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*Maistro Serhii, Doctor of Sciences (Public Administration), Professor, Head of the Department of Public Administration for Civil Defence of Educational, Research and Production Center of National University of Civil Defence of Ukraine, Kharkiv.*

*ORCID : 0000-0003-3035-4304.*

*Golovko Valentyn, Adjunct of the Educational, Research and Production Center, National University of Civil Protection of Ukraine, Kharkiv.*

*ORCID 0000-0002-5596-3221*

## **STATE POLICY OF SOCIAL PROTECTION IN THE CONDITIONS OF GLOBAL TRANSFORMATIONS**

*The article describes the modern features of the state policy of social protection in the conditions of global transformations. The level and features of social protection of the population in the conditions of globalization are determined. Global problems and contradictions of the state policy of social protection of the population in modern conditions are singled out. The directions of transformation of the state social policy and existing models of social protection of the population in the conditions of globalization are determined.*

**Key words:** *public management and administration, state policy, social protection, state policy of social protection, globalization, global transformations.*

Problem setting. In the conditions of globalization, social protection of the population, which was previously carried out within the boundaries of individual countries, is gaining a supranational character, and economic competition between states forces them to reduce funds for social protection in order to increase the level of

competitiveness. The commonality of the capital and labor markets, denial or ignoring at the national level of certain social guarantees and rights, actualizes the issue of active involvement in solving social protection issues of supranational organizations and the conclusion of international agreements that will contribute to increasing the level of social protection of the population. The negative consequences of globalization require the use at the national level of the formation of a coherent, coordinated and effective state policy of social protection of the population, which would contribute to the solution of existing social problems.

Recent research and publications analysis. Such scientists as Dikon B., *Esping-Andersen G.*, Kysilova T., Paliy O., Sydenko S., Skurativskiy V., Stubbs P., Hals M. and others devoted their publications to the study of issues related to the formation and implementation of state social policy and the effectiveness of existing models of social protection of the population [1; 2; 4; 6; 7].

However, many issues related to determining the directions of transformation of state social policy and existing models of social protection of the population in the conditions of globalization remain insufficiently researched.

Paper objective. The purpose of the article is to determine the directions of transformation of state social policy and existing models of social protection of the population in the conditions of globalization.

Paper main body. Modern realities of global development require a certain rethinking of directions for the formation and implementation of state social protection policy. After all, the benefits of globalization are distributed very unevenly in the modern world. Against the background of unprecedented wealth - oppressive poverty and inequality between countries of the world and within countries. Almost half of the world's population is forced to live on less than US\$2 a day, and 1.2 billion people exist on less than US\$1. Out of the total workforce in the world (approximately 3 billion people), 140 million workers are unemployed at all. Inequality also occurs in the distribution of income: 1 billion people living in developed countries receive 60% of all income in the world, and 3.25 billion people in low-income countries earn less than 20% of income [4].

That is, the benefits and opportunities of globalization remain concentrated in a relatively small number of countries, and even within these countries are unevenly distributed. In addition, the disparity between successful efforts to develop rules that would promote the openness and expansion of global markets and less active actions in support of social goals such as working conditions, human rights, poverty reduction, etc., has deepened.

Director of the Globalism and Social Policy Program, B. Deacon, warns: "When global movements of capital took place, and governments lost control as a result, capital, in principle, was able to "buy the regime" and carry out "social dumping" [1].

That is, the study of the process of globalization shows that it has an ambiguous impact on the social sphere. Liberalization of exchange, new forms of international division of labor, growth of capital movement, and strengthening of competition make it possible to achieve economic growth in many countries of the world, contribute to expanding employment, reducing the level of poverty and increasing well-being. At the same time, the quality of life of the majority of the world's population has improved due to the growth of per capita income, increased life expectancy and higher education levels. The share of the world's population with an average level of human potential development increased from 55% in 1975 to 66% in 1997, and with a low level - decreased during this period from 20% to 10% [5] and this trend has the potential for development in modern conditions.

On the other hand, the growth of trade and capital investments at the global level is carried out at a great speed, but mainly in the interests of more dynamic and powerful countries. For a large number of workers, globalization means uncertainty about keeping their jobs and worsening working conditions. In both poor and rich countries, economic restructuring and the weakening of social protection institutions have led to increased instability of employment and incomes. Competition in global markets forces employers to use more flexible policies in the field of labor and conclude unfavorable labor agreements with employees. Dismissal laws have been relaxed in Belgium, France, Germany and Great Britain. In the Netherlands, Spain, and Great Britain, the

decentralized system of concluding collective labor agreements contributed to the growth of unemployment [7].

Therefore, the progressive process of globalization, giving primacy to economic efficiency and expediency, may be accompanied by negative social consequences. In this regard, the formation and implementation of the appropriate state policy of social protection is becoming more and more important.

