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## DIRECTIONS FOR IMPROVING THE SYSTEM OF SOCIAL PROTECTION OF THE POPULATION OF UKRAINE

**Formulation of the problem.** In recent years, the legislative and executive authorities of Ukraine have paid more attention to the development of the social sphere and improving social protection, which is reflected in the adoption of certain social legislation, a slight increase in investment in human capital, partial implementation of targeted principles of support for various social groups. Almost all political blocs and parties have identified social issues as key issues in their election programs.

However, there is a big discrepancy between the declarations of ideas and the constitutional principles of the formation of the welfare state, on the one hand, and the actual practice of public authorities to ensure and implement social policy - on the other. Unfortunately, the reforms that have begun in the country have not yet led to a significant improvement in the well-being of Ukrainian society.

On the contrary, there is an exacerbation of a number of social problems. Among them: a large gap between the income of rich and poor, the mismatch of wages to its real productivity, the inefficiency of the health care and education system, the mismatch of pensions to the level of effort invested during working age, etc. [1].

**Analysis of recent research and publications.** Theoretical-methodological and applied issues of social protection and its regulation at both national and regional levels are studied by such domestic and foreign scientists as O. Amosha, R. Pidlipna, S. Mocherny M. Boyko, A. Khaletska, L. Tserkasevych, O. Cher-

nysh, and others. But there are still debatable issues of directions and main priorities for improving the system of social protection of the population of Ukraine.

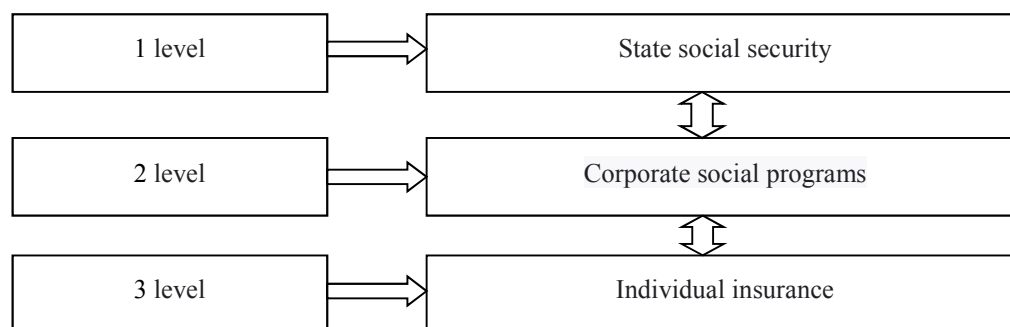
**Purpose of the article** – research of features of formation and development of system of social protection of the population, its analysis and offers concerning directions of improvement of system of social protection of the population of Ukraine.

**Presentation of the main material.** An important place in the social policy of modern Ukraine belongs to the system of social protection. The purpose of social protection is to provide state support to the most vulnerable segments of the population, to meet the minimum needs of those citizens of the country who are most affected by market transformations.

The extent of social protection depends on the chosen social policy, and, accordingly, on the amount of its financial support. With the help of the social protection system certain goals of social policy are achieved, in particular the social protection system:

- 1) allows the redistribution of income in society in favor of the most vulnerable members of society, which reduces poverty and inequality in society;
- 2) stimulates households to make savings and, accordingly, productive investments;
- 3) takes on the task of social risk management;
- 4) allows to support effective and sustainable development in the country.

In general, in the vast majority of countries there is an extensive three-tier system of complementary social protection (Fig. 1).



**Fig. 1. Three-tier system of social protection [2]**

The first level of social protection is guaranteed by the state, the second – enterprises, organizations and institutions – employers, and the latter independently chooses the insured citizen in accordance with his preferences and financial capabilities.

The main components of social protection in a market economy are: the establishment of guaranteed living conditions; social guarantees in case of unemployment; pension provision; maintenance of boarding schools, homes for the elderly, etc.; state support and provision of social transfers; social insurance, etc.

Problems of social protection of the population are solved in different ways within a particular country.

