



## DEMOGRAPHIC BAROMETER

# THE QUALITY OF LIFE OF THE ELDERLY

*A society for all ages – employment, health, retirement and intergenerational solidarity.*

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**Summary:** The key indicators of quality of life of the elderly are examined. There is an increased risk of poverty in their households (12.8%). The amount of pension covers only 83% of the pensioner's subsistence minimum. The health status and limited access to utilities represent a barrier to active ageing and autonomy of the elderly. Based on the self-assessment, every fifth elderly person perceives their standard of living as "bad and very bad" and only 5% as "good and very good". Every fourth respondent believes that his/her life has worsened compared to the previous year.

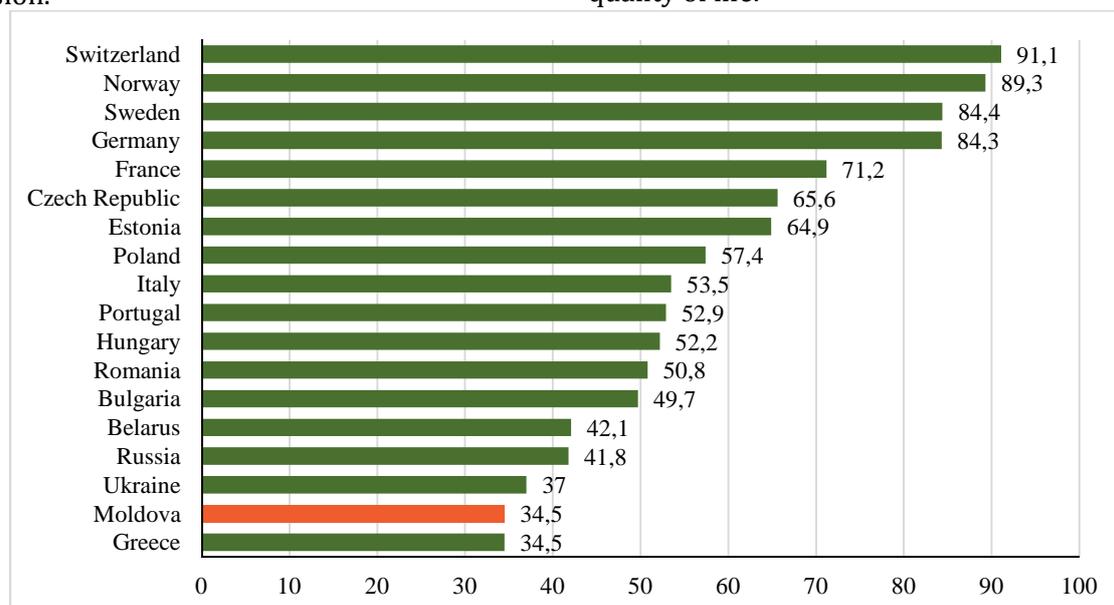
Under the conditions of increasing number and proportion of elderly in the total population, the social policy should consider the specific character of this population. The social support is more differentiated depending on the actual needs of the elderly and the capacity of the national social protection system.

Currently, one of the main goals of state policies is to improve the social security system and increase the amount of pensions according to the subsistence minimum. The consecutive implementation of the Program for integration of the ageing issues in policies (2014) will contribute to improving the quality of elderly and extension of the active aging.

**The quality of life** represents an entirety of possibilities offered to the individual by society in order to fit its individual existence according to the needs, requirements and own desires. It is a contemporary concept which combines individual concerns to achieve life satisfaction with the political objectives of a society based on responsibility of the authorities towards citizens.

In the condition of rapid ageing, monitoring the quality of life of elderly is an important objective, aiming to create conditions for active ageing and to prevent social exclusion.

The global research of the quality of life of the elderly (Global AgeWath Index) for this year, 2015, according to the main indicators (economic security, state of health, education, employment, living conditions), ranks the Republic of Moldova on one of the last places in the European countries rating (77), being behind Belarus and Russia (64 and 65), Ukraine (73) and Romania (41). In comparison with previous year, Republic of Moldova has dropped with three position, gathering just 35.1 points (100 points maximum), which means that this category of population has low quality of life.



