate by 1-2% among women with low incomes. However, the lack of sufficient income may impede the worker's education in the future;
- a reduction in the possible assistance in the care of children by grandparents can reduce the birth rate by 10-15% due to national traditions [17];
- the overall fertility rate as a result of raising the retirement age, according to the surveyed women in reproductive age, will decrease.

At present stage, the authors developed a survey tool - a questionnaire, and conducted a pilot study using this tool. 107 women have been surveyed in total, 58% of whom are girls aged 18-24, and 42% women aged 31-47 years. The survey was conducted in order to find out the women's opinion about the effect of some consequences of the retirement age raising on the birth rate.

IV. RESULTS

According to Russian Federal State Statistic Service, the birth rate decreased by 9.1% in the first quarter of 2019 in Russia compared to the same period last year; moreover, a decrease in the birth rate has been observed in Russia for the third year already. A serious point for the country's demographic security is the fact that the total birth rate in annual terms fell below 1.5 children per woman. In such a situation, even with a decrease in mortality rates, the natural population decline may reach 300 thousand people a year in the coming years.

A significant reduction in the birth rate observed in Russia, combined with a slight decrease in mortality, has led to an aging population, a reduction in the number of able-bodied people, and, as a result, an increase in the burden on one economically active person. This was the reason for raising the retirement age in Russia by five years: men who had previously reached retirement age at 60 years will now work up to 65, women who previously retired at 55 will now be able to become such at 60 years. Federal Law "On Amending Certain Legislative Acts of Russian Federation on the Pensions' Appointment and Payment" No. 350-FZ was adopted on October 03, 2018, not only without extensive preliminary discussion in society, but even without opening scientific discussion.

Currently, the authors of this study are identifying in what aspects the relationship between raising the retirement age and the birth rate in the country is manifested. In total, the authors revealed a relationship in four aspects, and theoretically, three of them can increase the birth rate:

- lengthening a woman's working life can increase the number of births for older fertile women, because, continuing to work longer, women who give birth after 40 years have enough time to raise a late-born child before their retirement, to ensure him/her in adolescence due to the wages availability; their social status will be acceptable in the friend-teenagers' understanding, etc.;
- the financial support availability from grandparents, who will continue the work. It so traditionally in our country that the young parents' wages are usually insufficient to fully support the family, so the grandparents who continue to work help with money and material resources. When retirement starts, opportunities for helping by older family members are reduced, but if they work away, they will be able to help more;
- reducing the retirement age for mothers, who are having many children. The previously described Federal Law No. 350-FZ established that pension benefits are granted to mothers with four minor or adult children and, if each of them is already 8 years old, from 56 years old, to mothers of 3 children who are at least 8 years old, from 57 years (in this case, the insurance period must be equal to at least 15 years). The question on this aspect in the pilot study was not asked;

The fourth aspect of the relationship manifestation between raising the retirement age and the birth rate in Russia is working in the opposite direction, reducing fertility. This

aspect is the grandparents' inability to help in childcare. It can significantly reduce the birth rate because such assistance is an important factor influencing the decision to give birth to a child (especially for the second and subsequent ones).

The authors investigated separately each factor that affect fertility and associated with raising the retirement age.

The first factor - the lengthening the women' working life - can increase the number of births for older fertile age women, since they have now enough time for raising a child before retiring. The question has been asked for studying if this factor has possible influence: "Do you agree with the statement in relation to your life - Since I have to work longer now, I will have time to give birth to one more child?"

The answers are as follows: no one has answered that she would do so, that she completely agrees. Only 10.1% of respondents answered that they could do so. However, the authors do not believe that such a large proportion of women will increase the number of children, because those who responded in this way are girls under the age of 22. The likelihood that such intentions will continue for almost 20 years tends to zero. The majority of respondents (85.9%) do not see the connection between the working life length and the children birth, including all the surveyed women over the age of 30. At the same time, 4% of respondents believe quite the opposite - they are going to have fewer children, because will have to work for a longer time.

It can be concluded that the women' pilot survey broad into a full view the increasing fertility among older fertility age women possibility.

The second factor is associated with the continuation of cash social transfers from the grandparents who continue to work, which can also increase the birth rate. The question was asked: "Could the following fact influence on one's making positive decision about one more child birth - Parents will not retire longer, therefore they will be able to help us financially for a longer period?"

The answers were as follows (Fig.1): no one answered this question positively. The answer "most likely yes" was given by 6.1% of respondents, the answer "most likely no" - 33.9% of respondents.

