

SOCIAL POLICY AS A BASIS FOR ENSURING FINANCIAL SECURITY OF A PERSON

Oksana Ruda¹

DOI: <https://doi.org/10.30525/978-9934-26-291-3-8>

Abstract. *The purpose* of the paper is the penetration of globalization into all spheres of social life leads to a number of changes concerning, first of all, the economic condition of countries, manifested through differences in their resource potential, the global labor market, and the aggravation of problems related to finding optimal ways to satisfy human needs. As a result of this, the question arises of ensuring the development of the social sphere, which should focus on meeting the physical and spiritual needs of the population, improving living conditions, achieving a high standard of living, etc. *Methodology* of the important role in solving this task is given to the social policy of the state. The need to bring the level and quality of life of the population of Ukraine closer to world standards requires qualitative changes in the implementation of social policy, improvement of its financial support. The conflict between the European integration aspirations of our country and the realities existing in it leads to an urgent need for a consistent reorientation of domestic social policy to achieve a high level of social standards, build a developed system of social protection of the population, ensure effective protection of workers' rights and comprehensive harmonious development of the individual. One of the key issues facing most countries in both the long-term and short-term perspective is the construction of an effective system of social protection of the population capable of solving urgent and permanent social problems. *Results.* There is a particularly urgent need to rethink social policy in Ukraine, to define a clear goal, tasks, mechanisms and stages of its implementation. Social policy is a component of the state's internal policy. It is aimed at ensuring the well-being of citizens by providing

¹ Candidate of Economic Sciences, Associate Professor,
Department of Finance, Banking and Insurance,
Vinnytsia National Agrarian University, Ukraine
ORCID: <https://orcid.org/0000-0002-3266-7470>

them with the opportunity to obtain the necessary material, cultural and spiritual benefits. Social policy has specific features, such as humanistic direction, orientation on human development. Social policy is a method of state regulation of the market economy through the distribution and redistribution of public goods and the development of relations between employees during their creation. State policy should be aimed at social security, social assistance, housing programs, health care, education, and support of socially oriented spheres of activity, in particular food and light industry. Social policy has a decisive influence on the state's competition strategy on the world market and the competitiveness of the national economy, as it ensures the development of human potential, social stability in society, and improvement of the investment and innovation climate in the country. *Practical implications.* The goal is to deepen the theoretical and methodological foundations of the social policy of the state as a regulator of the development of the social sphere in the conditions of the formation of the information society and to substantiate the directions for the improvement of social policy. The object is the social policy of the state to ensure the financial security of a person. The subject is theoretical and practical issues of implementing social policy to ensure financial security of a person. The essence of the concept of social policy is considered. *Value/originality.* The state of Ukraine's social policy and the prospects for changing social policy in accordance with current challenges are analyzed. The main principles were substantiated and recommendations were developed for improving the areas of implementation of the state's social policy and social protection of the population in the context of adaptation to EU standards. The main theoretical provisions, conclusions and recommendations have a practical direction, regarding the introduction of organizational and legal changes in the system of managing the social protection of the population at the territorial community level, namely indicators of external evaluation of the process and results of the activity of the social service provider.

1. Introduction

One of the main functions of the state is the implementation of social policy, which is able to ensure the full development of a person, the realization of his intellectual and professional potential. Currently, the

state system of social protection is a necessity for the stable functioning of modern society. This is caused, first of all, by the difficult financial and economic situation in the state, the partial occupation of its territory, the conduct of military operations in the east of the country, the rapid decline in the standard of living of its citizens and, as a result, the increase in the number of low-income sections of the population, the disabled, immigrants, large families and others categories of persons in need of various types of social assistance.

The formation of a modern information society requires the study of scientific categories of social policy and social security in the context of the philosophy and ideology of the information society, the use of new information and communication technologies and social networks.

The information society affects the political, economic and social spheres of society through the use of modern information and communication technologies, social networks and the formation of new social standards and a new social consciousness.

Socio-economic processes taking place in Ukraine in recent years contribute to a decrease in the level of employment of the population, the quality and availability of public goods in the sphere of health care, education and culture. Creation of an effective system of social protection of the population is a dominant task in the process of building a socio-economic model of society at the current stage in Ukraine. One of the determining factors contributing to the formation of effective social protection of citizens is the financial provision of this sphere, which, given the current circumstances and financial capabilities of the state, is limited. Therefore, effective budgetary financing of social programs is extremely important for the stable provision of social protection in Ukraine.

The problems of the social protection system and the problems of its financing attract the attention of many scientists. Among prominent scientists, we can single out the scientific works of I.H. Tkachuk, N.P. Boretska, O.Ya. Kovalya, S.I. Yuriy, E.M. Libanova, A.A. Andruschenko and others.

The purpose of the work is to deepen the theoretical and methodological foundations of the social policy of the state as a regulator of the development of the social sphere in the conditions of the formation of the information society and to substantiate the directions for the improvement of social policy.

