

## ISSUES OF THEORY AND HISTORY OF STATE AND LAW, CONSTITUTIONAL LAW AND PUBLIC ADMINISTRATION

UDC 340

DOI 10.31733/2078-3566-2022-5-7-12



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### SOCIAL POLICY AND SOCIAL PROTECTION IN EU COUNTRIES: CURRENT STATUS AND TRENDS

**Лариса Наливайко. СОЦІАЛЬНА ПОЛІТИКА ТА СОЦІАЛЬНИЙ ЗАХИСТ В КРАЇНАХ ЄС: СУЧАСНИЙ СТАН ТА ТЕНДЕНЦІЇ.** Стаття присвячена актуальним питанням соціального захисту громадян. Розглянуто систему соціального захисту після розпаду СРСР в умовах економічного спаду та її подальшу трансформацію під час переходу України до ринкової економіки. Наголошується на важливості вдосконалення системи соціального захисту як для забезпечення стабільного розвитку суспільства, так і для виконання вимог до членства в ЄС. Обговорюються соціальні проблеми сьогодення України, зокрема безробіття, бідність тощо. Пропонується впроваджувати досвід країн Європейського Союзу для розробки в нашій державі ефективних механізмів соціальної політики, які б забезпечували наближення до таких європейських стандартів, як: рівень життя населення, підвищення рівня зайнятості, зменшення нерівності в доходах, посилення соціального захисту, подолання бідності. У статті узагальнено досвід країн Європейського Союзу щодо соціальної допомоги населенню, зокрема питання переходу від благодійності до соціальної політики на основі оптимальної системи соціальної підтримки та соціального захисту громадян. Основні висновки полягають у тому, що зусилля соціальної політики не повинні спрямовуватися лише на надання соціальної допомоги. Підкреслюється важливість забезпечення зайнятості та зниження рівня безробіття, оскільки в країнах зі слабкою економікою ризик бідності тісно пов'язаний із безробіттям. Зазначається, що збільшення економічної складової права людини на соціальний захист призводить до того, що працівники змушені відраховувати більший відсоток свого доходу в систему соціального забезпечення. Таким чином, мережа соціального захисту має бути збалансованою, не надто щедрою чи надто пасивною.

**Ключові слова:** права і свободи, інституційний механізм, гарантії, соціальна політика, органи державної влади, соціальна підтримка, соціальні стандарти, політика ЄС, воєнний стан, європейська інтеграція.

**Relevance of the study.** In the Constitution of Ukraine, the social protection of citizens is defined as the primary purpose of the state. During the economic downturn, the social security system created in the Soviet Union failed to protect the poorest sections of society adequately. Although Ukrainian society's primary goal is to build a market economy oriented to social needs, this is impossible without significant improvement of the social protection system. After all, even to become a member of the EU, a country must meet specific economic and social standards. Currently, there are many acute social problems in Ukraine: unemployment, poverty, etc. Taking into account the experience of the countries of the European Union can positively affect the development of effective social policy in our country.

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The social policy of the member states of the European Union is aimed at ensuring a stable standard of living for the population, increasing employment, reducing income inequality, strengthening social protection, and overcoming poverty. Employment and the reduction of unemployment are usually the main goals of anti-poverty policies because, in countries with fragile economies, the risk of poverty is closely linked to unemployment.

This article aims to summarize the experience of the countries of the European Union regarding social assistance to the population. The experience of implementing social policy in the EU has shown that these countries have moved from charity to social policy that guarantees an optimal system of social support and social protection of citizens.

The generalization and study of the European experience of Ukraine are that social policy efforts should not be focused only on providing social assistance. Ultimately, the availability and ease of these benefits can lead to a demand-side effect. The human right to social protection negatively affects workers who have to pay a higher percentage of their income into the social security system. The social protection system should not create a system that is too generous or too passive.

