

## Ukraine Elderly Study

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The socio-demographic characteristics of population of Ukraine started worsening during the Soviet time, following the patterns common to the Europe and other developed countries. The percentage of elderly population started to grow, increasing load on working age population to support pensioners and other non-earners categories. The economic decline that happened during the same period of time lead to worsening of well being of all groups of population, primarily effecting families with children and people who became unemployed (see 3,7). The third among the larges affected population group was elderly people, especially those living in the rural areas. In the following chapters we show the general characteristics and trends for the elderly population of Ukraine, describe what steps are already undertaken by the government and NGOs to assist the elderly population, and discuss the possible help that COOF can provide to these people.

### I Methodology

This study uses three major methodologies. First, it relies on the body of literature and research on poverty and social safety networks in Ukraine and other countries of former Soviet Union. The research is primarily done by the staff of the World Bank, and the latest study of the poverty in Ukraine and the region was completed by the World Bank fall 2005, and is not published yet. The full list of the research papers used at this study is provided at the end of the paper. Significant amount of data and summary statistical information were taken from the studies and publications of the Committee for Statistics of Ukraine. Unfortunately, these figures might slightly differ from the statistics that is most interesting for this study, but they can not be recalculated without additional extensive research.

Second, it uses the latest, first quarter 2005 observations of the Ukrainian Household Expenditure Survey to provide costume statistics for elderly and households with elder people. The survey is conducted by Committee for Statistics of Ukraine on the quarterly bases. The sample consists of around 9,500 families and family members that are chosen randomly from geographical clusters on the territory of Ukraine and form geographically representative sample. The exact description of the sampling procedures was not available from the Committee. The methodology of the survey was elaborated by the World Bank experts and we can consider that it follows basic international standards. The data defines households with elderly as households with at least one member at the pension age<sup>1</sup>, and we use this definition for the most costume produced descriptive statistics in this study.

Third, the findings of the study are based on the interviews with major stakeholders in social care providing in Ukraine. These include interviews, conducted by the author in Kiev, and resumes of the interviews conducted by the "Support to USIF" project staff and by the CCF

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<sup>1</sup> Pension age in Ukraine is over 55 for females and over 60 for males.

representatives in different regions of Ukraine. Show cases (the results of the interviews) are provided as additional documents to this paper. In addition, the study is based on anecdotal evidence, which is defined as the stories that are heard in media or told by respondents. When evidence referred as anecdotal, it means that it can not be confirmed or referenced.

The result of using different methodologies and basing the study on third-parties research is the difference in definition of elderly used in through this paper. First definition is “people over 65 years old”, which is used by Ukrainian statistical office in a number of studies. The second definition is “people over 60”, which is used primarily by the World Bank and other international researchers. Finally, the most common definition of elderly people in Ukraine is people of pension age, which is 55 for females and 60 for males. This study primarily uses the last definition, if other is not specified in the table of paragraph.

## **II Socio-demographic characteristics of population of Ukraine**

Current demographic characteristics of the population of Ukraine started to form before the Ukraine proclaimed independence in 1991. Major changes in the population structure were noticed during the census held in 1989, and the following census in 2001 confirmed that negative trends continue. The economic decline of 1990’s worsened the situation, decreasing the quality of life, in particular quality of health care, and influencing breeding patterns of Ukrainian population, which dramatically changes structure of the population and family composition.

### **II.1 Age and gender structure of the population of Ukraine and the elder people**

Comparison of the 1989 and 2001 census shows that share of children in total population dropped from 23% to 18%, and the further statistics confirms that this trend continues. During the same time, share of people over 60 years old increased by 2 percent, which is approximately 16% increase in relative terms<sup>2</sup>. The share of elderly males in total male population increase by 4% (or 26% in relative terms), while share of females over 60 increased only 11% in relative terms. Share of working age population during the same period increased marginally, primarily due to the numerous groups of baby-bummers born in 1974-1985 entering this working group (3).

Such unfavorable developments of the demographic situation in the country can be easily explained by the decreasing birthrates and increasing death rates for all categories of the population. This change in the main demographic indicators together with large emigration lead to significant decrease of Ukrainian population in general, from 51.7 mln. in 1990 to 47.1 mln. in 2004.

Most dramatic change in birth rate is in urban areas, however the population of towns is growing due to the continued urbanization. The birthrates fell by 23% in urban areas and only 8% in rural. But the outflow of younger population from the rural areas is not compensated by the relatively large birthrates. As the result, the percent of elderly population in rural areas is higher than in urban.

Male population was more effected by the worsened economic conditions than females. During 2003-2004 life expectancy at birth of male population remained at 62 years. The expectancy increased compare to the decade minimum of 61 years (observed in 1995), but remains lower compare to the 64 years level of the beginning of 90’s. This life expectancy suggests that average male dies within two years after getting pension age, since the pension age in Ukraine is 60 years for males. Female life expectancy at birth is much longer,

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<sup>2</sup> Meaning the percentage increase of share in 2001 over share in 1989.

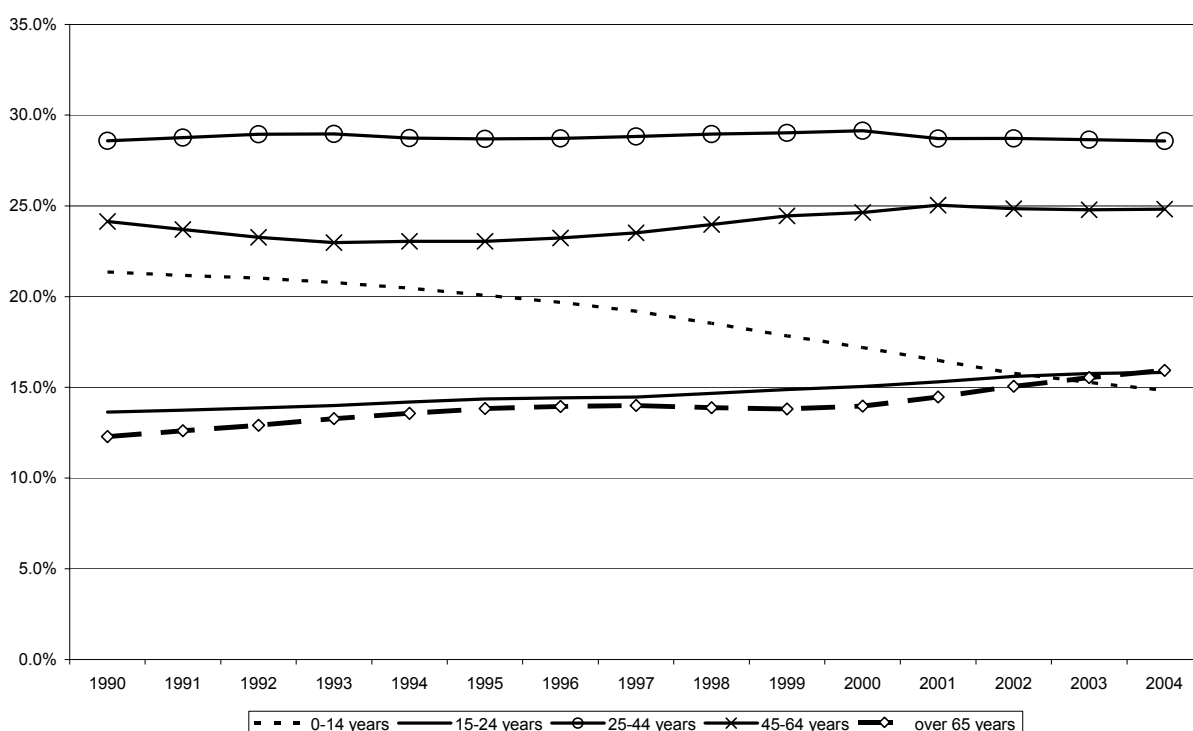
reaching 74 year in 2003-2004. Such disproportion leads to significantly larger proportion of women among the elderly population group.

