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THE SOCIAL SECURITY BUDGET: CONTROLLING PRACTICAL REALIZATION

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Introduction. The state policy on welfare of the population is the basis of state regulation of incomes. State regulation of incomes consists in their redistribution through the budget system by differentiated taxation of groups of income receipts and social benefits. The amount of funds allocated to social programs to provide certain social guarantees depends on the volume of GDP, the structure of its distribution (on accumulation and consumption), the principles and structure of income redistribution, the development of the social insurance system. The structure of the distribution of GDP of Ukraine is undergoing fundamental changes, so over the past decade, the share of final consumer spending has increased significantly (from 77.5% in 2007 to 89.9% in 2018) with a reduction in gross capital accumulation (from 28.2% to 18.8%) and the negative balance of export-import (-5.8% in 2007, -8.6% in 2018), which is a confirmation of the importance of the question of the justification of the amount of financing of social obligations of the state. The instrument of execution of the function of redistribution of incomes in the state is a fiscal-fiscal system, which ensures redistribution of the value of created GDP between the state and legal entities, individuals; centralization of the part of GDP in the budget for general needs; the impact of taxes on the behavior of taxpayers (consumption, supply of labor, etc.); definition of minimum social standards, guarantees, etc. Ukraine at the level of social development was on a 64th stage among 146 countries of the world, as evidenced by the results of the global survey "The Social Development Index". Norway became the leader in 2018 ranking, with 90.26 points out of 100. The index defines country ratings based on indicators that have a direct impact on the quality of life of people [31].

The urgency of the topic is determined by the need for in-depth study of problematic issues of social orientation financial resources use of the state provided that they observe constitutional norms and guarantees in fulfilling their social obligations. The studies have shown that scientific developments on the budget regulation of financial provision of social obligations need to be clarified and further developed.

An overview of the latest sources of research and publications. The study of budgetary relations, the system of budget financing is the subject of interest of many scholars: V. Onyshchenko [28], Z. Varnalii, S. Onyshchenko [4], N. Chechetov [3], L. Voronov [6], Y. Fomenko, S. Yurii, M. Karlin. The basic questions of state formation and functions of the state as social are considered in the works by M. Tsvik, V. Tkachenko, O. Petryshyn [7], Yu. Vedernikov, A. Papirn [5], O. Skakun [25]. Issues of social policy and security, social security and protection were studied in the writings by many scholars, among which should be called E. Libanov, N. Deeva, O. Ivanov [8], T. Zavora [26], B. Stashkov [27], P. Vyshemirskiy, N. Baranov, Yu. Skulysh and others.

Setting objectives. The purpose of the work is to investigate the contradiction in the practical implementation of legislative guidelines on the social orientation of public finances to formulate theoretical recommendations for the harmonization of implementation issues by the state of social obligations.

Main material and results. Under the social obligations of a state in a market economy, as a rule, are defined income in cash or in kind, which receives people from centralized funds, both financial and insurance, in accordance with the Constitution of the country and other legislative acts. The economic nature of such revenues differs from the nature of wages, dividends, business income, etc. The social obligations of the state do not include such social obligations that do not require direct financing from the consolidated budget for its implementation. From a financial point of view, social obligations of the state can be considered as a certain amount of payments that, in theory, should not be subject to sequestration under the current legislation. Consequently, the necessary condition for the reduction or increase of social obligations and, accordingly, their financing, should be changes in the current legislation. The grouping of social obligations of the state on certain features is shown in Fig.

The basis for making managerial decisions related to the reform of the social obligations state system can be their integral assessment. However, the algorithms of such assessments, due to the diverse nature of the commitments themselves, can be unified only in their separate groups. The easiest way is to assess unconditional social obligations linked to the payment of specific social transfers.

$$SO = \sum_{i=1}^N D_i \times R_i$$

The social obligations of the state for all types of assistance for the next fiscal year (SF) in the general case can be calculated by the formula:

where SO - social obligations of the state to pay i-aids, UAH;

D_i - average amount of i-th care, UAH / month;

R_i - average number of recipients of i-th care, persons / months;

i - Assistance index (i = 1, 2 ... N-1, N, where N is the total number of social benefits established by the current legislation).

In this way, for example, you can determine the cost of unemployment benefits, one-time childbirth assistance, social or labor pensions, disability pensions, temporary disability benefits, etc. It is more difficult to determine the scope of conditional social obligations, since their financial component does not always depend on formalized procedures of the budget process (in terms of non-compulsory expenditure) [3].

The social obligations of the state are one of the instruments of the implementation of the social policy of the state, which is a set of measures aimed at identifying, meeting and harmonizing the needs and interests of citizens, social groups and territorial communities in order to create conditions for the development and optimal functioning of social relations, comprehensive disclosure of the creative potential of man, achievement in society of social harmony and stability [8]. Stronger elements of social policy are social security and social protection, including social assistance, support, rehabilitation and social work and management [26].