In the Constitution of Ukraine, the social protection of citizens is defined as the primary purpose of the state [1]. During the economic downturn, the social security system created in the Soviet Union failed to protect the poorest sections of society adequately. Although Ukrainian society's primary goal is to build a market economy oriented to social needs, this is impossible without significant improvement of the social protection system. After all, even to become a member of the EU, a country must meet specific economic and social standards. Currently, there are many acute social problems in Ukraine: unemployment, poverty, etc. Taking into account the experience of the countries of the European Union can positively affect the development of effective social policy in our country [2].

**Recent publications review.** Several scientists, including V. Andrushchenko, V. Beh, V. Volovich, M. Holovatom, V. Yevtukh, I. Zvereva, V. Ivanov, O. Ivanova, A. Kapska, M. Lukashevich, S. Maksymenko, I. Mygovich, M. Obozov, G. Osipov, P. Pavlenok, M. Panasyuk, V. Patrushev, I. Pinchuk, V. Skurativskiyi, S. Tolstoukhova, M. Tulenkov, F. Filonenko, T. Shibusani and others, are engaged in the study of the social policy abroad.

**The article's objective** is to summarize the experience of the countries of the European Union regarding social assistance to the population.

**Discussion.** The experience of implementing social policy in the EU has shown that these countries have moved from charity to social policy that guarantees an optimal system of social support and social protection of citizens [9].

Today, four main trends have a significant impact on the development of social policy in EU countries:

- 1) Significant demographic changes, the essence of which is the general ageing of the population in the member states of the European Union and the increase in the number of older people;
- 2) Activation of women's participation in the labour market and changes in the gender balance;
- 3) Existence of a relatively high level of unemployment, especially among older people;
- 4) Faster growth in the number of households compared to population growth, particularly an increase without working persons [10].

The social policy of the member states of the European Union is aimed at ensuring a stable standard of living for the population, increasing employment, reducing income inequality, strengthening social protection, and overcoming poverty. Employment and reduction of unemployment are usually the main goals of anti-poverty policies because the risk of poverty in transition economies is closely related to unemployment [2].

The European Union has assumed the main directions of national policy in the social sphere. Therefore, the European Commission recommends that Member States follow these guidelines [3]:

– to improve employment prospects of the population thanks to increased investments in professional training, to implement lifelong learning programs and to ensure access to education for everyone;

– promote a more intensive impact on economic growth, using: flexible labour organization that meets the needs of production and is acceptable to employees; wage policy, which would promote investment in creating new jobs (the level of wage growth should not exceed the level of labour productivity growth); job creation, especially at the regional and

local levels;

- reduce side costs associated with unskilled labour;
- implement a more effective policy on the labour market due to the improvement of employment services;
- take measures to prevent unemployment among certain social groups, for example, young people (by providing jobs or opportunities for professional education) [11].

These rules determine the methods of implementing the provisions of the European Social Charter (1989). The document lists the fundamental rights of the labour force in the labour market: the right to receive unemployment benefits, work in any EU country on equal terms, the right to vocational training, etc. In addition, national bodies have several social functions; they are intended, firstly, for the harmonization and coordination of the social policy of the member states of the Union, and secondly, for the use of available financial resources to finance joint social programs [4].

This is important because, for the first time, social policy was included in the list of basic state measures (in the Maastricht Treaty of 1992). Moreover, 11 states participated in the protocol and the Agreement on social policy as annexes to the agreement. In 1997, the final version of the Treaty on European Union included Chapter XI – "Social Policy: Education, Training and Youth". About one trillion euros was allocated to finance vocational training and employment of young people under the age of 20, assistance to the most vulnerable sections of the population in the labour market, provide employees with equal opportunities in the labour market and help in adapting to structural changes in the field of labour and industry [5].

In November, 1997, the Council of Europe initiated a strategy to increase the level of employment in the member states of the European Union. The Council of Europe paid particular attention to the need for a coordinated European strategy to increase engagement. The main employment tasks are creating new jobs at small and medium-sized enterprises. In addition, both passive (social protection programs) and active (retraining, subsidies to enterprises that undertake to maintain a certain number of jobs) employment policy programs are used. However, passive employment programs are now being superseded by active ones [12].

