

Pension Provision for Employees Involved in Production with Harmful and Difficult Working Conditions on the Example of the Republic of Tatarstan (Gender Analysis)

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Abstract: The study provides gender analysis of pensions of employees involved in a production with harmful and difficult working conditions. Comparative statistical data on the amount of a preferential pension (on the example of the Republic of Tatarstan) was analyzed, a discriminatory character of the existing practices of early retirement from a health standpoint for both men and women was revealed.

Key words: Preferential pension provision, harmful and heavy working conditions, gender asymmetry, discriminatory practices, retirement

INTRODUCTION

A long-drawn-out reform of the pension system in Russia, the next stage of which begins in January 2015 is the subject of discussions of specialists of different spheres: historians, lawyers, economists, sociologists and other researchers. The vector of development of the pension system is defined and it is directed toward the increasing of dependence of retirement income on the labor input of each employee into the social production. In essence, we are talking about the objective ratio of earnings of an employee with the future pension but in the short term the results of the realized changes are not to be expected (Erdnieva, 2012).

Statesmen discuss pension reform; politician's and scientist's debates are devoted to it. The low level of pension provision of citizens not consistent with the international standards is highlighted in the discussions as the most important social and legal problem (Tuchkova and Vasilyeva, 2013). One of the most urgent problems of the Russian Pension System's functioning is its independent self-sufficient existence without any relation to the employee and to the employer. Clear guidelines and incentives that shape conscious and interested attitude of workers and employers in its functioning are not established (Mironova, 2014).

The most pressing issue of the sources for financing early (preferential) pensions remains. There are different points of view over the fate of preferential pensions for the categories of workers involved in production with

harmful and difficult working conditions from an increased insurance burden on the employer to an increase of the age of retirement of workers engaged in "harmful" production. The so-called professional pension systems obtain more and more supporters. They allow to transform the existing procedure for fixing of an old age pension with decrease of the age due to special conditions. The reform of the pension program foresees an establishment of a professional (corporate) pension system as a separate category of pension provision. The need of introduction of a professional pension system is due to the additional burden on the wage fund in the form of preferential pension funding. It is known that today employers in productions with harmful working conditions deduct in the wage fund a unified percentage of insurance premiums for employees who retired early on the preferential grounds. A solution to the problem is seen either in the increase of insurance premiums for employees of harmful productions or through professional pension schemes.

According to statistical data about 30% of Russians today have the right to an early retirement. The >20% of the budget of the Pension Fund is spent on the payment of the preferential pension. Social security branch researchers state that >1.700 representatives of various professions and occupations benefit the right to an early retirement (Erdnieva, 2012). In 2014, the Ministry of Health and Social Development developed a list of 24 groups of professions that can benefit the right of an earlier retirement.

However, researchers note gaps in the legislation and inconsistent law enforcement practices in this field: violation of the rights of citizens in the process of reforming of the pension legislation is established, social significance of various professions is ignored, gender asymmetry in the realization of the constitutional rights of citizens is observed.

FROM THE HISTORY OF PREFERENTIAL PENSIONS

In Russia, the emergence of the institute of pensions for those who worked in harmful and difficult working conditions is related to the decision of the Council of People's Commissars of the USSR from 1932.

It is from this year until the 1990's the "Provisional list of harmful occupations, giving the right to decrease the length of service and to increase pensions" was implemented defining old-age pension with a decrease of the general pension age for certain categories of workers. According to this regulation preferential old-age pension was administered after a 20 years working experience, at least 10 years of which had to be the work activity which gives the right to pension benefits. Under these conditions, both women and men obtained an equal right to retire 10 years earlier than the generally established period.

Later the bases for differentiation of the pension legislation expanded: for example, along with the specifics of labor sectoral, regional as well as medical and biological factors were taken into consideration.

The legislation on pension on preferential grounds is further developed during the first decade after the end of the World War II giving preferential conditions for workers of the branches of the national economy as well as for professions defined as leading for the country's development (Petrova, 2014). A special system of "higher" branch-wise pensions was created. A system of preferential pensions for employees of the coal industry, geology, iron industry, asbestos industry, non-ferrous metallurgy, chemical industry, fishing industry of some areas of the North was widely developed.