To the quantitative management instruments of the processes of the state social policy implementation, justification of the necessary sources of income and social expenditures belongs the drafting of the social budget. The social budget as a functional summary of all expenditures and incomes belonging to the branches of social protection is a simulation, economic and mathematical model. It shows the amount of money the state spends on pensions, health care, as well as the entire system of social protection, which is the starting point for analyzing the effectiveness of the national social protection system and provides a systematic approach to forecasting social costs and their financing, links the social budget with demographic and macroeconomic indicators, the rapid response to changes in legislation, the implementation of calculations for individual scenarios of economic development. The social budget at the national level is calculated on the basis of relevant indicators both in absolute terms and in percentage of GDP. Forecast calculations are carried out in more than 100 indicators, including education, health care, social protection and social security, as well as expenditures and revenues of targeted social funds.

When drawing up the social budget, based on the source of financial revenues, social expenditures are divided into three groups: 1 - expenditures financed by budget payments (privileges for veterans of war and labor, funds for payment of annual one-time assistance to veterans of war, social assistance to low-income families with children, other types of social protection, housing subsidies, health care, expenses related to the liquidation of the Chernobyl accident); 2 - expenditures financed by insurance premiums (short-term assistance to the Social Insurance Fund for temporary disability, expenses of the Fund of compulsory state

social insurance against unemployment, expenses of the Insurance Fund against accidents at work); 3 - expenditures from different sources (expenditures of the Fund for Social Protection of Disabled Persons at the expense of the State Budget and, partially, payments by enterprises, pensions and short-term care from the Pension Fund at the expense of pension insurance contributions). When constructing a model of the social budget, methods of actuarial calculations, quantitative analysis, generalization, extrapolation, modeling and simulation are used, which allows to ensure its adaptability to the conditions of market transformations and a combination of mechanisms for forecasting economic and social development of the state.