2. The essence and principles of the social policy of the state

The effective functioning of the state in modern economic conditions depends to some extent on the sustainable development of the social sphere. Thus, the social sphere affects the standard of living of the population, which in turn contributes to the increase of aggregate demand in the economy, improvement of working and living conditions, increase of working capacity of the population, thereby regulating the processes of labor force reproduction, growth of human capital and cultural and spiritual life of society. The primary goal of the stable development of the country's social system should be to increase the quality of life of the population, which in turn is reduced not only to the consumption of material goods and services, but also to the satisfaction of spiritual needs. This goal is achieved by spending financial resources, the involvement of which should take place both at the level of the state and at the level of economic entities. It is the creation of an effective financial mechanism that will enable the social sphere to function effectively.

The social sphere solves a number of tasks that take part in the development of the country's economy and directly affect society. The main tasks are: creation of conditions for effective human work; ensuring productive employment of the population at the maximum level, improving the quality and competitiveness of the workforce; raising the level of quality and standards of life of the population; support of socially vulnerable segments of the population etc. [3].

Social policy is a component of the state's internal policy. It is aimed at ensuring the well-being of citizens by providing them with the opportunity to obtain the necessary material, cultural and spiritual benefits.

Social policy is a method of state regulation of the market economy through the distribution and redistribution of public goods. In the conditions of market relations, the state is forced to redistribute profits from economic activity in order to protect vulnerable sections of the population, eliminate income differentiation in society, and provide social protection for those citizens who, due to objective and subjective reasons, cannot provide themselves with a decent existence.

Social politics and social safety state in conditions formation informative society legitimately consider as politics, directed on coordinated by informative sphere society functioning economic, political and social

spheres of society, on the basis of ensuring a decent level life, social protection, social and information security citizens, social groups and society in as a whole.

Provided the formation of global information society and national models informative society problems of social protection and social security citizens, social groups and of states we can consider also and in informative aspects provision of social protection and social security the above-mentioned individuals, social and ethnic groups, of states and groups of states.

Among basic functions social politicians in socially responsible developing state in conditions formation informative society single out the following functions: formulation tasks of social development of society, provision implementation politicians social protection and social security on basis using modern social of information and communication technologies, technicians and means social and political management and marketing, using modern informative communication technologies in activity social structures authorities and civil society.

Such way we can affirm, what the main purpose social politicians state in conditions formation informative society is installation and regulation relevant politician legal and information and communication relations between society and individuals by implementation and regulation of the specified relations between individuals and social in groups to whose belong to data individuals.

Traditional approaches analysis social politicians predicted what subjects social politicians and social security perform mainly state structures [3]. But transformation traditional state in socio-legal the state introduction information and communication technologies in the social sphere contributed to ago, what question social politicians and of social security began to be implemented by social civil structures society.

The object of social policy is social relations (family-marital, educational-educational, social-labour, housing-communal, etc.), the processes of life in society (natural and mechanical movement of the population, differentiation of incomes, housing security, etc.) and social needs (medical and demographic, educational, labor, social and household), which together make up the social sphere of the country. Accordingly, the institutional system of ensuring social policy is formed by four groups

Financial mechanism in the system of economic vectors of development of Ukraine

of management subjects, such as: the state through authorities of various levels, public and political institutions (movements, associations, parties, organizations), employers and citizens. At the same time, three key goals of the researched policy are fulfilled, related to the resolution of conflicts in social relations, the regulation of social processes and the satisfaction of the needs of the population, in order to achieve the highest goal – a high level of economic and social well-being of the population.

Principles of social policy of the state: ensuring social justice in society and social security; formation of social solidarity of all strata of the population; development of social partnership; guaranteeing the availability of education; health care of citizens; pension provision in old age; creation of conditions for freedom of choice of profession, place of residence; ensuring the right to professional associations, etc.

In order to characterize the state of social policy, it is necessary to define the state of social security in general.

Table 1

Dynamics of the size of the main state social standards of Ukraine in 2016–2020

Indicators	Years				
	2016	2017	2018	2019	2020
Minimum pension, UAH	1074	1295	1409	1564	1769
Minimum wage, hryvnias	1438	3200	3723	4173	5000
Subsistence minimum, hryvnias	1376	1604	1745	1936	2189
Minimum consumer basket, hryvnias	1169	1446	1745	1936	2189
Average monthly salary, hryvnias	6475	7105	8867	10783	10340

Source: created by the author [11; 14]

The following indicators are of great importance when analyzing the state of Ukraine's social policy: the consumer price index, the subsistence minimum, the average monthly wage, the poverty line according to the relative criterion and the poverty level, the number of the employed and unemployed population. During 2020, there was an increase in the subsistence minimum, which is the main social standard that establishes the amount of state social guarantees. The size of the subsistence minimum for 2020 was increased by 11% compared to 2019. The subsistence minimum

for able-bodied persons in 2020 was UAH 2,189, and in 2018–2020, the minimum consumer basket and the subsistence minimum were of the same value. The average monthly wage in 2020 was UAH 10,340, which is 4.1% less than in 2019, and the average monthly wage in 2018 was UAH 8,867, which is 20% more than in 2017.