The functioning of the system of pensions on preferential grounds was determined by branches of the national industry as well as by the list of posts and professions. In both cases, the pension benefits were expressed in the lowering of the age of eligibility for retirement 55 years for men, 50 years for women and in many branches also in shortening of the length of service up to 20 years. Although, the legislation on pension

on preferential grounds was further developed in the following years, the Lists No. 1 and 2 themselves, approved in 1956, almost did not change until 1991, only the practice of their application improved. So, in 1964 pension benefits were established for the employees of the nuclear industry, in 1976 for textile workers and in 1975 for machine-operator women.

Prior to the adoption of the Law No. 340 in 1990 "On state pensions in the Russian Federation" in accordance with which was fixated the old-age pension due to special working conditions (Article 12) and length of service pensions (Article 78, 78.1, 78.2) in order to receive a preferential pension it was enough to have a profession or a position of a worker cited in the above mentioned preferential lists. It is significant that the legislator did not envisage the abolition of the pension benefits in case of improvement of the working conditions so an employer was not motivated to improve working conditions of an employee. Researchers of the pension legislation note that in this way the compensatory mechanism did not work because it in no way correlated to its original purpose. In fact, an employee was not protected by time (limitation of the employment period in conditions of a high level professional risk) and the actual state of working conditions did not change.

New Lists No. 1 and 2 were formed and approved in 1991. The age for "preferential" pension was reduced by 5 years. Under the new law women according to the List No. 1 earned harmful conditions retirement after 7.5 years of work on the "harmful" production and 15 years of pensionable service at the age of 45 years and men earned it after over a 10 years length of service in harmful conditions and pensionable service of 20 years at the age of 50 years.

The retirement age for women, whose professions are classified the List No. 2 was fixed at 50 years under condition of a 10 years work on the "harmful" production and a 20 years general pensionable service. For men, however, the retirement age is marked at 55 years with work experience in the production with harmful conditions of 12.5 years and general pensionable service of 25 years.

Legislation foresees an earlier retirement under condition of working on the "harmful production" for at least a half of the above mentioned period. In this case, the pension is fixed with a decrease of the generally established age by one year for every full year of such work. When working in difficult conditions at least for a half of that period, the pension under the current legislation is set for women with a decrease of the generally established age by 1 year for every 2 years of

such work. The retirement age of men employed on the harmful production is decreased from the generally established by 1 year for every 2 and a half years of such work.

The existing system of preferential pensions in Russia is criticized, especially in terms of observance of gender equality. Let us consider, the manifestation of gender inequality in the functioning of the system of preferential pensions on the example of one of the republics of modern Russia, namely, on the example of the Republic of Tatarstan.

GENDER ANALYSIS OF THE PREFERENTIAL PENSION SYSTEM (ON THE EXAMPLE OF THE REPUBLIC OF TATARSTAN)

Gender approach involves the study of how the social and economic policy of a state affects different social groups of men and women. It gives an opportunity to observe how the political, economic and social factors influence the position of men and women in the society: their income, prestige, possession of power. Thus, gender approach becomes a tool for understanding of social processes, which are formed in the country.

We understand gender analysis as acquisition of qualitative and quantitative information, usage of that knowledge for identifying of potential problems of emergence of gender asymmetries in the economy and the social sphere in general and finding solutions for the formation of gender equality and the elimination of discriminatory practices.

Gender analysis of the Russian pension legislation is only possible in the historical context, taking into account the specific circumstances of its formation with the specification of the conditions of its existence. In the logic of our research the gender context is the identification of conditions, localization of the events in space and time, within which occurs the formation and functioning of the norms of the pension legislation affecting differently men and women.

Let us address to a manual on gender analysis published in the late 90's of the XXth century in Canada. Researchers correctly point out that the social expertise that includes the gender analysis is "an integral component of any high quality analysis of a political course in all spheres of life". Indeed, without taking into account gender component the whole cycle of the political process of development and implementation of a government activity seems incomplete, halved. The result of a gender analysis should be, in our opinion, a comprehensive reflection of a wide variety of possible

consequences which can expect the representatives of both sexes and not just a lobbying of a position on one side. Overall, as the Canadian researchers fairly notice, an analysis based on a gender approach is an important part of a universal socio-economic analysis of a state policy.

In modern Russia gender inequality in pensions is a reflection and a consequence of the developed system of inequality in the sphere of employment and wages. Our pension legislation regulates different standards for men and women does not take into account such fundamental differences as life expectancy of men and women, gender occupational segregation where the inequality between men and women is determined by the features of the legislation, cultural traditions and gender roles, accepted in the society.

