Older People in the Russian Labor Market: The Dilemma Between Necessity and Life's Imperatives

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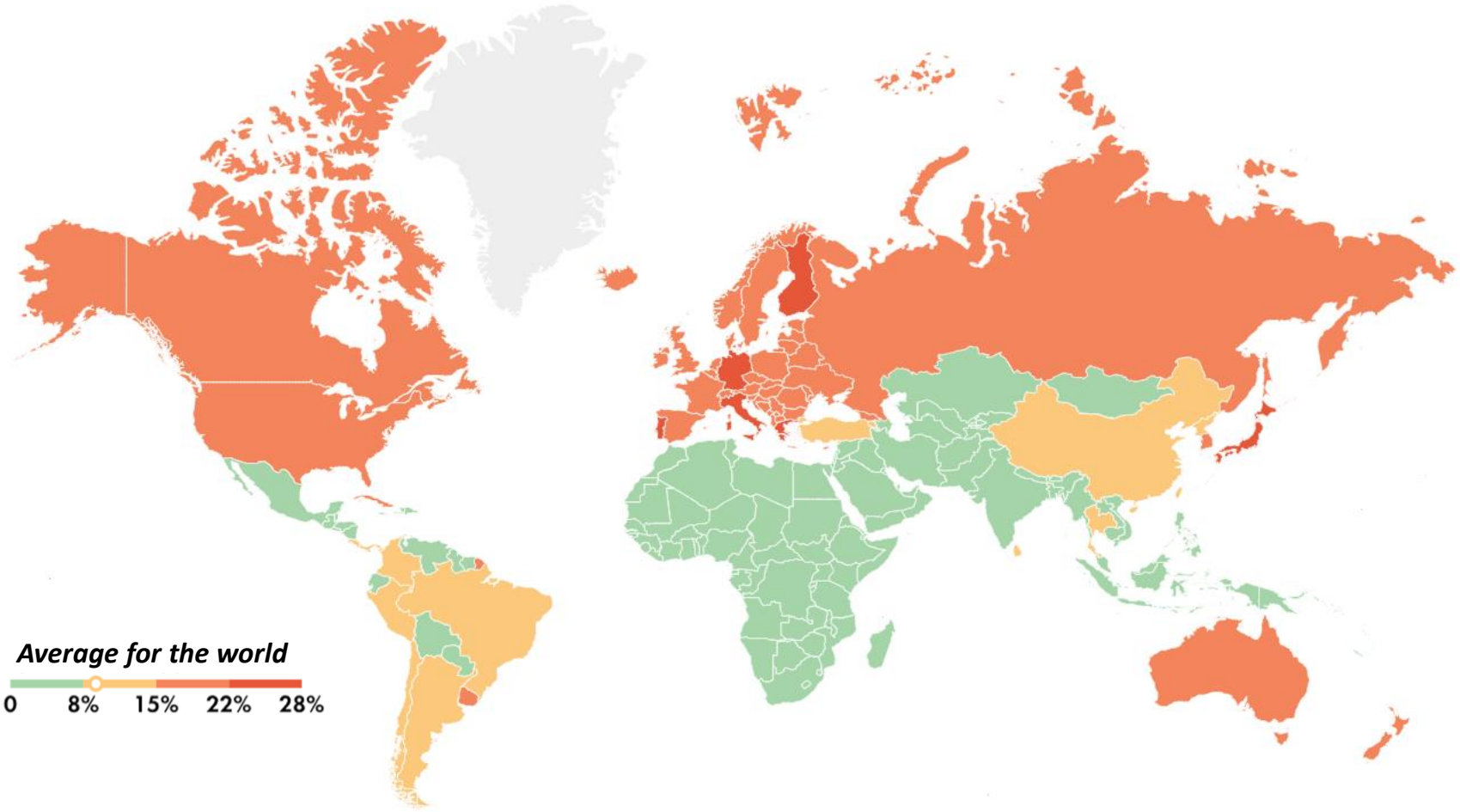
Population aging in the world

Percentage of population over 65 years



Source: «Esli bit' tochnim» based on UN data, 2020.

Population aging in Russia

- **By 2050, about 25% of Russians will be over 65**, which will lead to a further reduction in the share of young people and working-age citizens.
- **Population aging threatens to worsen the labor shortage and slow the economy**. If current trends continue, by 2050 there will be only 2 working people per elderly person (versus 4 in the 2000s).
- **Russian regions are aging unevenly:** rural areas and depressed regions are losing young people faster, while central cities maintain a balance longer due to migration.