The poverty level according to the relative criterion increased in 2016 and amounted to 58.6%. And already in 2020, it was 43.6% (but according to UNICEF forecasts, without the pandemic, this figure could have been 27.2%), which is 5.8% more than in 2019. The practical aspect of implementing social policy involves the use of both methods of market self-regulation and methods of direct and indirect state intervention. Social technologies constitute a separate group of methods in modern conditions of development. At the same time, methods of persuasion, coercion, economic, administrative and legal measures and other methods of control are used within the limits of state regulation. Various means of persuasion are often used to achieve the goals of social policy, namely: clarification, education, dissemination of leading experience, moral and material stimulation. Methods of coercion are relevant when the means of persuasion against those persons who do not comply with or violate the requirements of laws and other regulatory acts, discipline, norms of the welfare state have been exhausted. Groups of social, economic and political mechanisms form structures of socio-economic positions, with the help of which the population is stratified according to income, education, profession, gender, race / ethnicity; these socio-economic positions, in turn, form mediating determinants of social policy, reflecting the place of the citizen in the social hierarchy.

There are interpretations of the state's social policy as a set of measures aimed at harmonizing the interests of various social groups in the sphere of production and distribution. Indeed, social policy carries out not only the redistribution of material and cultural goods, but also regulates the relations of workers during their creation. There is a direct relationship between economic growth and social progress in society. The effectiveness and efficiency of the state's social policy depends to a decisive extent on the state of the country's national economy. Social and economic policy make up the internal policy of the state.

The social policy of the state has an active and passive component. An active policy regulates labor relations, the labor market and employment, and

provides jobs. Passive policy is aimed at supporting the socially vulnerable sections of the population. The social policy of the state should be aimed not only at social security and social assistance, housing programs, health care and education. Such socially oriented spheres of activity, such as food and light industry, which produce food, clothing and footwear, which are important for people, also need state support.

The main mechanisms of social policy implementation are mandatory and voluntary social insurance. Mandatory includes pension and health insurance, in connection with temporary loss of working capacity, from an accident at work and occupational disease that caused the loss of working capacity. Voluntary social insurance is insurance for citizens engaged in business and individual activities. They are entitled to all types of state social insurance benefits established for workers, employees and members of cooperatives, provided they pay insurance contributions to the Social Insurance Fund of Ukraine. Mechanisms for the implementation of social policy are also state social assistance – monetary payments, subsidies and compensations to vulnerable sections of the population, and state social guarantees of free medical care, free education, affordable housing, cultural and health facilities, etc.

Social policy technologically is carried out through the development and adoption of legislative and regulatory state acts and the approval of targeted social programs to be developed by the authorities representative and in the iconostasis in the scales by active participation citizens.

Effective social policy state has be aimed at ensuring decent social living standards of citizens, guaranteeing their social security and stability of the political system of society, which in the conditions of the formation of the information society should be implemented on the basis of the principle of social justice, in particular, and in information sphere society.

3. Analysis of the financing of social protection measures in Ukraine

Due to the fact that one of the most important problems of modern times is the need to study social security issues as a component of national economic security and ensuring national interests. The choice of an adaptive form of the social policy model should ensure the freedom of social choice of different layers of the population and the positive impact of social

processes on the economic development of the country, and thus maintain a sufficient level of ensuring the financial security of a person in the system of national economic security.

Financial security is one of the most important components of economic security, without providing which it is impossible to solve any of the tasks facing Ukraine. At the same time, there is almost no analysis of the relationship and interdependence of financial security and the system of national interests. Ensuring the economic security of the national economy is a necessary condition for the realization of private and state economic interests, a guarantee of the evolution of the economic system and the successful positioning of the state in the global economic arena. Ukraine is currently in a state where the influence of economic and financial threats on the state of economic processes has reached its peak due to the political crisis, military actions in the East of the country and social imbalance in society. In view of this, scientists' attempts to propose measures to increase the level of financial protection of the population, business structures, and the state in general from destabilizing factors of the economic nature of origin are gaining relevance.

Social security, as a component of economic security, is related to the categories of national needs and national interests. In turn, the high level of social guarantees of each state is the basis of public welfare and the main goal of its financial policy.

The key criterion for evaluating the effectiveness of social policy and the standard of living of the population, as well as an indicator of the state of financial security of a person, is the amount of labor income of working people. One of the important indicators of the standard of living of the working population is the indicator of real wages.

Social security, as well as economic security, is inextricably linked with the categories of national needs and national interests. The financial security of a person is an important component of the social and economic security of the state, the center of which is the person and his needs, the quality of whose satisfaction affects the socio-economic development of the state and its social security.

The presence of threats to financial security restrain the development of the economy and, as a result, lead to an increase in social tensions. Ensuring financial security directly affects the political life of society,

Financial mechanism in the system of economic vectors of development of Ukraine

the implementation of economic policy, the implementation of social programs, strengthening the state's defense capability and security, and solving environmental problems. Comprehensive implementation of structural transformations in the economy of Ukraine is impossible without the activation of regulatory measures aimed at meeting the needs and interests of every person. These measures should contribute to the process of ensuring the stable life of society, the achievement of social harmony and social integrity, and the appropriate level of well-being of the population.

Characterizing the structure of general expenditures on social protection and social security in Ukraine for 2016–2021, it should be noted that almost 2/3 of all expenditures of the social protection system of Ukraine are directed to persons of retirement age. A particularly rapid increase in expenditures on social protection was observed in 2020 – by UAH 104 billion (such growth is associated with an increase in budget expenditures for pension payments and social benefits), at the same time, there is a decrease in expenditures in 2021, compared to 2020, by UAH 56 billion. In 2021, the share of expenditures on social protection of pensioners is 24.9%. Expenditures on social protection in case of incapacity for work make up a small share, in the amount of about 0.8-2.1%. However, we see a tendency to increase the financing of disabled citizens, as one of the vulnerable sections of the population. It is worth stopping at help in solving the housing issue. The indicator significantly increased in 2019 (1.6 billion hryvnias) compared to 2016, which indicates a positive trend in state assistance in solving the housing issue.