The difference in the age for old-age retirement for men at the age of 60 years and women at the age of 55 years leads to the formation of different types of gender inequality. Thus, a legalized unified for men and women scheme for calculation of a labor (non-contributory) pension which does not take into consideration the differences in their retirement age, life expectancy (for men it is lower than for women) in practice leads to the denial of pension rights for men. In addition, some jobs are "preferential" only in relation to women for example, a tractor mechanic, a driver of building, road and handling machines as well as profession involving work "with increased intensity and severity" in the textile industry.

Working career of women in Russia evolved contradictory. The Soviet state supported women who performed two social roles of a mother and a worker (Petrova, 2014). But the fulfillment of reproductive functions led to the fact that a woman having taken a childcare leave was left out of work activity for a year and a half or 3 years that prevented or delayed her career progress. A year and a half out of the 3 years childcare was not paid and was not included in the total work (non-contributory) experience that gave the right to an early retirement. On the other hand, the developed gender inequality in wages created a situation where women that were working in the factories including those with harmful work conditions, deducted small in comparison with men contributions to the Pension fund and therefore, their pension savings were also smaller when they reached retirement age.

Thus, conditions for the formation of gender inequality in pension system evolved historically in Russia. Despite the fact that the ratio of an average old-age pension for men and women at the present stage is close to one, this "gender equality" is due to the fact that the most part of modern Russian pensioners receive

pension that was earned during the old pension system in which the pension depended little on the earnings and the work experience of an employee.

Starting from the 1990's the Russian Pension System based on the principle of solidarity between generations (payasyougo) began to experience significant difficulties mainly due to a significant decrease in the ratio between the number of pension contributors and pensioners the key indicator for this kind of systems. The reduce of this ratio occurred because of both demographic and socio-economic reasons.

Now a days, at the beginning of the 21st century demographic, socio-economic and political situation in Russia is changing. But how does the pension statistic look from the gender point of view? What are the trends? Let us consider the existing system of pensions for men and women engaged in "harmful" production on the example of the Republic of Tatarstan.

According to the Federal State Statistics Service, the number of employees that worked in harmful and difficult working conditions in the Republic of Tatarstan and retired early is increasing annually. So, from 2008-2012 the proportion of workers that retired early because of work in harmful and difficult working conditions increased by 43% (Table 1 and 2).

At the same time, the average amount of the "preferential pensions" for 5 years increased by 85%. Among the population of the Republic of Tatarstan who worked in harmful conditions and retired early there are much more men than women during all the studied period (Table 3).

Table 1: Number of employees, that worked in harmful and difficult working conditions in the Republic of Tatarstan

Years	Republic of Tatarstan
2008	22246
2009	24259
2010	26763
2011	29450
2012	31788

Table 2: Average pension of persons that worked in harmful and difficult working conditions and retired early (rub)

Years	Republic of Tatarstan
2008	4366.92
2009	6025.58
2010	6468.76
2011	7197.70
2012	8081.70

Table 3: The ratio of men and women who worked in harmful conditions and reached the early retirement age (in the Republic of Tatarstan, %)

Years	Men	Women
2008	71.8	28.2
2009	71.6	28.4
2010	71.6	28.4
2011	71.3	28.7
2012	71.2	28.8

We can see even though a minor growth in the number of women in years, and a dynamic of reduction in the number of men. Thereafter, a minimum difference of workers left for early retirement between men and women is observed in 2008 (men: 71.8%, women: 28.2%), the maximum in 2012 (men: 71.2%, women: 28.8%). We shall next consider the trend in the change of the difference.

The trend of a difference in the ratio of men to women who left on an early retirement and worked in harmful working conditions is leading to a reduction (Fig. 1). The number of women who reached early retirement age in this sphere becomes larger. This may be due either to an increase in the number of female workers or to the reduction of life length of male workers (an increase in the number of the deceased that do not reach early retirement age). It is not possible to say that the reasons for this situation is the promotion of the professions included in this sphere, it is rather due to a demographic problem as well as to an outflow of male labor into other work areas, to a rising unemployment among women of the republic and to a complexity of finding of a suitable work. So, in 2010 55.7% of women were registered as unemployed at the employment centers of the republic. Women also prevailed among the registered unemployed in 2011, 63.9% of the total number of unemployed.

Women go on a pension, the amount of which is negligible and is not able to meet even the minimum requirements for existence (Table 4).

