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## **THEORETICAL AND FINANCIAL ASPECTS OF SOCIAL PROTECTION OF THE POPULATION**

The institution of the state is extremely ancient and is designed to perform a number of functions entrusted to it. That is, the state as an institution acts in specific directions, thereby determining its meaning and essence in the life of society. The functions of the state are not completely static, they change depending on the phenomena of objective reality and challenges that constantly appear. Along with this, all scientists distinguish among the functions of the state a social function, which includes the spheres of health, culture, science, education, etc. The social function of the state exists and has always existed, regardless of crisis or other external factors. On the contrary, in the presence of a greater number of destructive factors, the social function of the state deepens. For example, during the epidemic of the coronavirus disease, the state developed new and fully used existing mechanisms to help the population and its groups. A similar thesis applies in the conditions of Ukraine's protection of territorial borders and citizens from armed aggression.

The social function of the state is to ensure the rights and freedoms of each person in such a way as to create appropriate conditions for their existence and development directly, as well as the realization of social justice as a whole. In other words, the social function of the state consists in such directions of the state's activity that equalize everyone's access to basic public and social goods, while ensuring the stability of society. Of course, it is not possible to provide all citizens equally and at the proper level, as it is influenced by a large number of factors, including the limitation of free financial resources and the very behavior and decisions of citizens. Along with this, the incentive aimed at the full and proper implementation of this function is correct.

It is not for nothing that article 1 of the main state law - the Constitution of Ukraine enshrines the provision that «Ukraine is a sovereign and independent, democratic, social, legal state». In the future, part 1 of Article 3 of the Constitution of Ukraine defines that «A person, his life and health, honor and dignity, inviolability and security are recognized as the highest social value in Ukraine». Also, Article 13 of the Constitution of Ukraine stipulates that «the State ensures the protection of the rights of all subjects of ownership and management, the social orientation of the economy».

The social function is implemented through certain tools and mechanisms. The mechanism of the social function consists of normative legal acts, public authorities, other institutions and institutions, financing of relevant expenses, etc. As for the tools, they can be considered as financing aid, conducting events, developing programs, providing necessary things (for example, medicines) and others.

Thus, we can come to the conclusion that the fundamental theses of the orientation of Ukrainian politics and statehood are aimed at the realization of its social function. The social function is revealed in particular through the systems of social protection and social security.

The article examines the conceptual foundations of the definition of «social protection» and «social security». The role of social protection and social security of the population in ensuring the well-being of the population is analyzed. The functions played by the social protection system have been defined, the directions and forms of social protection have been singled out, and the analysis of general indicators of the standard of living in Ukraine has been carried out.

**Keywords:** social protection, social security, standard of living of the population, financial support, state, local budgets.

## **ТЕОРЕТИКО-ФІНАНСОВІ АСПЕКТИ СОЦІАЛЬНОГО ЗАХИСТУ НАСЕЛЕННЯ**

У статті досліджено концептуальні засади дефініції «соціальний захист» та «соціальне забезпечення». Проаналізовано роль соціального захисту та соціального забезпечення населення у забезпеченні добробуту населення. Визначено функції, які відіграє система соціального захисту та виокремлено напрямки та форми соціального захисту, проведено аналіз загальних показників рівня життя в Україні.

**Ключові слова:** соціальний захист, соціальне забезпечення, рівень життя населення, фінансове забезпечення, державний, місцеві бюджети.

**Statement of the problem in a general form and its connection with important scientific and practical tasks.** The social sphere is a rather important indicator of the level of development of society. At first glance, the social sphere is not the economic backbone of the state and the driving force of economic development. Along with this, the analysis of subjects of knowledge of this field allows to single out its importance.

**Analysis of the latest studies, in which the solution to the problem was initiated.** The standard of living of citizens is an important criterion for evaluating the effectiveness of the state's socio-economic policy. What determines the need to improve the level of financial support of the social sphere and positive changes in the growth of social protection of the population. This issue has been

studied by such scholars as: V. Utvenko (Utvenko V., 2018), O. Bodnarchuk (Bodnarchuk O., 2020), V. Roshkaniuk (Roshkaniuk V., 2012), O. Burlaka (Burlaka O., 2019), Y. Yaryhina (Yaryhina Ye., 2016), A. Medvid (Medvid A., 2016), I. Belova, N. Semenyshena (Belova I.M., Semenyshena N., 2021) and others.

Along with a significant amount of scientific research, the question of the relevance of the chosen topic is determined by a large number of legislative and organizational changes that require their doctrinal analysis and justification.

**Objectives of the article:** analysis and generalization of existing definitions of the concepts of «social protection» and «social security», definition of the functions played by the social protection system in today's conditions.

