

Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Economics



Bachelor Thesis abstract

The consumer basket of goods and services for non-working pensioners in Perm Krai

Author: Alina Blazhina

Supervisor: Ing. Petr Procházka, MSc, Ph. D.

© 2018 CULS Prague

Summary

The main purpose of the bachelor thesis is the analysis of the consumer basket for the non-working pensioners in the Russian Federation, precisely in Perm Krai.

In the theoretical section there is a brief description of Perm Krai and a special attention is given to climate of Perm Krai, since climate is a powerful factor of influence on human life and on consumer basket in general. Furthermore, basic definitions about "pension" and "pensioners as a socio-demographic population group" were described. The essence, concept and composition of the consumer basket, as well as the cost of the consumer basket in Perm Krai for non-working pensioners in the year 2016 was analyzed.

A survey which was held in Perm is of great significance in this bachelor thesis. The analytical section reflects the results of a questionnaire with a view to identifying the relation between retirement pension for non-working elderly people and between the cost of the consumer basket in Perm Krai in 2016. Moreover, the second part of this bachelor thesis presents a comparison of changes in retirement pension, food products and tariffs for housing and public utilities.

Keywords: Perm Krai, consumer basket of goods and services, non-working pensioners, old-age pension, prices, food goods, housing and public utilities.

Introduction

The first thing that needs to be said is that the consumer basket of goods and services is one of the most important and basic concepts in economics. It is noticeable that a consumer basket of goods and services in the Russian Federation is divided into three socio-demographic population groups: children, working-age population, and pensioners. In this bachelor thesis, the consumer basket of goods and services for pensioners will be analyzed.

The proportion of older people in the territory of the Russian Federation is increasing with each passing day; this is the reason why more and more attention is now being focused on

life after retirement. Every person born into this world goes through phases of life and become an elderly person.

Retirement in today's world is the beginning of a new life and is not a death sentence. From my point of view, life is beautiful and old-age is a new and interesting stage of life which needn't fear. Retirement offers great opportunities for everyone. Anything is possible for an elderly person in the modern world: new interests, new pleasures, and new journeys.

This topic is particularly relevant for me, because my grandmother is a non-working pensioner, residing in the territory of the Russian Federation, precisely in Perm Krai. What opportunities do pensioners have in the country where I was born? I decided to study this question in greater depth.

How much money does the Government provide to non-working pensioners in Perm Krai? How non-working pensioners distribute expenditures based on obtained old-age pension? What the minimum set of food products in Perm Krai for non-working pensioners include? Which products pensioners prefer to consume in Perm Krai and how often? How often do pensioners attend cultural events in Perm Krai?

Objectives

The main purpose of the bachelor thesis is the analysis of the consumer basket for the non-working pensioners in the Russian Federation, precisely in Perm Krai.

The first goal in this bachelor thesis is an analysis of the concept, composition, and cost of the consumer basket in Perm Krai for non-working pensioners in 2016 year.

The second goal in this bachelor thesis is to demonstrate the changes in the composition of the consumer basket in Perm Krai for non-working pensioners. Firstly, consider the changes in the old-age pension for non-working elderly people since 2010 year and until 2016 year. Secondly, investigate changes in tariffs for housing and public utilities for the period when official data were available (January 1,2015 to December 31,2016). Thirdly, to examine price changes for food products between 2010 and 2016. Finally, compare the

average increase between old-age pension, tariffs for housing and public utilities, food prices.

The third goal is an analysis of results of a survey, which was held in Perm. The relation between old-age pension for non-working elderly people and between the cost of the consumer basket in Perm Krai in 2016 year.

Methodology

Theoretical section was conducted using methods of synthesis and deduction.