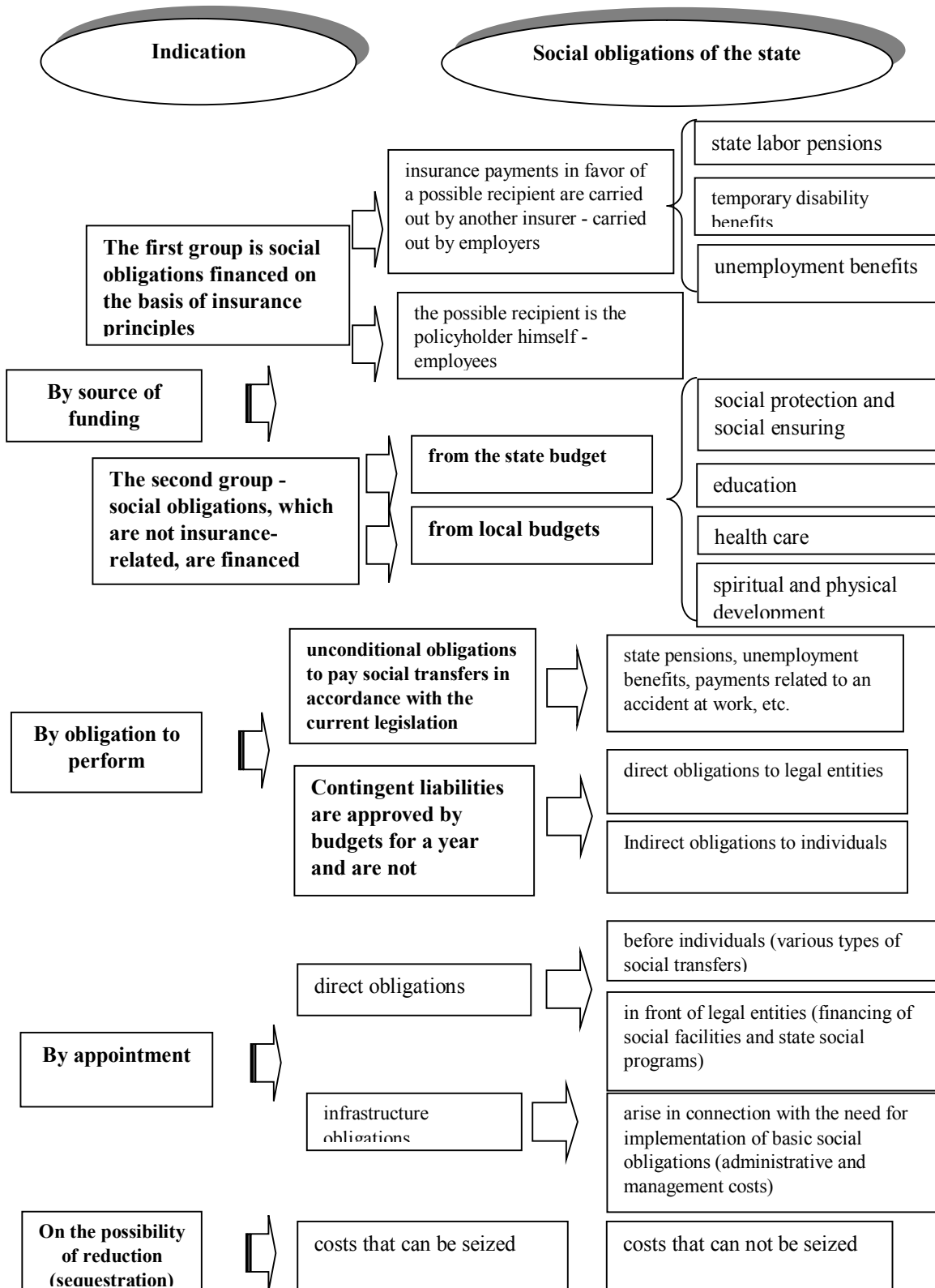


Fig. 1. Grouping of social obligations of the state

In Ukraine each year, when preparing the state budget, we are talking about increasing its revenue side, with the main arguments being: the need to fulfill social obligations of the state in accordance with social standards; financing of social programs already provided by the current legislation; carrying out modernization of the state economy.

The transition to a market economy system was not accompanied by a diversification of the system of financing social policy measures in Ukraine, the main source of expenditure was and remains the state budget of the country. Meanwhile, the experience highlighted the significant problems in budget financing of social policy measures in Ukraine: insufficient funding, non-synchrony with exchange rate changes, inconsistency and fragmentation of funding, ineffective structure, insufficient social orientation.

During the last decade, the dynamics of budget financing of the social sphere, social protection and provision are not synchronous with changes in general budget expenditures and changes in the exchange rate. Thus, an increase in the total volume of expenditures of the consolidated budget of Ukraine in 4.67 times (UAH 226.05 billion in 2007, UAH 1056.97 billion in 2017) occurred against the backdrop of the change of the exchange rate at 5.62 times (as of 01.01. 2007 - 5,05 UAH / USD, as of 01/01/2018 - 28,4 UAH / USD). The increase in total tax revenues to the budget system was 5.13 times (UAH 161.26 billion in 2007, UAH 828.16 billion in 2017) against the background of the same dynamics of the exchange rate. Since tax revenues are the main source of revenue for the cumulative budget (73% in 2007, 81.4% in 2017), we focus on them.

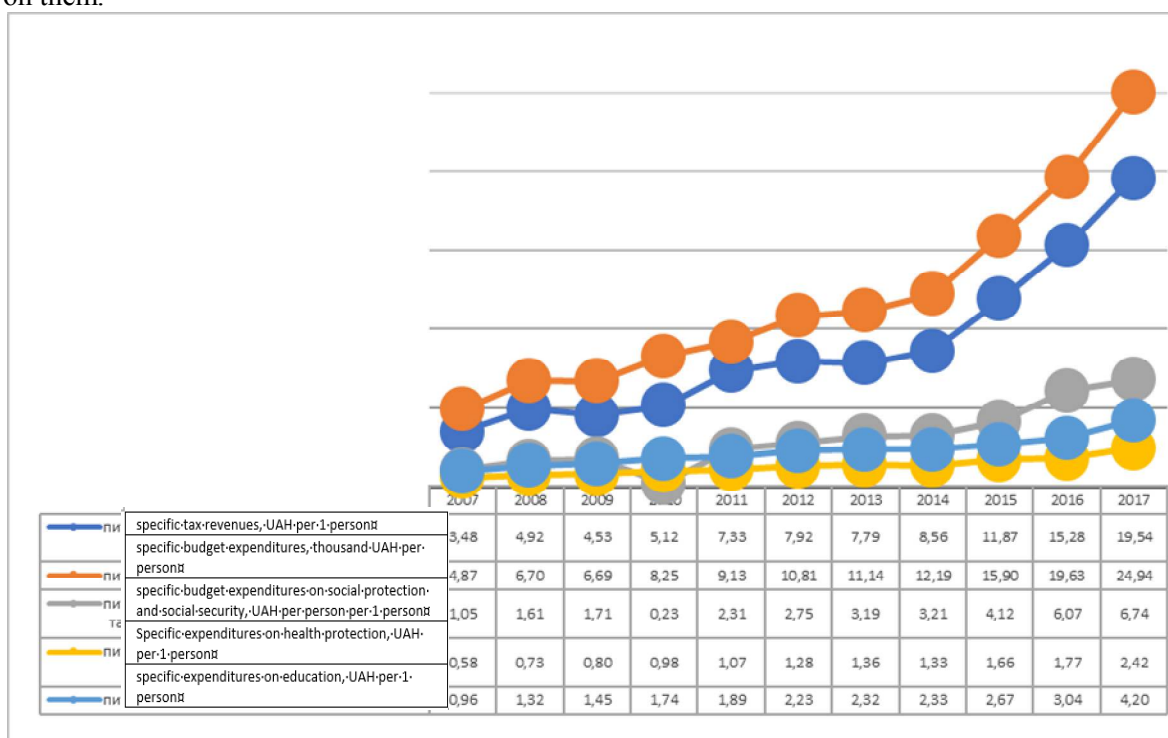


Fig. 2. Dynamics of social expenditures and tax revenues in terms of the consolidated budget of Ukraine per capita.

