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CAPITALIZATION OF PRODUCTIVE ABILITIES OF PEOPLE OF ADVANCED AGE: SEARCH OF SOCIAL INNOVATIONS

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Summary. Article is devoted to the justification of need of preservation and capitalization of productive abilities of aged people in Ukraine. Tendencies of the population aging and their influence on economy development have been analyzed. Expediency of

application of social innovations for preservation of effective use of labor potential of aged people in a context of ideas of the “active aging” concept has been proved.

Key words: *human capital, capitalization, population aging, aged people, social innovations, active aging policy.*

The increase in life expectancy is reached in many developed and developing countries thanks to medicine development, improvement of living and work conditions, and also social security. At the same time in developed and developing countries resistant tendencies of birth rate reduction due to overcoming of gender inequality and feminization of women are observed. As a result, number of people of a pre-retirement and retirement age in population structure increases, while the quantity of youth is simultaneously diminishing. That's why in response to the current changes it is necessary to provide the highest achievable level of health and wellbeing for constantly growing number of elderly.

Population aging complicates the possibilities replenishment of pension funds by the working population and at the same time increases problems of the support and treatment of elderly people. Also social payments, costs of social and medical care are increasing and such situation became a call for a labor market policy. Development of various ‘active aging’ policy concepts and the Madrid International Plan of Action on Ageing became the answer to this call.

The purpose of the article is to prove the need of preservation and capitalization of productive abilities of elderly in Ukraine on the basis of implementation of social innovations.

Whether an active ageing is the process of optimizing opportunities for health, participation and security in order to enhance quality of life as people age, the main aim of ‘active aging’ policy is on the basis of arrangements in social policy, health care

and labor market to reach a situation when elderly possess good health, feel as full members of society and are economically active (they work) as longer as possible.

The majority of experts mark out the three main directions of “active aging” policy: employment in elderly age (full or part-time); participation of elderly in societal life (more often through as volunteers); independence (autonomy) of elderly people.

In our opinion, realization of these actions is possible first of all on the basis of preservation and capitalization of productive abilities of elderly people that will allow to the improvement of their welfare and social well-being. Such approach follows from the theory of the human capital presented by T. Schultz and G. Becker and developed by their followers. Generalizing scientific thought concerning the development of human capital, we suggest to define the concept of capitalization of productive abilities of elderly people as process of preservation, involvement and social use of labor potential of elderly in economic, socially useful (volunteer) activities what is accompanied by the certain positive economic or social effect not only for aged people, but also for society and country as a whole.

This process should be accompanied by the social innovations – a complex of initiatives, novations, new services, useful changes which is implemented by the state with social partners in different spheres of formation, use and development of human capital. Concerning elderly people such innovations should firstly aim to provide of the high level of health and

wellbeing for permanently growing number of aged citizens, secondly, – to involve and effectively use the labor abilities and knowledge of elderly. Feature of social innovations devoted to capitalization of productive abilities of elderly first of all is in their addressing, they should promote social support of elderly people, preservation of health, working capacities, life expectancy, creation of incentives for continuation of work.

The choice of social innovations within the active aging policy depends on features of demographic, economic, social and cultural development of the country.

The age structure of the population of Ukraine is characterized by a regressive type of reproduction of generations: in 2011 there were more than 13,7 million pensioners, from them by age – more than 10 million people, by disability – more than 2,0 million people. Reduction of economically effective part of the population is obvious: from 2004 to 2011 the share of people of 15–24 years old – decreased from 15,7 to 13,1 %, thus the share of people of 25–59 years old – increased from 48,0 to 51,4 %, **the share of people elder than 60 increased from 21,0 to 21,2 %.**

Reduction of economically active population will lead to even bigger growth of load on the population of able-bodied age. According to UN scale the population is considered old when the share of people elder than 65 years is more than 7 %. In Ukraine the share of old people in general reached 15,9 %, and among villagers – 19,8 %. Therefore the population of the country is estimated as very much and very old.

