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### PRIORITIES OF THE STATE POLICY'S IMPROVEMENT OF THE SOCIAL SYSTEM OF UKRAINE

<u>Statement of the problem.</u> Significant interest is the system of social protection, which is formed within the framework of the European Union, in view of Ukraine's aspirations to enter the EU. The multiplicity of policies for social protection and regional development, the combination of supranational, national and regional aspects is a topical issue in the agenda of many European programs and forums. European standards in the field of social protection, standards for social security must be taken into account when adopting new legislative acts in Ukraine in the field of social protection.

<u>Analysis of recent research and publications.</u> Various aspects of social policy are the subject of scientific research. In particular, there was been highlighted the work of such scientists as L. I. Beztelesna, H. M. Yurchyk [1], V. M. Vilhosh [2], N. M. Horishna [3], N. V. Huliak [4], O. V. Dluhopolskyi [5], T. O. Diachenko [6], K. V. Sliusarenko, M. M. Sadovenko [7] and N. P. Topishko [8].

The search for ways to optimize social policy and the system of social protection of the population as its component in the conditions of the instability of socio-economic systems in a globalized world is relevant.

*Formulation of the purpose.* The purpose of the article is to analyze the state social policy in Ukraine and to study foreign experience in this area, and, on the basis of research, to provide recommendations for improving the social area in Ukraine.

<u>Presentation of basic material of research.</u> The policy of forming the system of social sphere of Ukraine at the present stage of the state's progress is objectively not effective. Thus, in Ukraine, a system of institutions specializing in the formulation and implementation of social policies, provision of social protection, assistance and support to the population, the provision of vital social standards and guarantees, and the varying degrees of access to health, education and culture systems operate. But it is indisputable that the effective functioning of the social sphere system has not yet been established.

Actually, its presence could become a guarantee of proper counteraction to threats and response to the challenges of a sharp complication of the financial-economic and political situation in Ukraine. Instead, our country continues to grow and exceed the maximum permissible values of the general characteristics and the main indicators of the quality of life of the population and social security of the state. The systemic defects of the functioning of the social sphere are increasingly exacerbated. On the one hand, they lead to a critical drop in the standard of living of the population, and on the other – complicate the state's ability to change the situation for the better and restore the potential of all the basic elements of the social policy system.

In Ukraine there are many systemic defects, shortcomings and priorities of the state policy in formation of the social sphere system. Thus, one should turn to foreign experience in conducting social policy. According to O. V. Dluhopolskyi, the welfare economy existing in China is based on the system of social insurance in favor of the urban population, on the uneven distribution of medical services between separate groups of the population, on the declarative provision of social assistance to all needy.

Today, the policy of modernizing the country's economy is aimed at building a so-called "prosperous society". At the XVIII Congress of the Communist Party of China, the goals of its development until 2020 were approved – to double GDP and average incomes of urban and rural population compared to 2010, thereby ensuring the solution of the most important task of complete construction of the middle-income society, and to the middle of this century to create a rich, powerful, democratic, civilized and harmoniously modernized socialist state. For the first time in the tasks of the state, the macroeconomic indicators and income ratios were compared, which indicates that the state really wants all residents of China to feel the positive outcome of the country's development and live in general prosperity.

However, urgent solutions to such a global problem remain:

- investment in human and social capital;
- targeted assistance to the poor and exclusion from social programs of the rich;
- increasing the retirement age or subsidizing the employment of the elderly;
- creating effective motivators for entrepreneurship to reduce the burden of social costs.

O. V. Dluhopolskyi said that in the future social policy of China will remain focused on performance when solving social problems is accountable financial and economic situation in the country. This is supported by the demographic problems of the People's Republic of China and the system of existing pragmatism guidelines, in which expenditures in the social sphere are considered as nonproductive, with no returns (with the exception of infrastructure projects).

O. V. Dluhopolskyi notes that the construction of the welfare state is possible in any country of the world, only focus on moral values should be transferred from redistributive criteria (the value of public and social expenditure in GDP) at the institutional (scale investment in human and social capital). That is the level of development of science and education, the degree of trust in the society to government institutions that conduct social policy, focusing on the state of macroeconomic dynamics, educated population in the economic, legal and political aspects in the future will depend on the effectiveness of state and adequacy of public perception socio-economic criteria that laid the foundation of public prosperity [5].

In most EU countries, there has been a tendency to reduce the state budget expenditures and increase its revenues, including by increasing the degree of progress of the tax system and the fiscal role of indirect taxes, expanding the tax base, increasing the tax burden on passive incomes (royalties, interest, dividends, Investment income). On the one hand, fiscal pressure on business and wealthier segments of the population increases, on the other hand, social justice in taxation increases.

The experience of European countries' policies on ways of balancing public finances, achieving a compromise between the social needs of citizens and the priorities of the economy is beneficial for Ukraine in view of the signing of an association with the EU [8].