Specific expenditures (per capita) for education increased 4.4 times, for health care - by 4.2 times, for social protection and social security by 6.4 times, and the total volume of specific expenditures increased in 5,12 times against the background of reducing the population of the country (by 8.6%). The reducing of educational financing amounts to a real threat of long-term negative impact on labor productivity as a result of lowering the quality of manpower and public administration, leading to a deterioration of human capacity and a decrease in national competitiveness. The insufficiency of budget financing has led to a decrease in the number of people covered by state health care, deterioration in quality, and a decrease in the level of responsibility for the quality of health care. According to the World Health Organization (WHO), health care costs increase faster than the global economy and make up 10% of global gross domestic product. Increasing public health financing is a prerequisite for achieving universal coverage of health services and health-related sustainable development goals; health care costs this is not an additional burden on the budget, but investment in poverty alleviation, a means of increasing productivity, ensuring economic growth and

building a healthier, more secure and just society. On average, in countries with lower incomes than average, the annual budget expenditures for health per capita are \$ 60, while in countries with higher incomes - about \$ 270, in Ukraine - \$ 89. in 2017 (against \$ 115 in 2007). Budget expenditures for social protection and social security are directed to financing: social protection in case of incapacity; social protection of pensioners; social protection of veterans of war and labor; social protection of the family, children and youth; social protection of the unemployed; help in solving a housing problem; social protection of other categories of the population, etc. The dynamics of budget expenditures for social protection and social security per capita as a whole is increasing (\$ 208 in 2007, \$ 248 in 2017). Taking into account the stability of the amount of tax revenues to the budget per person (\$ 689.1 in 2007, \$ 688 in 2017), it can be argued that the emphasis of budget financing in the direction of social protection and provision is confirmed.

The share of total social expenditures in the total budget expenditures of Ukraine is more than half, in 2017 - 53.5%, in 2011 - 57,7%, in 2007 - 53.2%. But if we determine the absolute value of expenditures per capita, then we have the following - in 2017 491 dollars, in 2007 - 513 dollars (actual reduction by 4.3%). In addition, we emphasize that the State Budget funds are a constant additional source of funding for the Pension Fund of Ukraine, both for financing the relevant pension programs and for covering the deficit, which unfortunately accompanies the fund's activities in recent years (the share of budget funds in the structure of the fund's income was in 2007. - 25%, in 2017 - 45%, in 2019 - 41%) [11]. The specific annual expenditures of the Pension Fund of Ukraine in 2017 amounted to 243.5 USD. US versus \$ 435 USA in 2007 Note that the budget of the Pension Fund for 2019 is balanced [13]. Among the main reasons for the continuing financial imbalance of the Pension Fund are the following: shadow wages and employment; the distribution of benefits for the payment of pension contributions, early retirement benefits and benefits for certain categories in relation to the calculation of pensions; arrears of social payers; raising the size of the old-age pension to the subsistence level for those who have lost their ability to work, which is not coordinated with the growth of the wage fees and actual financial capacity of the Pension Fund; low wages, which reduces the base of payment of contributions; demographic changes in the structure of the population, caused by constant declines in fertility and increased mortality, the migration process; improper development of accumulative retirement benefits, etc. [1].

In addition, it is necessary to pay attention to the level of aggregate public expenditures (budget expenditures and expenditures of targeted social funds) in relation to GDP. The share of public sector expenditures in 2007 - 41,6%, in 2017 -43,6%, in 2018 - 44,4% [11].

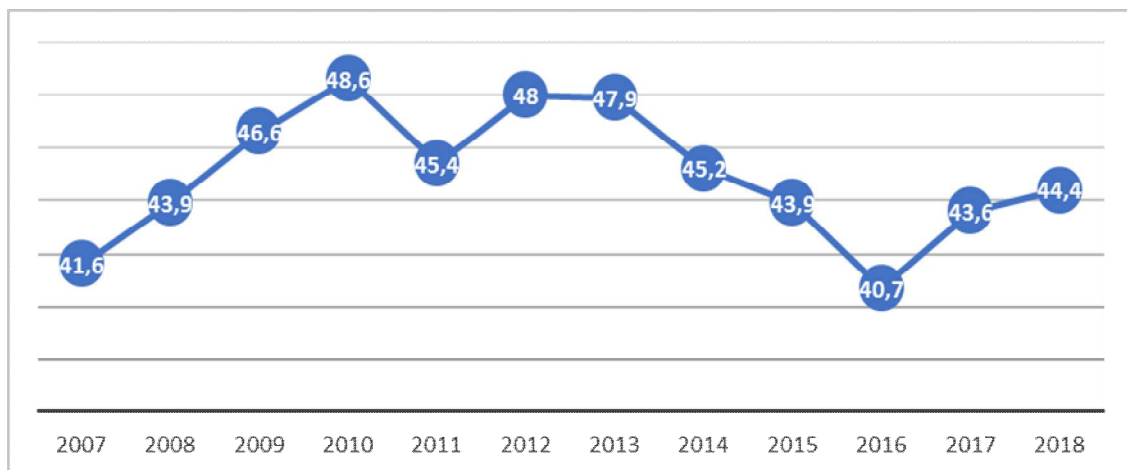


Fig. 3. Dynamics of the share of public sector expenditures in relation to GDP, %