In the analytical part, both quantitative and qualitative methods had been using. All statistics are based on the official data of the State Committee on Statistics of the Russian Federation - Rosstat (formerly, Goskomstat) and on Territorial authority of Federal State Statistics Service in Perm Krai- Permstat . For evaluation of the numerical data, which were collected in tables for the period from 2009 year and until 2016 year, the comparative method had been used. Then the figures were presented in the form of graphs for better demonstration of changes in prices.

Conclusion

The main purpose of this thesis was the analysis of the consumer basket for the non-working pensioners in the Russian Federation, precisely in Perm Krai. Climatic conditions have a strong impact on the lives of pensioners and respectively on the consumer basket of goods and services. The current thesis was written, considering these particularities. Three components of consumer basket of goods and services were considered in the theoretical section; food-goods, non-food goods and services. The following terms were described: "consumer basket of goods and services," "subsistence minimum level," "minimum consumer budget."

The analytical part of this bachelor thesis focusses on analysis of results of the survey, which was held in Perm Krai, precisely in Perm. Monthly expenditure of non-working

elderly people based on importance were examined and described. To explore the housing and public utilities, which is one of the main parts of the consumer basket in the Perm Krai, a SWOT analysis has been used. Thus, explaining the strengths, weaknesses, opportunities, and threats of the housing and public utilities.

In accordance with results of a questionnaire, non-working pensioners in Perm Krai spend money on food products right after they paid for housing and public utilities, which they perceive as primary expenses. According to my survey, half of the old-age pension among the interviewed elderly people (64%) is spent on food products. Emphasis was placed on food goods because the largest part of old-age pension is spent on it.

After analysis of the official data from the State Committee on Statistics of the Russian Federation - Rosstat (formerly, Goskomstat) and Territorial authority of Federal State Statistics Service in Perm Krai - Permstat, it was determined that, ***between 2015 and 2016, the average old-age pension increased by 11%, tariffs for elderly people increased by 19%, and prices for food products raised by 2%.***

Thus, it may be concluded that the increase in tariffs for elderly people significantly exceeded the increase in average old-age pension. Furthermore, during one year in Perm Krai most food products became more expensive. Consequently, pensioners begin to save in connection with lack of financial resources. Elderly people refuse to use electric kettles, vacuum cleaners, and washing machines. All people among the interviewed pensioners limit themselves with food products in connection with insufficient old-age pension. Furthermore, according to my survey, most part of the respondents (52%) do not attend cultural events because they lack the resources.

References

Alexander A Shemetev. *Complex financial analysis and bankruptcy prognosis and also financial management-marketing manual for self-tuition book*. Saint-Petersburg, 2012.750 p. ISBN 978-5-904560-19-5.

Arhipov A.I, Kokin Ju.P.,Karpuhin D.N. *Uchebnik: Jeconomica truda* [Labour economics textbook]. Moscow, 2009.559 p. ISBN 978-5-282-02893-5.

Europa Publications, (2016). *Territories of the Russian Federation 2016*.17th ed. Taylor and Francis. ISBN 978-1-85743-836-9

International Business Publications, (2013). *Russian regional economic and business atlas*. Washington, DC, USA - Russia: International Business Publications. ISBN 978-1-57751-029-1

International Business Publications, USA. (2014). *Russia automobile industry directory - Strategic Information and Contacts*. Washington, DC: International Business Publications, USA. ISBN 1-4387-4024-7

OECD. (2003). *Reforming public pensions*. 1st ed. Paris: Organisation for Economic Co-operation and Development. ISBN 92-64-10580-8

Sha'bán, R. (2006). *Reducing Poverty through Growth and Social Policy Reform in Russia*. Washington, D.C.: World Bank. ISBN 978-0-8213-7405-4

Surinov.A, Baranov.E ,Bugakova. N, (2016). *Russia in Figures*. 2016: Statistical Handbook/Rosstat -M., 2016 - 543 p. ISBN 978-5-89476-420-7.

Vechkanov, G. (2016). *Economic theory*.4th ed. Saint Petersburg. ISBN 978-5-496-01918-7