The analysis showed that at the beginning of 2011 the share of people of 65 years old and elder was 15,3 % in total number of population in Ukraine, among them women – 66,9 %, **and men, respectively, – 1/3.** Persons of elder than the able-bodied age in total number of population make up 24,7 %, and pensioners – 30,1 % (as in their structure there are pensioners of able-bodied age).

Thus we should conclude that the necessity of implementation of ‘active ageing’ policy in Ukraine is strongly justified by the current demographical situation. Unfortunately the “active aging” policy in Ukraine is more declared at the level of scientists and officials, than truly realized.

Material support of elderly and availability of social-medical services. In the conditions of a low wages in Ukraine the contributions to the Pension fund are insufficient to provide worthy pensions. So, in 2010 in Ukraine the minimum wage was about 100 USD. (it corresponds to the living wage established by the state), an average salary – 282,2 USD

(for comparison, in Luxembourg only in 2009 the average monthly salary was 5864,3 USD). The average size of pension in Ukraine in 2011 was 42,68 % of an average salary (133, 5 USD), so it was less than a half.

Retirement age. In 2011 was introduced a pension reform which rose a retirement age of women by 6 years (up to 60), and men by 2 years (up to 62). However pension reform only will facilitate replenishment of the Pension fund, but won't solve problems of “active aging” without creation of appropriate conditions for maintenance of health and implementation of complex labor policy.

Employment of pensioners serves one of the directions of improvement of a real standard of living of elderly. In Ukraine today is no need to specially stimulate senior citizens for work continuation. They want to work as long, as have opportunity to find a job and as far as health allows, while the main motivation is to support financially themselves and their children. In 2011 the number of employed pensioners in Ukraine was 1907 thnd (17,7 % of officially employed). In structure of the employed the share of people of pre-retirement age (50–59 years) is 62,0 %, and persons elder than able-bodied age (60–70 years) – 24,1 %.

Rather high is a level of pensioners employment in informal sector – 50,2 % (more often in small business, agriculture). We should notice that this income is usually very small, but still it a little improves quality of life.

Use of labor potential of elderly people in Ukraine is supported by high level of the general and vocational education, high labor motivation. Limiting factors are discrepancy to requirements of modern knowledge, computer technologies, changes in production and also low mobility, inconvenient work and not adapted to elderly workplaces.

We claim that the capitalization of labor abilities of elderly people in Ukraine requires implementation of social innovations within the active aging policy aimed at the preservation, development and use of productive abilities of aged population. Development of social innovation should ensure in particular:

- periodic diagnostics of health, prevention of diseases, access of retired to quality health care services, the availability and effectiveness of medical insurance;
- creation of an attractive image of the employee with good health and without bad habits;
- transformation of the entire social infrastructure in order to meet the needs of elderly, expanding the system of social support for aged people, creation of a wide network of available social services;

- support of competitiveness and expanding employment opportunities for elderly workers on the basis of continuing education throughout life;
- stimulation of employers that create the conditions for the continuation of employment of retirees in full or part-time employment;
- motivation for continuing work for the elderly;
- attract retirees to promote interaction between people, to the joint development of new ways of solving existing problems in society (participation in volunteering), which has a positive impact on the social integration of older people, their health and self-realization.

Explained in article allows to state the following:
1) implementation of the active aging policy goals in

Ukraine has limited character what is explained by specifics of economic, demographic, social and cultural development of the country, 2) the conditions of capitalization of productive abilities of elderly people in Ukraine are adverse 3) an urgent need is preservation and capitalization of productive abilities of elderly people on the basis of the implementation of system of social innovations within a policy of the active aging that, in turn, requires combining of efforts of all social partners – the state, employers, labor unions, different public organizations. Perspectives of further researches are connected to development of the mechanism of implementation of social innovations concerning capitalization of productive abilities of elderly people.

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