The most important elements of the social protection system:

1. Social insurance, which consists of pension, health, unemployment insurance and accidents at work.
2. Employment and retraining programs.

State employment programs are usually implemented through preferential taxation of companies that create new jobs.

An element of social protection is the state-legal regulation of hired labor, which is carried out through the establishment in the legislative order of the minimum wage, pensions, the procedure for concluding collective agreements on working conditions, wages, social insurance, etc.

Social protection is a component of social policy. The essence of the "social policy of the modern state" is defined as:

"... a set of socio-economic measures of the state, enterprises aimed at reducing inequality in the distribution of income and property, to protect the population from unemployment, rising prices, devaluation of labor savings, etc. ... The basic principles of social policy are the optimal combination of social justice and efficiency, accounting for vital social standards" [3].

It is expedient to consider the system of social protection of the population only through the provision of social guarantees by the state to the citizens of the country. The following definition is given: "... social guarantees - is the obligation of the state to members of society to generate their income, the conditions for obtaining certain goods and services, jobs" [3].

The main functions of the state in providing social guarantees include:

1. Material support of people who, for objective reasons, cannot do it on their own (pensioners, disabled people, etc.).
2. Creating conditions for the reproduction of labor resources at a certain socio-economic level.
3. Support of incomes and realizations of other forms of social protection in relation to people who are forcibly unemployed – unemployed.

*Table*

**Components of social protection systems**

Social Insurance	Social assistance	Social justice
<ol style="list-style-type: none"> <li>1. Pensions.</li> <li>2. Payments in case of general illness.</li> <li>3. Payments in case of occupational injury and disease.</li> <li>4. Payments in case of pregnancy, childbirth and maternity.</li> <li>5. Payments for burial and in case of loss of breadwinner.</li> <li>6. Unemployment benefits</li> </ol>	<ol style="list-style-type: none"> <li>1. Helping families with children.</li> <li>2. Social services for the elderly, lonely infirm, disabled.</li> <li>3. System of benefits (payment for housing and communal services, transport, fuel, medicines, etc.) to socially vulnerable groups.</li> <li>4. Monthly compensation for the care of infirm elderly people.</li> <li>5. Monthly targeted assistance to infirm citizens with a minimum income.</li> <li>6. Housing subsidies.</li> <li>7. Other targeted subsidies.</li> </ol>	<ol style="list-style-type: none"> <li>1. Long-term assistance for citizens affected by the Chernobyl accident.</li> <li>2. Compensation to children and parents affected by the Chernobyl accident.</li> <li>3. Privileges for the purchase of food for those affected by the Chernobyl accident</li> </ol>

The role of the state in the implementation of social protection of the population of Ukraine, according to M. Boyko, is as follows: "the state by issuing relevant regulations establishes the types of social security, determines the conditions and procedure for their appointment, the range of persons entitled to the appropriate type of social security, sources of funding, creates a system of bodies through which social security."

During 2019, there is a steady trend of increasing monetary income of the population. There is an increase in all types of income, primarily due to higher state social standards and guarantees, wages, pensions and various types of social assistance.

Nominal incomes of the population in 2019 increased by 13.9% compared to 2018. The disposable income that can be used by the population to purchase goods and services increased by 14.9%, and the real dis-

posable income, determined taking into account the price factor, increased by 6.5 percent.

Disposable income per capita amounted to UAH 67,528, which is 15.5% more than in 2018. The share of wages in the structure of household incomes increased and amounted to 47.4% against 47.1% in 2018.

The subsistence level was increased by 9.4% (December 2019 compared to December 2018), the minimum wage – by 12.1% (from January 2019 – 4,173 UAH).

From 01.01.2019 the official salary (tariff rate) of the employee of the I tariff category of ETS was increased by 9%, respectively the official salaries for all tariff categories increased.

In order to improve the conditions of remuneration of public sector employees during 2019, the Government adopted a number of resolutions.