**Table 1. Main demographic characteristics of Ukrainian population in 2004**

Total population - 47100.5 thousand	Population over 65 - 7507.2 thousand
Pensioners total (inc. disable and oth.) -14.1mln	Old-age pensioners – 13.5 mln
Life expectancy at birth (male) – 62.60 years	Life expectancy at birth (female) – 74.05 years
Proportion of people over 60 in total male population <sup>3</sup> – 16.1%	Proportion of people over 60 in total female population <sup>3</sup> – 24.9%
Urban population – 67%	Rural population – 33%

Source: Committee of Statistics of Ukraine

**Figure 1. Share of age groups in total population**



Source: Committee of Statistics of Ukraine, authors calculations

## II.2 Characteristics of family where elder people leave

Analysis of the data of Household Expenditure Survey for the first quarter 2005 shows that elderly people<sup>4</sup> leaved in approximately 50% of households. About 34% of households in Ukraine had one elderly person, and about 16% had two elderly persons living with them. Approximately 60% of elderly people live on their own in households of one or two persons.

<sup>3</sup> Based on census 2001

<sup>4</sup> Elderly people here defined as people over the working age, meaning females over 55 and males over 06 years old.

About 43% of the households with elderly people in the sample for the Household Expenditures Survey<sup>5</sup>, 26% in small towns and 30% cities. About 34% of families with elderly people live in apartments, and the majority of them are living in large cities. About 66% of families with elderly live in private homes. Among them majority is rural population. More than half (59%) of households with elderly people do not have telephone.

Only fraction of percent of sample elderly reported living in communal living conditions (dormitories), which for this category of people should be special care facilities. Due to the sampling procedures, we can expect that for general population the fraction of elderly people living in special care facilities is larger, but it still remains under 5% of elderly households.

Analysis of the demographic tendencies and family composition of elderly households lead to the conclusion that large number of elderly living in rural areas already rely only on their own for living, and this trend will worsen as most of the younger rural population moves to the towns. Anecdotal evidence and publications in press suggest that there are already villages in Ukraine that consist only from elderly population, people living there do not have opportunities to move to any other locations, and they can survive only until they have power and good health to take care of themselves and their homes.

### **III Socio-economic characteristics of elderly people:**

Despite common believe, elderly people are not the poorest population of Ukraine. According to the recent World Bank study (7), there are only 11% of people over 65 years old among the poor in Ukraine. If the generous government pension programs<sup>6</sup> are sustainable, then poverty among elderly will decrease with the time. However, at the moment pension fund is running huge deficits and there is no reason to believe that it will be able to sustain current level of pensions without radical reforms of the state budget. Therefore, with relatively high probability we can expect that the economic situation of the elderly people in Ukraine will worsen in the next three-four years.

#### **III.1 Income, subsidies and privileges for elderly in Ukraine**

Pensions are the mains source of income for Ukrainian elderly and constitute more than 75% of all social expenditures of the country consolidated budget. Majority of pensions are the old-age pensions, therefore this is the source of income specifically targeted for elderly in the country. According to the law, females can receive the old age pension after 55 years old, and males can apply for the old-age pension after 60<sup>7</sup>.

According to the recent World Bank studies, the pensions are the larges program with most wide coverage of poor in the country and almost universal coverage of elderly people. About 50% of poor receive some kind of pension<sup>8</sup>. At the same time, due to the determination of the level of benefits, the pensions are highly regressive. The poorest 20% of pensioner receive

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<sup>5</sup> The sample for the HES suppose to be representative for the general population, however is was not possible to expect the quality of the survey, therefore generalization of the results is dependent on the quality of the survey.

<sup>6</sup> Generosity of the pensions must be the main explanation why families of old people live above the poverty line, because elderly people lost all their saving during the crisis at the beginning of 90<sup>th</sup>, and primarily do not any other sources of income except pensions.

<sup>7</sup> There is a number of exceptions from this age brackets, but all of them are decreasing the pension age, and, therefore, do not increase the income for elderly people. Such exceptions are pensions for military, pensions for profession with increased levels of difficulty (primarily miners), some special categories of government officials. They can get pension as early as 45 years old.

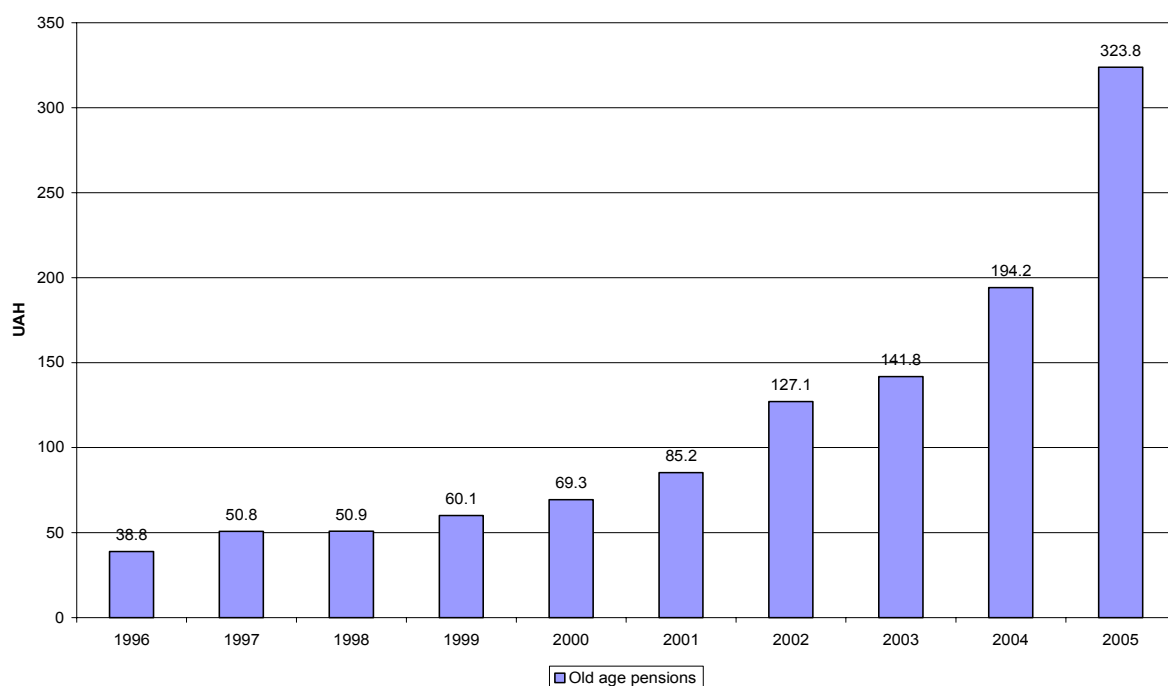
<sup>8</sup> Except for the age pension, some of these people receive disability or war veteran pensions.

only 12% of pension benefits while the riches 20% get around 27% (see 7). The amount of pensions was steadily increasing over the last decade (see Figure 2). In nominal terms average pension increased more almost eleven times. The real increase in the old-age pensions between 1999 and 2004 was more than 112%, and the government continues policy of real increase of old-age pension benefits. We can expect that before election in 2006 parliamentarians will continue discussing and passing the laws that directly increase pensions to all categories of population.