According to world standards, the current level of government expenditures in Ukraine is high. The country is among the 10 countries with the highest share of public sector spending in GDP. Such a high rate of redistribution of GDP through the budget and social insurance funds, as in Ukraine, is, for example, Germany (44% of GDP, according to Eurostat). Unlike Ukraine, Germany occupies one of the highest places in the world in terms of the quality of governance and control of corruption assessed by the World Bank (World Governance Indicators), the quality of management - 96% (maximum 100%), government efficiency - 94%, control corruption - 94%; while Ukraine has 36%, 32%, and 19%, respectively. Therefore, the ability of the Ukrainian state apparatus to effectively spend such a large part of the country's economic resources is

questionable. The high level of public expenditures due to their low efficiency negatively affects the country's economic growth. The sluggish course of structural sector reforms keeps public spending at a high level, which in turn depresses economic recovery. According to a study by the Center for Economic Strategy [2], the optimal share of public sector expenditures in GDP is 37%; reducing the share to this level can provide an average annual economic growth in Ukraine at 0.9 - 3.5 % GDP.

There was an urgent need for adjusting the current rules for fulfilling social obligations. The reason for the failure of previous reforms, on the one hand, is a certain conservatism of a part of a society that is accustomed to a consumer attitude towards the state; on the other hand, it is not sufficiently balanced scheme of substantiation of proposals concerning the reorganization of the system of social obligations of the state.

To understand the complexity of the practical implementation of the social orientation of budgetary expenditures within the constitutional norms, it is expedient to consider the organization of domestic budgetary relations.

The general principles of the formation of the budget system of Ukraine, based on a fair and equitable distribution of social wealth, are enshrined in the Constitution of Ukraine. The state budget of Ukraine is a plan for the formation and use of financial resources that determines the sources of income and any expenditures of the state for general social needs, in particular, to ensure expenditures in the field of social protection, the size and purpose of these expenditures for the budget period, ie establishes the distribution of public financial resources. The priority in budgetary relations is the Verkhovna Rada of Ukraine as a legislative body, which approves the State Budget of Ukraine by the relevant law, thereby limiting the financial resources that the Government of Ukraine can operate during the budget period. The range of issues resolved by the law on the State Budget of Ukraine is exhaustively defined in Art. 95 of the Constitution of Ukraine [9], therefore, legal relations are not regulated by this law in other spheres other than budgetary ones. The law on the budget as a legal act has a special subject of regulation that is different from other laws of Ukraine - it concerns exclusively the establishment of incomes and expenditures of the state for general social needs, in particular, expenditures on social protection and social security, therefore this law can not be amended, the action of the current laws, as well as establish another (additional) legal regulation of relations, which is the subject of other laws. In pursuance of the tasks and provisions of the Constitution of Ukraine in the budget sphere, the Budget Code was adopted, in which the structure and principles of the budget system are defined, the concept of the budget process is disclosed, the competence of its participants is established. So, the Cabinet of Ministers of Ukraine is developing a draft law on the State Budget of Ukraine and submits it to the Verkhovna Rada of Ukraine, ensures the implementation of the State Budget approved by it, reports to the Verkhovna Rada on its implementation.

The budget process is a means of realizing material budgetary rights in budget legal relations, which the law grants to participants in the budget process [4, 6]. Budget relationships are manifested through a set of actions of representative and executive authorities, which are endowed with a set of rights and responsibilities in the budgetary sphere, with regard to the development and implementation of fiscal policy and budget system management. Rights and obligations of participants in budgetary relations are fixed by budget norms, they provide financial, budgetary relations of an official nature that is protected by the state with the use of its imperative-power powers. In turn, the legal relationship is the result of the rule of law. Budget legal relations are consequence of the legal regulation of public relations by the state in the budgetary sphere through the provision of the latter legal form. Budget relations are a manifestation of social relations that are formed in the budget process between its participants and the subjects of these legal relationships that arise during the functioning of the budget system, regulated by financial and legal norms and associated with the allocation and use of resources accumulated by the budget system of the country.

Financial legal norms represent obligatory requirements of competent bodies of state power and local self-government concerning the mobilization, distribution and use of funds of centralized and decentralized funds, expressed in a categorical form and secured by force of state coercion, provide for liability for non-compliance with state orders. The financial and legal norms regulating relations during the formation of the budget, distribution of revenues and expenditures between the separate parts of the budget system and in the implementation of intergovernmental transfers, as well as determine the legal regulation of the budget process and the competence of its participants, are defined as fiscal rules. [28]. Budget-legal norms are classified in terms of material and procedural. Material rules establish the material content of the budget: the structure of the budget system, sources of income and expenditures, their volume, the order of consolidation at various levels of the budget system, the implementation of intergovernmental transfers, etc. They are united in the financial and legal institute - budget system. Procedural fiscal rules regulate the budget process, that is, relations on the formation of a budget declaration, drafting, reviewing and approving the budget, its

execution, as well as drafting, reviewing and approval of reporting on budget execution. They are united in the financial and legal institute - budget process [29].