The average monthly salary of full-time employees in 2019 was UAH 10,497, which is 18.4% more than in 2018. Real wages during this time increased by 9.8 percent. As of December 2019, the ratio of average wages by type of economic activity with the average wage in the country (UAH 12,264) was: in agriculture – 75.7%, industry – 111.3%, construction – 89.0%, transport, warehousing, postal and courier activities – 101.5%, financial and insurance activities – 181.0%, public administration and defense, compulsory social insurance – 166.0%, education – 79.1%, health care and provision of social assistance – 69.4%, arts, sports, entertainment and recreation – 84.2%.

According to the State Statistics Service, the average monthly salary of full-time employees in January-September 2020 amounted to UAH 11,199, which is 9.2% more than in the corresponding period of 2019 (Fig. 2).

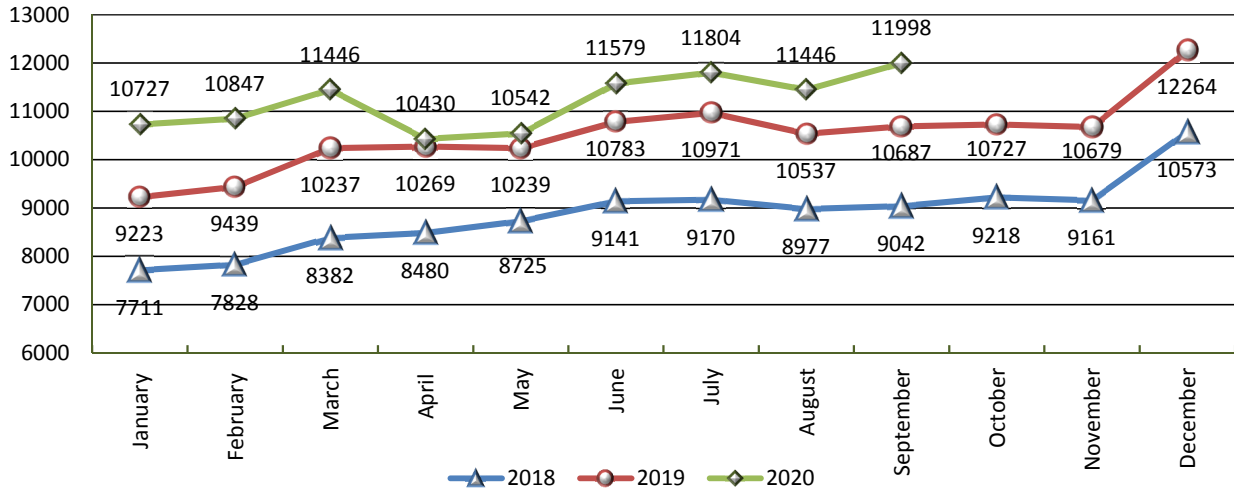


Fig. 2. Dynamics of the average salary of full-time employees [4]

The lowest level of average monthly wages by type of economic activity during this period was for employees engaged in temporary accommodation and catering – UAH 5,812 (51.9% to the average level in the economy), and the highest – for employees of air transport – UAH 21,048. (187.9%).

(77.4% to the average level in the economy), the highest – in Donetsk region – UAH 12,306 (109.9%). In Kyiv, its amount was UAH 16,465 (147.0%).

In industry, the average monthly wage for January-September 2020 compared to the corresponding period of 2019 increased by 8.1% and amounted to 12,460 UAH.

The index of real wages for January-September 2020 compared to the corresponding period of 2019 was 106.6 percent.

In regional terms, the lowest level of wages for this period was observed in Chernivtsi region – UAH 8,673

Monitoring of social support programs for 2019 was conducted according to the types provided in Fig. 3. in accordance with the resolution of the Cabinet of Ministers of Ukraine dated 20.06.2012 No. 554.