Another important source of income for families with elderly are different kinds of subsidies and privilege benefits. Prior to 1992, when the Soviet Union ceased to exist, the republic of Ukraine had social safety net common to all soviet republics. At that time the primary goal of the system were to maintain a certain level of family per-capita income by supplementing wages. Because of the near 100% employment and the supplementary character of the safety net, in most cases its administration was carried out by state enterprises. The safety net relied heavily on in-kind transfers, such as free housing, childcare, reduced food and goods prices, and it was almost universal. Due to the uniformity of income the entire population was eligible for services provided by the system.

The transition forced government to take responsibility over the safety net expenditures that were previously a part of enterprise finances. At the initial years of transformation the Soviet system were converted into generous social protection system that consisted of social privileges, Chernobyl benefits, housing and utility allowances, and family benefits. More than 20 social privileges to different population groups existed until the beginning of this century; they were introduced by different laws and presidential decrees, and simulated privileges that existed during the Soviet Union. The Chernobyl benefits were introduced in 1991 by the Law "On the Status and Social Protection of Citizens Who Suffered from the Chernobyl Catastrophe", and are provided on the categorical bases to the people resided close to the site of the disaster. Most benefits were provided in-kind. The government is suppose to provide reimbursement for the free services to the producers of such services, for example, telecommunication or transportation companies. Despite the constant attempts to fulfill its obligations, the government constantly failed to finance all obligations, increasing debts to service providers and to beneficiaries.

**Figure 2. Old-age average nominal pensions**



Source: Committee of Statistics of Ukraine, authors' calculations

In 1995 in order to shield families from the impact of the rapidly increasing energy and housing prices the government introduced “Housing and Municipal Services Allowance Program”. The program increased government responsibilities and pressure on the budget. The allowances were financed from the local budgets, and the regions with the weak revenue base rapidly accumulated arrears.

Major shortcoming of all the above mentioned programs was that the target of the programs was not fighting poverty. It is officially accepted that current safety net system in Ukraine contributed to the expansion of the poverty instead of its reduction. The Decree of the President of Ukraine “On the Strategy to Eradicate the Poverty” (Decree #637/2001, August 15, 2001) mentioned that the share of social privileges in the total amount of households’ incomes of the poorest and the richest 10% of households equaled 5.5% and 8.1%, respectively in 2000. Based on a more accurate income means testing, among those who received the housing subsidy, 88% should not have been entitled to it.

Such degree of poverty did not stay unnoticed, and in 2000 Verkhovna Rada adopted the Law on “Targeted Social Assistance to Low Income Families”. This law provided families living below subsistence level with the compensating benefits up to 75% of the minimal subsistence level. The beneficiaries were restricted by asset test to people who do not possess second apartment, new car and did not make any substantial purchases over the last 12 months. This was the first law that directly aimed at reducing poverty, and attempted to target the benefits to the people in need.

Over the years a number of changes were introduced to the legislation governing the social benefits in Ukraine. These changes intended to reduce the number of benefits, lower the cost of the programs, and change eligibility criteria. The main policy towards reform in social safety net in Ukraine suggested by the experts is reduction of number of benefits and increasing their targeting. Therefore, the reform of the social expenditures will consist in reduction of different privileges, which are the most purely targeted towards benefits in Ukraine. Since elimination of the privileges faces strong reaction from the privileged population, the main way of reducing the privileges is not introducing the new ones. Therefore, with the time most privileges will be (and are) provided to the elderly people only. Among current privileges that are provided at the national and local levels are: free transportation, free or reduced-pay housing and communal services, electricity and energy payments, other small in-kind privileges.

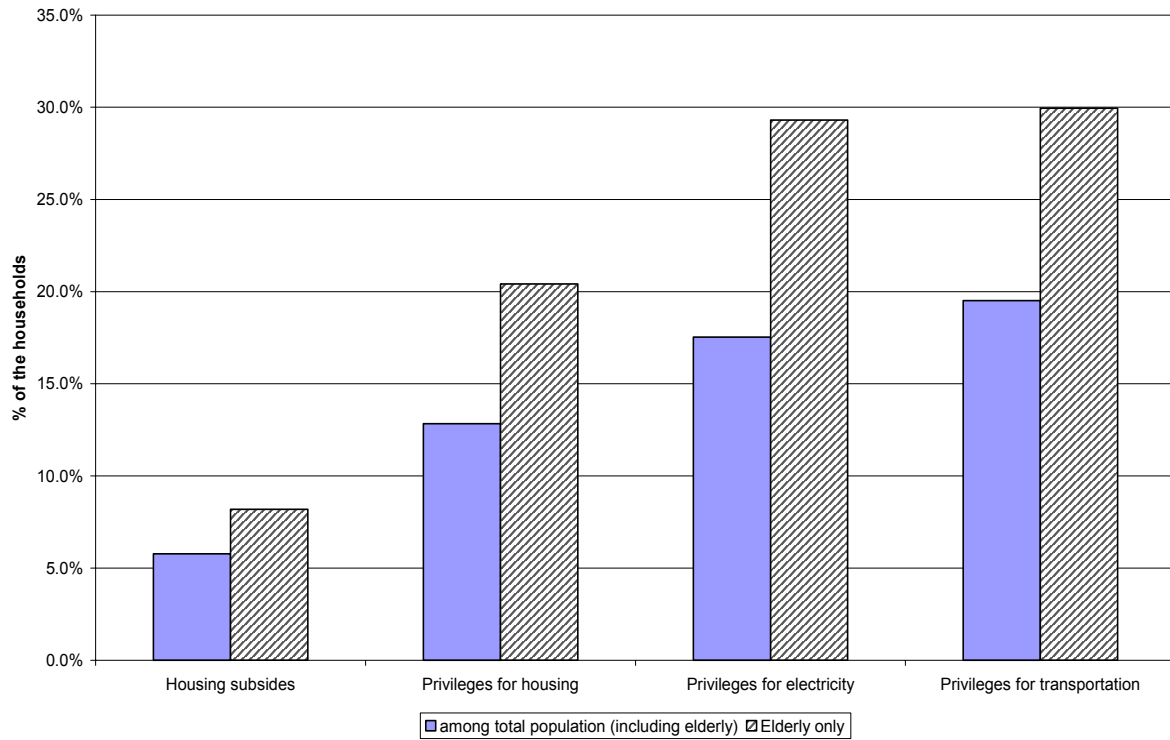
Figure 3 demonstrates the most used privileges. We can see that the household with one or more elderly<sup>9</sup> use more privileges of different kinds than average for total population.

We have also to note that due to its nature, most in-kind privileges are provided to specific person, but are consumed by whole household (with exception of transportation and some other small privileges), and, therefore, they are analyzed as privileges provided to household. Because of the considerable intra-household transfers of income, we analyze the sources of income for households with elderly people rather than just incomes of elderly. Figure 4 indicates that most families with elderly people have pension income. At the same time, wages and other social assistance programs are used by smaller share of households with elderly. It happens because most of the households with elderly do not have members of working age or younger, and, therefore, can not receive wage, unemployment or childcare benefits. Another social assistance program that can also be used by the families with only elderly members is targeted assistance to poor families. However, extend of this program is relatively small, and, therefore, share of families with elderly receiving this kind of benefits is less than one percent.

