

SETTLEMENTS IN THE FIELD OF NON-STATE SOCIAL SERVICES UNDER THE LEGISLATION OF CERTAIN FOREIGN STATES: ECONOMIC AND LEGAL ASPECT

Liudmyla Panova¹, Ernest Gramatsky², Anna Panchenko³

Abstract. In the context of the present conditions of wartime, decentralisation and Ukraine's approximation to the standards of the European Union, the issue of payments for social services provided by non-state structures is becoming critical. The positive experience of foreign countries demonstrates that the introduction of contracting models, voucher systems, indicative budgeting, and outsourcing of social functions significantly increases the efficiency of social protection, allowing the state to focus on strategic management, and non-governmental organisations to focus on the direct provision of services. In view of this, there is a need to conduct an in-depth analysis of such models in the international legal field, in particular in the legislation of the EU countries, African and Latin American states, and to identify universal and contextual payment mechanisms, as well as to determine their applicability to the national legislation of Ukraine. The objective of the present study is a thoroughgoing analysis of the economic and legal mechanisms for making payments in the field of social services provided by non-state providers in certain foreign countries, with a view to identifying effective models of financing, legal regulation and quality control of services that can be adapted to the Ukrainian context. The research methodology consists of the following methods: the comparative legal method, the analysis of regulatory and legal sources, the system-structural method, the method of analogies and extrapolation, and the case study method. The study analysed the economic and legal aspects of payments in the field of social services provided by non-state providers in certain foreign countries. The author conducts an analysis of models of legal regulation of relations between the state and non-state organisations that perform social functions, as well as financial mechanisms for reimbursement of the cost of services or compensation, in particular through social orders, grant financing, subventions and voucher systems. The study is based on the analysis of regulatory legal acts of the European Union countries, as well as individual states of Asia, Africa and Latin America, which vary in terms of economic development and the degree of institutional capacity of the state. This text focuses on the mechanisms of contracting services, cost-effectiveness assessment, principles of transparency, accountability and social orientation of budget financing. The authors undertake a comparative legal analysis of the applied calculation models, determining their advantages, disadvantages and possibilities of adaptation in Ukrainian conditions. In undertaking this analysis, the authors take into account the current reforms in the field of decentralisation, social protection, as well as the desire for integration into the EU legal space. Consequently, conceptual proposals have been formulated for the enhancement of Ukraine's national legislation pertaining to the financing of non-state providers of social services. These proposals are founded upon the principles of economic feasibility, legal certainty, transparency of procedures, and effectiveness.

Keywords: non-state social services, economic and legal aspect, public-private partnership, financing mechanisms, legal regulation, state financing of NGOs, social security, outsourcing of social protection services.

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¹ Taras Shevchenko National University of Kyiv, Ukraine (*corresponding author*)

E-mail: Lpanova@i.ua

ORCID: <https://orcid.org/0000-0002-1393-8626>

² Taras Shevchenko National University of Kyiv, Ukraine

E-mail: GramatskyE@gmail.com

ORCID: <https://orcid.org/0000-0003-1260-2888>

³ National University "Odesa Law Academy", Ukraine

E-mail: AnnaPan67@gmail.com

ORCID: <https://orcid.org/0000-0001-6230-4171>



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1. Introduction

In the context of the transformation of social policy in states, the importance of engaging the non-state sector in the provision of social services is increasing. This phenomenon can be attributed not only to the constraints imposed by limited public funding opportunities, but also as a manifestation of the concept of partnership, whereby the state, communities and non-governmental organisations are collectively responsible for ensuring the well-being of the population. This issue assumes particular pertinence in the context of countries undergoing reform of their social protection systems, with a view to adapting to European standards, as well as in periods of crisis, such as war, economic instability or mass emigration of the population.

A significant gap in the literature pertains to the economic and legal mechanisms governing payments for social services provided by non-governmental organisations (NGOs). This lacuna encompasses the sources of funding, contracting procedures, tax conditions, legal guarantees for performers, and accountability to society. In the global context, a variety of financing models for such services are in operation. These range from full delegation to partial subsidisation, and payment based on results. This prompts a series of comparative legal inquiries into the efficacy, legitimacy, and transparency of such mechanisms.