Percentage of population over 65 years

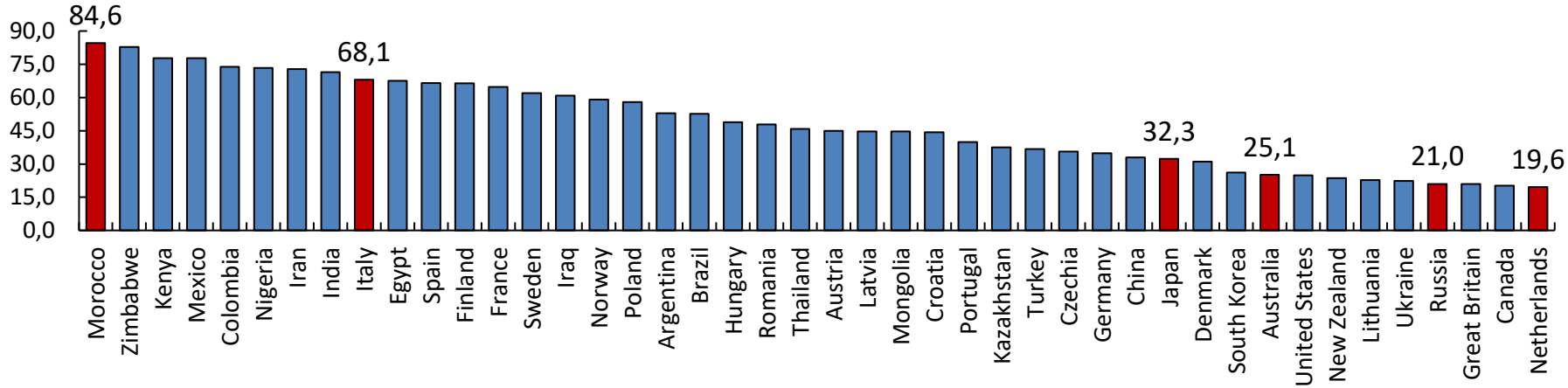
Average for Russia, 1990

Average for Russia, 2021

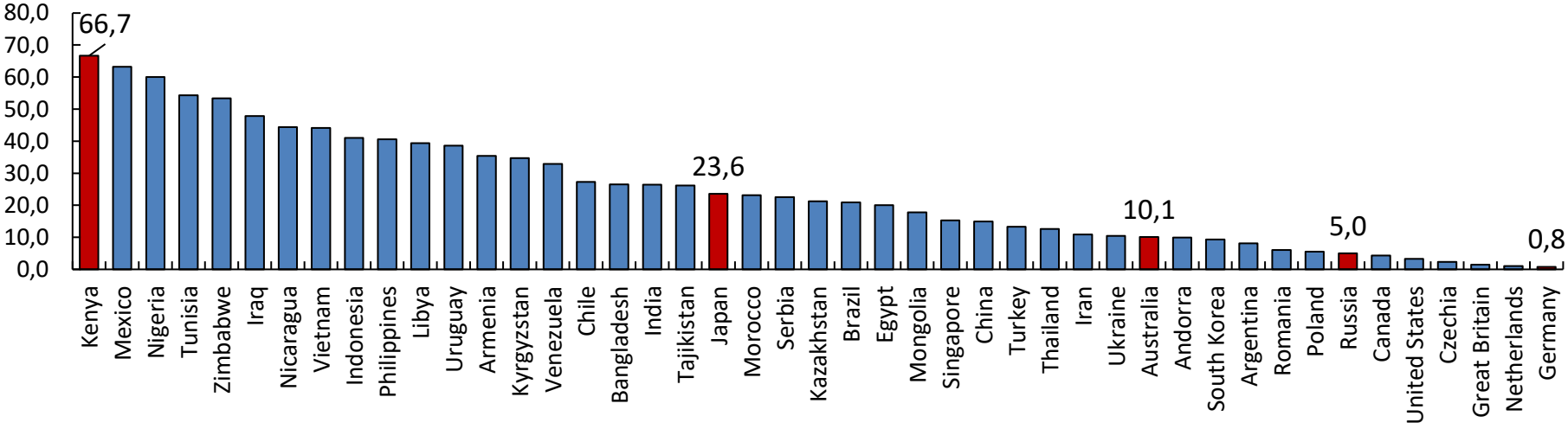
Source: «Esli bit' tochnim» based on Rosstat data.