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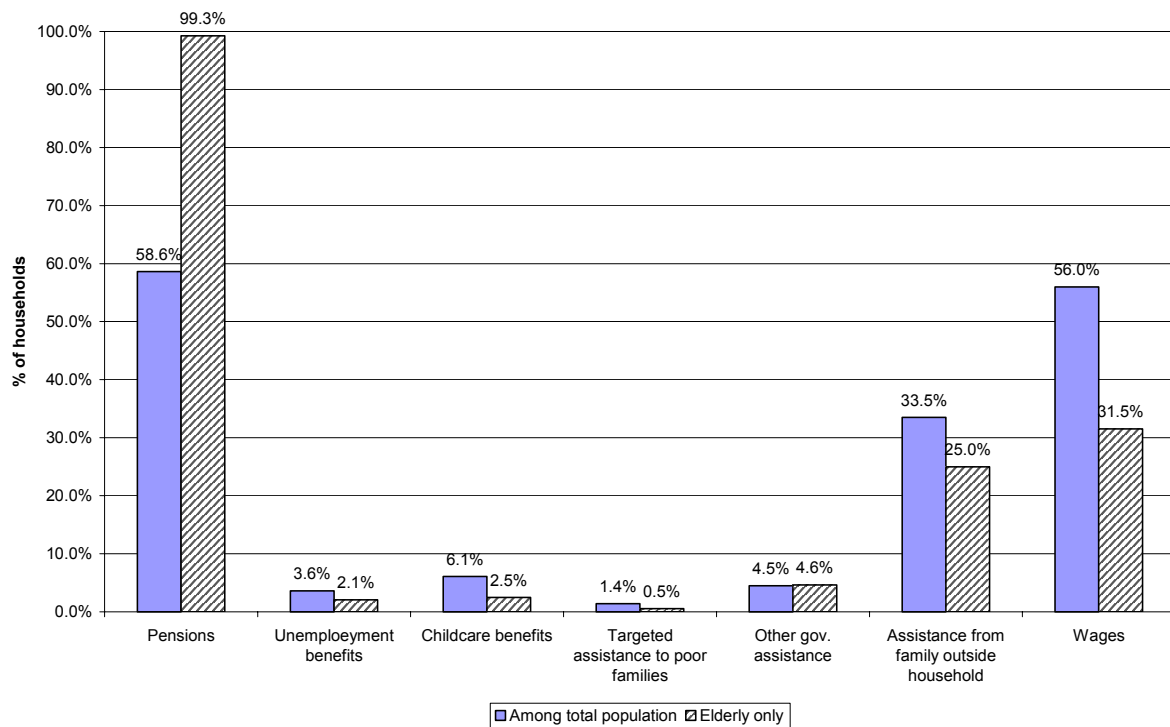
<sup>9</sup> Elderly people here defined as people over the working age, meaning females over 55 and males over 06 years old.

**Figure 3. Share of households receiving selected in-kind privileges**

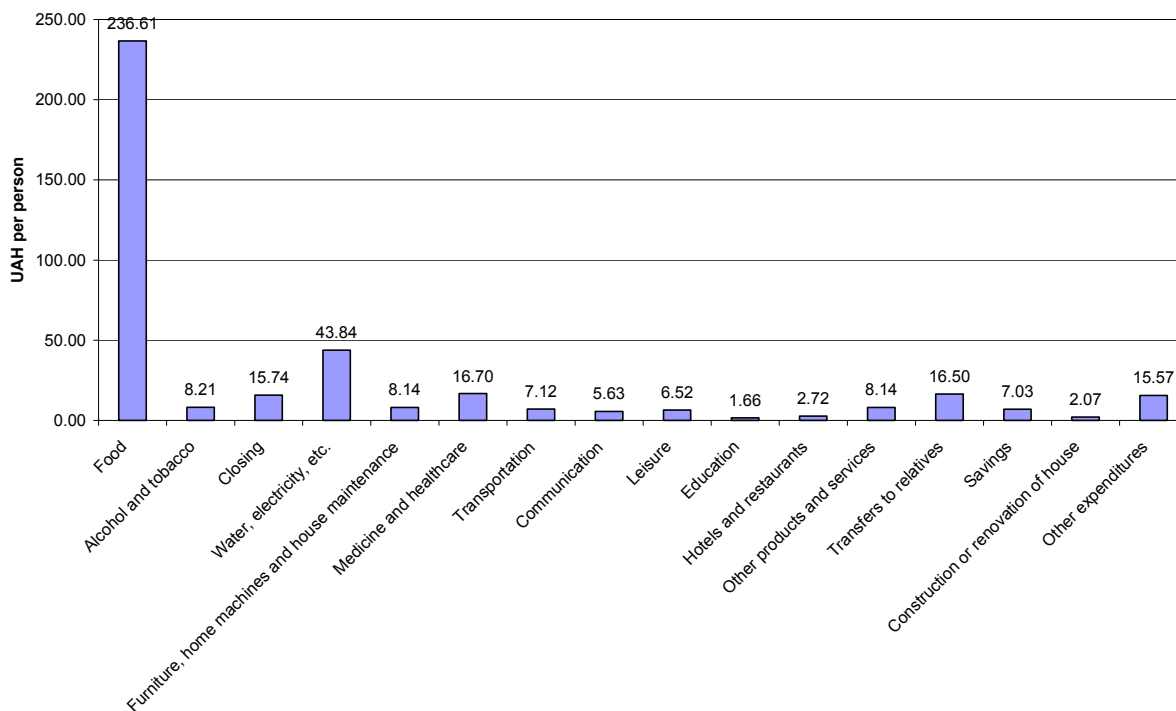


Source: Ukrainian Household Expenditures survey, authors calculations

**Figure 4. Sources of household income**



Source: Ukrainian Household Expenditures survey, authors calculations

**Figure 5. Per-person average monthly expenditures of households with elderly**


Source: Ukrainian Household Expenditures survey, authors calculations

The consumption of the households with elderly is heavily biased towards the food products (see Figure 5). Average monthly per-person expenditures of households with elderly were around 400 UAH in the first quarter of 2005. Around 60% of this sum was spent on food. Household maintenance expenditures (including utilities, energy, and basic repairs/replacement) consumed only 13% of the budget. Surprisingly small is share of healthcare expenditures that reach only 4% of the budget, the amount similar to the transfers to other relatives. Households even were able to save about 2% of their budget, which confirms that increased pensions and minimal salaries in 2005 allowed most households rise above the day-by-day survival and start accumulating some resources for the future. This is significant improvement compare to the 90<sup>th</sup>, when elderly people had not recourses to save and lost trust to the banking system as accumulation system.

### III.2 Relative measures of elderly income and their level of poverty

The modern concept of poverty is new to Ukrainian policy making: the need to monitor and analyze poverty trends on a systematic basis has been stipulated only in 2001 in the Strategy to Eradicate the Poverty. First tools to estimate extent of the problem became available in 1999 with introduction of the new Household Expenditures Survey. This study showed that 1999-2001 the share of Ukrainians living in poverty has been almost unchanged and remained on the level of 27 percent of the population living below the official poverty line, with about 13 percent of total population living in extreme poverty (see 13,14).

Ukraine shares poverty profile common to the whole Western CIS region. Most of the poor are working adults and families with children, who comprise 60-75 percent of all poor in each country. Second larges share of poor is share of unemployed and people out of the labour force, and elderly usually are the third larges group of population in poverty (see 8). There are only 11% of people over 65 years old among the poor in Ukraine (see 7).