The purpose of this study is to examine legal relations in the domain of social service provision by non-governmental organisations.

The subject of the present study is economic and legal mechanisms and models of settlements between the state, community and non-state actors for social services provided in the legislation of certain foreign countries.

The main objectives of the study are as follows:

1. To reveal the content and nature of non-state social services in the social protection system.
2. To analyse the sources and mechanisms of financing such services in different countries and to identify legal models of interaction between the state and non-state service providers.
3. To propose ways to improve Ukrainian legislation, taking into account foreign experience.

The scientific novelty of the study lies in the comprehensive analysis of the legislative approaches of individual foreign states to payments for social services provided by non-governmental organisations. Furthermore, the study attempts to systematise these approaches through the prism of economic and legal analysis to form recommendations relevant to Ukrainian realities.

2. Methodology

The research methodology is based on the use of a complex of interconnected general scientific, special

legal and interdisciplinary methods, which in their totality allowed to ensure the complexity, depth and validity of the analysis. The key methods that were applied within the framework of the research include the following: the comparative legal method, the analysis of regulatory legal sources, the system-structural method, the method of analogies and extrapolation, and the case study method.

The comparative legal method constituted the central tool within the framework of this study, enabling the examination of the specifics of the legal regulation of payments in the field of non-state social services in foreign jurisdictions, and their comparison with the Ukrainian legal field. In particular, the following regulatory documents are subject to analysis: the ILO Convention on Minimum Standards of Social Security (1952), the European Code of Social Security (1964), the Statute for European Non-Profit Organisations (2021), as well as current Ukrainian legislation, in particular the Law of Ukraine "On Compulsory State Social Insurance" (1999), the Law of Ukraine "On Collection and Accounting of Single Contribution for Compulsory State Social Insurance" (2010) and the Resolution of the Cabinet of Ministers of Ukraine No. 133-r dated February 9, 2024. This method revealed both common features (in particular, the presence of mechanisms for contracting social services) and differences in financial regulation, the role of the state, local government, and the non-governmental sector. These findings enabled the identification of promising practices for borrowing.

The analysis of regulatory and legal sources, as a special legal method, provided a thorough study of the structure and content of legislative and regulatory acts regulating social services, financing of non-state providers of such services, the procedure for calculations and reporting. The analysis systematically examined the provisions of international legal acts, including documents from the ILO, the Council of Europe, and the European Union, as well as the national legislation of Ukraine. Moreover, analytical studies were taken into account, in particular scientific works and EADI reports (Hayman et al., 2014), which highlight the specifics of the legal field of functioning of NGOs in the field of social protection. This method enabled the characterisation of the key legal mechanisms and instruments that directly or indirectly affect the financial interaction between the state, donors and non-state providers of social services.

The system-structural method was utilised to analyse the relationships between elements of the social security system, with a particular focus on the interactions between state institutions, local governments, non-governmental organisations and international partners. This methodological approach facilitated the identification of the structural characteristics of the institutional landscape within

the domain of social service provision, thereby enabling the observation of the interdependencies between the legal, economic and managerial dimensions of the operation of such systems. The study thus encompassed the experience of establishing partnerships within communities, analysed using CEDOS materials (2024), as well as the comprehensive experience of coordinating service provision in the contexts of migration, poverty and informal employment.

The utilisation of analogies and extrapolation facilitated the adaptation of foreign experience-based findings to Ukrainian realities, encompassing the refinement of models of payments for social services, the forms of NGO participation in their financing, and mechanisms of state supervision. In particular, elements of successful practices from Ethiopia, Senegal, Kenya, Algeria, France and the UK were transferred, with consideration given to the specifics of the Ukrainian legal space. This approach not only facilitated the identification of advanced foreign models, but also enabled a critical assessment of their relevance for implementation in Ukraine. This assessment took into account the economic situation, administrative capacity and the level of development of civil society institutions.

The case study method was utilised to facilitate an in-depth analysis of specific instances pertaining to the implementation of payment mechanisms in the domain of social services provided by non-governmental organisations. The study analysed the experience of co-operation between Ukrainian communities and the non-governmental sector (CEDOS, 2024), the activities of international humanitarian organisations in the field of social security in the context of military conflict, as well as the functioning of legal and financial mechanisms in informal settlements in Africa and Asia. This methodological approach facilitated a more profound comprehension of financing and reporting mechanisms, the role of the political context, and the practical challenges encountered by non-governmental actors in the domain of social services.