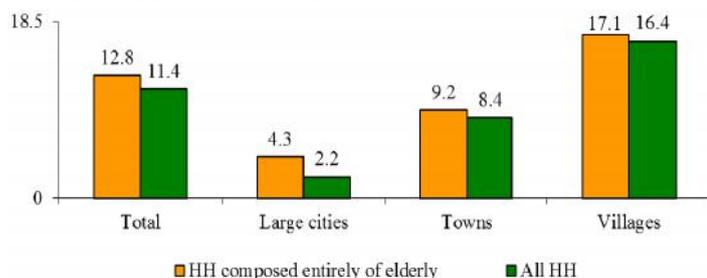
**Fig. 1.** The quality of life index for the Republic of Moldova and some European countries, 2015

**Source:** <http://gtmarket.ru/ratings/global-age-wath-index/info#moldova>

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The Household Budget Survey (NBS), which is a major source for research on the quality of life of the population, proves, according to the main indicators, that the elderly (60+ years) are in the worst condition. Thus, disposable income (1758.1 MDL per month) is lower than the national average; while elderly from the rural areas have an income 1.6 times lower than those in large cities.

**Poverty.** The risk of poverty in households (HH), which consist entirely of elderly, is considerably higher than the national average, the absolute poverty rate is 12.8% – 1.4 pp higher than the average for all HH (Fig.2). Particularly high is the risk of poverty in rural areas – 17.1%, four times higher than in large cities, and by 0.7 pp than average in all rural households.



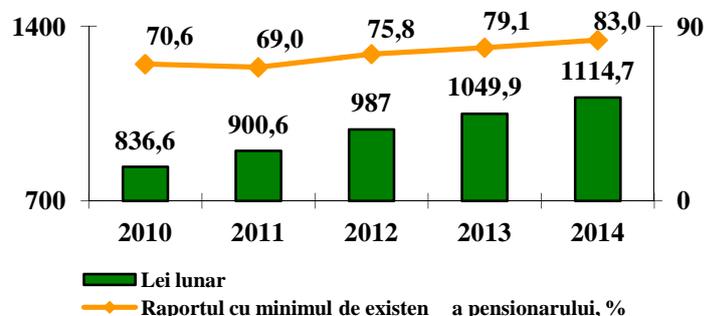
**Fig. 2.** The absolute poverty rate  
**Source:** NBS. Household Budget Survey, 2014

**Pensions.** During 2010-2014, the number of pensioners who reached the age limit increased from 460 500 to 507 500 (by 10.2%). The average amount of the monthly old-age pension increased from 836.6 MDL in 2010 to 1114.7 MDL in 2014, or by 33.2% (Fig. 3). As a result of inflation, the average old-age pension has only increased by 7.8%, and the real value of the old-age pension in 2014, compared to the previous year, increased only by 1.0%. The purchasing power of the average pension remained at the level of 2013.

The quantum of old-age pension does not allow to satisfy the minimum needs of the elderly, accounting for only 83% of the pensioner minimum of existence (1343.7 MDL). In a more difficult condition are the persons that receive the minimum old-age pensions:

workers in agriculture (710.7 MDL, or 52.9% of the minimum of existence) and other beneficiaries (798.3 MDL, or 59.4% of the minimum of existence).

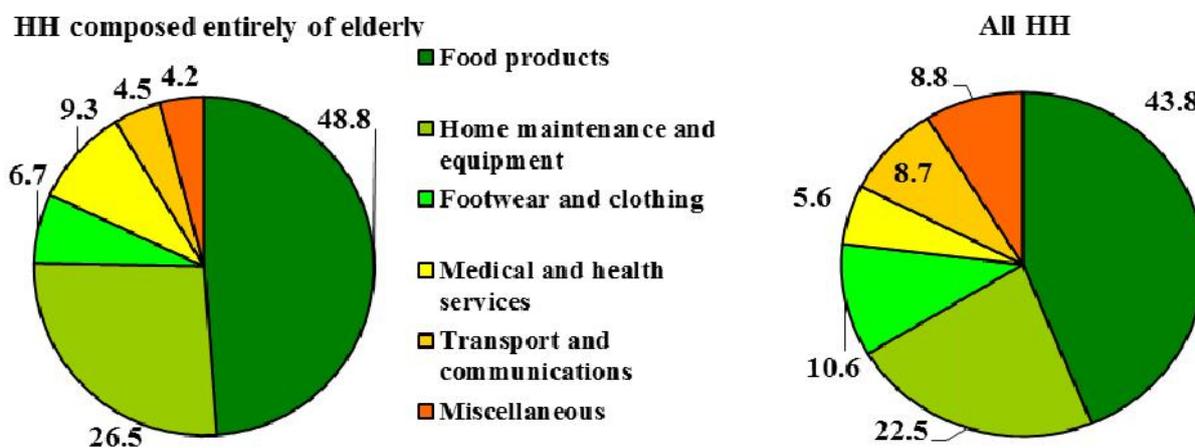
**Employed pensioners.** Obviously, the extension of working activity has a positive effect on the financial situation of pensioners. Of the total number of old-age pensioners, those who work after retirement account for more than 22%. In the large cities, employment opportunities for pensioners are higher. In Chisinau, the share of working pensioners is 1.6 times higher than the national average and is 36.1%.



