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The need for welfare reform under conditions of sharply increasing influence external factor on the life activity of the population

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Abstract: The social security problems discussed in this article are not only economic, but also socio-political in nature. In this regard, the work outlines some elements of social security, in particular, pensions and benefits paid to the population when due and the conditions for the payment of funds from the budget, as the main source of the formation of funds of social significance. Particular attention is paid to the term "social security" and its characteristic features are outlined. Specific proposals for improving social security are given.

Key words: efficiency, system, social security, pension, benefits, social assistance, financial relations, payments, contributions.

Introduction

The current situation in Ukraine and Russia has become the cause of a kind of crisis (2022), which has led to the distress of many citizens, especially their social security.

The existing social security system within the framework of the State programs of the strategy for the socio-economic development of the country until 2025, structural modernization, supported by the IMF, in fact, should be a cost-effective system that provides comprehensive protection at minimal costs, in terms of the budget and imbalances in the distribution of financial resources to help mitigate adverse impacts and efforts aimed at stabilization and structural reforms.

Due to current events, social security in many countries around the world is in crisis, as they provide insufficient protection and at the same time create a heavy burden on budgets at all levels. Therefore, the most important issue of social policy is how to more reliably protect the population of all groups and their well-being from deprivation, especially during the period of announced sanctions against a number of countries, including Russia. If industrialized countries have already begun to address these problems, then most developing countries, including CIS countries, which are experiencing a period of gradual transition to a market economy, need to reorganize their social security systems within the framework of the programs of the State Strategy for Socio-Economic Development until 2035. Therefore, government agencies should consider fiscally acceptable and at the same time effective methods of providing social security in the context of social insurance (state pensions, unemployment benefits, medical care) and social assistance (i.e. targeted payments).

Social security defines all socially significant payments, from a macroeconomic point of view, as the ratio of the total amount of social payments to GDP. For social payments and funds sent as assistance to the population form the modern social system and differ in the objects of payment and sources of payment.

Therefore, in microeconomics, in our opinion, it is unlawful to use the impersonal concept of "social security" - without correlating their amount with specific financial and economic indicators - the object of formation or the source of its payment. Thus, the term "social security", or social burden, from the point of view of spending funds from various sources, is a relative indicator, since it correlates the amounts of social security with a certain financial indicator.

In the social security system, social insurance is associated with receiving funds from various sources in order to satisfy one's own needs, family, i.e. earnings (mainly state pensions and unemployment benefits), and limited forms of social assistance. These elements of social security were introduced in Europe, and then on the American continent. But later, to a lesser extent, they were introduced on other continents. Until the 1970s, social insurance programs in many countries were financially very healthy and became quite popular because the first generations of pensioners and the unemployed were able to receive payments that were often much greater than the contributions they had made over a relatively short period of time. work period.

In practice, the system's reserve resources accumulated under social security, although rarely, were used to finance government deficits without paying interest, with little concern for the long-term stability of the system. In addition, state pension fund reserves were also partially used to subsidize health care and other programs that do not provide financing through contributions, or were invested in projects with very dubious returns. With the number of contributing workers continually growing, this approach may have been justified for partly contributory-funded programs. In this situation, the primary concern was full coverage of benefits for the participating population, rather than long-term financial sustainability and intergenerational equity. Whatever financial difficulties arose could be overcome by gradually increasing salary-based contribution rates.

The provision of social assistance to the poor, including health care, has been uneven across countries. In industrialized countries, a more equitable distribution of income has been sought to be achieved mainly through highly progressive taxation of personal income and subsidies for certain categories. In many developing countries, price controls on basic foodstuffs and other essential goods, as well as limits on interest rates, have become common to ensure fairness. The corresponding subsidies were financed from the budget.

The financial imbalances underlying social security programs in many developing countries are highlighted largely by the oil crisis in the context of severe macroeconomic imbalances. Increasing inflationary trends, acute shortages of goods, difficulties with external payments, growing debt and a significant slowdown in growth have revealed serious problems associated with structural rigidity. Social security institutions began to experience financial difficulties. The real value of benefits was declining due to inflation, and to ensure the solvency of the system, more and more increases in payroll tax rates and budgetary injections were required, in fact, on the principle of paying expenses as income was received.

These financial problems are compounded by eligibility for benefits, which are generously granted based on short-term political considerations rather than past contributions or true need. Some countries still struggle with what is potentially the most expensive provision of social security—universal access to health care—with few or no restrictions. A number of transition countries have seen excessive increases in claims for: sickness benefits; pensions for partial disability; early retirement; long service pensions; health care benefits. Such payments pose a particularly disproportionate burden on developing countries facing severe macroeconomic imbalances. The contribution base in developing countries has begun to decline, partly due to slower growth in real incomes across the economy. The increase in the ratio between payments and contributions is exacerbated by changing demographic trends caused by a decrease (increase) in the birth rate and an increase (decrease) in life expectancy. The full consequences of these phenomena have yet to be experienced. The typical response in many countries has been to further increase statutory contribution rates.

These phenomena, coupled with a lack of openness and accountability in social security finances (often coupled with corrupt and ineffective administration), have weakened the perception of any link between benefit eligibility and past contributions, thereby reducing compliance regulations that have increasingly come to be seen as a burdensome form of regressive payroll tax. In turn, the inclusion of high payroll tax rates in costs contributed to reducing the competitiveness of the country concerned, and in the absence of changes in "border" duties or taxes to take into account these payroll taxes, according to the destination principle in foreign trade, there was an additional burden on the exchange rate, caused by the need to reform social security.

Nowhere is the instability of the social security system as acute as in the CIS countries. In these countries, social security systems have become completely unworkable due to severe financial restrictions. In the past, in the absence of unemployment benefits, unemployment was hidden due to the large number of redundant workers in state-owned enterprises and the relatively easy entitlement to various social insurance benefits (especially due to the low retirement age and sickness and disability benefits). The main means of alleviating poverty took the form of price subsidies to meet basic needs, these subsidies were available to everyone, regardless of need.

At present, even after the official recognition of the existence of unemployment, poverty and poverty and the creation of special programs to openly address these problems (e.g., "Iron Book", "Notebook of Youth", "Notebook of Women", etc.), an unacceptable approach The unemployment problem in most transition countries appears to be exacerbated by the increasing use of early retirement and disability benefits. At the same time, these countries (which lack the necessary administrative capacity) are distinguished by their inability to provide social assistance to those in need. This is explained by the fact that state-owned enterprises, when they begin to experience the strong influence of the market and its demands, then get rid of excess labor, and a sharp increase in poverty occurs.

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