Consequently, the selected methods furnished a comprehensive interdisciplinary approach to the study of the economic and legal aspects of payments in the field of non-state social services, thus enabling consideration of both the regulatory framework and real practices that exist in different countries and can be adapted to the Ukrainian context.

3. Literature

In the study, Brandstetter (2003) examines the limited possibilities of involving non-governmental organisations (NGOs) in dispute settlement mechanisms within the World Trade Organization (WTO). The author emphasises that, despite the interest

and potential for influence, the formal participation of NGOs remains minimal due to the institutional constraints of the WTO. This work demonstrates the extent to which the institutional participation of NGOs in global regulatory structures can be constrained, even in cases where the NGOs in question possess a high degree of competence. This is a salient consideration when appraising the mechanisms for incorporating NGOs in the processes of financing and control of social services, particularly in the context of supranational or transnational legal systems.

Hayman R., Crack A., Okitoi J., Lewis S., Pratt B., Hammad S., Popplewell R. (2014) based on a study of six countries (including Ethiopia, Uganda, Rwanda) describes how the political environment, legislative constraints and financial mechanisms affect the activities of NGOs. The study revealed that legislation pertaining to registration, taxation and reporting can both facilitate and inhibit the operations of NGOs. This work is critical for understanding how legal frameworks directly affect the financial stability and ability of non-governmental organisations to provide social services. The results obtained from this study can be applied to the formulation of proposals for improving the regulation of payments to NGOs in Ukraine.

Baranovska V., Zavertneva-Yaroshenko V., Dryshliuk V., Leshanych M., Huk I.-M. (2022) analyze the regulatory framework for public-private partnerships (hereinafter referred to as PPPs) in Ukraine, focusing on the need to balance the interests of the state and the private sector. The study also reveals gaps in the legal protection afforded to business structures within social initiatives. This information is important because it illustrates the national context of the interaction between the state and the non-state sector. As payments for social services in Ukraine are closely related to PPP mechanisms, this study makes it possible to evaluate the feasibility of adapting the NGO model for partnerships with state bodies.

The study by Lomonosova N., Khelashvili A., Kabanets Y. (2024) analyses Ukrainian cases of co-operation between territorial communities (hromadas) and non-governmental organisations (NGOs) in the field of social services. The principal factors contributing to the effectiveness of such initiatives pertain to the level of institutional support, the existence of transparent financing mechanisms, and the presence of a localised legal framework. This is considered to be one of the most relevant empirical sources for the analysis of the practice of settlements between communities and NGOs in Ukraine. The material provides a valuable illustration of the development of financial and legal co-operation with non-state actors at the local level.

The article by Rodenhäuser T. (2022) provides an examination of the legal mechanisms for protecting civilians residing within the jurisdiction of non-state armed groups. The author conducts an examination of the limits of the application of international humanitarian law to non-state actors and their responsibility. Despite the fact that the study focuses on armed conflicts, it demonstrates how international law recognises and regulates the actions of non-state actors. This decision establishes a precedent for considering NGOs as subjects of legal obligations, particularly within the economic and legal context of providing social services.

S. Bychkov (2006) summarises the approaches to building social protection systems in European, Asian and Latin American countries, highlighting the elements that could be applied to the Ukrainian context. The emphasis is placed on institutional stability and the diversification of funding sources, as well as the role of public organisations. The present work is valuable for comparative analysis, as it offers a basis for extrapolating best practices in the field of financing and organising social services with the participation of the non-state sector. It facilitates the selection of legal and financial models for implementation in Ukraine that is both well-founded and robust.

In their 2023 publication, Hewitt and Cook introduce the concept of "bridging infrastructure" to describe the role of non-governmental organisations (NGOs) in providing services to refugees in complex polycentric service landscapes. NGOs function not solely as service providers, but also as intermediaries between state structures, international donors, and target groups. The emphasis on the multi-actor nature of the modern field of social services and the importance of non-governmental organisations as flexible elements of the service infrastructure is quite justified. Their capacity to adjust to evolving circumstances enables the uninterrupted provision of services, even in periods of uncertainty.