**Fig. 3.** The amount of monthly pension, 2010-2014  
**Source:** NBS, NOSI (National Office of Social Insurance)

However, currently, the engagement of the elderly on the labour market is not determined by their availability to stay as much as possible economically active, but rather by the need to earn a living, in condition of the insufficient financial resources.

**Consumption expenditures.** Consumption expenditures of elderly per capita increased compared to the previous year by 6.3%. However, the real value (adjusted to CPI) grew only by 1.1%. In the structure of consumption expenditures, the expenditures for food products prevail and account for 48.8%, while the average for all HH is 43.8% (Fig. 4). On the second place are the expenditures for home maintenance – 26.5%, on the third place – the expenditures on medical and health services (9.3%). Compared to the structure of consumption expenditures for all HH, the share of consumption expenditures in pensioners' HH is considerably higher.



**Fig. 4.** Structure of consumption expenditures, %  
**Source:** NBS. Household Budget Survey, 2014

**Health.** Due to ageing, health is deteriorating and the maintaining of the functional capacity is a primary source for the autonomy of the elderly. Therewith the prevalence of chronic disease, the increased need for medical services represents one of the main indicators of quality of life. Among the elderly, 32.8% assess their health as bad or very bad, and only 5.2% as very good.

About two-thirds of old people suffer from various chronic diseases. The elderly are forced to spend considerable financial resources for medical services – 172.94 MDL per month per person, or 1.7 times more than the national average. Approximately 86% of these expenses are related to the purchase of medications.

**Table 1.** Some features of elderly health

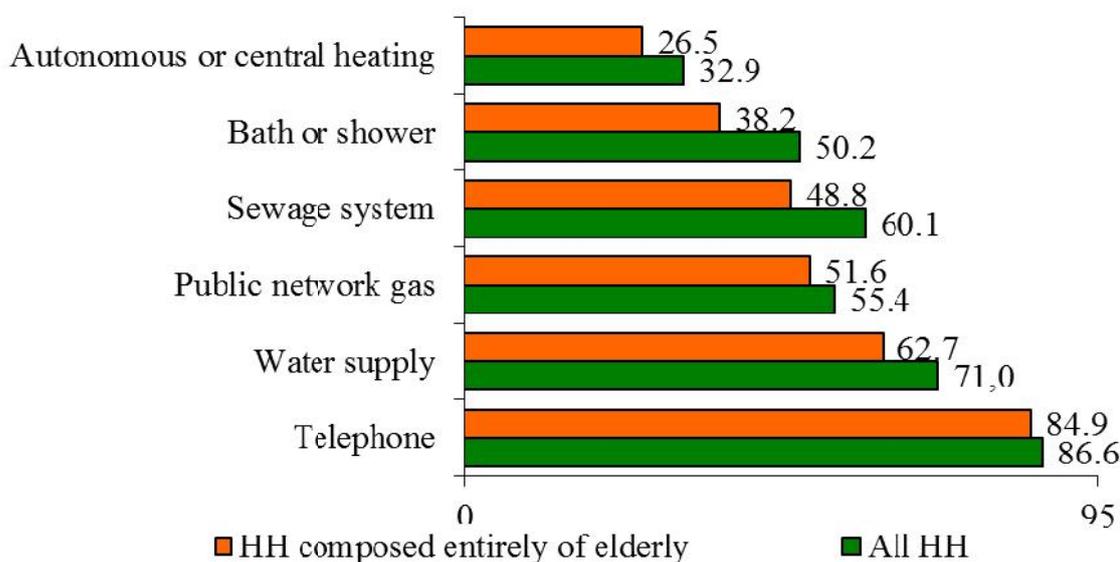
	HH composed entirely of elderly	All HH
<b>How is your health in general? (%)</b>		
- very good and good	5,2	44,4
- fair	62,0	42,3
- bad and very bad	32,8	13,3
<b>Suffer from chronic diseases, %</b>	68,8	32,8
<b>Expenditures for medical services – total (MDL monthly per person)</b>	172,94	102,4
<b>How is your health in general? (%)</b>	148,75	82,24
- very good and good	86,0	80,3

**Source:** NBS. Household Budget Survey, 2014

**Household utilities** and access to the basic services are an important condition for the quality of life of the elderly. Access to water and sanitation, central heating and other utilities maintain their autonomy, extend the active ageing and prevent social exclusion.