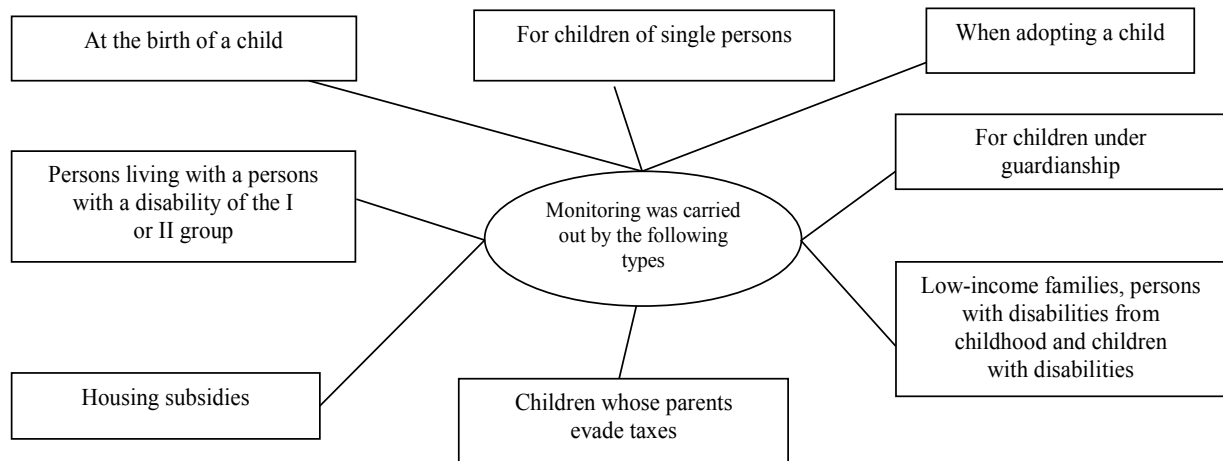


Fig. 3. Types of social support programs for the population of Ukraine [5]

«On monitoring and evaluating the effectiveness of social support programs» (as amended) and Methodology for monitoring and evaluating the effectiveness of social support programs (order of the Ministry of Social Policy, Ministry of Economic Development, Ministry of Finance, State Statistics Service and National Academy of Sciences of Ukraine dated 01.09.2017 № 1396/1272/730/243/528 (as amended), registered with the Ministry of Justice on September 26, 2017 under 91 1191/31059).

The analysis shows that the main social programs (childbirth assistance, single people with children, low-income families, housing subsidies) have a significant cumulative impact on reducing the scale of absolute poverty in the country: in the absence of these social benefits, the share of the population whose income would not reach the actual subsistence level per person would be 44.1%, i.e. 2.8 percent. points more than in the presence of payments (the poverty rate, calculated on the basis of the actual subsistence level, is 41.3%).

In 2019, most social assistance programs saw a reduction in government spending. The biggest changes took place in the housing subsidy program – its total cost decreased by more than a third. Accordingly, for most programs, the number of beneficiaries has decreased. Only three programs (state social assistance to persons with disabilities from childhood and children with disabilities, assistance in adopting a child and caring for a person with a disability of group I or II due to mental disorder) showed an increase in the number of participants.

All the considered social assistance programs in 2019 had a significant impact on the level of poverty of beneficiaries - the figure decreased by 5.2 - 24.6 percent. point. At the same time, the program of child assistance to single persons had the greatest impact, which testifies to the exceptional importance of benefits for recipients of assistance.

As in the previous year, assistance to low-income families and assistance to children with single people is the most effective, which demonstrates a better targeting of programs for the poor and the importance of benefits for their participants. However, a high efficiency rate can signal the demotivating effect of programs on able-bodied participants.

From the analysis of the state of social security of some categories of citizens outlining its main characteristics, taking into account the country's achievements in the field of social security, the main strategic directions of state regulation in the field of social protection, in our opinion, we can distinguish: overcoming poverty and increasing incomes state guarantees of employment, stimulating the development of compulsory state social insurance, pensions, social services, the use of benefits and social protection of certain categories of citizens.

1. Overcoming poverty. The task of overcoming poverty is to effectively manage social processes and focus efforts on eradicating poverty, reducing the risks of inherited poverty, meeting basic human needs and

creating conditions for confidence in the future. In modern conditions, there is a need for a new approach to solving the problem of overcoming poverty, associated with a change in the interpretation of poverty as a lack of funds for physical survival to its interpretation as the inability to maintain a full social life.