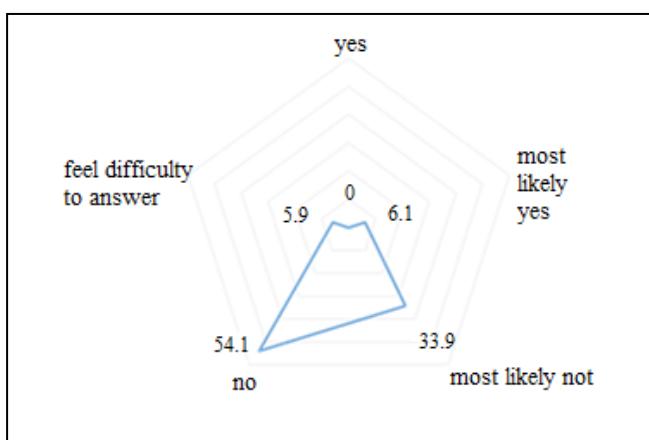


Fig.1. Distribution of women's answers, whether the following fact can affect their positive decision adoption about another child birth: "parents will not retire longer, so they will be able to help financially longer," %.

Strongly "no" answered 54.1% of women, another 5.9% found it difficult to answer.

The conclusion that can be made is not optimistic: this factor can increase the birth rate by 2.0-2.5% due to the low-paid strata of the population, for who the parents' financial assistance is important.

For the state, the increase in the birth rate in this particular category of the population is not unambiguously a positive moment, because such families will regularly receive allowances and subsidies from the state budget; the process of maintaining the children' health in such families is hindered. A large number of such families (not all) have negative habits that adversely affect the children' health both before and after their birth.

Finances are necessary not only to provide the baby immediately after birth, but to a much greater extent when he/she grows up. Funds are needed for his training in order to get a highly qualified employee, which is required by the modern economy. Getting a quality education requires high financial costs.

The third factor - the help reduction in raising children by grandparents who are forced to work - can reduce the birth rate. The question was asked to clarify this factor influence: "Do you agree with the statement - Parents will continue to work and will not be able to help me with unburning the child, therefore I'm going to give up from one more child birth?"

The answers to this question were distributed as follows (Fig.2): 6.3% of respondents saw exactly their situation in this description and agreed that they would have to refuse to give birth to one more child, since grandparents would have to work for the longer period; another 16.7% answered that it might be so. 37.5% of women have hoped for their parents help, but they think that its absence is unlikely to stop them from having one more child. Finally, 39.5% of women answered unequivocally that they would cope with raising children on their own, without the parents' help.

The conclusion that can be made about this factor influence: the extension of the grandparents' working life and their impossibility to help in raising their grandchildren as a result, will definitely lead to some reduction in the birth rate of up to 15%.

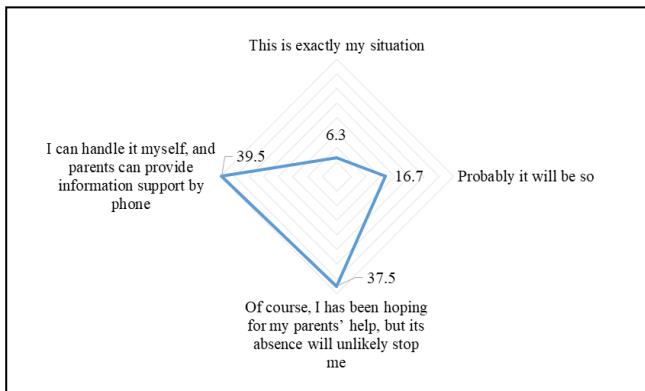


Fig.2. Distribution of women's answers about their agreement with the statement: "the parents will continue to work and will not be able to help look after the child, so I will have to refuse to give birth to another child", %

V. CONCLUSION

Thus, the hypotheses put forward by the authors were confirmed during the pilot study, which not only proves the need for a large-scale study, but also confirms the idea of the existence of contradictions in the Russian state policy. On the one hand, a number of government measures are aimed at increasing the birth rate in the country, on the other hand, the decision to increase the retirement age is highly likely to contribute to reducing the birth rate.

A pilot study conducted by the authors makes it possible to make a preliminary forecast about the negative impact of raising the retirement age on the birth rate in Russia. Those factors that could increase the birth rate due to an increase in working life period, income growth, do not show a positive effect on fertility, according to women' view. At the same time, the factor associated with limiting the social network influence in the form of assistance in raising children by grandparents shows an expressed negative effect on fertility.