Attitudes of older people to work

Important in life: Work (very important), 65+ years, 2017-2022, %

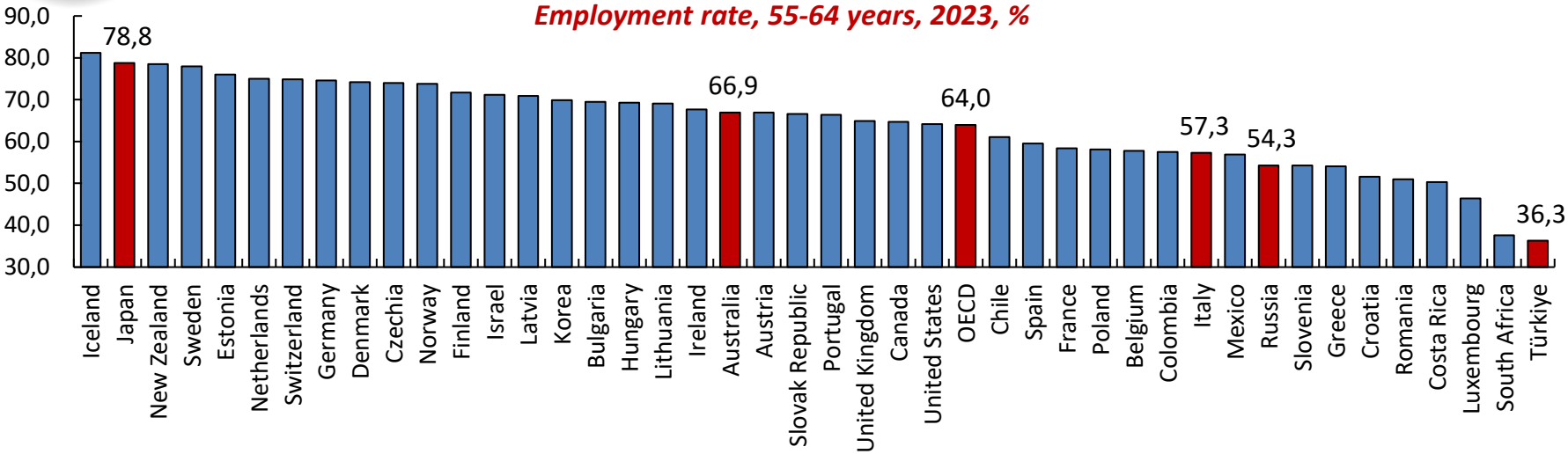


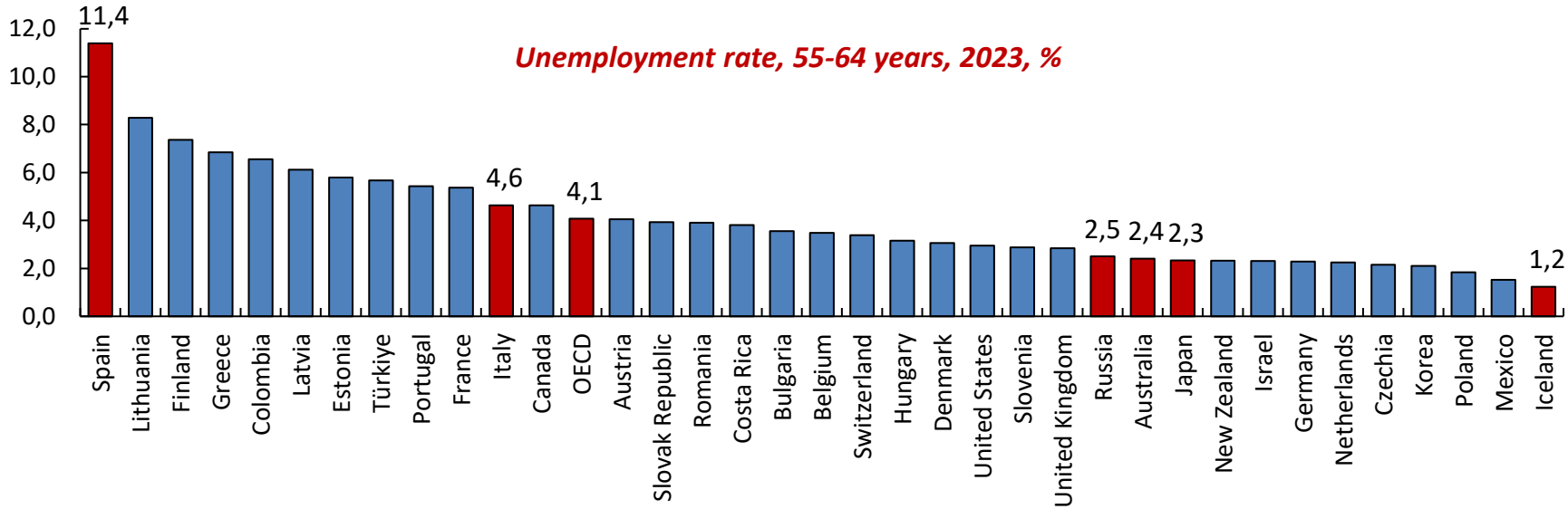
Worries: Losing my job or not finding a job (very much), 65+ years, 2017-2022, %



Source: own calculations based on World Values Survey data.

Older people in the labor market





Source: OECD.Data, Rosstat.

The state of pension systems in the world

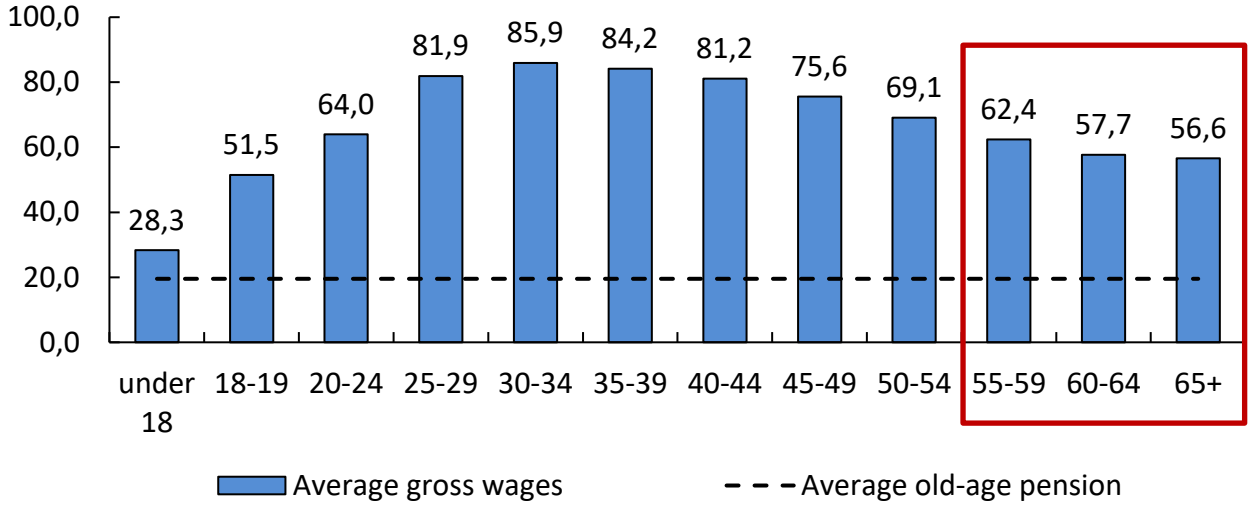
- **The net pension replacement rate** shows how much pension income allows one to maintain a familiar standard of living.
- **In many OECD countries it exceeds 50%, while in Russia it is only 26,4%,** which indicates a high degree of vulnerability of pensioners.
- Even with a relatively low retirement age, **the Russian system provides one of the lowest levels of financial stability for the elderly**.