The main goal of social policy is to improve the living standards of the population through the economic rise of the state in accordance with European standards, which can be achieved primarily through the improvement of wages and incomes. To do this, it is necessary to restore the stimulating role of wages, as well as increase the solvency of the population. Legalization and growth of wages and other types of income will be a stimulus and financial basis for further increase in social benefits.

2. Providing employment guarantees. The state employment policy envisages the implementation of measures aimed at de-shadowing employment, increasing the efficiency of the labor market, providing employment guarantees in the process of privatization and restructuring of enterprises, supporting entrepreneurship and self-employment, protecting the interests of migrant workers working for Ukraine. from foreign employers.

3. Compulsory state social insurance. The development of the system of compulsory state social insurance is to increase the efficiency of the funds of compulsory state social insurance, to create a modern and effective system of administration of insurance premiums in accordance with European standards.

4. Pension provision. Recently, changes have been made to the pension legislation, which has provided an increase in the income of pensioners to the subsistence level for people who have lost their ability to work.

However, the level of income after retirement of an employee is only half of his earnings and during 10 years of retirement is reduced to 30 percent. At the same time, the rate of insurance premiums for compulsory state pension insurance remains high, but does not ensure the financial balance of the solidarity system of compulsory state pension insurance. Private pension funds offer to open accumulative (deposit) pension accounts. However, given the crisis and the lack of public confidence in the banking system and private pension funds, this form of pension insurance has not yet gained popularity.

The introduction of a three-tier pension system, which includes a solidarity system of compulsory state pension insurance, a funded system of compulsory state pension insurance and a system of non-state pension provision, provides for the creation of conditions for a significant increase in the level of pension provision.

5. Social services. The correction of the social service system, aimed at maintaining and ensuring an adequate standard of living for pensioners, the disabled, low-income families, children and youth, homeless people, persons released from prisons, is carried out by transforming the provision of social services.



6. Introduction of a systematic approach to the provision of benefits: improvement of the system of providing benefits to citizens; development and approval of uniform socially and economically justified norms of consumption of services by types of benefits per person; Improving the Unified State Automated Register of Persons Entitled to Benefits, in order to simplify the procedure for providing benefits to the population and settlements with suppliers for services actually provided, prevention of abuse; granting citizens the right to choose the form of benefits (in kind, cash, non-cash, etc.); introduction of the social passport of the beneficiary (electronic card).

7. Social protection of certain categories of citizens. Improving the system of social protection of certain categories of citizens involves ensuring the targeting of social assistance and increasing its size, creating conditions for the integration of people with disabilities into society, veterans and the elderly, low-income families, citizens affected by the Chernobyl disaster, social protection of the homeless citizens and social adaptation of persons released from prisons.

To improve these areas, the Ministry of Social Policy of Ukraine has developed and published for discussion the Concept of implementation of state policy on social protection and protection of children's rights [6], which provides proposals for defining and implementing an effective model of interaction between executive authorities at all levels and local governments to implement the state policy of social protection and protection of children's rights with the provision of a service approach to the provision of social services and compliance with the principle of their maximum accessibility to consumers, as well as the implementation of state control over compliance with legislation in this area. Implementation of this Concept, in our opinion, will increase the effectiveness of social protection due to the professional capacity of employees of the social protection system, as well as state control over compliance with legislation during the provision of social support and protection of children's rights.

**Conclusions.** Thus, summarizing the above, it is necessary to emphasize the important role of social protection in the socio-economic development of society, because the state through the formation of an effective system of social protection, creates protective mechanisms and appropriate conditions for full development of each individual, promotes welfare and needs segments of the population.

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### **Гітис Т. П., Лисенко М. Л. Напрями удосконалення системи соціального захисту населення України**

Наукова стаття присвячена розгляду актуального питання сьогодення – розвитку соціальної сфери та напрямам удосконалення соціального захисту населення України.

Метою статті є дослідження особливостей формування та розвитку системи соціального захисту населення, її аналіз та пропозиції стосовно напрямів удосконалення системи соціального захисту населення України.