Also it should be taken into account the experience of Sweden. Sweden is a European country with a developed economy and strong social standards, which belongs to countries with Scandinavian model of social protection of the population (Sweden, Norway, Finland, Denmark), which includes: compulsory social policy; Government-regulated income level; the general nature of social benefits and benefits. In Scandinavian countries, the state model of the organization of social protection of the population prevails. As a rule, the concept of "social protection" in the Scandinavian countries is transformed into the concept of "social welfare".

An effective experience of social work and social worker training in the higher education system in Sweden can be used in Ukraine, taking into account the peculiarities of the domestic high school. This will increase the level of social work in Ukraine and will allow to optimize the system of training specialists in the social sphere [4].

Social policy reform is one of the most important issues not only for individual EU member states, but also for the European Union as a whole. In the EU-18, wages in the last seven years grew at a much slower pace than eight years ago, there is also a decline in the share of social spending in the EU's GDP.

Ukraine, striving to become an equal member of the European community, must also clearly understand the need to change the priorities of social policy. The selection of possible alternatives is an

extremely difficult task, but the main idea of social policy should remain the desire for greater social justice and sustainable development. In connection with this, studies of particular importance aimed at creating a scientific basis for the development and implementation of an effective policy of social protection and support of the population in the EU and Ukraine are becoming particularly relevant.

Consequently, irrespective of the differences in the models of social policy, members of the European Union are developing their economy towards a high level of employment, a high level of social protection, good education and quality of health, and the eradication of poverty and inequality.

As of January 1, 2017, 22 EU member states with 28 national minimum wages except Denmark, Italy, Cyprus, Austria, Finland and Sweden. These countries are divided into three main groups by the level of minimum wage.

Ten EU member states located in the east of the EU had a minimum wage below € 500 per month: Bulgaria (€ 235), Romania (€ 275), Latvia and Lithuania (both € 380), Czech Republic (€ 407), Hungary (€ 412), Croatia (€ 433), Slovakia (€ 435), Poland (€ 453) and Estonia (€ 470).

In five other Member States located in the south, the minimum wage is from € 500 to € 1,000 per month: Portugal (€ 650), Greece (€ 684), Malta (€ 736), Slovenia (€ 805), and Spain (€ 826). In the other seven Member States, all located in the west and north of the EU, the minimum wage was significantly higher: € 1,000 per month: Great Britain (€ 1397), France (€ 1480), Germany (€ 1,498), Belgium (€ 1532), The Netherlands (€ 1552), Ireland (€ 1563) and Luxembourg (€ 1999).

Consequently, in the EU–22, the minimum wage varies from less than  $\in$  300 per month, as in Bulgaria (235), to just under \$ 2,000 a month in Luxembourg. In other words, the highest minimum wage in the EU is about 9 times higher than the lowest. The survey also shows that in the period from 2009 to 2016, wages in the 18 EU countries grew most slowly than before 2008. For 2009–2016 real wages averaged annually by 3.1% in Greece, in Croatia by 1%, in Hungary by 0.9%, in Portugal by 0.7%, in Cyprus by 0.6% and in the UK – 0.4%.

Real wage growth in the period from 2009 to 2016 was lower than in 2001–2008, in Austria, Belgium, Denmark, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Romania, Slovakia, Denmark, Estonia, Finland, Slovenia, Spain and Sweden. The average annual growth of real wages in Romania fell from 11.2% in 2001-2008 to 0.1% in 2009–2016, in Lithuania – from 8.8% to 1%, and in Latvia – from 10.6 to 1.2% [7].

According to Beztelesna L. I. and Yurchyk H. M. the activation of research in the social sphere in market conditions should become one of the priority tasks of socio-economic research. Therefore, the prospects for further scientific development are the definition of the mechanisms and structural components of social policy, and the evaluation of their effectiveness [1].

Social education is also important. In developed countries, social education is seen as a powerful anticrisis, stabilizing and creative factor in the development of society. In Ukraine, it only began its development as an innovative branch of vocational education [2; 3].

<u>The findings of the study.</u> Therefore, in the opinion of the author, Ukraine needs to more actively use the experience of the states that have high successes in the social sphere. First of all there are China and the states of Scandinavia, where the mechanisms of collective-contractual regulation are widely implemented, and in all spheres of the social system. The implementation of certain strategic priorities of the state policy for the formation of the social sphere system in Ukraine should be based on the system of implemented strategies and programs of national, state, regional and local significance. Therefore, the issue of analyzing the adequacy and effectiveness of the implementation of the strategic and program documents in the social sphere in force in our country is of particular relevance.

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#### Кальницька М.А. ПРІОРИТЕТИ ВДОСКОНАЛЕННЯ СИСТЕМИ ДЕРЖАВНОЇ СОЦІАЛЬНОЇ ПОЛІТИКИ УКРАЇНИ

**Мета** – аналіз державної соціальної політики в Україні та вивчення іноземного досвіду у цій сфері, та, на основі дослідження, надання рекомендацій щодо покращення соціальної сфери в Україні.