In Ukraine, social protection and social security expenses have always taken the leading place in social spending, and the country's budget has been one of the main sources of funding for the social security system. Social protection is becoming increasingly important for the population due to the negative impact of socio-demographic, economic and security factors. The number of vulnerable segments of the population in Ukraine has increased, new categories in need of social protection have appeared, while the vast majority of the population is not satisfied with the quality and availability of social services. For many years in a row, the forecast calculations for social expenses have not been coordinated with the sources of income and the amounts of benefits and guarantees established by the state. For decades, an excessive number of various benefits, benefits and

**Analysis of the structure of expenditures
on social protection and social security by category
of citizens from the state budget in 2016–2021, UAH billion**

	2016	2017	2018	2019	2020	2021
State functions	117925.6	142446.9	162949.9	168206.5	163849.4	155468.9
Defense	59348.9	74346.2	97024.0	106627.7	120374.1	92299.1
Public order, security, judiciary	71671.1	87845.0	116875.6	140151.2	157672.5	127751.9
Economic activity	31412.3	47000.1	63600.7	72365.1	16889.0	103708.5
Health care	12456.3	16729.1	22617.9	38561.6	124925.3	122761.8
Education	34825.4	41140.2	44323.4	51657.6	52857.3	48993.4
Social protection and social security	151965.5	144478.3	163865.6	218628.6	322720.3	266238.8
Interbudgetary transfers	195395.3	272602.9	298939.7	260302.0	160177.1	137923.6
Other	9743.1	12655.0	15645.2	16391.2	16551.8	15441.1

Source: created by the author [11; 16]

compensations have been formed in Ukraine, the size of many of which does not take into account modern economic realities, besides, the state does not have sufficient financial capabilities to ensure the corresponding payments. As a result, the leveling of the social value of such guarantees for the population and the growth of the state's debt due to lawsuits on the protection of social rights, satisfied by the courts in favor of citizens. A large number of allowances, supplements and increases to the pension overburdens the pension insurance system and turns it into a cumbersome social security system.

The social protection system of the population of Ukraine consists of: pensions, unemployment benefits, child birth benefits, a program to help families with children, a state program of grants and housing subsidies, burial benefits, and social protection for victims of the accident at the Chernobyl nuclear power plant. Also, provision of social assistance is guaranteed state support for families with children. Maternity benefit to uninsured persons is paid in the amount of 25% of the subsistence minimum for able-bodied persons, in which case the amount of this payment changes in proportion to the change in the subsistence minimum.

Financial mechanism in the system of economic vectors of development of Ukraine

Starting from 2015, the allowance for the birth of a child is assigned in a single amount of 41,280 hryvnias, which has increased by 10,320 hryvnias. in comparison with previous years. Since 2019, Ukraine has introduced a one-time cash or in-kind (at the parents' choice) state aid "Baby Package". The amount of monetary compensation for the cost of one-time in-kind assistance "baby package" is UAH 6,300.00.

Having analyzed the expenditures on social protection and social security, we see that at the expense of subventions from the State budget, local budgets are provided with benefits and housing subsidies to the population for the purchase of solid and liquid stove household fuel and liquefied gas and for the payment of housing and communal services. In the State Budget for 2021, 36.6 billion UAH is provided for the payment of subsidies, which is almost 600 million UAH less than in the State Budget for 2020 (37.2 billion UAH, plan taking into account the schedule – 36.4 billion UAH, cash expenses – 36.4 billion UAH, and 47.6 billion UAH were provided for the sequestration of the budget for 2020). It is worth noting that for 2018, the budget for the payment of subsidies provided UAH 72.7 billion.

From the conducted analysis, we can see that during the studied period there is a trend of increasing expenditures from the state budget for payment of subsidies to the population of Ukraine.

The main social standard for the implementation by the state of the constitutional guarantee of citizens for a sufficient standard of living is the legally established subsistence minimum. At the same time, the attempts of the Ministry of Social Policy to provide such a size of the subsistence minimum, which takes into account the real level of prices and the needs of the population, are restrained by the economic failure of the state. The methodology by which the living wage is determined needs to be updated, in particular, the sets of food, non-food goods and services that are not revised against the law are outdated and do not ensure that all needs are taken into account. As a result, the legally established living wage for all social and demographic groups in 2017–2020 was more than twice lower than the actual living wage calculated by the Ministry of Social Policy.

The minimum wage has increased significantly since January 2017 (from UAH 3,200 to UAH 6,000 in January 2021), and since January 2021 it

has exceeded the actual subsistence minimum every month (in January 2021 – by UAH 699, in February 2021 – by UAH 732, in March in 2021 – by 556 hryvnias, in April 2021 – by 508 hryvnias). At the same time, in connection with inflationary processes, the rate of growth of the minimum wage is gradually decreasing.