The experience of developed countries confirms that globalization and the increasing openness of national economies do not lead to the collapse of the economic role of the state, but to the strengthening of its administrative functions. Under the conditions of lobbying by the leadership of developed countries for the interests of their producers, which has been widely practiced recently, the key role of the state should be to stimulate the use of the advantages of globalization on the one hand and to counteract its negative influence on the other. Such a policy should contribute to strengthening the competitive advantages of the national economy and the effectiveness of social policy. It should become an integral component of the state's national security system.

That is, at the current stage of world development, social protection, which was previously interpreted and practically implemented within the boundaries of individual countries, is gaining a supranational and transnational character. This happened for several reasons. Economic competition between states forces them to reduce funds for social protection in order to increase competitiveness (social dumping). International migratory pressure forces redistribution of income between countries to prevent political consequences of mass migrations. The commonality of the capital and labor markets contributes to the emergence of supranational bodies that ensure at the supranational level the protection of civil rights that are denied or ignored at the national level [6].

The supranational nature of social protection takes at least two forms: supranational redistribution of income and supranational legal regulation. Supranational income redistribution, as one of the forms of international social protection at the sub-global level, is effective in the European Union, when the funds of this entity provide a certain level of support to poorer regions at the expense of wealthier ones. This once again proves the

identity of the approaches of researchers of development processes and those who emphasize the need to create a global level of management. The annual report of the UN "Human Development" declares: "Human society is increasingly taking on a global dimension. Sooner or later it will create global organizations that will provide a system of progressive taxation (from rich to poor nations) supported by the UN" [3].

The existing models of the state policy of social protection of the population in the world make it possible to conclude that the social-democratic (solidarity) model is the closest to the essence of the "welfare state" - the state, collecting the highest taxes, bears the highest costs for social protection and social programs, a wide range of social guarantees, and as a result, has a lower percentage of the population living below the poverty line and less social polarization in society.

The liberal model is characterized by lower spending on social programs, a tolerant attitude towards poverty and social inequality in society, and priority is given to supporting and stimulating the economic activity of the working population [2].

Sources of social protection of the population under the liberal model are formed at the expense of mandatory contributions to social insurance. During the period of their employment, the employee and the employer are mandatory participants of the state insurance systems, which ensure the payment of monetary compensation in the event of the occurrence of such main insurance cases, such as, for example:

- reaching the retirement age and work experience sufficient for the appointment of labor pensions;
- illness related or not related to professional activity and temporary loss of working capacity. In this case, the employee is paid a temporary disability allowance;
- recognition of a citizen of working age as incapable of work (establishment of disability), as a result of which he is awarded a disability pension;
- loss of a job by a citizen of working age and his registration as unemployed, after which he is assigned unemployment benefits.

The state establishes principles and algorithms for determining payments of mandatory social benefits in the social insurance system, promotes the development of

non-state social insurance.

The salary of employees, with the exception of those employed in institutions financed from the budget, is set by employers independently depending on the results of the economic activity of the enterprise. The production of goods and services for the population is not carried out in accordance with approved state plans, but on the basis of the existing solvent demand of the population.

It should be noted that the main advantage of the liberal model of the state policy of social protection of the population, namely, the focus on revealing the abilities of members of society (first of all, the economically active population for productive and creative work) in favor of increasing the level of their consumption and partial redistribution of resources in favor of social support for households that need it has not been implemented in Ukraine.

The disadvantages of this model are the significant differences between the consumption levels of economically strong and economically weak households, the amount of social payments made from the state budget, on the one hand, and the social insurance system, on the other.

In general, in our opinion, the existing opportunities of the economy of Ukraine (which are determined by the level of its development) ensure in modern conditions the formation of a liberal model of the state policy of social protection of the population (social support is provided in the conditions of the dominance of private property at the expense of the social insurance system with minimal intervention of the state, which is a regulator of certain social guarantees: living wage, minimum wage, etc.), however, within this model, the state has not yet created favorable conditions for the development of entrepreneurial activity, for the self-realization and self-sufficiency of economic subjects, the state's intervention in market relations is significant, which results beyond the scope of macroeconomic policy implementation. The further development of this model of state policy of social protection of the population in Ukraine should take place taking into account certain elements of the conservative (corporate) model (social partnership and responsibility, paternalism at the enterprise level, the dominance of the psychology of

collectivism, solidarity in incomes, state support for competitiveness and prevention of monopolization of the economy).

In general, the conservative (corporate) model is characterized by a developed system of social protection based on the attraction of funds from the state and entrepreneurs and a tight connection between the level of social protection and the duration of professional activity of workers (the state seeks to replace material support of citizens with a system of insurance protection), stimulates economic growth and population employment [2].