For comparison on the 1st January, 2010 the average pension in the Republic of Tatarstan was 6 789.8 rubles, on the 1st January, 2011, 7 230.8 rubles, on the 1st January, 2012, 7 886.3 rubles. The average labor pension in the republic in 2010 was 6983.1 rubles, in 2011, 7 427.5 rubles, in 2012, 8 105.2 rubles. Thus, the pension of a woman who worked in harmful or difficult production is lower than the average in the republic and significantly lower than the pension of men. Table 4 shows that the size of pensions of men and women is growing throughout the study period but it is clear that the difference in the ratio of pension growth of this category

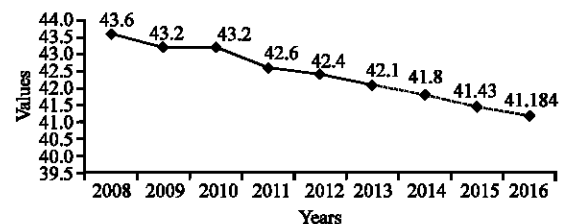


Fig. 1: Evolution of the ratio of the number of men and women who left for an early retirement (harmful and difficult working conditions, Tatarstan)

Table 4: The average pension of employees worked in harmful and difficult working conditions in the Republic of Tatarstan (rub)

Years	Men	Women
2008	5622.17	3111.66
2009	7772.99	4278.16
2010	7979.28	4278.16
2011	9000.82	5394.57
2012	10194.38	5969.02

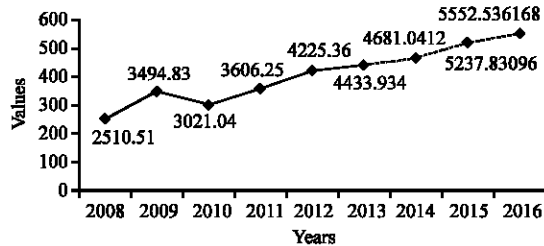


Fig. 2: Dynamic of difference of average pension for men and women who worked in harmful and difficult working conditions in Tatarstan (rub)

of workers also increases. While maintaining the dynamic of difference of an average pension for men and women who worked in harmful and difficult working conditions the difference will tend to increase in the subsequent period as well (Fig. 2).

On average, the life expectancy of women is higher than of men in Russia. This is explained by the fact that the number of women in the Russian Federation is higher than the number of men due to older ages. Thus, according to the Federal State Statistics Service the average life expectancy for women is 11-13 years higher than for men.

At the same time, the level of economic activity is higher of men than of women. The same trend is observed in terms of wages.

Let us draw our attention to another important aspect that has a considerable affect on the amount of pension length of service. Duration of work activity for women in all other conditions being equal is five years shorter than for men. This is due to an earlier retirement. If interruptions in connection with the birth of a child are added to the length of service, the gap will be even more significant.

The amount of the basic component of a pension of men and women is the same. The size of the non-contributory component is affected by the difference in wages. Thus, for men this part of the pension is higher than for women. The amount of the funded component of the retirement pension is affected by three factors that leads to an excess of the amount of pension savings for men. Since, the effect of each of the three components on the amount of the pension as a whole is not the same, then the amount of pension of a man will exceed the amount of pension of a woman. The impact of other gender factors will only increase the gap.

CONCLUSION

The conducted gender analysis of pensions of employees (men and women) involved in production with harmful and difficult working conditions on the example of the Republic of Tatarstan allows to make some generalizations and conclusions. Thus, an attractive factor for working in harmful conditions for both men and women is an earlier retirement.

Men who leave for preferential retirement for the work in the production with harmful working conditions have higher pension than the average in the republic.

Men and women working in the production with harmful conditions experience different discriminatory practices legitimized by the state.

Men experience discrimination related to their exclusion from the preferential list of occupations in which women are included.

The amount of pension accrued to women that leave for preferential retirement due to the work in the production with harmful and difficult working conditions is lower than the average in the republic that reduces their life chances.

There is a growing number of women employed in production with harmful and difficult working conditions. We connect this trend with the subjective attractiveness of receiving a preferential pension and also with the objectively growing number of unemployed women in the labor market.

The principle of equality of men and women in Russia is declared almost by all of the legislative acts, both of the international and internal level. However, in reality as we can see it from the statistical data and the analysis made above, there is a gender inequality in wages and as a consequence in the amount of pension payments in the republic. The longer will this situation remain unchanged, the greater will be the gap in the amount of earlier retirement pensions for men and for women.

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