The minimum pension, which corresponds to the legally established living wage, grows slowly and does not reach the actual living wage, the gap between its size and the minimum wage has increased from 2.6 to 3.4 times since 2017 due to the rapid increase of the minimum wage. At the same time, at the beginning of 2021, only 1.2 out of 11.1 million people received pension payments that were lower than or corresponded to the subsistence minimum for this category of people. Due to the additional payment for state budget funds in 2019 and 2020, for almost 2.2 million people who had the required insurance experience (30/35 years) but low earnings, the minimum pension payment was approximated to UAH 2,000 and UAH 2,100, respectively, which in 1.6 and 1.5 times less than the average actual subsistence minimum for these years (3103.1 and 3253.1 hryvnias).

At the beginning of 2021, the majority of pensioners (75 percent) received an old-age pension in the amount of UAH 3,539 on average, which slightly exceeded the average actual living wage for this category of persons in 2020.

It is also necessary to analyze the average amount of the assigned monthly pension for all categories of pensioners in 2016–2022.

From the data in the table, it can be seen that during the analyzed period, the monthly pensions of all categories of pensioners increased by 14% in 2020 compared to 2019. The increase in the average size of the pension occurred in connection with the increase in the minimum wage in 2020 and the implementation of the pension reform in 2017. The increase for the period from 2016 to 2020 was 1.6 times. The current level of the country's pension provision does not provide an adequate standard of living for citizens of retirement age, and there is no adequate pension replacement of earnings lost by citizens due to old age. So, as of January 1, 2020, there were 11,335,000 pensioners registered with the Pension Fund of Ukraine, which is 135,000 less than on January 1, 2019.

Table 3

**The average amount of the assigned monthly pension
for pensioners of all categories, hryvnias**

Name of indicators	Years					
	2016	2018	2019	2020	2021	2022
The average amount of the assigned monthly pension, total	1699.5	2479.2	2645.7	3083.0	3507.51	3991.53
by age	1690.3	2556.7	2648.2	3064.8	3538.9	3944.8
on disability	1545.2	2000.9	2118.6	2641.1	2679.5	3269.8
in case of loss of breadwinner	1640.3	2368.0	2491.4	2916.5	3012.5	3730.7
for years of service	2282.4	2595.2	3970.6	4500.5	3205.5	6442.9
social pensions	1099.0	1450.6	1499.6	1644.3	1786.1	1955.7
lifetime allowance of retired judges (with full and part-time work experience)	16770.8	24722.3	28702.4	45874.2	67961.4	90822.2

Source: created by the author [11; 16]

The number of pensioners during the research period decreased by 13.5% in 2020 compared to 2016, this is primarily due to the reduction of the retirement age, as well as low life expectancy in Ukraine. During the analyzed period, in 2018 alone, the number of pensioners decreased by almost 570,000 people (compared to 2016). On average, the rate of reduction was 2% each year.

In 2016, the decrease reached 11.4%, but this indicator is connected with the impossibility of calculating the number of pensioners who were in the territory of the anti-terrorist operation (ATO) in Eastern Ukraine and Crimea.

It should be noted that in 2020 (compared to 2019), the pension of persons who receive it by age increased the most. The growth reached 22%.

The average social pension increased less (by 9%). On the other hand, the average amount of pension for years of service increased by 12% (compared to the indicators of 2019).

During the functioning of the current pension system, a number of social problems appear, social injustice, which most affects the poorest sections of the population, is the defining one.

4. Social policy of Ukraine and directions for its improvement

The social sphere is one of the most massive spheres of employment, which includes three large socio-professional groups: educators (8.4%), health care and social service workers (5.9%), culture and sports workers, recreation and entertainment (1.2%), which together make up 15.4% of all employed as of 2019. In modern conditions, the social sphere has certain features of development, which must be taken into account in improving social dialogue.

The main ones the reasons for the underfunding of the social sphere are not only insufficiency budgetary funds and deficits local budgets, but also those that are not implemented new ones and non-standard for economy countries methods regulation – using non-state funds by creation social funds and involvement socially responsible business

A model of economic and social development which now developed in Ukraine, formed because of inconsistent and controversial politicians in conditions permanent political and economic crisis and under powerful influence multidirectional forces which had of of Ukraine your geoeconomic and geopolitical interests As a result, instead of socially oriented and competitive market economy in Ukraine made up disintegrated and internally contradictory conglomerate fragmented markets, which not provide full-fledged inclusivity economic development, redistributing significant share his results on benefit narrow circles economic "players" [12].

Within the model of socio-economic development, what developed significant part population not sees own future, and business not interested in legal and strategically oriented activity on national territories. Hence the capital flight, significant fraction persons oriented on emigration with countries, internal emigration. Now all, what we have – it disagreements in actions management tops, absence strategic management, contradiction in looks among population and his excessive politicization, corruption, unemployment, low level democracy, education and medicine, legal exposure. These factors harmful affect on development social state Introduction state control in the field social politicians and subsequently and that, as far as successfully she will be function, will demand coordinated work in everyone spheres society, in particular economy, which has exactly function in context of the state financing everyone social programs [5].

Financial mechanism in the system of economic vectors of development of Ukraine

Reform social services in Ukraine already started and acquired institutional measurement with acceptance in new editors of the law of Ukraine "About social services", which came into effect on January 1, 2020. Appropriate to note what because of reforms decentralization is formed new system, bodies local municipality is provided more powers, in particular regarding social security protection population. Also on state levels accepted a string subordinates regulatory Acts in sphere social politicians.