Since the Law on the State Budget of Ukraine is in force during the budget period (from January 1 to December 31), the budgetary relations are valid only within the limits established by them. Budgetary legal norms are periodic in nature, and, accordingly, the normative-legal acts of executive power bodies aimed at their provision are also of the following nature (the relevant period of time applies). Thus, the provisions of the Law on the State Budget of Ukraine fixed the incomes and expenditures of the State Budget of Ukraine and defined the state financial guarantees for the implementation of the rules provided for by other laws. The state budget of Ukraine can not be considered as the basic legal act regulating social relations in the social sphere, since such a function is performed by social laws.

Ukraine as a social state specified by the Constitution recognizes a person as the highest social value, distributes public wealth in accordance with the principle of social justice, and cares for the strengthening of civil unity in society. Human rights and freedoms and their guarantees determine the content and direction of the state's activities; The establishment and assurance of human rights and freedoms is the main responsibility of the state, which is responsible to a person for his activities (Article 1, 3 of the Constitution) [9]. The main tasks of the social state are creation of conditions for realization of social, cultural and economic rights of the person, promotion of independence and responsibility of each person for their actions, provision of social assistance to those citizens who, from circumstances independent of them, can not provide an adequate standard of living for themselves and their families. The social state has a duty to citizens, in particular, to constantly improve the social security of citizens [27].

Regardless of the specifics of a particular national model of a social state, common features are characteristic of it: the social state is the product of the evolution of civil society towards social democracy; is recognized as a qualitative characteristic of a law-governed state; the proclamation of the state as a social one is an important constitutional guarantee of ensuring and protecting the social rights of citizens; both the purpose of activity and activity (social policy), social state are determined by legal decisions, its functioning involves the development of social legislation; a social state serves the maintenance of civil peace and harmony in society; the establishment of social statehood contributes to the transformation of the market economy into the social market [7]. Among the signs of a social state are as follows: social protection of citizens and providing the person with the conditions to seek a specific minimum of social benefits through the guarantee of the state of their social security - a guaranteed standard of living for every citizen and its increase; guarantees of the real ability of citizens to seek state securing their social protection, raising the level of social and economic rights of citizens to the level of fundamental rights; implementation of the state policy of social acts, etc. Social power, being limited the social orientation of the economy, which should be ensured by the state, in accordance with the norms of the Constitution (Articles 13, 46) [9].

The state should guarantee to all citizens the minimum of social services and material benefits through mechanisms for determining the size of minimum social guarantees (minimum wages, old-age pensions, etc.) and social assistance to vulnerable groups of the population (targeted social assistance for low income, assistance for families with children, housing subsidies ; social assistance to the disabled, etc.). The Law of Ukraine "On State Social Standards and State Social Guarantees" [15] sets the legal framework for the formation and application of social standards. State social standards, norms and state social guarantees are the basis for the calculation of expenditures for social purposes and the formation on their basis of budgets of all levels and social funds, intergovernmental fiscal relations, development of national and local programs of economic and social development, state social guarantees. The minimum wages, incomes, pensions, social assistance, and other social payments are established by laws, established by laws and other normative-legal acts, which ensure a standard of living not lower than the subsistence minimum. The subsistence minimum, as a valuation of the consumer basket, contains the minimum sets of foodstuffs, non-food products and services necessary to preserve human health and ensure its life. Provisions defining the order of formation of a consumer basket and use of subsistence minimum are established by the relevant law [17]. Cost (financing) standards are indicators of current and capital expenditures from budgets of all levels to meet needs at a level not lower than state social standards.

The subsistence minimum is defined by the basic state social standard. The methodology for calculating the subsistence minimum does not meet current requirements, understated the minimum needs of a person, does not allow to establish reliable data of this indicator, in addition, in practice, does not meet the requirement for regular review of the indicator. By this time, the basic state guarantees do not yet reach the level of living wage. However, in recent years, for the purpose of appointing and determining the amount of social assistance, instead of the basic state social standard - the subsistence minimum, on the basis of which

the amount of state social assistance and other social benefits is determined, the additional and not provided by the system of social standards and standards category - "the level of maintenance of the subsistence minimum "(Guaranteed minimum) for assistance. The sizes of the guaranteed minimum are set not as a fraction of the subsistence minimum, but in absolute terms, based on the financial capabilities of the budget.