Country	Retirement age, years	Net pension replacement rate, %
Portugal	68	98,8
Brazil	65	96,9
Turkey	65	95,4
China	60	88,3
Spain	65	86,5
France	65	71,9
Finland	69	65,1
Mexico	65	62,4
Germany	67	55,3
Norway	67	54,8
United Kingdom	67	54,4
Latvia	65	52,8
United States	67	50,5
Israel	67	47,3
Canada	65	44,2
India	58	44,2
Poland	65	40,3
Japan	65	38,8
Korea	65	35,8
Australia	67	33,7
Russia	**63 (58)**	**26,4**

*Source: (*Kolesov, 2024) based on OECD data.

Wages in Russia
by age groups of the population

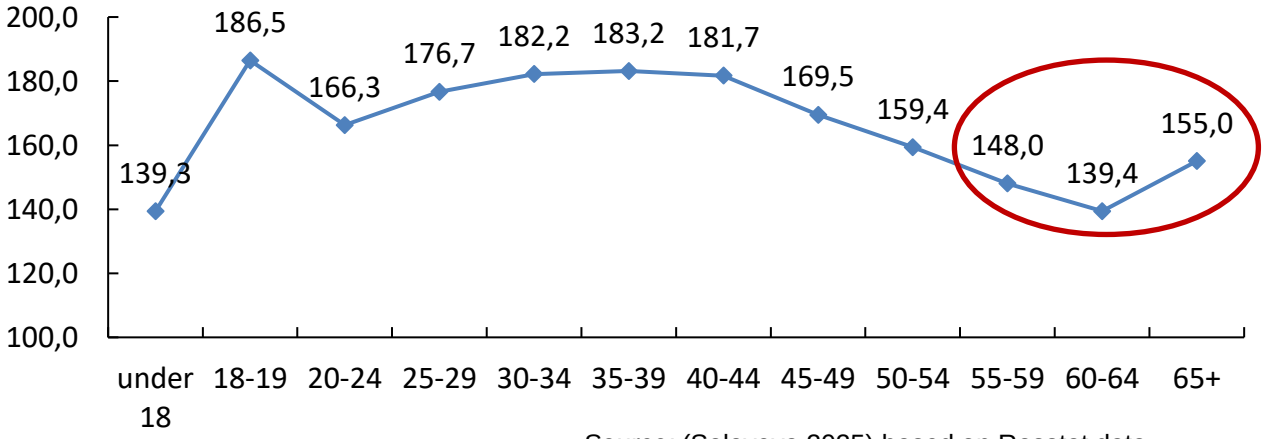
Average gross wages in Russia by age group, 2023, thousand rubles



In Russia, older people have the lowest earnings among the adult population

The dynamics of wages among older people remains one of the lowest in the country

Dynamics of real wages in Russia in 2007-2023, %



Source: (Soloveva,2025) based on Rosstat data.

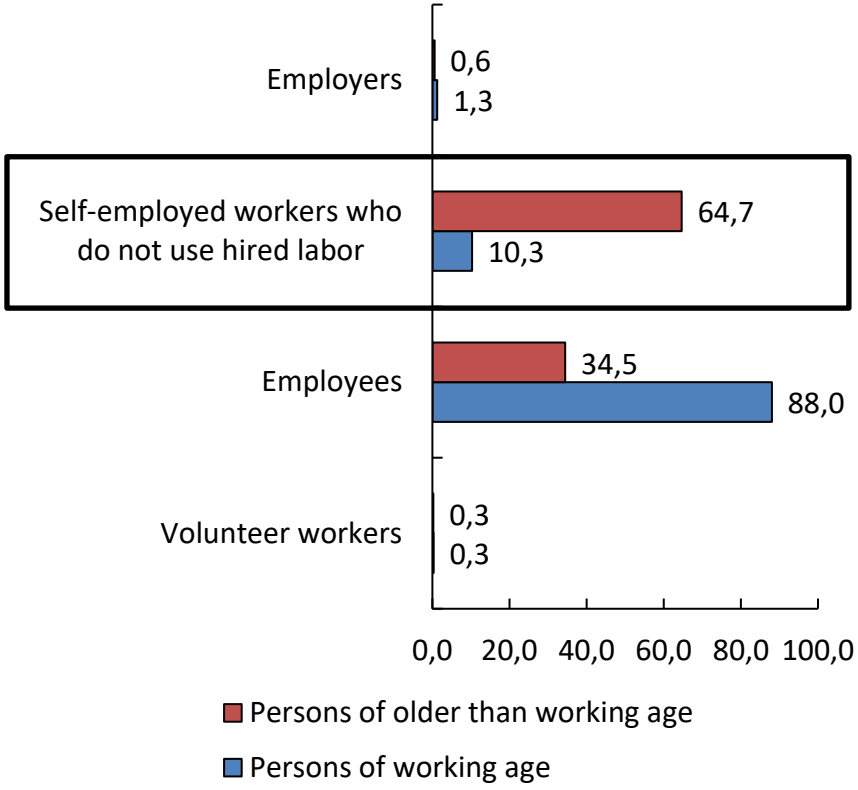
Older Workers in Russia
from the perspective of large occupational groups