Events 2020, are related with spread pandemic COVID-19 and introduction quarantine activities, made essential corrections in Indicators socio-economic development of the country. According to the results of 2020 received essential negative changes in indicators income and poverty of the population. Subsequently, negative effects they can to touch others spheres life, in particular those which are identified with non-monetary aspects and cause growth scales social alienation [13].

Simultaneously arise various challenges for sustainability of the social protection system in Ukraine.

Among the main problems in the sphere of social protection of the population of Ukraine, which require an immediate solution, the following can be highlighted: extremely high level of state participation in the sphere of social protection, extremely weak participation of the population in its functioning; an extremely rapid increase in the cost of services provided by healthcare, education, and culture institutions, which does not correspond to their quality; inefficiency of budget management of available financial resources both by the main administrators and by individual social institutions; insufficient funds for financing activities in the field of social protection of the population. Financial provision of social protection should also be analyzed from the point of view of achieving its goals. It should be noted that each individual social program provides for the achievement of its specific goals, which makes it possible to assess the effectiveness of their financing not only in the country as a whole, but also in individual regions. At the same time, all the goals of individual social programs provide for the achievement of the main goals of the social protection system of the population: reducing the level of poverty, increasing the income of the population, reducing inequality and increasing life expectancy. In general, the current trends in the financial provision of social protection in Ukraine

do not meet the challenges posed by the current socio-economic and demographic situation, which negatively affects both the level of funding and its effectiveness. Further development of social protection in Ukraine is possible only under the condition of deep structural restructuring of both the social protection system itself (reduction of social benefits and benefits; increase in targeting; reduction of the number of in-kind transfers, etc.) and the basic conditions and principles of financing (expansion of the share of private funds; growth of financing social programs based on the accumulative principle; increasing monetization and targeting of social benefits, etc.). They remain difficult administrative procedures and actions in ensuring social protection. Available disorganization granting social payouts benefits and help Entrepreneurs and working Ukrainians do not trust the social protection system and avoid participation in it, which negatively affects formation and filling social funds [thirteen]. The problem of provision remains unsolved availability of administrative services for receiving social support for territorial residents communities It has be clear mechanism financial software implementation bodies local municipality powers delegated by the state regarding drafting, implementation local budgets, control by spending funds managers budgetary funds, and also implementation others functions, connected with management funds local budget. In order to ensure the implementation of powers in the field of social protection of the population and protection of children's rights, in the executive body of the village, settlement, city council of the territorial community, the following are formed: a structural unit (or specialist in social work (hereinafter – FSR), which ensures the implementation of state policy in the field of social protection population, formation of local social support programs [2].

The practice of an integrated system of social services requires the creation of comfortable living conditions in any village, city, or settlement.

Despite positive developments in the formation of a new, decentralized system of providing social services, there are a number of problematic issues in the activities of territorial communities regarding the implementation of powers in the field of social protection of the population: reduction of the amount of social services provided to residents before the formation of the TG; insufficient personnel resources for the organization of social work in the community, in particular with regard to timely identification and provision

Financial mechanism in the system of economic vectors of development of Ukraine

of support to families / persons who are in difficult life circumstances, prevention of family violence, child abuse, loss of children due to neglect and neglect of their needs, solving issues related to the implementation of guardianship and care over adult incompetent and persons with limited legal capacity; insufficient level of qualification of employees who perform functions in the field of social protection of the population; lack of effective mechanisms for the interaction of structural subdivisions of social protection of the population of district state administrations with TGs, in particular regarding the proper organization of the reception of documents in the created TGs; insufficient implementation of mechanisms and forms of TG cooperation in the development of specialized social services for different categories of the population.

The functioning of the TG also indicates a high need for methodological assistance in building one's own effective organizational structure for the provision of social services and the transition to new methods of planning and financing social services. At the stage of introducing information technologies into the management system of social protection of the population and protection of children's rights at the TG level, an urgent task for the structural subdivisions on issues of social protection of the population, services for children's affairs of regional state administrations is the organization of continuous training of TG personnel. According to the report of the European Commission, in the countries members EU dominate four the main ones models: continental Anglo-Saxon scandinavian and South European [1]. Under model social protection are understood formed principles organizations and functioning programs social software. In Germany, Belgium and Austria, social protection is carried out through the social insurance system, i.e in them works insurance model social protection. System social software in Germany by international standards looks enough powerful her foundation formed with independent systems social guarantees what are financed with deductions from wages. The social system software in Germany is regulated The Social Code, which has the name Sozialgesetzbuch (SGB). The basis of the social security system is laid principle insurance. It means what right on social help in Germany have everyone insured persons System social software in Germany includes mandatory insurance health, mandatory retirement insurance, mandatory insurance from unhappy cases insurance

long-term care and insurance on case unemployment. Financing systems mostly is provided thanks to insurance contributions of the economically active population, employers and tax benefits. Social provision of persons who are unable to do it on their own deduction, is carried out thanks to budgetary subsidies. All of them collected funds accumulate in industry social funds. Social insurance in Germany is mandatory. It allows compensate solidary approach, equalize social services for persons with different level income, and also to provide the necessary assistance to those who are unable get her by help participation in systems voluntary insurance due to low or non-existent income. Depending from industry insurance functions social insurance funds can perform as state, so and private organizations. Germany reached very tall standards life and has comprehensive system social software.