The situation in this area is unfavourable and does not correspond to the requirements of people, nor to the technological opportunities of contemporary society.

Only every fourth household is provided with autonomous or central heating. Only 38.2% of households of the elderly are equipped with bath or shower. Less than half of the HH are provided with sanitation, and just over half of the HH – with gas from public network. The best situation is at the water supply provision and telephone services chapter (*Fig. 5*).



**Fig. 5.** Ensuring household basic utilities, %

**Source:** NBS. Household Budget Survey, 2014

Particularly bad is the provision of basic utilities for the rural households. Thus, about 96% heat their homes with a wood stove, 86% do not have bath or shower, 77.8% do not have a sewage system, 57.7% do not have access to a water supply system, and 20.3% do not have access to phone services.

**Ensuring with cultural and customary objects.**

According to the number of items dedicated for cultural and customary destination, elderly households are lagging behind compared to the national average. The

most common items are TV sets, 97 out of 100 HH are equipped with one, and refrigerators, 90 out of 100 HH. The situation is worse with the washing machines (30 units to 100 HH), vacuum cleaners (39 units to 100 HH), computers (16 to 100 GC) and cars (7 to 100 GC).

In the elderly' HH much of the household appliances are old and are in use for more than 16 years, while the share of new appliances with high quality features and energy efficiency is significantly lower than the national average.

**Table 2.** Ensuring with cultural and usual objects

	HH composed entirely of elderly				All HH			
	No. of items to 100 HH	Period of use, %			No. of items to 100 HH	Period of use, %		
		to 2 years		to 2 years		to 2 years		peste 16 ani
TV set	97	2,6	77,0	20,4	105	6,4	84,1	9,5
Computer	10	15,9	84,1	-	44	23,6	76,3	0,1
Refrigerator, freezer	90	3,9	58,3	37,8	94	7,2	71,9	20,9
Automatic washing machine	30	8,7	90,1	1,2	46	12,2	87,3	0,5
Mechanical washing machine	30	4,0	56,6	39,4	31	9,1	66,6	24,3
Vacuum cleaner	39	6,6	72,3	21,1	56	11,9	79,1	9,0
Car	7	0,5	44,9	54,6	20	0,5	60,3	39,2

**Source:** NBS. Household Budget Survey, 2014

**The assessment of the living standards.** The objective estimates are important, but the quality of life of the elderly may be reflected also by their subjective opinions. The empirical data prove a low assessment of the living standard. Approximately 22.0% of older people perceive

their standard of living as "bad and very bad" (1.3 times more than the national average), and only 5% - "well and good" (2.1 times less than the national average). Compared to the previous year, there is a decrease in living standards, every fourth respondent believes that his life has worsened.

**Table 3.** The assessment of the standard of living, %

	HH composed entirely of elderly	All HH
<b>How do you assess the standard of living of your household?</b>		
- very good and good	5,0	10,6
- fair	73,0	72,9
- bad and very bad	22,0	16,4
<b>How does your household live compared to last year?</b>		
- much better and better	1,6	6,5
- the same	72,8	72,4
- worse and much worse	25,6	21,1

**Source:** NBS. Household Budget Survey, 2014.

**Conclusion.** Many of the elderly from the Republic of Moldova do not have sufficient financial resources for a decent life, which compromises their quality of life. The progressively and uncontrolled increase of the costs for house maintenance, utilities, and basic food products are contributing to the increase of the poverty incidence among the elderly, who due to old age are exposed to additional risks specific to age.

International experience proves that economic growth alone does not provide better quality of life for older people, due to their specific problems, which confirms the need of promoting special policies in this area.

Under these conditions one of the main goals of state policies is to improve the social security system and increase the amount of pensions according to the subsistence minimum, which will reduce poverty. The increase of the quality of life is determined by

"invigoration" of the elderly health, prevention of the early withdrawal from the labour market and active ageing.

Demographic ageing of the population will experience unprecedented scale in the near future, and this phenomenon imposes new requirements for the organization of a society with a high proportion of older people. Socio-demographic structure of elderly will become more complex and will include not only people of different ages, but also representatives of different generations. Thus, social policy should take into account the specifics of this population. Social support is more differentiated depending on the actual needs of the elderly and the capacity of the national system of social protection. The successive implementation of the Program for integration of the ageing issues in policies (2014), joining activities and resources at the sectoral and local level, will contribute to improving quality of life of older people and create conditions for active ageing.

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