Occupational groups / subgroups	Workers		+/-, p.p.
	working age, %	retirement age, %	
Major occupational groups			
Managers	4,7	6,8	+2,1
Highly skilled specialists	24,4	24,1	-0,3
Mid-skilled specialists	13,4	12,2	-1,2
Employees engaged in information preparation, documentation, accounting and maintenance	3,4	3,9	+0,5
Service and trade workers, citizen and property protection	16,8	15,5	-1,3
Skilled workers in agriculture and forestry, fish farming and fishing	2,3	7,4	+5,1
Skilled workers in industry, construction, transport and related occupations	12,8	7,9	-4,9
Operators of production plants and machines, assemblers and drivers	13,7	8,7	-4,9
Unskilled workers	**8,6**	**13,5**	**+5,0**
The most notable changes by occupational subgroups			
Skilled workers in agriculture, fishing, …, producing goods for personal consumption	**0,8**	**5,3**	**+4,6**
Education professionals	6,3	9,8	+3,5
Cleaners and domestic workers	**1,6**	**5,1**	**+3,5**
Unskilled garbage collectors and other unskilled workers	**4,2**	**6,5**	**+2,3**
Normal health care personnel	3,5	5,3	+1,8
Health care professionals	2,1	3,1	+1,0

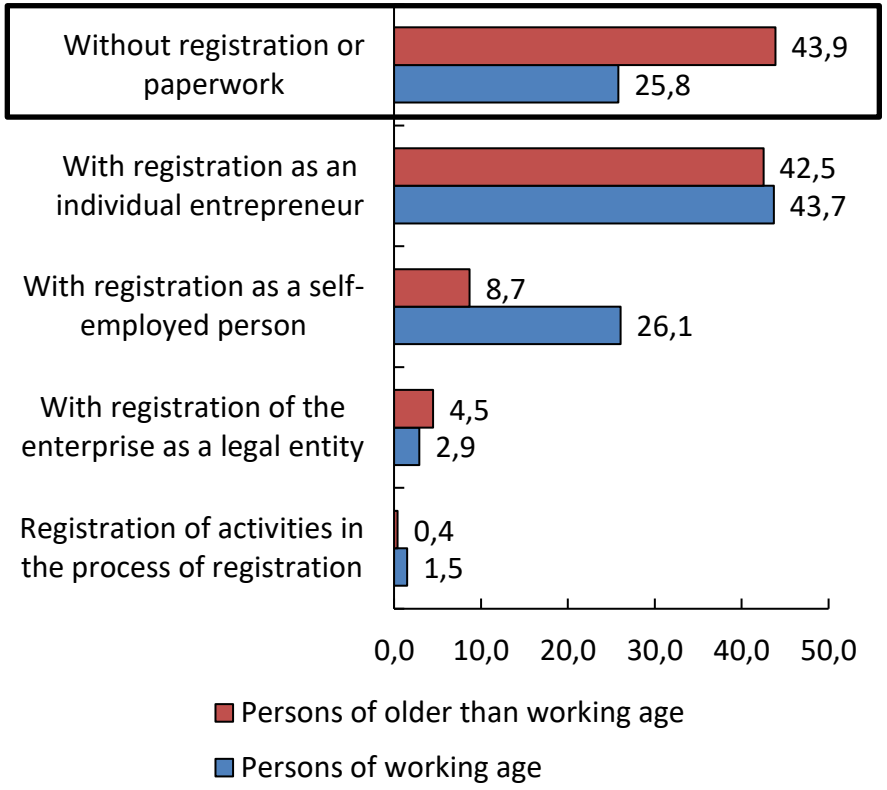
Source: own calculations based on Rosstat data.

Older workers in Russia: the nature of labor relations

Categories of classification of population by status in employment sphere



Under what conditions did your enterprise or business operate?



Source: own calculations based on Rosstat data.

Prosperous old age: factor analysis

Rotated matrix of components formed on the basis of the distribution of answers to the question "What are you currently doing to achieve a prosperous old age?"

Answer option	Name of the component			
	activity component	labor component	social component	health component
I engage in spiritual practices	0,775			
I create my own sources of passive income	0,767			
I prepare mentally and psychologically: learning to understand myself better, working on positive thinking, addressing my psychological issues and traumas	0,763			
I participate in community life	0,756			
I save money for life in old age	0,708			
I visit cultural institutions (theaters, cinemas, libraries)	0,619			
I use modern technologies to prolong and maintain youth and health	0,447			
I improve my professional qualifications		0,823		
I build continuous work experience		0,817		
I strive to work officially, with a "white" (legal) salary		0,693		
I pursue additional education		0,636		
I aim for state awards that guarantee benefits and pension supplements		0,562		
I maintain intellectual activity		0,416		
I maintain good relationships with family members			0,873	
I regularly socialize with friends and acquaintances			0,870	
I try to avoid stress				0,860
I take care of my health				0,845