Furthermore, the requirements for receiving social assistance have become stricter. For example, an unemployed person who refused to work or study was subject to financial sanctions in Austria, the Netherlands, Great Britain and Sweden. In Germany, a resolution was adopted which obliges the monthly registration of the unemployed in the employment agency. In England, since October, 1996, unemployment benefits depend on a report that unemployed people submit to the government describing their attempts to find work. It is important to note that when developing strategic goals in the field of employment and the labour market, which are common to all member states of the European Union, the Council of Europe proceeds from the need to consider the labour market situation in each specific country.

In Europe, significant progress has been made in the labour market, employment and job creation over the past two decades. The unemployment rate in the EU decreased from 9.1 % in 1999 to 8.2 % in 2000. In addition, the number of unemployed decreased by 1.5 million people. Notably, over 60 % of jobs in this period were in high-tech and science-intensive sectors of the economy [4]. In addition, the European Union's labour markets have yet to recover from several obstacles and structural weaknesses fully. Despite the positive results in the field of employment, the unemployment rate remains relatively high. In June, 2000, the countries of the European Union adopted a new social program aimed at solving work, labour market and other social policy issues. This initiative is aimed at increasing the level of employment and applying a comprehensive approach to employment policy. The program assumes that the employment policy's goals should be to increase the number of jobs and improve the quality of work. Developing a more effective employment policy also involves receiving fair remuneration for work performed and organizing work that meets the needs of corporations and individuals. Furthermore, the increase in employment should be based on a high level of labour qualification, an adequate level of labour protection, and stimulate labour mobility in the labour market. Means of ensuring the Social Program in the field of population employment include:

- improving people's qualifications, investing in the educational process (lifelong learning), and using the latest technologies;
- promoting entrepreneurship as a means of creating new jobs by creating favorable conditions for starting and developing new types of entrepreneurship, mainly medium and small enterprises;

- creation of favorable conditions for business development in the service sector;
- emphasis on equal opportunities for all;
- implementation of economic reform aimed at economic growth;
- development of the education system [4].

In France, the restructuring of the labour market began – taxes on the income of part of the employees were reduced, and in Spain, a wage indexation mechanism was introduced. Nevertheless, collective agreements remain the primary means of wage regulation today, so the supranational bodies of the European Union try to influence the level of wages precisely within the framework of social partnership. The organizations that make up the EU trade unions are the European Trade Union Confederation, the Association of Entrepreneurs and the Organization of Employees of State Enterprises, as well as the European Union of Small and Medium Enterprises [6].

In education, European countries have achieved universal access to the population with secondary education and are currently increasing access to higher education. France and the Mediterranean countries play a central role in the national education system, the German-speaking countries and Belgium play a regional role, and the Scandinavian countries have local control. In the United Kingdom, the power to manage education has been delegated to the private sector, but the central government still has considerable control over the system [7].

In addition, continuous education is being introduced in European countries, which interprets the improvement of the professional and educational level as an economically profitable business for a person throughout his life. The European Commission has implemented several initiatives to internationalize the provision and receipt of higher education. However, increased spending on other social programs has constrained education budgets, prompting countries to increase budget efficiency by using it more effectively. As you know, healthcare financing systems in Europe are divided into two main types:

- 1) Publicly funded public health systems that provide services to patients in public health facilities (Great Britain, Scandinavia and Southern Europe);
- 2) Healthcare financing is carried out through the insurance system and the provision of medical services by both public and private institutions (France and Germany).

These countries, particularly Italy and Spain, changed their healthcare systems in the early 1970<sup>s</sup>, including private elements [5].