During the period of development of economic formations, there was an active process of searching by the state for the most adequate and effective forms, methods and mechanisms of social protection of the population, as a result, the following stages can be distinguished: the birth and formation of capitalist relations and the absence of a state system of social protection of the population; the stage is associated with the rapid development of industry and the creation of large enterprises of hired labor, the formation and development of the concept of a socially oriented market economy; the next stage was characterized by the mitigation of antagonisms and the harmonization of the interests of various social strata of the population, the practical implementation of mechanisms for limiting the unjustified level of income differentiation and overcoming population poverty; the current stage is characterized by the reduction of volumes and the transformation of the state policy of social protection of the population, which is associated with the aggravation of demographic problems, the decline in the growth rates of the global economy and various crises that have befallen the world in the last decade (financial and economic crisis, COVID-19, russian military aggression against Ukraine).

It is well known that the models of state policy of social protection of the population in different countries of the world are determined by the different structure and the different ratio of funds between the state, employees, employers and other sources involved in financing social programs for the protection of the population. The sources of the formation of social programs and programs of social protection of the population are diverse, among which the share of the state is, as a rule, decisive. An important source

of funds for social funds is the person (employee) who insures himself against unforeseen life circumstances. Employers' contribution to social protection programs for employees is essential. Special mention should be made of the so-called other sources, first of all, charitable foundations, which are widespread in developed countries.

In Ukraine, unfortunately, charitable activity still has a spontaneous character. There are examples of charitable activities of banks, financial and industrial groups, and individuals. However, charity in Ukraine does not yet have a systematic character. It takes time for its revival, the formation of an appropriate environment, and the attitude of society. And here there is an important role of the state, which must create conditions and incentives for charity, exempting them from taxation in full (with corresponding strict control over their intended use). Holding back the development of charity does not contribute to attracting funds to finance the system of social protection of the population in Ukraine.

Also, in developed countries, funds from the business sector are widely used to finance measures for the social protection of the population. Many concerns and firms create their own funds for the social protection of employees, which allow solving social and industrial problems.

Social security funds at enterprises in developed countries are multi-purpose. They are created to provide assistance to the unemployed, to provide their employees with the possibility of early retirement, additional payments, assistance to employees in improving living conditions, purchasing a new home, arranging it, payments for disability or in connection with occupational diseases. Funds are also being created for the organization of household services at enterprises and the provision of various services to their employees.

Social security funds of enterprises in developed countries are formed on a one-way basis, i.e. at the expense of the company's profit, on a two-way basis - on the profit of enterprises, contributions of trade unions, or on a tripartite basis - on a profit of enterprises, contributions of trade unions and the employees themselves. All contributions to the fund are reimbursable, that is, all participants ultimately receive their contributions



back. There are two ways for this purpose. The first is the inclusion of such costs in the price of products and services. However, in this case, the enterprise may become uncompetitive. Another way is more common - free funds of the social security fund are used in economic turnover. And, thus, both entrepreneurs and employees benefit.

In Ukraine, the state should also stimulate the creation of social security funds at enterprises. For this, it is necessary to form and adopt legislative and normative legal acts that determine the activities of such funds. That is, the modern system of regulation of social and labor relations and social protection in developed countries is characterized by: changes in the forms of labor organization and mutual relations between hired workers and employers in the production process; strengthening the cohesion of workers and the trade union movement; the development of democratic production management procedures; introduction of new forms of social protection.

Therefore, in the conditions of globalization, political, economic, technological, environmental changes, which are a necessary prerequisite for the development of society, cause the cross-border movement of capital, production capacities, goods and services and the movement of labor force, causing certain changes in the social sphere. As a result, at the beginning of the 21st century, globalization, increasing the efficiency of the economy, potentially threatens to dismantle the entire social superstructure created during the last century, which can lead to a new aggravation in society.

Therefore, the world community, as well as Ukraine, should take into account the social aspects of the globalization process, especially when developing rules, norms and policies for managing the global economy. And this objectively requires the development of international institutions to regulate these processes in the interests of the entire society. That is, the role of regulators and coordinators of social policy at the regional and global level is growing, in particular, the UN, the International Labor Organization, the World Bank, the International Monetary Fund, the WTO, etc.

Conclusions of the research and perspective of further development in this direction. Thus, in the conditions of globalization, the importance of human potential increases significantly, since a person is the main carrier of knowledge, technology,

information, experience, the most important factor of the country's competitiveness. Ukraine links the prospects of its further development with joining the European Union. Therefore, it is necessary to adhere to the relevant European standards, including in the social sphere (especially in relation to social protection of the population). The state policy of social protection of the population should contribute to the preservation and development of human potential, social stabilization of society, positively influence the development of the economy, increase the purchasing power of the population and the supply of labor, stimulate the growth and increase the competitiveness of the national economy.

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