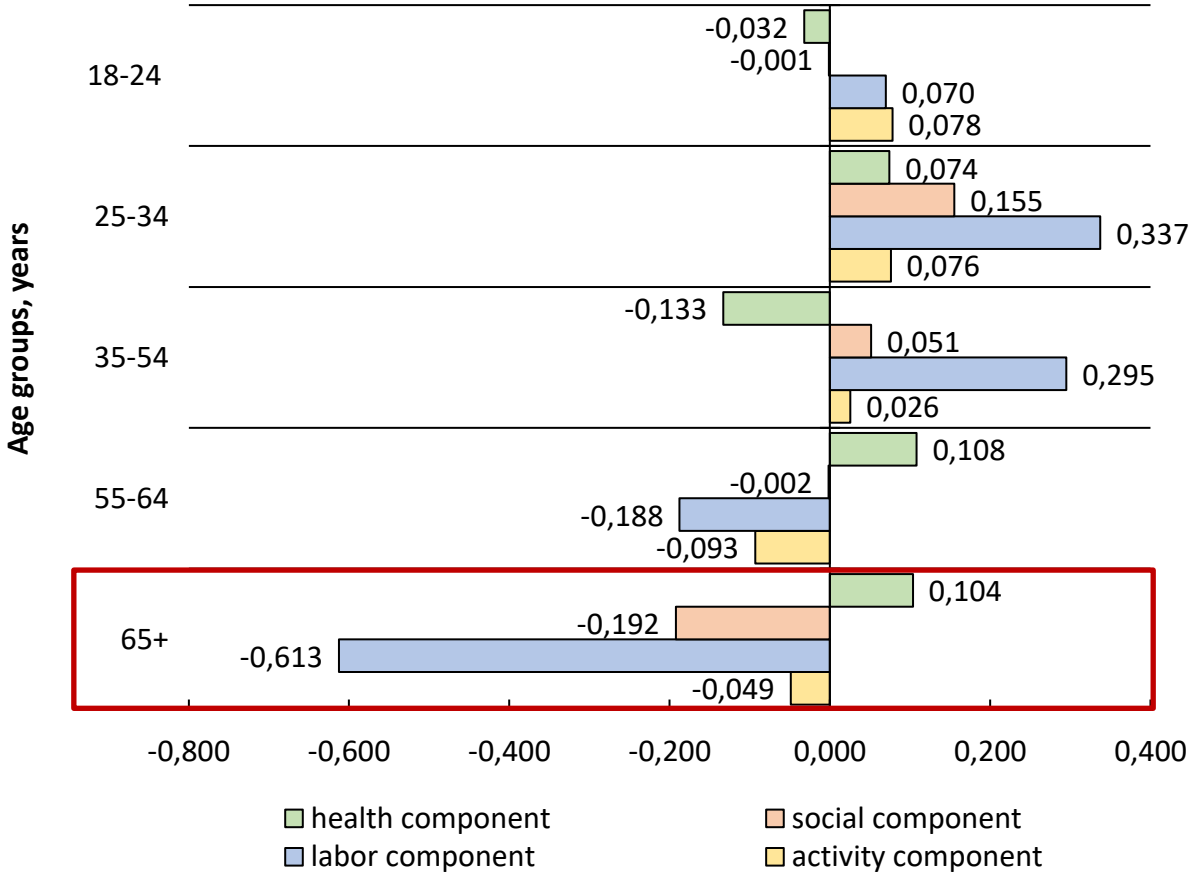
Note: Kaiser-Meyer-Olkin criterion (0,857) and Bartlett's test (χ^2 = 10533,534; df = 136; p < 0,005) were calculated to assess the suitability of the data.
Source: calculated on the basis of monitoring data of the quality of labor potential of the population of the Vologda region of Russia, VolRC RAS, 2024 (N = 1500).

Priorities of strategies for achieving prosperous old age

The average factor scores for each component clearly show how life priorities change with age

With age, the priorities of strategies for achieving a prosperous old age shift: from a focus on activity and professional self-realization in youth to increasing attention to health in old age

Factor loading of components of achieving prosperous old age in terms of age groups of the population



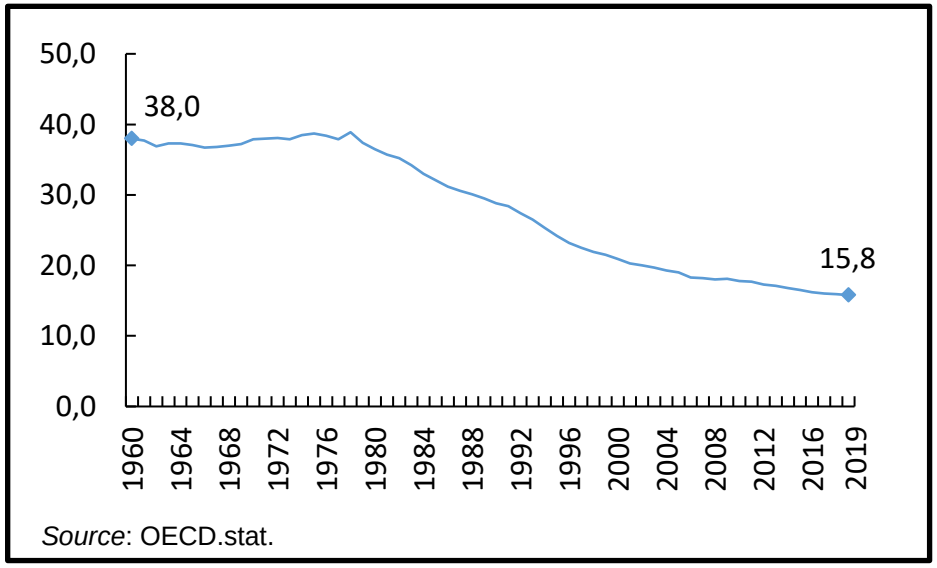
Source: calculated on the basis of monitoring data of the quality of labor potential of the population of the Vologda region of Russia, VolRC RAS, 2024 (N = 1500).