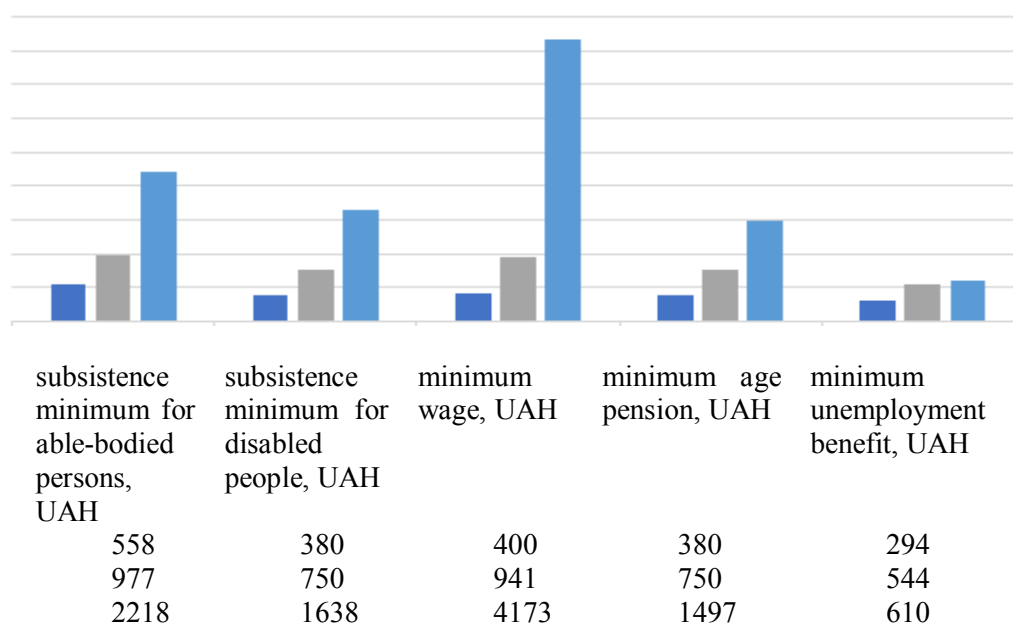


Fig. 4. Dynamics of individual social standards and guarantees [12].

Specific legislative acts define the rules for financing certain social obligations of the state: the Law of Ukraine "On Education" - 7% of GDP; Law of Ukraine "On State Financial Guarantees of Medical Care of the Population" - 5% of GDP; The Law of Ukraine "On Scientific, Scientific and Technical Activities" - 1,7% of GDP; The Law of Ukraine "Fundamentals of Ukrainian Legislation on Culture" by 2010 - 8% of national income; The Law of Ukraine "On the Status and Social Protection of Citizens Affected by the Chernobyl Catastrophe" - established privileges and compensatory payments; The Law of Ukraine "On Social Protection of Children of War" - privileges, allowances for pensions; Law of Ukraine "On State Social Assistance to Low-income Families" - the amount of assistance is determined in relation to the subsistence minimum (from 21% to 100%). Starting from 2011, the Law on the State Budget states that the norms and provisions of individual articles of the relevant laws are applied in the order and amounts established by the Cabinet of Ministers of Ukraine based on the available financial resources of the State Budget of Ukraine and the budget of the Pension Fund of Ukraine for the relevant year. That is, the formation of these social expenditures is not connected with the use of the subsistence minimum, but using the resource method, is directly dependent on the financial capabilities of the state.

One of the trends this year was an active discussion of the need for a more fundamental revision of minimum social guarantees, such as living wage, minimum wage and minimum pension. It has long been clear that the size of these indicators absolutely does not fulfill the role of the established minimum standards, but rather formal indicators. At the same time, the state's inability to financially secure real minimum standards raises questions about the state's ability to effectively fulfill its obligations. The state's desire to shift the issue of ensuring minimum standards for enterprises and organizations is felt to a greater degree, by significantly increasing the minimum wage and at the same time leaving a low level of subsistence minimum, which is the basis for social benefits and benefits.

The system of social guarantees of pensions is based on the Fundamentals of the Ukrainian legislation on compulsory state social insurance [10], the Law of Ukraine "On Mandatory State Pension Insurance" [14], undergoes constant adjustment by means of amendments, defines the mechanisms of functioning of the compulsory state pension insurance, the procedure for the appointment, conversion and payment of pensions, the provision of social services from the Pension Fund, which are formed at the expense of insurance contributions by employers, Budget and other sources. So the recent changes in the retirement age have significantly increased the retirement age and payout rules. For pensions, granted after 01.01.2018, the minimum age-based pension (if there are 35 years for men and 35 years for women), is paid after reaching

the age of 65 and is set at 40% of the minimum wage, defined by the Law of Ukraine on the State Budget for the relevant year, but not less than the living wage for disabled people. Until the established age, such persons may be granted state social assistance on conditions and in the manner prescribed by the Law of Ukraine "On State Social Assistance to Low-income Families" [16].