The study by Askew L. (2009) elucidates the emotional-practical interaction between social workers and service recipients within state institutions. The author draws attention to the potential of "care" as an important institutional resource, and not only a moral dimension. The present study posits the hypothesis that care constitutes not only an ethical, but also an operational component of the social protection system. This approach facilitates the consideration of non-governmental organisations as conduits of institutionalised care, a perspective that is valuable in terms of service policy.

Clayton J., Donovan C., Merchant J. (2015) observe that in periods of budgetary restraint (austerity), social workers encounter heightened moral pressure and emotional exhaustion. The authors emphasise

that the act of caring in services becomes "emotional labour", the systematic underestimation of which is a key issue. This research is of paramount importance in the context of understanding the limitations of the public sector. In light of these findings, it can be concluded that in circumstances where funding is limited, non-state actors have the capacity to to some extent compensate for the absence of caring through the implementation of more flexible models of motivation and local involvement.

An empirical study by Ndiaye A., Dedehouanou S., Faye M. (2015) on the activities of NGOs in Senegal demonstrates that the key factors for the success of social programs are the quality of local governance, the transparency of financing mechanisms, and the availability of monitoring and accountability systems. It is acknowledged that the absence of a robust governance framework can compromise the efficacy of even meticulously designed social initiatives. This finding underscores the necessity for economic and legal mechanisms of control and reporting when involving NGOs in the implementation of social policies.

Okello J. (2015) conducted a study based on the case of Uganda, which demonstrated that NGOs are assuming not only service provider roles, but also advocacy, resource mobilisation and community capacity building functions. Their involvement is instrumental in augmenting the scope of social protection. It is reasonable to assert that NGOs are multifunctional in the domain of social protection. The involvement of these actors serves to enhance the inclusivity of the system, a phenomenon that is especially pronounced in contexts characterised by limited or unstable state presence.

Merouani W., Messekher H., Hamaizia A. and Belkacem M. (2023) present an analysis of the necessity to reform the social protection system in Algeria, taking into account the inclusion of non-state forms of social support. The authors emphasise the necessity for decentralisation, the involvement of civil society organisations, and the strengthening of the financial sustainability of the programme. Consistent with the conclusions on the feasibility of comprehensive reform, it is asserted that this should involve the balanced participation of the state and non-state sectors. It is imperative to emphasise the issues of sustainable financing and regulatory support for the role of NGOs in this system.

The author Bilecen B. (2013) analyses informal mechanisms of social protection in a transnational context, focusing on social networks that provide support to migrants outside their countries of origin. The methodological combination of sociometric analysis with qualitative interviews enables the determination of how trust, reciprocity and social capital shape alternative forms of security. It has

been asserted that formal mechanisms of social protection are incapable of meeting the full needs of migrants; consequently, informal networks assume a compensatory function. This finding is of practical significance for Ukraine, where a significant proportion of the population receives social services outside the state system due to military aggression.

In their 2010 analysis, Batley and McLoughlin (2010) examined the paradox of interaction between state-building and the involvement of non-state service providers in "fragile states". The conclusion drawn therein asserts that the delegation of functions to NGOs does not only not contradict institution-building, but can also strengthen it, provided that good governance and legal integration are in place. Of particular importance is the provision on the possibility of combining public administration tasks and mobilising the potential of the non-state sector. In countries with limited administrative resources, such as Ukraine, this facilitates the enhancement of the effectiveness of social programs through partnerships.

The study by Njieri (2016) focuses on the barriers to accessing social services in informal settlements. Key factors include institutional discrimination, a lack of infrastructure, economic marginalisation and limited resources for NGOs. The author suggests creating decentralised service centres that focus on inclusion. The thesis positing the critical role of territorial and institutional access, particularly for vulnerable groups, is a compelling one. From this standpoint, the operations of NGOs necessitate not only financial assistance, but also the integration of their activities into the framework of public policy.