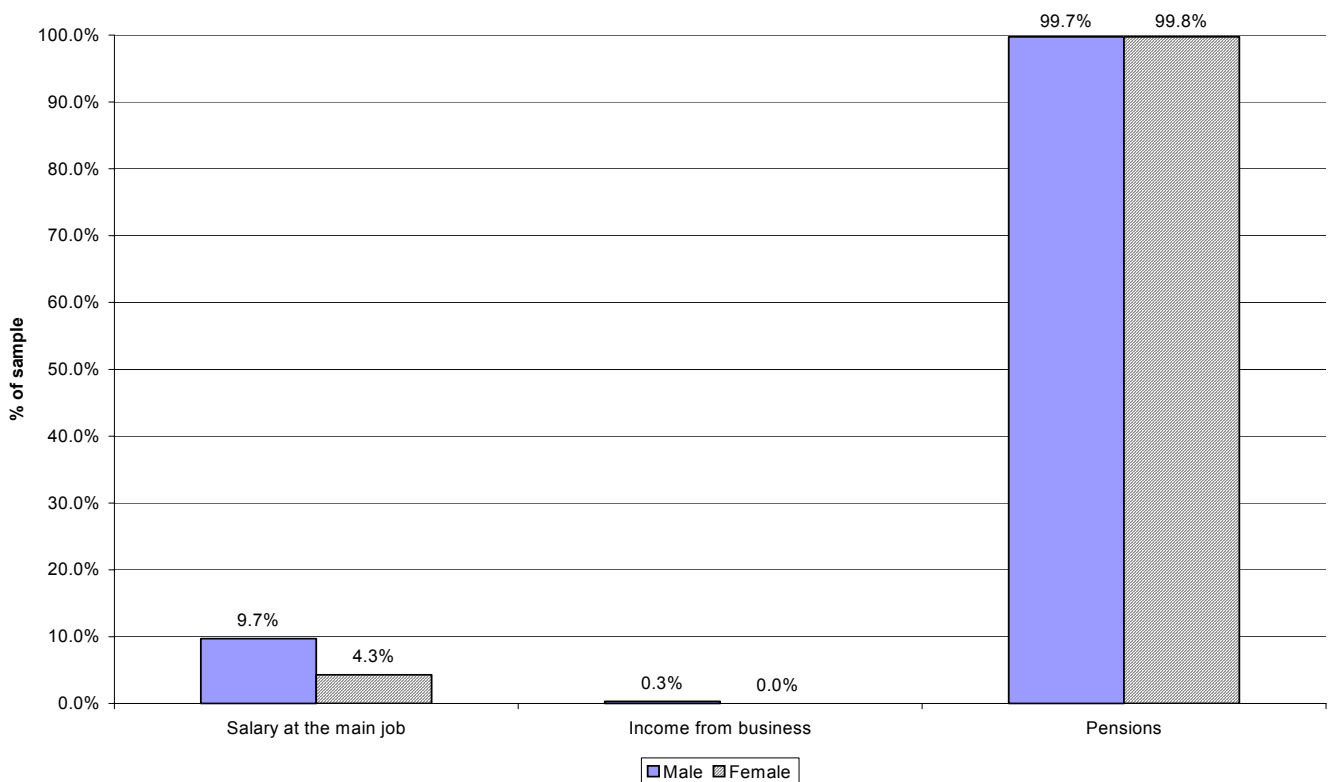
There are several measures of poverty that are used to evaluate poverty in Ukraine. The Ukrainian government uses either relative measure such as people with expenditures under

75% of median for total population, or absolute measure of poverty such as minimal subsistence level. The minimal subsistence level is calculated for different population groups, and average reaches 342 UAH per person in 2002, and 423 in 2005. At the same time, the subsistence minimum for elderly (non-working) person in 2005 is calculated at the level of 332 UAH in 2005. However, most experts agree that this measure of poverty is not accurate. If the subsistence level is used as a measure of poverty, around 70% of Ukrainian population lived in poverty in 2002. More accurate calculations based on the price levels faced by poor allowed to calculate that the minimum food basket (2,508 calorie) cost in 2002 around 101 UAH, and the state-defined minimal subsistence basket cost around 171 UAH (see 7). According to this cost of the subsistence minimum basket in Ukraine in 2003 18.8% of population lived below poverty line, and only 4.8% of population (2,3 mln.) had income lower than required to buy minimal food basket.

Internationally recognized absolute measure of poverty is daily income of \$4.33 in purchasing power parity terms. According to this measure, 22.2% of Ukrainian population lived in poverty in 2004, which is lower than in 1999 when below this poverty line lived 29.2% of population. The share of population in Ukraine living below this poverty line in 2002 is also lower than in Russia (41%) and Poland (27%) (see 7). There is no specific evidence about the poverty headcount for elderly, but in general it follows the poverty tendencies for overall population.

The methodology of calculating the minimal subsistence level by the government did not change from 2002. Consequently, we can estimate the correct minimal subsistence basket for 2005 at about 210-220 UAH. Since minimal age pension in 2005 was set at the government recognized subsistence level of 332 UAH, we can conclude that households consisting of pensioners with no dependants should live above absolute poverty line. However, there is a number of elderly people who live in poverty because they are members of larger households that have the pension of the elderly as primary source of income.

**Figure 6. Main sources of income for people over 60**



Source: Ukraine Household Expenditure survey Q1 2005, authors calculations.

The pensions are the main source of income for people over 60 in Ukraine (see Figure 6). Reduction of pension arrears and increase in pensions, therefore, played significant role bringing Ukrainian elderly out of poverty. Similar situation is observed in other countries of the CIS regions. According to Alam, A. et al (8), poverty would have been significantly higher in a hypothetical “no-transfers” situation.

Other (non-pension) sources of income for the elderly people are significantly less important at the individual level. For the working elderly the average wage was only 18-25% higher than average pension. All other sources of income (except private business) were significantly lower than the average pension. However, as we noted earlier, for identifying poverty we have to measure the total household income, since often the pensioner could be the only income provider for a larger household. For the households in Ukraine similar to other low income CIS countries and parts of SEE, remittances and other private transfers by often far exceed publicly provided resources. In some cases, remittances accounted for more than 10 percent of GDP and boosted consumption levels, including among the poor, helping to reduce poverty.