**Presentation of the main material of the study with a full justification of the obtained scientific results.** In today's conditions, social protection and social security of the population plays a leading role in ensuring the well-being of the country's population. At first glance, the terms «social protection» and «social security» are synonymous. Along with this, each of these concepts has its own characteristics and semantic load. The distinction between the terms «social protection» and «social security» will help to make an appeal to historical hindsight. As in most social relations, in this matter there are remnants of the old Soviet imperfect management system. Thus, during the Soviet state building system, all socio-economic relations between subjects in the field of social protection were called «social security», due to the underdevelopment of the institution of social protection. Therefore, in the Soviet period, social security was used in its broad interpretation, which outlined the entire institution of social protection, called «social security law».

At the same time, it is more expedient in the modern realities of the development of society under social security to understand that part of social relations aimed at providing certain types of social protection at the expense of the state budget.

Over time, the existence of two similar-sounding terms led to the merger of their semantic load, gave rise to contradictions and ambiguities, and therefore to inaccuracies in their use. In addition, this process was facilitated by the construction of new systems and

institutions based on Soviet legal acts, which are, in fact, no longer effective for the new modern realities and modified social relations compared to the last century.

Along with this, a significant number of scholars continue to interpret the term «social security» while describing exactly «social protection», which is a conceptually incorrect approach. The conducted analysis of scientific sources helped to reach the following conclusion: the description of social security, due to the signs of social protection, is characteristic of those authors whose works were developed on the basis of scientific sources and scientists of the 20th century, or the beginning of the 2000s, and therefore are not relevant for modern stage of development of science and the state as a whole.

It is also an interesting coincidence that the presence of two semantically similar terms is inherent not only in Ukraine, but also in English-language scholarship, where the terms «social protection» and «social security» are used. At the same time, scholars give each of them a separate semantic load. When translating foreign sources, Ukrainian scholars often use them as synonyms. At the same time, Western scholars distinguish between them. Thus, according to the current interpretation of the United Nations Research Institute for Social Development, «social protection» is a set of policies and programs aimed at reducing poverty and vulnerability by creating an effective labor market, as well as reducing social risks and creating opportunities to overcome them (social protection).

Social security is defined as a government program aimed at providing economic assistance to people in need as a result of unemployment or disability. Such programs are financed by preliminary taxpayer contributions. Therefore, «social security» is more similar to our social security format.

Thus, a systematic definition of the essence of the two concepts under study helped to establish their relationship with each other. Thus, in our opinion, which is based on the opinions of the vast majority of scholars, «social security» is one of the components of the «social protection» system.

The analyzed scientific sources helped to establish that the social protection system structurally includes social security, social

guarantees, social assistance, state aid, social insurance, and savings funds.

In practice, social protection is realized through various guarantees of wages, support for vulnerable groups of the population (disabled, low-income, families with children), training, education, compensation for certain damages, indexation, provision of benefits both in cash and in kind, etc.

Summarizing all these thoughts, we can emphasize that in modern conditions social protection is aimed at:

- Establishing a minimum amount of money for different categories of citizens that is necessary to ensure their existence;
- identification and differentiation of different socio-demographic categories of citizens;
- access of everyone to labor;
- creation of a system of state guarantees;
- provision of various types of benefits;
- recalculation of financial support due to inflationary processes, etc (Belova I.M., Semenyshena N., 2021).

In view of the above, we can identify the following functions of the social protection system:

1. Reducing the negative effects of poverty (protective).
2. Prevention of poverty (preventive function).
3. Maintaining an adequate standard of living (stabilizing).
4. Improving living conditions (reproductive).
5. Use of mechanisms to influence negative factors (rehabilitation function).
6. Provision of a number of benefits in case of risks and subject to preliminary payment of contributions (compensatory).
7. Redistribution of monetary and social benefits (distributive).
8. The influence of the state on the character of the direction of society (control).
9. Regulation by the state of certain processes (political).
10. Informing about possible negative consequences of certain forms of behavior of individuals (preventive).

The state's obligation to provide social protection to citizens is carried out in specific areas and has certain forms. Thus, the analysis

of legislation and literature allows us to distinguish the following areas and forms of social protection in Ukraine:

1. Service in the Armed Forces of Ukraine and other formations: food, housing and clothing support; benefits for housing and communal services, rent, and transportation.

2. Pregnancy and maternity: financial assistance; material assistance (baby box); tax benefits; retention of the main job.

3. Disability: pension payments; financial assistance; insurance payments; social assistance; preferential highly qualified medical care; benefits.

4. Loss of the breadwinner (including orphanhood): financial assistance; preferential medical and health care; social assistance; housing; full state support.

5. Unemployment: financial assistance; assistance in finding a job; preferential training; advanced training; assistance in starting a business.