Walker J., Koroma B., Sellu S., Rigon A. (2024) examined how informal settlements regulate access to resources, social relations, and economic behaviour in the absence of formal state intervention. Informal leaders, local practices, and institutions of trust have been shown to play a critical role in the stabilisation of living conditions. The present study lends support to the notion of "parallel governance", a concept of particular pertinence in the context of comprehending the operational dynamics of social services within environments devoid of formal legal structures. This may be of particular relevance to internally displaced persons in Ukraine.

The study by Ntenhene (2024) focuses on the role of non-profit organisations in helping immigrants settle and integrate. The main functions of such NGOs include providing basic services, mediating communication with state bodies, facilitating cultural adaptation, and offering legal support. It is the position of this paper that non-governmental organisations (NGOs) fulfil a critical role in the interface between immigrants and the state system. This highlights the need for the consolidation of regulatory support

mechanisms for such organisations, particularly with regard to access to budget funding.

In their 2015 paper, Andissa T., Adanech D., Kasa T. and Zeleke T. provided a comprehensive overview of the Ethiopian experience with non-state social protection. The authors emphasise the necessity of integrating NGOs into national strategies, standardising their activities, and the importance of transparency and accountability. This paper posits that the notion of formalising the operations of non-state entities through the establishment of a regulatory framework, encompassing mechanisms for reporting, accreditation, and interaction with government agencies, is a perspicacious one. This has a direct impact on the reliability of calculations and the transparency of the use of public resources.

As a result of the study of scientific positions, it was established:

- 1) Non-governmental organisations are key actors in the field of social protection, especially in conditions of limited state capacity.
- 2) Institutional integration of the non-state sector into the formal social protection system is necessary.
- 3) Social services cannot be considered solely within the framework of formal legal mechanisms.
- 4) Contextuality and localisation of approaches are crucial.
- 5) Legal and economic control must be combined with ethical and social principles.
- 6) Non-state actors act as catalysts for innovation in social protection.

It is therefore evident that a comprehensive analysis of the relevant literature confirms that, in the process of establishing settlements in the sphere of non-state social services, it is imperative to combine legal certainty, economic feasibility, the local context and a humanistic approach. This interdisciplinary approach facilitates the establishment of a viable partnership model between the state, civil society and users of social services, with a focus on inclusiveness, efficiency and sustainability.

4. Main Research Material

Non-state social services represent a significant component of the contemporary social protection system, both at the national and international levels. These services are distinguished by their adaptability, innovation and capacity to respond effectively to the needs of vulnerable groups within the population. The legal consolidation, status and functioning of these entities are increasingly integrated into the framework of international social law. In periods of crisis and constrained state budgetary resources, the social protection system is subject to profound transformations and significant changes. Non-state providers of social services (hereinafter referred to as

NSPs) are becoming important partners in ensuring social justice and protecting vulnerable groups of the population (Khelashvili, Kabanets et al., 2024).

In the international legal field, the concept of "social security" and its basic standards are most fully disclosed in ILO Convention No. 102 "Concerning Minimum Standards of Social Security" of 1952 (hereinafter referred to as Convention No. 102) (Convention No. 102, 1952). This document codifies nine basic categories of social security:

- 1) Medical care;
- 2) assistance in connection with illness;
- 3) unemployment benefits;
- 4) old-age pensions;
- 5) assistance in the event of an accident at work;
- 6) disability pensions;
- 7) family benefits;
- 8) assistance during pregnancy and childbirth;
- 9) pensions in case of loss of breadwinner.

In accordance with Articles 5–8 of the Convention, the implementation of these provisions permits both state and delegated forms of provision. That is to say, the provision may be made through authorised non-state institutions that provide the same guarantees of quality and coverage as state structures.

Another fundamental international legal basis is the European Code of Social Security of 1964 (henceforth referred to as the Code), adopted by the Council of Europe (European Code of Social Security of 16.04.1964). The Code stipulates methodologies for the standardisation of social services within Member States, incorporating provisions for the augmentation of state apparatus through the integration of non-state sector entities, chiefly charitable organisations, mutual aid funds and associations. Articles 71–76 of the Code explicitly recognise the legitimacy of alternative non-state provision, provided that it does not reduce the level of legal protection of service recipients.