### **III.3 Access to basic social infrastructure and assets by elderly in Ukraine**

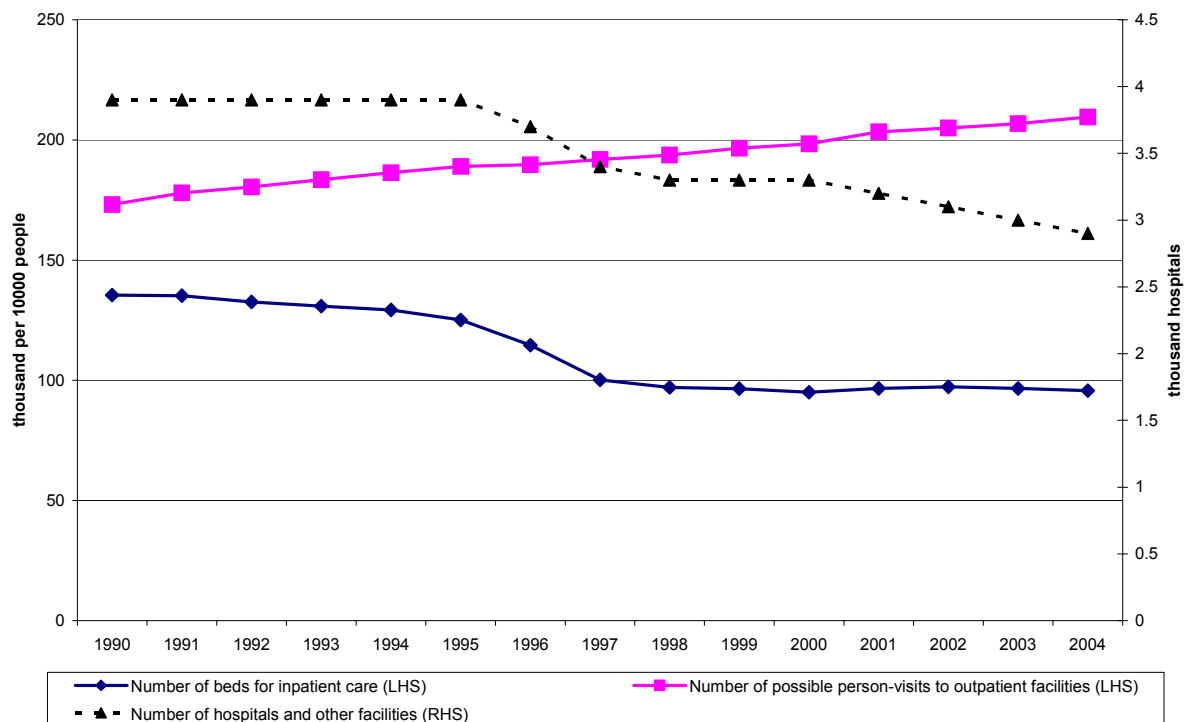
There is no specific social infrastructure for elderly in Ukraine, and the elderly people have access to all major social services provided in the country. The exception is access for the people with disabilities. Often government institutions, even such as state Oschadbank (the main bank that distributes pensions) or state social offices are not equipped for the access by disabled people. NGOs organized by disabled (like Union of Organizations of Disabled) are working together with some donor organizations (for example, Swedish government development assistance program) to rebuild special access infrastructure for disabled in all government offices around Ukraine.

However, there is one particular type of social infrastructure that is highly important for elderly in Ukraine, as well as in other countries. It is healthcare. Figure 7 suggests that the number of healthcare facilities as well as the number of beds for inpatient care in these facilities were reducing over the period since 1990. At the same time, outpatient care capacities of healthcare system were slightly increasing.

These tendencies are common for other countries of the region. Inpatient care in the low income CIS group declined more than 20% between during 90s, and this decline stopped only at the beginning of this century. However, the countries in the middle income CIS group, where belongs Ukraine, continue to have hospital utilization rates higher than the EU average. There is also significant difference in access to care and utilization of healthcare facilities in rural and urban areas in all CIS countries (see 8).

The most important problems of the healthcare system in Ukraine, that significantly reduces access of the elderly to this important social service is lack of funding. This issue is primarily important for the poor and elderly population because the anecdotal evidence suggests that better healthcare can be provided to a person with unofficial co-payment to the medical doctor. The elderly, who do not have significant savings or large income, are not able to provide such co-payment. At the same time, the anecdotal evidence also suggests that there is strong customer discrimination at the level of doctors, and they are willing to provide service at free (or almost free) basis to elderly with limited income while charging high unofficial payments from the people who they think can pay for the care.

**Figure 7. Capacities of the healthcare system**



Source: Committee of Statistics of Ukraine, authors' calculations

## IV Assessment of the care and other humanitarian aid to elderly people in Ukraine

The care and humanitarian aid to elderly people in Ukraine are provided by the government at the state and local (municipal level) and by private (non-government) organizations. Primary goals of this aid are to improve living conditions and to provide support satisfying minimal subsistence requirements, especially for disabled or partially able elderly population. A main problem of the social care system at all levels and all types is lack of financing, which frequently undermines stability of the system. Therefore, the sustainable improvement of the social care for disabled is possible only after general revision and reform of the system of financing elderly care at the state and local levels.

### IV.1 Official system of social care for elderly is organised (municipal, state, private)

The largest system of social protection for elderly population in Ukraine is state pension system which is represented by the Pension Fund of Ukraine. The Pension fund provided pensions and other services to the population of Ukraine for the amount of 46.6 bln. UAH (13.5% of GDP) in 2004 and plans to spend about 71.2 bln UAH (16.4% of GDP) in 2005. Current pension system is solidarity system, the contributions of workers in 2005 expected to cover 70% of the planned expenditures, and the deficit in the about of 30% will be covered from the state budget. Except providing pensions, the Pension Fund provides also payment to the people without pensions as required by the Law on Social Assistance to the persons that are not eligible for pensions and to disabled, and oversee other state social insurance programs. Currently Ukraine is undergoing reform of pension system. The new system will have personalized accounting of pension contributions, solidarity state pension fund (first level of the system that is already exist), the state-owned investment pension fund (second level), and private pension funds (third level). There are around five private pension funds exists in Ukraine at the moment.

Ukrainian legislation does not define any specific system of elderly care. Instead it establishes system of care for disable and low-income families. The system of care for disable is primarily designed to help the elderly people since they constitute the majority of disable people in Ukraine. This system is the system funded by the state pension fund and executed at the local (municipal) level by the social protection offices under Ministry of Labour and Social Policy of Ukraine. The pension and other social protection legislation defines that the elderly disable can receive co-payment to the pension or social assistance in the amount of 25-50% of pension for the assistance for living (to cover the assistance in functions that can not be performed by disable). In order to qualify for this assistance, the applicant must prove the disability and the need for the assistance.

The state assistance to disable (including the elderly disable) is provided by social protection offices locally. The assistance can be either provided by the trained (mostly medical nurses) personnel at the place of living of the disable or at the special elderly and disable care homes.

Table 2 shows the number and capacity of the state-owned care homes for disable and children. There are only 260 care home for adults in Ukraine, and they are able to provide care only to 47602 people. General practice is that the number of adults in the care homes do not exceed the defined capacity of the institution. The capacity of such care institutions seems to be significantly lower than the demand for the institutions.

A person can be placed in a care institution by himself/herself if the person provides sufficient prove of being unable to live on his/her own; by the state/local authorities if they determine that the person is not able to live on his/her own and he/she do not have family that may care for him/her; and by family. In case if the person doesn't have any relatives that can take care of this person, the person receives care for free. At the same time, this person is eligible to receive only 20% of the pension or social assistance payments from the state, and the other part of the pension/assistance and the living assistance co-payment are going to finance the care institution. If the person is placed in the institution by relatives with sufficient income and abilities to care for the disable, the relatives have to cover full cost of presence at the institution<sup>10</sup>. However, because of the limited capacities of care institutions, they accept people who have capable relatives very rarely. Testimonies of experts and heads of the care institutions suggest that elderly people usually do not leave care institution until death. Except natural causes, the reason to leave particular institution is transfer to another institution with specialised care.

The outpatient (at the place of living of disable person) services are provided by the trained officers (usually people with some technical medical education, like nurses) of the social care centers under the Ministry for Labour and Social Policy. Each officer is assigned to a number of elderly or disable who requested care<sup>11</sup>. The officer comes to these people and assists with their medical needs as well as helps to buy and bring home food, clean up the apartment/home etc.