The Relevance of reforming the trade union movement (1)

At present, the trade union movement, despite its importance as a social institution, is facing a gradual decline in its influence on employment and decent working conditions

The weakening of the position of voluntary associations of workers is caused by a complex of socio-economic and political factors, including deindustrialization, scientific and technological progress, the expansion of non-standard forms of employment and the reduction of the public sector of the economy (*Crouch, 2017; Vandaele, 2019*).

Average trade union density in OECD countries, %



Source: OECD.stat.

The observed changes have become the subject of active discussions, including in Russia, where there is also a decrease in the degree of unionization of workers and a crisis of trade unions in general, which are forced to adapt to post-Soviet realities (*Sobolev, 2023*).

The Relevance of reforming the trade union movement (2)

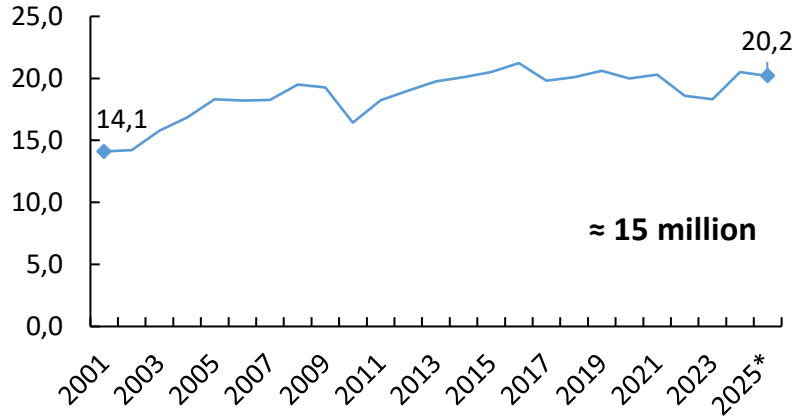
Russia has seen the most significant decline in unionization of workers among the G7 countries (i.e., a narrowing of the space for social dialogue and tripartism), which is largely due to the growth of individualization of labor

Trade union density in Russia and G7 countries, %

Country	2000	2019	+/-, p.p.
Италия	35,0	32,5	-2,5
Канада	30,1	28,3	-1,8
Россия	**43,5***	**27,4****	**-16,1**
Великобритания	29,8	23,4	-6,4
Япония	21,5	16,8	-4,7
Германия	24,5	16,2	-8,3
США	12,9	9,8	-3,1
Франция	12,6	8,9***	-3,7

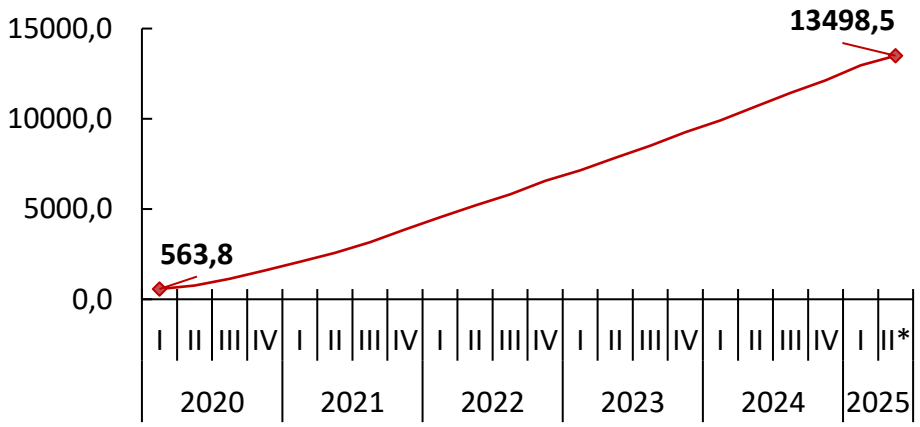
** 2006, ** 2017, *** 2018.*
Source: ILOSTAT.

Employed in the informal sector of the Russian Federation, %



** Q1 2025.*
Source: Rosstat data.

Number of self-employed persons in Russia, using the special tax regime, million people



** May 31, 2025.*
Source: Federal Tax Service data.

Key challenges for the trade union movement

In the current context, the key challenges for the trade union movement are related to digital transformation and the growing polarization of the labor market (*ILO, 2020*):

- **Digital transformation** manifests itself, first of all, in the widespread use of transactional and web platforms (*Vandaele, 2019; Sinyavskaya et al., 2021*), which radically change the traditional mechanisms of interaction between employees and employers, which leads to a reduction in opportunities for social dialogue (*Kraynov et al., 2020*). A striking example is the self-employed, who are forced to acquire the appropriate status to work with platforms and often agree to unfavorable working conditions (*Mironova, Litvinenko, 2023*).
- **The polarization of the labor market** is expressed in the deepening division of the workforce into two groups: on the one hand, workers with stable employment, on the other - persons in unstable employment relationships and at risk of unemployment. In this context, special attention is paid to the need to combat various manifestations of precarization, which weaken the position of trade unions (*Lyapin et al., 2007; Lewchuk et al., 2015*).