6. Low living standards: financial assistance; subsidies; social assistance.

7. Education: travel privileges; tax benefits; state-funded education.

It is also worth noting that the above forms of social protection are the most common and belong to the national level. At the same time, local governments and various non-governmental organizations can determine additional forms of social assistance for certain categories of citizens.

The study of the social sphere, which includes social protection and social security, cannot be carried out comprehensively without describing and analyzing general indicators of living standards. Such indicators are shown in Table 1. Thus, the issue of providing social protection is directly correlated with such indicators as the standard of living, inflation index, average and minimum wages, pension benefits, etc. In addition, the above indicators are fundamental in the process of developing and adopting a budget at any level. Thus, Table 1 describes the national living standards for 2018-2022. That is, these indicators are relevant to the current study, as they cover both the pre-war and the war periods.

Table 1  
Dynamics of key indicators of living standards in Ukraine in 2018-2022

Indicator	2018	2019	2020	2021	2022	Growth rate			
						2019/ 2018	2020/ 2019	2021/ 2020	2022/ 2021
GDP, UAH thousand per capita	84,2	94,6	100,4	131,9	126,1	1.124	1.062	1.313	0.956
Subsistence minimum, UAH	1853	2027	2189	2393	2589	1.094	1.080	1.093	1.082
Average monthly nominal salary, UAH	8865	10497	11591	14014	14577	1.184	1.104	1.209	1.040
Minimum salary, UAH	3723	4173	5000	6500	6700	1.121	1.198	1.300	1.031
Quintile coefficient of income differentiation - monetary	2,2	2,3	2,2	2,2	2,2	1.045	0.957	1.000	1.000
	2,0	2,1	2,0	2,1	2,1	1.050	0.952	1.050	1.000
Inflation index, %	109,8	104,1	105,0	110,0	126,6	0.948	1.009	1.048	1.15
The average monthly pension amount granted to pensioners, UAH	2479,2	2645,7	3083,0	3507,5	3991,5	1.067	1.165	1.138	1.138
Minimum pension, UAH	1497	1638	1769	1934	2093	1.094	1.080	1.093	1.082
Employed persons of working age, thousand people	15718,6	15894,9	15244,5	14957,3	12949	1.011	0.959	0.981	0.866
Unemployed of working age, thousand people	1577,6	1486,9	1673,3	1709,5	2600*	0.943	1.125	1.022	1.521

\* figure does not include people who are abroad or in the temporarily occupied territories

Compiled by the author based on (Statistical Yearbook of Ukraine, 2022).

A general analysis of all indicators shows that 2021 was the most economically uplifting year, as it was the year that saw the largest increase in all «positive» economic indicators, in particular: GDP per capita increased by UAH 31474.7, the subsistence level increased by UAH 204, the average monthly wage increased by UAH 2423, and the minimum wage by UAH 1500, and the minimum pension increased by UAH 165. As for 2019 and 2020, the growth was stable and systematic, but at a slower pace. At the same time, the negative factors that kept the trend going were inflation, which remained at a moderately high level, a decline in the working-age population and a simultaneous increase in the number of unemployed people.

If we analyze the trend of military year 2022 compared to 2021, the main economic indicators have maintained their growth trend, but at a low level. At the same time, the inflationary process has increased significantly, which has effectively offset the growth of basic economic indicators, which is an extremely negative factor and requires an immediate response aimed at reversing this trend in 2023-2025. The following factors are extremely negative:

- reduction of GDP by UAH 5754.9 per capita;
- high growth rate of the inflation index (1.151);
- reduction of the employed able-bodied population by 2008.3 thousand people;
- growth of the unemployed able-bodied population by 890.5 thousand people.

The above economic indicators are the basic ones in the calculations of various components and the core ones in forecasting. Therefore, public authorities need to respond immediately and effectively to the negative trend that emerged in 2023 and is related to the crisis and martial law.

The dynamics of the structure of expenditures on social protection and social security depends on many external factors. At the same time, expenditures in this area should have guaranteed budgetary coverage, as they finance rather vulnerable groups and areas.

**Conclusions.** In fact, the issue of the social sphere is extremely relevant in the current environment, when Ukraine is making every effort to repel armed aggression and prevent the damage and consequences. In addition to direct losses, this armed aggression has



created a number of challenges for both the state and citizens: a large number of IDPs, destroyed housing, broken social ties, disability, etc. Therefore, in today's realities, public policy should be more flexible to respond to new challenges. In addition, we believe that it is important for the state to have probable models (scenarios) of the development of events in order to respond to emerging risks as soon as possible. Modeling is a sufficient way to prepare for new challenges, since in a relatively calm atmosphere it is possible to identify all the fundamental aspects of the problematic issue, to attract international best practices, and to develop an action plan with the help of a wide range of specialists.

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