Belgium inherent conservative (continental, European, institutional) model, which primarily aimed at the market and insurance. This one model is based on principles achievements persons where labor determines further social software. Problems arise in those sections of the population that do not employed and uninsurable. They are forced expect on local charitable bodies and social help usually insignificant. Budgetary deduction and insurance contributions employees and employers are actually the same, the main links distribution is as state, so and private social insurance funds [1].

In Belgium with help social insurance and state social software are formed enough significant financial resources that reach 30% of GDP [17]. In Belgium social insurance is an important component of the system social security and is financed by principle social solidarity: the state – 20%, employers – 32-38%, employees – 13.07%. All funds accumulate in National service from social safety, which are distributed in such public institutions such as the National Pension Service, National Employment Service, National Service payment annual holidays, Stock insurance from accidents at work, Insurance Fund from occupational diseases, National Institute insurance from diseases and disability, Federal agency children's help [17].

Today in Ukraine payout the majority social assistance is provided at the expense of the state budget in the form of subventions to local budgets. Funds enterprises, institutions, organizations etc. is the source what provide realization social guarantees for able-bodied population.

Financial mechanism in the system of economic vectors of development of Ukraine

Sources there are also funds for additional resources in the social sphere foreign targeted loan and loans, what directed on solution of the complex social problems and stand out under specific social programs. Important directly financing social spheres is active involvement elements insurance to the social security system, a exactly: creation necessary economic conditions for development of social insurance as fundamental component of the social security system. Out of five legalized types of social insurance today in Four are valid in Ukraine: pension, temporary loss working capacity, on case unemployment and from unhappy case in production.

Because budgetary financing is the main the source of the rise of the social sphere, should be accelerated process reformation systems taxes and carry out additional activities of filling income part state budget and budgets of all levels [5].

For solution this one problems expedient use experience European of states with okay developed systems social provision. Separate charges species taxes in some European countries is fixed by financing of relevant social expenditures. Such the system enables the state to be the guarantor of what funds will return society in in the form social services and benefits.

5. Conclusions

The current stage of the development of Ukraine as an independent and social state is taking place in the conditions of a social and economic crisis, which prompts the state authorities to search for ways to optimize social policy in relation to social expenditures, modernize and increase the efficiency of the social protection system of the population. In conditions of under-reformation of the social sphere, the existence of systemic deformations, the standard of living of the country's population decreases, its polarization into rich and poor social strata deepens, and inequality in access to public goods increases. These indicators lead to latent conflicts, large-scale marginalization, social rejection and carry different levels of social tension and social unrest. Taking into account the problems that accompany the social life of Ukrainians, there is a need through the state social policy to implement a number of reforms in the system of social protection of the population to increase the level of social and economic security of citizens, to ensure the transparency of the functioning of the

labor market with adequate remuneration, which would avoid the risk of being on the edge or below the poverty line. The main attribute of the social policy of each state is the social protection of the population, and the state of its financing determines the level of the country's economy. The standard of living of the society depends on the amount of expenditures aimed at financing the social sphere. The effectiveness of the system of social protection of the population largely depends on its financial support. Financial provision of social protection of the population has a multi-channel structure consisting of funds from the state and local budgets, state and non-state social funds, business entities of various forms of ownership, and charitable (charitable) funds. Financial provision of social protection of the population is carried out by redistributing part of the value of GDP on the basis of social solidarity, which involves mutual assistance of all participants of the social protection system. Such mutual aid is implemented in the form of redistribution of funds between different socio-economic and socio-demographic population groups. In general, the system of financial provision of social protection of the population is designed to create a financial base to ensure the protection of the population as a subject of protection during the action of social risk.

In Ukraine, in the structure of public expenditures, expenditures on social protection have always occupied a leading place, and the state and local budgets are the main sources of financing the social protection system. The main problem of financing the social protection system is insufficient state funds to fulfill the requirements of the current legislation. Although during the last five years in Ukraine there has been a significant increase in spending on the social sphere, this is not an indicator of the effectiveness of the social protection system in terms of the availability and quality of the provision of social services. We believe that the following are the main reasons for the negative impact on the implementation of budget policy in the social protection system, which are manifested, first of all, during the implementation of approved state budget expenditures:

1. Imperfection of the budget planning and forecasting system.
2. Inefficient budget management of available financial resources.

Solving the problems of financing the social protection system listed above requires fundamental changes in the social protection system, namely:

Financial mechanism in the system of economic vectors of development of Ukraine

1. Departure from categorical principle of granting benefits and orientation benefits for a specific person. Finding out the level of income human which claims on benefit and granting benefits only if her income is lower than average.

2. Introduction of a system of preliminary identification of persons in difficult life situations.

3. Organization of social monitoring of the spending of funds on social protection and determination of the effectiveness of the corresponding type of social assistance.

3. Ban on introduction new ones benefits legally establishing a specific source of funding for Each species benefits introduction limitation "one a person is one benefit".

4. To reduce expenditure parts Retirement fund necessary enter maximum size pensions by age, to provide detinization salary paid what will allow increase the base for calculating pension contributions.