У дослідженні наведено, що важливе місце в соціальній політиці сучасної України належить системі соціального захисту населення. Обширність соціального захисту населення залежить від обраної соціальної політики, та, відповідно, від обсягів її фінансово забезпечення. За допомогою системи соціального захисту досягаються певні цілі соціальної політики, зокрема система соціального захисту.

Розглянуто основні показники рівня життя населення та програми соціальної допомоги, які реалізувалися у 2019 році. З проведеного аналізу стану соціальної забезпеченості деяких категорій громадян у дослідженні окреслено основні напрями державного регулювання у сфері соціального захисту населення, які потребують удосконалення.

Розглянуто Концепцію реалізації державної політики щодо соціального захисту населення та захисту прав дітей. Реалізація цієї Концепції, на наш погляд, дозволить підвищити ефективність соціального захисту населення за рахунок професійної спроможності працівників системи соціального захисту, а також здійснювати державний контроль за додержанням вимог законодавства під час надання соціальної підтримки та з питань захисту прав дітей.

*Ключові слова:* соціальний захист, соціальні програми, соціальне обслуговування, державна соціальна політика, пільги, соціальна допомога.

### **Gitis T., Lysenko M. Directions for Improving the System of Social Protection of the Population of Ukraine**

This scientific article is devoted to the current issue of the year – the development of the social sphere and ways to improve the social protection of the Ukrainian population.

The purpose of this article is to investigate the peculiarities of formation and development of the system of social protection of the population, its analysis and suggestions for improvement of the system of social protection of Ukraine.

The research has revealed that an important place in the social policy of present-day Ukraine belongs to the system of social protection of the population. The extensiveness of social protection of the population depends on the social policy being reversed and, accordingly, on the volume of its financial support. Through the system of social protection are achieved certain goals of social policy, in particular the system of social protection.

The main indicators of the standard of living of the population and social assistance programs, which were implemented in 2019, are reviewed. Based on the analysis of the state of social security of certain categories of people, the research identified the main directions of state regulation in the sphere of social protection of the population that require improvement.

The Concept of Implementation of the State Policy on Social Protection of Population and Protection of Children's Rights. The implementation of this Concept, in our opinion, will increase the efficiency of social protection of the population due to the professional capacity of the social protection system employees, also to exercise control over the observance of legal requirements while providing social support and protection of children's rights.

*Keywords:* social protection, social programs, social services, state social policy, benefits, social assistance.

### **Гитис Т. П., Лысенко М. Л. Направления усовершенствования системы социальной защиты населения Украины**

Научная статья посвящена рассмотрению актуального вопроса нынешнего времени – развитию социальной сферы и направлениям усовершенствования социальной защиты населения Украины.

Целью статьи является исследование особенностей формирования и развития системы социальной защиты населения, ее анализ и предложения относительно направлений усовершенствования системы социальной защиты населения Украины.

В исследовании приведено, что важное место в социальной политике современной Украины принадлежит системе социальной защиты населения. Обширность социальной защиты населения зависит от избранной социальной политики, и, соответственно, от объемов ее финансового обеспечения. С помощью системы социальной защиты достигаются определенные цели социальной политики, в частности цели системы социальной защиты.

Рассмотрены основные показатели уровня жизни населения и программы социальной помощи, которые реализовались в 2019 году. Из проведенного анализа состояния социальной обеспеченности некоторых категорий граждан в исследовании очерчены основные направления государственного регулирования в сфере социальной защиты населения, которые нуждаются в усовершенствовании.

Рассмотрена Концепция реализации государственной политики относительно социальной защиты населения и защиты прав детей. Реализация этой Концепции, на наш взгляд, позволит повысить эффективность социальной защиты населения за счет профессиональной возможности работников системы социальной защиты, а также осуществлять государственный контроль за соблюдением требований законодательства во время предоставления социальной поддержки и по вопросам защиты прав детей.

*Ключевые слова:* социальная защита, социальные программы, социальное обслуживание, государственная социальная политика, льготы, социальная помощь.

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