Employment precarization: behavioural factors and conditions of distribution

Methodology for assessing precarious employment among employees: 1) informal nature of labor relations initiated by the employer; 2) lack of basic social guarantees; 3) low level of wages. **To identify factors influencing the stability of labor relations, a probit model was built on sociological data for the Vologda region of Russia**. The binary variable of employment stability served as a dependent variable (*0 - stable employment, 1 - precarious employment*).

Results of constructing a probit model* for the binary variable of precarious employment, 2022

	B	SE	z-value	P>|z|	Conf. interval (2,5%)	Conf. interval (97,5%)
const	-0,935	0,433	-2,162	0,031	-1,783	-0,087
Work in the specialty	0,162	0,099	1,639	0,101	-0,032	0,356
Salary preferences	0,127	0,090	1,414	0,157	-0,049	0,302
Method of job search	-0,071	0,045	-1,567	0,117	-0,160	0,018
Frequency of job changes over the past 5 years	0,211	0,077	2,727	0,006	0,059	0,363
Compliance of qualifications with the work performed	-0,051	0,106	-0,478	0,633	-0,258	0,157
Full-time employment	-0,778	0,164	-4,742	0,000	-1,100	-0,457
Form of remuneration	-0,163	0,116	-1,399	0,162	-0,391	0,065
Membership in a trade union	**0,445**	**0,077**	**5,744**	**0,000**	**0,293**	**0,596**

* The accuracy of the probit model was 68.1%, which indicates its moderate predictive ability.

Source: calculated based on data from monitoring the quality of labor potential of the population of the Vologda region, VolRC RAS (N = 565).

All-Russian Digital Platform of Trade Unions (ADPTU)

The analysis substantiated the **need to develop an All-Russian Digital Platform of Trade Unions (ADPTU),** functioning with the direct support of the state, which assumes the costs of creating and maintaining the digital infrastructure, and also demonstrates commitment to the principles of decent work and protection of labor rights. Unlike existing commercial solutions, such as Bitrix24, focused on trade union management, ADPTU will primarily perform a consolidating function.

The target of ADPTU will be to improve working conditions and provide legal and social support to workers:

- Employees. Implementation of various corporate tools, *including the creation and approval of collective agreements, conducting surveys and voting, monitoring compliance with working conditions, filing complaints and appeals, consultations, an automated system for calculating social benefits, etc.*
- Self-employed. Development of special protection mechanisms (*virtual trade union groups, monitoring compliance with contractual obligations and payments, recommendations on tax planning, automated calculation of social contributions, etc.*)

The full list of functions and areas of activity of the platform will be formed based on the results of public discussions, which will ensure that it meets the needs of all categories of workers

Stages and effects of the implementation of the ADPTU

Key stages of implementation of the ADPTU

1. Analysis of needs and design of a digital platform (*assessment of the current state of the labor market and trade union movement, definition of the functional requirements of the platform, involvement of experts*).
2. State legislative initiative (*creation of a legal framework, inclusion of social partners*).
3. Technical development and testing (*selection of developers and contractors, pilot testing*).
4. Training and integration (*training of trade unions and employers, creation of training materials for employees, integration with government agencies*).
5. Launch of the platform and popularization (*public launch of the platform, information campaign, motivational programs*).
6. Monitoring and improvement (*monitoring of effectiveness, feedback and adjustment*).
7. Expansion of functionality.

The main effects of the implementation of the ADPTU

Economic effects

- reduction of informal employment;
- increase in labor productivity;
- strengthening legal labor relations;
- increase in trust between employers and employees;
- increase in the competitiveness of the economy;
- economic inclusion of the self-employed.

Social effects

- increasing the coverage of the trade union movement;
- increasing social protection of workers;
- improving working conditions;
- increasing the involvement of workers in decision-making processes;
- reducing social inequality;
- social inclusion of the self-employed.

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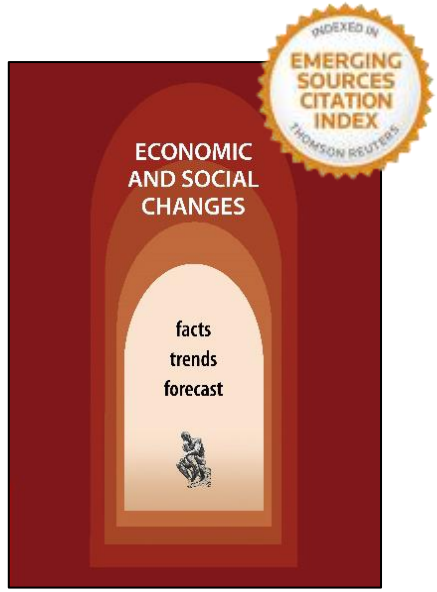
Thank you for your attention!



Economic and Social Changes: Facts, Trends, Forecast