5. Introduction mandatory medical insurance, what will allow reduce load on state budget and at the same time limit the possibility cover others budgetary expenses with funds on protection health.

Legislation in sphere social protection and social software has conform with budgetary legislation as in approaches and mechanisms, so and in basic procedures: introduction new ones forms and species social protection has to be carried out together with acceptance solutions about necessary funding, definition volume and sources such financing.

Because budgetary financing is the main the source economic stability social spheres, need speed up process reformation systems taxes and carry out additional measures to fill the revenue part state budget and budgets everyone levels.

Reforming the system of financial provision of social programs is an extremely important component of the state's social policy, because the basis of all transformations should be the interests, problems and needs of every person who needs social assistance.

References:

1. An economy that works for people. *European Commission: Website*. 2019. Available at: <https://ec.europa.eu/info/strategy/priorities-2019-2024/economy-works-people>
2. Baval T. (2016). Optymizatsiia diialnosti subiektiv nadання sotsialnykh posluh: systemnyi pidkhid. *Derzhavne upravlinnia ta mistseve samovriaduvannia*, 1(28), 61–66.
3. Bebyk B. (2009). *Politolohiia: nayka i navchalna dyctsyplina*. Kyiv: Kapavela, 496 p.
4. Biudzhetni kodeks Ukrainy vid 08.07.2010 r. № 2456-VI. *Vidomosti Verkhovnoi Rady Ukrainy*. 2010. № 50–51. Available at: <https://zakon.rada.gov.ua/laws/show/2456-17>
5. Hontar Z.H. (2021). Perspektyvni napriamy vdoskonalennia sotsialnoi polityky v Ukraini z urakhuvanniam dosvidu yevropeyskykh krain. *Sotsialno-ekonomichni problemy suchasnoho periodu Ukrainy*, 3 (149), 36–41.
6. Danyliuk O.I. (2019). Sotsialnyi zakhyst naselennia ta finansovyi mekhanizm yoho realizatsii. *Efektivna ekonomika*, 5. Available at: <http://www.economy.nayka.com.ua/?op=1&z=7056>
7. Zherybylo I.V. (2020). Sotsialna polityka derzhavy yak rehulator rozvytku sotsialnoi sfery: teoretyko-metodolohichni aspekty. *Problemy ekonomiky*, 1, 283–289.
8. Dovhyi C.O. (2015). *Informatsiino-komyunikatsiina demokratiia: monohrafiia*. Kyiv, 420 p.
9. Nasibova O.V. (2019). Teoretychni aspekty finansovoho zabezpechennia sotsialnoho zakhystu naselennia. *Ekonomika ta derzhava*, 8, 35–40. Available at: http://www.economy.in.ua/pdf/8_2019/8.pdf
10. Osipova L.V., Hrytsyk N.V. (2019) Finansuvannia sotsialnoho zabezpechennia v umovakh detsentralizatsii. *Pryazovskiy ekonomichnyi visnyk*, 2 (13), 10–15. Available at: http://pev.kpu.zp.ua/journals/2019/2_13_uk/3.pdf
11. Ofitsiinyi sait Derzhavnoi sluzhby statystyky Ukrainy. Available at: <http://www.ukrstat.gov.ua>
12. Pysarenko S.M., Horin N.V., Ukrainets L.A. ta in. (2012). *Menedzhment yevropeiskoi ekonomichnoi intehratsii: pidruchnyk / red. S.M. Pysarenko*. Kyiv: Znannia, 373 p.
13. Pro rishennia Rady natsionalnoi bezpeky i oborony Ukrainy vid 14 travnia 2021 roku "Pro Stratehiiu liudskoho rozvytku": Ukaz Prezydenta Ukrainy vid 02.06.2021 r. № 225/2021. Prezydent Ukrainy: sait. Available at: <https://www.president.gov.ua/documents/2252021-39073>
14. Richni zvity Derzhavnoi kaznacheiskoi sluzhby Ukrainy. Available at: <http://treasury.gov.ua/main/uk/doccatalog/list?currDir=146477>
15. Roleders V.V., Kukel H.S. (2019). Problemy finansuvannia sfery sotsialnoho zakhystu naselennia v Ukraini ta shliakhy yikh podolannia. *Investytsii: praktyka ta dosvid*, 10, 49–54.
16. Sait Ministerstva finansiv Ukrainy. Available at: <https://index.minfin.com.ua/ua/finance/budget/gov/expense>

Financial mechanism in the system of economic vectors of development of Ukraine

17. Tyshchenko O.V. (2017). Realizatsiia prava na hidne zhyttia yak osnova sotsialnoi polityky Belhii. *Sotsialne pravo*, 2, 120–127.

18. Tropina V.B. (2018). Finansy sotsialnoho zakhystu v konteksti yevropeiskoho vyboru Ukrainy. *Skhidna Yevropa: ekonomika, biznes ta upravlinnia*, 2 (13), 221–228. Available at: http://www.easterneurope-ebm.in.ua/journal/13_2018/41.pdf

19. Filipchuk V.R. (2018). Tendentsii ta problemy finansovoho zabezpechennia sotsialnoho zakhystu naseleння za umov hlobalizatsii. *Prychornomorski ekonomichni studii*, 31, 141–147.