In addition, all European countries have the problem of rising costs caused by an ageing population, technological progress and societal expectations that are higher than they should be. However, different healthcare systems have different approaches to this issue. The costs of medical institutions in the state are limited by the failure to provide high-level medical services and the need to stand in queues for procedures. Furthermore, health insurance systems can only withstand rising medical costs if they contract with physician associations and hospitals. As a result, the solution is to set maximum expenses and fees for medical services and increase competition among providers [13]. Pension insurance has a unique role in the general social protection system and as a means of stimulating employment. All EU countries have public pensions and supplementary guaranteed income for older people, but the level of these benefits varies from country to country [14]. The governments of the participating countries preferred partial reforms, in particular, replacing the dependence of pension payments on income, increasing the retirement age, introducing an accumulation component and, especially worth noting, the transition from the "defined costs" system to the "defined contribution" system [15].

Many European countries have social assistance programs, which are national social security networks. It is important to note that the governments of European countries are trying to reduce the number of payments, especially to the unemployed, and to maintain incentives for employment. Despite a complex system of social protection and provision of various types of assistance, the prevailing norm in EU countries is that young people and older adults, as well as women, must participate in the labour market to receive help. Although a greater degree of assistance and a longer duration of assistance reduce the willingness of workers to look for work or accept an offer, it does not increase the unemployment rate [16].

As a result, promoting employment in the formal economy is a crucial goal of any strategy to reduce Ukraine's poverty. This approach should be aimed at transferring jobs from the illegal economy to the legal one and creating new jobs in the legal economy. Recognizing that any repressive elements (police, tax authorities, etc.) must play a secondary role in this strategy. The strategy's primary goal is to increase the number of attractive jobs. This goal is usually achieved by combining the following components:

- changes in tax policy in the direction of tax reduction;
- incentives for participation in the official economy;
- liberal regulatory environment, in particular labour legislation, etc.

However, the Ukrainian government cannot maintain the level of taxes of the European Union and, at the same time, have the high growth rates necessary to reduce poverty. As a result, universal social security systems standards in Western Europe should be avoided [8].

There is no single proven method of solving the problems of unemployment and poverty. The decision is influenced by the specifics of the economy, the country's history, and the people's mentality. Therefore, it is essential to study the experience of EU member states to determine lessons for the construction and implementation of social security reforms in our country. After all, the goal of the state policy of the EU member states is not only economic growth and efficiency; the policies they pursue aim to equalize life opportunities, social justice, social protection, unity and stability.

**Conclusions.** The generalization and study of the European experience of Ukraine are that efforts should not be focused only on providing social assistance when developing social policy. Ultimately, the availability and ease of these benefits can lead to a demand-side effect. The human right to social protection negatively affects workers who have to pay a higher percentage of their income into the social security system. The social protection system should not create a system that is too generous or too passive.

*Conflict of Interest and other Ethics Statements*

The author declares no conflict of interest.

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Submitted: 16.11.2022

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#### ABSTRACT

The article deals with the actual issues of social protection the citizens. The system of social protection after the collapse of the USSR in the conditions of economic recession and its further transformation during the transition of Ukraine to a market economy are considered. The importance of improving the social protection system is emphasized both to ensure the stable development of society and to meet the requirements for EU membership. The social problems of Ukraine today are discussed, including unemployment, poverty, etc. It is proposed to implement the experience of the European Union countries to develop effective social policy mechanisms in our country that would ensure the approximation of such European standards as: a stable standard of living for the population, an increase in employment, reducing income inequality, strengthening social protection, overcoming poverty. The article summarizes the experience of the countries of the European Union in relation to social assistance to the population, in particular the issues of transition from charity to social policy based on the optimal system of social support and social protection of citizens. The main conclusions are that the efforts of social policy should not be directed only to the provision of social assistance. The importance of providing employment and reducing unemployment is emphasized, since in countries with fragile economies, the risk of poverty is closely related to unemployment. It is noted that the increase in the economic component of the human right to social protection leads to the fact that workers have to deduct a higher percentage of their income into the social security system. Thus, the social safety net must be balanced, not too generous or too passive.

**Keywords:** *rights and freedoms, institutional mechanism, guarantees, social policy, public authorities, social support, social standards, EU policy, martial law, European integration.*