Методика дослідження. У процесі дослідження застосовувалися загальнонаукові і специфічні методи пізнання. Теоретичну, методологічну та інформаційну основу проведення досліджень склали наукові праці вітчизняних та зарубіжних учених з питань з аналізу соціальної політики, офіційні статистичні матеріали Державного комітету статистики України, звіти НБУ, та Європейського центрального банку. З метою забезпечення достовірності та обґрунтованості одержаних результатів дослідження, для вирішення поставлених завдань використовувались такі методи: індукції та дедукції – при проведенні теоретичних узагальнень, висновків; метод аналогій – при порівнянні зарубіжного досвіду соціальної політики; економіко-статистичний метод – при аналізі макроекономічної політики України; ретроспективний аналіз, який визначає соціальну політику; методи системного аналізу та узагальнення.

**Результати.** Розкрито зміст і структуру соціальної політики держави. Доведено доцільність формування системи соціальної сфери для реалізації завдань соціальної політики України.

Наукова новизна одержаних результатів полягає у комплексному теоретичному і практичному аналізі системи соціальної сфери України. Розкрито зміст соціальної політики держави у взаємозв'язку із системними вадами, недоліками та пріоритетами державної політики формування системи соціальної сфери України, що дозволило узагальнити структуру соціальної політики: складові, рівні, методи, інструменти, важелі.

**Практична значущість.** Результати дослідження можуть бути використані державними органами, які професійно проводять соціальну політику, Міністерством фінансів, Державними статистичними органами.

Ключові слова: соціальна політика, бюджетна та фіскальна політика, соціальна діяльність, європейські соціальні моделі.

# Kalnytska M.A. PRIORITIES OF THE STATE POLICY'S IMPROVEMENT OF THE SOCIAL SYSTEM OF UKRAINE

**Purpose** is to analyze the state social policy in Ukraine and to study foreign experience in this area, and, on the basis of research, to provide recommendations for improving the social area in Ukraine.

**Methodology of research.** The theoretical and methodological base of scientific research made of national and foreign scholars on the analysis of social policy, official statistical data of the State Statistics Committee of Ukraine, reports the NBU and European Central Bank. To ensure the authenticity and validity of the research results to the goal, the following methods have been used: induction and deduction – during theoretical generalizations and conclusions; analogy method – when comparing foreign experience of social policy; economics and statistics as methods of macroeconomic policy of Ukraine analyzing; retrospective analysis, which determines social policy; methods of system analysis and synthesis.

**Findings.** The content and structure of the state social policy are revealed. The expediency of forming a system of social sphere for the realization of the tasks of social policy of Ukraine has been proved.

**Originality** of the obtained results is in the complex theoretical and practical analysis of the system of social sphere of Ukraine. The content of social policy of the state in connection with systemic defects, shortcomings and priorities of the state policy of forming the system of social sphere of Ukraine is revealed. This allowed to generalize the structure of social policy: components, levels, methods, tools, levers.

**Practical value.** The results of the study can be used by public authorities that professionally conduct social policy, the Ministry of Finance, the state statistical agencies.

Key words: social policy, budget and fiscal policy, social activities, European social models.

# Кальныцка М.А. ПРИОРИТЕТЫ СОВЕРШЕНСТВОВАНИЯ СИСТЕМЫ ГОСУДАРСТВЕННОЙ СОЦИАЛЬНОЙ ПОЛИТИКИ УКРАИНЫ

**Цель** – анализ государственной социальной политики в Украине и изучения зарубежного опыта в этой сфере, и, на основе исследования, предоставление рекомендаций по улучшению социальной сферы в Украине.

Методика исследования. В процессе исследования применялись общенаучные и специфические методы познания. Теоретическую, методологическую и информационную основу проведения исследований составили научные труды отечественных и зарубежных ученых по вопросам анализа социальной политики, официальные статистические материалы Государственного комитета статистики Украины, отчеты НБУ и Европейского центрального банка. В целях обеспечения достоверности и обоснованности полученных результатов исследования, для решения поставленных задач использовались следующие методы: индукции и дедукции – при проведении теоретических обобщений, выводов; метод аналогий – при сравнении зарубежного опыта социальной политики; экономико-статистический метод – при анализе макроэкономической политики Украины; ретроспективный анализ, определяющий социальную политику; методы системного анализа и обобщения.

**Результаты.** Раскрыто содержание и структуру социальной политики государства. Доказана целесообразность формирования системы социальной сферы для реализации задач социальной политики Украины.

Научная новизна исследования заключается в комплексном теоретическом и практическом анализе системы социальной сферы Украины. Раскрыто содержание социальной политики государства во взаимосвязи с системными недостатками и приоритетами государственной политики формирования системы социальной сферы Украины, что позволило обобщить структуру социальной политики: составляющие, уровне, методы, инструменты, рычаги.

**Практическая значимость.** Результаты исследования могут быть использованы государственными органами, которие профессионально проводят социальную политику, Министерством финансов, Государственным статистическим органами.

**Ключевые слова:** социальная политика, бюджетная и фискальная политика, социальная деятельность, европейские социальные модели.