Except for the state care facilities and services, there are also numerous non-government organizations (like private boarding houses or social service providers) that provide care for disable and elderly. Unfortunately, there is no state-wide organization that unites these NGOs, and there is no statistics to estimate extend of the care provided by these organizations. Interviews suggest that the most active in organizing care for elderly and disable (primarily at their place of living) are religious organizations. Different kinds of Christian organizations are especially active at the West of Ukraine, where they organize community help to elderly and community-supported care homes. However, current tendency

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<sup>10</sup> Interview indicated that in 2004-2005 such cost was around 500 UAH per month

<sup>11</sup> There is no statistics, but interview suggest the number of assigned people can be from 10 to 30-40.

is that these organizations are concentrating their resources on the help to children instead of elderly.

**Table 2. Care homes for disable and children in 2004**

	number of care homes			Number of person-places		
	total	for adults	for children	total	for adults	for children
<b>Ukraine</b>	<b>316</b>	<b>260</b>	<b>56</b>	<b>56455</b>	<b>47602</b>	<b>8853</b>
Autonomous Republic of Crimea	10	9	1	1930	1750	180
Vinnitska oblast	10	7	3	2041	1626	415
Volynska oblast	6	5	1	915	815	100
Dnipropetrovska oblast	17	12	5	3704	3021	683
Donetska oblast	19	16	3	5735	5045	690
Zhytomyrska oblast	13	9	4	2504	2064	440
Zakarpatska oblast	7	4	3	1422	887	535
Zaporizhska oblast	11	9	2	2320	1886	434
Ivano-Frankivska oblast	8	5	3	1325	925	400
Kyivska oblast	12	11	1	1988	1788	200
Kirovohradska oblast	12	10	2	1885	1600	285
Luhanska oblast	19	17	2	3109	2783	326
Lvivska oblast	13	11	2	1714	1569	145
Mykolayivska oblast	10	9	1	1540	1435	105
Odessa oblast	10	6	4	2130	1450	680
Poltavska oblast	14	12	2	2659	2324	335
Rivnenska oblast	7	6	1	1154	1067	87
Sumska oblast	13	11	2	1981	1706	275
Ternopil'ska oblast	7	5	2	1276	920	356
Kharkivska oblast	18	15	3	3640	2965	675
Khersonska oblast	11	9	2	1656	1267	389
Khmelnitska oblast	31	30	1	2051	1971	80
Cherkasska oblast	14	13	1	2205	2005	200
Chernivetska oblast	7	6	1	871	795	76
Chernihivska oblast	9	7	2	2023	1751	272
Kyiv City	7	5	2	2507	2017	490
Sevastopol City	1	1	–	170	170	–

Source: Ministry of Labour and Social Policy, [www.mlsp.gov.ua](http://www.mlsp.gov.ua)

The main problem for community-based non-government programs is sustainability, especially financial sustainability. Yosef Zissels in his work (see 5) estimated that to provide aid for 120 thousand elderly members of Jewish community Ukrainian Jews will need assistance of \$40 mln. a year. There is anecdotal evidence that after some time social care community programs are canceled due to the lack of funding or the care homes transferred to the state (municipal) property and the care in the institutions is further provided at state expense.

The DFID - supported to USIF<sup>12</sup> program started assessing possible sources of funding for non-government social care organizations and programs, including the care for elderly and disabled. They evaluate possibilities to get funding from the state and local budgets, as well as possibilities for fundraising for such organizations. The results of this research will be available at the beginning of 2006, and there will be more information about possible assistance to these organizations.

## **IV.2 Examples of existing organizations, their adequacy and shortcomings**

Here we would like to give samples of two levels of organizations that support social care for elderly. First level is the charitable foundations and other donors that provide financial and organizational support to the social care projects. The second level is the care for elderly facilities and programs that work directly with elderly who needs care. Finally, we also would like to describe the Ukrainian Social Investment Fund project that is the largest effort to provide support to the government and non-government initiatives in the area of social care for population in need. This section is based on the interviews with the representatives of the USIF, and on the initial survey materials provided by the USIF interviewers and the materials, presented by the Christian Children's Fund in Ukraine.

The example of the organizations that are funding the social care projects can be Charitable Foundation "Caritas" that function in Khmelytsky Oblast. The organization is supported by Creek-Catholic Church. The foundation established center that provides organizational and financial support to a number of projects such as consultative centers for women who suffered from human trafficking or "Assistance on Wheels to Street Children". The Organization had "Home Care" project directed to elderly and other people incapable to work and isolated from society. The project provided care at home and medical services to the clients. The centers staff provided daily or weekly services like buying food, laundry, cleaning house/apartment, transporting disabled to medical centers, etc. The "Home Care" project of the organization was closed in 2004 due to the lack of funding for this activity.

The examples of the direct care provides are homes that provide care for elderly and disabled, such as Lugansk Internat House #1, Rovenki elderly house, Sevastopol city elderly house, Krasyliv Rayon Territorial Social Services Centre for Older and Disabled People, Veremiyivka Internat for Older and Disabled People, „Dovholittya" Territorial Centre of Medical and Social Rehabilitation and temporary habitation for pensioners and disabled people (Kamyanets-Podilsky city), and Social centre "Nadiya" (Kamyanets-Podilsky city). All these organizations have a number of common characteristics and could be considered as the representatives of the system in general. All the centers are subordinated and funded by the Ministry of Labour and Social Policy. All of them provide both in-and out-patient services. The in-patient care centers have 150-200 patients, 10-15% of which are disabled patients 16-60 years old, and the majority is elderly patients. Total staff of each institution is about 1.5 times smaller than the number of patients, and the institutions are fully staffed. The majority of the staff is junior medical personal (about 30-50 trained nurses in each institution), and there is also a number of doctors at each institution.

The main problem that is faced by these institutions is the financial constraints and lack of funding. Most institutions informed that the total monthly cost of care in the institution per person is around 500 UAH. The Lugansk center cited a higher number of 750 UAH per person, which is probably the total required cost, since the same center indicated that the actual funding is about 53%. Only Sevastopol city elderly house indicated that the cost of care in the house is 1400 UAH, and it is fully funded. However, we have to mention that Sevastopol is one of the two cities in Ukraine which budget is exceeding the needs of the city

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<sup>12</sup> Ukrainian Social Investment Fund is a project at Ministry of Labour and Social Policy, financed by the World Bank and aimed at improving social care for different categories of population.

(and, therefore, the city can fully fund all the social programs on its territory). Most care facilities also indicated receiving donations in the amount around 25 thousand UAH a year.

Average monthly food bill per person in the care homes in 2004 was around 210-240 UAH. Average salary of personal was around 300-410 UAH a month. Houses in the rural areas have their own farming plots and animal stock that provides up to 25% of food to the people living at the houses. When elderly people are admitted to the care facilities, they are encouraged to bring their animals and belongings such as TVs, refrigerators, etc. to their new places of living.

The care facilities are usually located in the buildings that are in municipal or local government ownership. The buildings are kept in liveable conditions, although renovations are not happening very often and are often performed by the personnel of the care facilities. The patients primarily live two persons in a room, houses have several joint activity rooms with TVs where patients can spend their free time, and some special medical care rooms.

The spare time patients primarily read books and watch TV. Only about 25-30% of patients at the care facilities have relatives who visit them once a month or less frequently. The patients are also able to call their relatives. Some patients visit their relatives or friends outside the care facility couple of days a week. Common activities are usually organized at the facilities for large holidays, the interview with the facility managers indicated that they organize from seven to twenty special events at the care facility. They also report that they may work together with different NGOs in the region to organize the holiday celebrations.