Final forecasts can be made in a year when the authors will finish a representative sociological survey.

In addition, the authors suppose that it is necessary to study in detail the experience and results of the retirement age raising in European countries [18], especially in the former socialist countries, where the influence of social networks on fertility is also clearly expressed.

ACKNOWLEDGMENT

The reported study was funded by RFBR, project number 19-010-00545\19 "The impact forecast of the retirement age increasing on the birth rate in Russia".

REFERENCES

- [1] I.V. Sadkova, "Features of prepension age persons' employment", in Human Progress, vol. 5, no 2, 2019. URL: http://progress-human.com/images/2019/Tom5_2/Sadkova.pdf. DOI: 10.34709/IM.152.3 (date of access: 24.09.2019).
- [2] D.A. Mosina, "Current problems of older persons' employment of people", in Human Progress, vol. 5, issue 3, 2019. URL: http://progress-human.com/images/2019/Tom5_3/Mosina.pdf. DOI 10.34709/IM.153.5 (date of access: 24.09.2019).
- [3] I.A. Kulkova, and V.V. Silayenkova, "Features of persons'employment in the age segment after 40 on the Russian labor market", in Internet journal Naukovedenie, vol. 17, no 4, p. 81, 2013.
- [4] V.N. Barsukov, "Barriers of social integration of the older generation in the context of the problem of intergenerational communications", in Economic and social changes: facts, trends, forecast, vol. 11, no 5, pp. 214-230, 2018.
- [5] V.A. Kurganova, "What problems may entail raising the retirement age in Russia", in Young Scientist, no 2, pp. 527-530, 2016.
- [6] N.M. Rimashevskaya, "Three proposals to improve the demographic and family policy", in Economic and social changes: facts, trends, forecast, vol. 6, no 30, pp. 127-132, 2013.
- [7] Y.A. Scriabina, "The reproductive population behavior features in a transformational Russian economy", Abstract thesis cand. of economic science, Yekaterinburg, 2011.
- [8] N. Balvo, F.C. Billari, and M. Mills, "Fertility in advanced societies: a review of research" in European Journal of Population, vol. 29, no 1, 2013.
- [9] A.R. Miller, "The effect of motherhood timing on career path", in Journal of population economics, vol. 24, issue 3, pp. 1071-1100, 2010.
- [10] C. Bühlert, and D.Philipov, "Social capital related to fertility: theoretical foundations and empirical evidence from Bulgaria", in Vienna yearbook of population research, pp. 53–81, 2005.

- [11] D. Philipov, Z. Speder, and F.C. Billari, "Soon, later, or ever? The impact of anomie and social capital on fertility intentions in Bulgaria (2002) and Hungary (2001)" in Population studies, vol. 60, issue 3, pp. 289–308, 2006.
- [12] D.Kh. Ibragimova, "How much is "Russian grandmother" worth?", in "Parents and children, men and women in the family and society", Moscow, NISP, 2007.
- [13] M. Goleva, and I. Pavlyutkin, "Social Networks and Fertility", in Journal of Economic Sociology – Ekonomicheskaya Sotsiologiya, vol. 17, no 1, pp. 83-98, 2016.
- [14] Y. Youm, and B. Lee, "A network approach to economic models of fertility", in Rationality and Society, vol. 28, issue 4, pp. 386-409, 2016.
- [15] C.C.M. Beerendonk, O. Baysal, J. Koetsenrijter, et.al. "Introduction of social network analysis into the field of fertility preservation", 31st Annual Meeting of the European-Society-of-Human-Reproduction-and-Embryology (ESHRE), Human Reproduction, vol. 30 no 1, pp. 317-318, 2015.
- [16] D. Lois, and O.A. Becker, "Is fertility contagious? Using panel data to disentangle mechanisms of social network influences on fertility decisions", in Advances in Life Course Research, vol. 21, SI, pp. 123-134, 2014.
- [17] V.I. Sharin, and I.A. Kulkova, "The influence of assistance of the older generation on fertility in Russia", in Population, no 2, pp. 40-50, 2019.
- [18] B. Monkediek, and H.A.J. Bras, "The Interplay of family systems, social networks and fertility in Europe cohorts born between 1920 and 1960", in Economic History of Development Regions, vol. 31, issue 1, SI, pp. 136-166, 2016.