It is evident that both documents affirm the international legitimacy of the involvement of non-state actors in the execution of social security functions, provided that their actions are in accordance with the principles of legality, equal access and transparency. These norms have a significant impact on the legal systems of EU Member States, where different models of delegation of social services are implemented.

Ukraine, seeking to adapt its legislation to European standards, is gradually introducing similar approaches (The Law of Ukraine "On Compulsory State Social Insurance", 1999). Moreover, the Resolution of the Cabinet of Ministers of Ukraine No. 133-p dated February 9, 2024, stipulates the obligation to ensure the harmonisation of Ukrainian legislation with the EU acquis in the field of social security, including mechanisms for the involvement of the non-state sector (The Resolution of the Cabinet

of Ministers of Ukraine "On Approval of the Action Plan for the Implementation of the Recommendations of the European Commission Presented in the Report on Ukraine's Progress within the Framework of the 2023 European Union Enlargement Package", 2024).

In this context, the issue of payments in the field of non-state social services will be considered further. It is evident that the financing of non-state social services is subject to variation depending on the model of interaction between the state and civil society. In the realm of global practice, a plethora of seminal approaches have emerged, encompassing the state-contract model, the voucher system, the subsidy and grant model, and hybrid models that amalgamate diverse components. The following discussion will consider examples of individual countries to illustrate these models.

In Germany, the provision of social services is primarily undertaken by non-profit organisations (e.g., Caritas, Diakonie) on the basis of long-term contracts with municipalities or federal states. The fundamental principle underpinning this interaction is that of subsidiarity, which stipulates that the state should transfer the provision of social services to non-state entities, provided that certain criteria are met. These criteria include the maintenance of quality standards and the utilisation of funds in a transparent manner (Hayman et al., 2014).

The financing of these services is primarily facilitated through direct budget subsidies or contractual agreements, wherein the cost of services is determined by cost calculations that are previously agreed upon. A significant proportion of such agreements are of the nature of "Pflegesatzvereinbarung", that is to say, a tariff agreement between the service provider and the insurance authority or public contracting authority.

The British model is characterised by the use of a voucher system, whereby recipients of social assistance can choose whether to receive services from a state or non-state provider. This stimulates competition among providers and gives consumers greater freedom of choice (Askew, 2009). Non-state social services are financed through local budgets, state transfers and charitable donations. In order to participate in the system, an organisation must undergo an accreditation procedure and meet the standards of the Care Quality Commission.

In countries of the Global South, such as Kenya and Senegal, non-state social services are often provided to vulnerable groups in the context of limited state resources. As studies by Ndiaye et al. (2015), Okello (2015) show, the main sources of funding are:

- International donors (UNICEF, USAID);
- charitable foundations;
- remittances from migrants (Bilecen, 2013).

In such circumstances, government regulation is often found to be weak or even absent, and financial flows are irregular. This, in turn, calls into question the sustainability of service provision and creates risks to quality standards.

In Canada, government support for non-government providers is typically provided through competitive grant programmes or long-term contracts. As Ntenhene (2024) argue, organisations providing services to immigrants, refugees, or people with disabilities are subject to rigorous selection and monitoring processes. Concurrently, significant emphasis is placed on transparency in the utilisation of financial resources and the evaluation of the impact on beneficiaries.

In Ukraine, the financing of non-state social services still does not have a clear systemic model. The Law "On Compulsory State Social Insurance" provides for the participation of non-state providers, but mechanisms for concluding contracts, setting tariffs and compensation are often lacking (The Law of Ukraine "On Compulsory State Social Insurance", 1999). Concurrently, collaboration with NGOs is predominantly facilitated through project grants or pilot programmes (CEDOS, 2024).

However, within the framework of Ukraine's European integration course, the introduction of models similar to the German or Canadian ones is already envisaged in the Action Plan for the Implementation of the Recommendations of the European Commission (CMU, 2024).

In the realm of financing non-state social services, contract and voucher models predominate. The application of these mechanisms is contingent upon the developmental stage of the institutional environment, the mechanisms of state control, the level of decentralisation, and the transparency of interaction between the state and civil society. For Ukraine, a gradual transition to mixed models with transparent tariff formation and guaranteed state orders is promising.