Most care facilities (except the small Veremiyka Internat) are the care centres, and have also capabilities for the outpatient (at their homes) services to disabled and elderly who need additional care. The list of domestic services, provided by the centres, included: assistance in letter writing and reading; transportation; organisation of funeral; buying and delivery of foodstuffs, manufactured necessities, medicaments, assistance in cooking; delivery of water, assistance in fuel storing for those who live in houses without central heating and water supply; and assistance in organisation of repair and cleaning in the house. The services are provided in accordance with a contract between the territorial centre and a client. In this contract a list of services, periodicity and terms of their provision are determined. After that the social worker studies client's needs and develops a plan of support accordingly, determining special conditions of work with clients on individual bases. In case of unqualified services a client can complain to the territorial centre management, Labour and Social Protection Department, Rayon State Administration.

The social care at home is provided by full-time care workers, and, some times, by volunteers who are usually students at medical schools. All care workers have joint meeting once a week to discuss common problems, and than on the daily bases come to the homes of their patients. In most cases the care worker comes to the patient/ client two or three times a week, although there are some cases when the client was visited on the daily basis. A caseworker spends about two hours with each client. Normal workload of social care worker is about 10-15 clients.

It is also important to mention that frequently the social worker is the only person whom the client communicates over the week, and the visits of the social worker are not only physical help, but also social event for the client. This fact points to another problem with Ukrainian elderly that exists and will increase during the next decade: the problem of social inclusion of elderly. During the transition period social relations in the Ukrainian society changed, but the elderly are less able to adapt to these changes. Their previous experience is less valuable to the next generation (because it is experience of existence in different socio-economic environment), therefore they seek less attention from the younger generation and fill themselves less valuable to the society and relatives. As the result, we can see that often the social worker becomes the only social contact for elderly or that the only daily activity for elderly is watching TV.

One of the interesting cases is “Dovholittya” Territorial Centre of Medical and Social Rehabilitation and temporary habitation for pensioners and disabled people in Kamyanytskiy. The Centre was created on the basis of the town hospital with the help of Veterans organization, and was initiated as a part of micro-financing project of the Ukrainian Social Investment Fund. However, the municipal administration decided to start this project and create the center even before the agreement with USIF was finalized. This indicates that the local government has strong interest in developing such kind of facilities if there are funds available at the local budget.

The Ukrainian Social Investment Fund is also very important joint initiative of the Ukrainian Government (Ministry of Labour and Social Policy, Cabinet of Ministers of Ukraine, state social administrations at the Kharkov and Khmelnytskyi regions). The World Bank provided about \$77 mln. for the Fund. The USIF is created for two activities: organize and finance micro projects that improve quality and access to social care services; and to develop the local capacities to provide social care for elderly, including fundraising. The fund already implemented around 400 micro projects, and mobilised more than \$1.5 mln. of public money to support these local activities. Governments of Great Britain and Sweden also provided some additional funding to the project. The DFID-funded “Support to USIF” project is concentrated on the issues related to the community mobilisation to provide independent social services. Among the other activities, this project aims to study possible sources of funding for the non-government social care services. This has started recently.

There is a number of other sponsors activities that are not directly related to the social services to elderly, however can influence overall situation with the social care in Ukraine. These are projects of UNICEF, European Commission, SIDA, and USAID targeted at the street children, people in poverty, single mothers and other vulnerable categories of people. All these projects are trying to support local initiatives in creating alternative social services, and cooperation with them can improve the quality of support to the elderly projects.

## **V Recommendations on targeting humanitarian assistance programs**

There are several conceptual issue that has to be taken into account when making decision about targeting the social assistance programs. These issues are listed and evaluated below.

1. Definition of target population is quite important. Most of the programs in Ukraine, including government programs, are concentrated on elderly people with disabilities who are unable to care for themselves. This is the smallest possible target population, and direct support to these people in the amount of \$20-40 mln. a year can significantly improve their living conditions<sup>13</sup>. If the target population is defined as people over 65, than the target population increases to over 7 mln. people; if the elderly defined as non-working age people (females over 55 and males over 60), then the target group increases to 14 mln. For such target group only government can provide sufficient and sustainable social care programs. Therefore, if the target group of a project exceeds elderly with disabilities, it seems rational to concentrate the project on reforming and improving government capabilities to provide social services. In particular, the fundraising and budgeting training at all levels of local and state government, as well as

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<sup>13</sup> This statement is based on the conclusions from the study of Jewish community in Ukraine, which determined that in order to bring the standards of living for 120 thousand elderly jews the community will need annual budget of \$20-40 mln. We do not have exact number of the elderly with disabilities, but judging from the number of placed in the care facilities (47 thousand) and the descriptions of the outpatient work of the care facilities, we can estimate the total number of elderly who need care at about 150-250 thousand.

training and information programs for the community seem to be important for ensuring sustainable increase in the quality of the social services provided.

2. Target of the project may be not only support to living needs of persons, but also social inclusion of elderly. Most projects concentrate on ensuring the minimal living standards to disable or poor people, including elderly. This is important and socially valuable direction of work, and there are still huge problems with poverty and access to care among elderly in Ukraine despite the numerous project targeted at this problem. The social research in the transition economies indicates that only economic growth has strong and sustainable effect on poverty alleviation and increasing access to social services. All this work may be effective, but its' overall effect is limited since it do not have global nature. At the same time, there is demand for the project targeted at the social inclusion of the elderly population. Such projects may be most beneficial if they are combined with other social care or community projects. For example, current projects providing care for street children, homeless, or even elderly, can organize elderly volunteers or employ elderly as the staff members to provide care. Such members are less effective than the young professionals; therefore cost of the project increases. But at the same time, if this is dual goal project and one of the goals is social inclusion of elderly, then such project may be more effective.
3. It is beneficial to join large existing project such as USIF. If the target population of the intended project is larger than hundred thousand people or the amount of available funding is relatively small, then it is more beneficial to join the effort with other donors and to participate in the programs like USIF. There is a number of advantages joining USIF. First, it is operating for a long time, has good knowledge of the existing system, and has well-thought implementation strategy, which is generally larger than the current capacities of the fund. Therefore, financing some small part of the general project plan may give more long-term and sustainable effect than separate project. Second, the USIF has established relations with the state government bodies, which is important for implementing projects for the large target population. Any local initiative will be sustainable and transferable to the largest population only if it is supported by the changes in the state operation, especially at the budget.
4. Finance staff, not only equipment. One of the principles on which most of the donors (including USIF) support the social care projects and finance micro-projects is the principle that the grant does not cover salaries of the staff. This principle is understandable, but it also may be one of the reasons for current project sustainability problems. In order to be successful and sustainable, any micro-level project has to have qualified manager. Such people are very competitive on the Ukrainian job market, and projects are not able to attract them if the staff is financed by the local budget or from some community funds. In most cases the projects are successful at the initial stage because a number of management functions are performed by the staff of donor organization. At the same time, for successful fundraising is needed for sustainability of the project, and the manager is important to organize and continue such fund raising/management in the future. Therefore, it seems more rational to provide funding for qualified staff at the beginning of the project, but under the contract that will require this manager/staff to remain working on the project for a number (two to five) years after the term of the grant.
5. Invite competition for better effectiveness of the money allocation. For the aid amount of 0.5 to 5 mln. it may be rational to announce an open competition of ideas between government institutions (Ministry of Labour), large projects like USIF and national or international social care provider NGOs and charitable foundations. It might be a competition in a form of non-solicited proposals in the area of social care for elderly with only minor financial and time constraints that will be clarified at the second stage of the competition.

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