The legal regulation of co-operation between the state and non-state providers of social services in different countries is formed in accordance with historical, political and administrative traditions. The analysis enables the delineation of several primary models: subsidiary (partnership), regulatory, contractual, licensing and hybrid.

Subsidiarity is a fundamental principle of German social policy, as enshrined in the German Basic Law (Grundgesetz). According to the aforementioned source, the state provides support to non-state providers exclusively in circumstances where the latter are unable to deliver services autonomously. The state does not, however, assume the functions of said non-state providers (Hayman et al., 2014). The state provides regulatory oversight, accreditation,

financing and quality control, but the primary responsibility for these functions lies with public, religious and charitable organisations. The legal framework for such interactions is constituted by social partnership agreements or multi-year contractual agreements (Brandstetter, 2003). In order to function effectively, organisations must be registered in an official register, meet social standards and report on their activities.

In Canada and the United Kingdom, the state assumes the role of a customer for social services. Non-governmental organisations (NGOs) are subject to a licensing and permit regime, as well as competitive procedures, which are clearly defined. In the United Kingdom, for instance, the Care Quality Commission is responsible for regulating the standards of private and non-profit providers, with contracts being concluded with local governments (Clayton et al., 2015). In Canada, such co-operation is based on clearly regulated service contracts with mandatory performance indicators. Organisations are subject to periodic audits and are obliged to ensure that access to services is provided in a non-discriminatory manner (Ntenhene, 2024).

France and Italy have more stringent regulatory systems, whereby providers must obtain several levels of administrative approval to become members of the social service delivery system. In France, for example, state bodies often coordinate the activities of associations through committees and special supervisory boards. Preference is given to NGOs operating at a local level in close co-operation with municipalities (Baranovska et al., 2022).

In the Scandinavian countries (Sweden, Denmark and Finland), a combination of partnership, state responsibility and the service market is evident. The state guarantees access to services, yet the provision of these services is delegated to both public and private providers. The interaction mechanisms encompass the utilisation of vouchers, the dissemination of open tenders, and the allocation of subsidies to specific target groups (Hewitt & Cook, 2023). A legal environment of this nature is conducive to the promotion of competition, quality and efficiency, whilst concomitantly ensuring the maintenance of control over social standards.

In the Scandinavian countries of Sweden, Denmark and Finland, a combination of partnership, state responsibility and the service market is evident. The state guarantees access to services, yet the provision of these services is delegated to both public and private providers. The interaction mechanisms encompass the utilisation of vouchers, the dissemination of open tenders, and the allocation of subsidies to specific target groups (Hewitt & Cook, 2023). A legal environment of this nature is conducive to the promotion of competition, quality and efficiency,

whilst concomitantly ensuring the maintenance of control over social standards. As of 2024, the primary impediment remains the absence of a unified legal framework that would govern the mechanisms of accounting, quality assessment, financial control and the protection of the rights of service recipients. It is therefore vital that an effective legal model of co-operation with non-state providers is established, providing a balance between the autonomy of organisations, the responsibility of the state, and clear rules of financing and control. Ukraine has all the prerequisites for a gradual transition to a mixed partnership model with elements of contractual financing, based on international experience.

In light of the multi-vector approach to the organisation of non-state social services in foreign countries, several strategic directions for improving the Ukrainian regulatory framework can be formulated. Such changes will serve to avoid excessive bureaucratization whilst simultaneously ensuring state control (Hayman et al., 2014; Ndiaye et al., 2015).

Currently, Ukraine lacks a transparent methodology for calculating the cost of social services provided by non-governmental organisations. Improvements should include:

- Development of standard service calculations taking into account regional and target characteristics;
- introducing a social voucher mechanism, as in Sweden or Finland, which allows the recipient to choose the provider;
- the possibility of transitional budgeting — financing programs for 2–3 years with a projected increase in funding provided that indicators are achieved.

According to PASGR research (Amdissa et al., 2015), predictability and sustainability of funding are key factors for effective engagement of the non-state sector.

In addition, it is necessary to implement standardised contract forms, including:

- Terms of service provision;
- quality control mechanisms;
- rights and obligations of the parties;
- sanctions for breach of obligations.

In the UK model, for instance, the contract is a public document, ensuring transparency in the use of budget funds and promoting accountability (Clayton et al., 2015; Askew, 2009). Furthermore, a significant step would be to establish an autonomous inspection system that regularly monitors and evaluates the performance of service providers based on objective criteria (Okello, 2015).

An important aspect is the development of human potential. Non-governmental organisations often face a shortage of specialists with legal, social and financial training. Therefore, it is worth:

- To introduce state funding for educational programs aimed at training social service managers.

- To stimulate cross-sectoral training, where civil servants and NGO workers take joint training courses.

The importance of public reporting and transparency in foreign practices is well-documented. Ukraine has the capacity to adapt the following mechanisms: maintaining a single information base on service providers, audit results, performance indicators; annual national reports on the non-state social security sector; conducting independent impact assessments of social programs (Walker et al., 2024).

The experience of foreign countries demonstrates that an effective system of non-state social services is formed on the basis of the following: regulatory certainty, transparent calculations and financing, social partnership between the state and civil society, and guarantees of accessibility for vulnerable groups of the population.

For Ukraine, the key tasks are to systematise legislation, develop financing mechanisms, improve the professional training of system participants, and build a culture of accountability. The sustainable development of the non-state social protection sector can only be ensured under conditions of multi-level interaction and trust.

5. Conclusions

The following conclusions were derived from an examination of the economic and legal aspects of payments in the field of non-state social services under the legislation of certain foreign states.

1. Non-state social services represent a component of the national social protection system, with a focus on addressing the needs of the population through the involvement of public, charitable, religious, co-operative, and private organisations that operate outside the state apparatus. They complement the state's efforts to provide basic social guarantees, especially during times of crisis, budget deficits or humanitarian instability. While these services are often more flexible, targeted and capable of innovative responses to social challenges, they require clear mechanisms of transparency, accountability and institutional recognition.

2. Sources of funding and models of legal interaction in other countries. International experience shows that there is a wide variety of ways in which non-state social services are funded: budget co-financing (Germany, France); state subventions (Senegal, Uganda); cross-border grants (EU); trust funds (Canada); social orders (Great Britain); and private donations and diaspora transfers (Ethiopia). In the legal dimension, three typical models of state interaction with non-state providers have been identified:

- A contractual model that involves concluding public contracts for the provision of social services with clear KPIs, financial calculations, and a procedure for monitoring implementation (Great Britain, Uganda);

- a subsidiary model, where NGOs are recognised as the main providers, and the state provides regulatory regulation and basic funding (Germany, France);

- a model of delegation of authority, in which the state formally transfers the responsibility for providing certain services to the public sector (Senegal, Kenya), retaining only the functions of strategic planning and oversight.

3. A comparative legal analysis facilitates the identification of areas in which international experience can be adapted in the Ukrainian context.

- Introduction of a unified social procurement mechanism, with transparent payment terms and public competition among NGOs;

- improving the regulatory framework for results-based financing, with the introduction of the principle of "money for service", rather than based on the fact of subjectivity;

- expanding opportunities for public-private partnerships in the field of social protection through amendments to the Law of Ukraine "On Public-Private Partnership" and the integration of the social component;

- creating local social contracts at the level of territorial communities (hromadas), which will allow

mobilising local resources and adapting services to the real needs of the population.

Consequently, within the framework of the conducted research, a comprehensive analysis of the nature of non-state social services in the social protection system was carried out. In addition, models of legal regulation and mechanisms of financing such services in foreign countries were studied. Finally, proposals were formulated for improving Ukrainian legislation taking into account international experience. The results obtained allow the formulation of the following main scientifically substantiated conclusions:

The existence of effective mechanisms for calculating and legally regulating the activities of non-state providers of social services is an indispensable condition for building a sustainable and inclusive system of social protection. Ukraine possesses all the prerequisites for introducing mixed models of financing and management, provided that regulatory procedures are clarified, the participation of the public sector is expanded, and European standards are integrated into national legislation.

With regard to the imperative for further scientific research, particular attention must be paid to the humanitarian and legal aspects of settlements in conflict and crisis zones, and the legal status of non-state suppliers in emergency situations, in particular in conditions of war and occupation.

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