In the context of underfunding of social obligations, the question arises of their incompatibility with the real financial capabilities of the state, and as a consequence, the need to curtail or cancel specific social programs. However, this is not justified for a number of reasons:

- Artificial limitation of the size, delay in payment of state pensions or unemployment benefits or others are not sufficient grounds for changing the schemes of their appointment and payment. In the face of a shortage of funds intended for social transfers, the emphasis should be on increasing revenue through changing the principles of budget revenues;

- A significant part of social commitments should be considered as certain benchmarks, which can only be achieved with a favorable economic situation. Therefore, the quantitative expression of individual obligations of the state must be calculated on the appropriate interval, but not point value. The inaccessibility of their upper meaning, thus, will not mean the need to abolish these obligations themselves;

- Even the fulfillment of social obligations does not fully allow them to be distributed at least to a certain part of hypothetical recipients (non-fulfillment of obligations of the state regarding financing, socio-cultural sphere, does not mean necessity to cancel such obligations).

The system of social protection in Ukraine has been in a state of review and reform for a long time, the positive effects of which are not always confirmed in practice. According to the United Nations, over 80% of Ukrainians live below the poverty line. This situation leads to the fact that poor people eat poorly and eventually deteriorate their health [30]. Yes, there are problems of functioning of the system of social protection of vulnerable groups of the population: the minimum social payments from insurance funds are considerably inferior to not only the state social standard (subsistence minimum), but also below the extreme poverty line in the country; the existence of a multilevel, branched, uncoordinated system of targeted social assistance; overloading the budget with ineffective types of assistance; the lack of a correlation between the poverty situation and the targeted assistance system; the society perceives the process of restructuring the nomenclature of social obligations that are not funded at all or not adequately funded as a "social default".

Growth of GDP and, at the same time, increased financial capacity of the social security system highlighted a number of significant systemic problems associated with lagging behind in the reform of the social sphere:

- imperfection of the norms of social and labor legislation, the non-use of state social standards and social guarantees of the current legislation, lack of adaptation of social legislation to the law of the European Union;

- sufficient certainty of the demarcation of social functions, responsibilities and responsibilities for solving social problems between the center and the regions;

- the reduction of the effectiveness of the state social policy, which does not provide the proper social effect from the growth of economic indicators, does not reduce the level of social threats (low level and quality of life of the population, the presence of a significant number of poor people, in particular, working, sharp dissociation of the population by income and adverse conditions for the formation of the middle class).

Taking into account the above, it is advisable to formulate the question: whether it is possible to consider the financial and economic problems of the country, the lack of financial resources of the budget and targeted social funds as a factor in reducing the social obligations of the state; which body of state power and management has the appropriate powers and whether such actions comply with the norms of the Constitution of Ukraine.

There are various considerations on this, therefore measures for the practical solution of issues of budget financing of social expenditures vary.

1. The Constitutional Court of Ukraine in its Decision of 25.01.2012 № 3-рп / 2012 [19] in the case of the constitutional petition of the Board of Directors of the Pension Fund of Ukraine in the following matters: whether the authority to establish the content and scope of social benefits, depending on its socio-economic opportunities; whether the state has the right to change the order and size of existing social benefits and benefits that are financed at the expense of the State budget of Ukraine, concluded that the Cabinet of Ministers of Ukraine has the power to regulate the procedure and amounts of social benefits and assistance that are financed at the expense of the state budget of Ukraine on the financial capabilities of the state and the need to prevent or eliminate the real threats to Ukraine's economic security.

2. The Constitutional Court of Ukraine in its Decision № 10-rp / 2008 [20] of May 22, 2008 noted that one of the constitutional guarantees of human and civil rights and freedoms is the prevention of their abolition or reduction in their content and scope when adopting new laws or making changes to existing laws. According to art. 22 of the Constitution of Ukraine, constitutional rights and freedoms are guaranteed and can not be abolished; when new laws are adopted or amendments made to existing laws, the content and scope of existing rights and freedoms is not allowed to be narrowed. The abolition of constitutional rights and freedoms is their official (legal or actual) liquidation. Narrowing the content and scope of rights and freedoms is their limitation. Thus, the correction of social laws by subordinate normative acts by settling them the issues of social protection, defined by laws, in particular the size of payments in the direction of reduction, is the abolition or reduction of social rights and guarantees, and therefore violates the procedure for amendments to the law specified by the Constitution of Ukraine (unconstitutional way). The state can not arbitrarily renounce its financial obligations under the laws.

3. The Constitutional Court of Ukraine in the Decision № 20-rp / 2011 of December 26, 2011 [21] noted that the size of social benefits depends on the socio-economic opportunities of the state social payments depending on the available financial resources of the budget of the Pension Fund of Ukraine for 2011, what has restricted the constitutional rights of citizens to social protection). The court noted that the legal and regulatory framework for social security is an integral part of the definition of the legal mechanism and state bodies, which is entrusted with the responsibility to implement the social policy of the state in this area, noting that state social standards and state social guarantees can be defined both laws of Ukraine and other normative-legal acts, in particular, acts of the Cabinet of Ministers of Ukraine.

4. In the decision № 20-rp / 2008 [22] of 8.10.2008, in the case of insurance payments, the Constitutional Court of Ukraine indicated that the types and sizes of social services and payments to victims, which are carried out and reimbursed by the Social Insurance Fund against accidents production and occupational diseases of Ukraine, are established by the state taking into account its financial possibilities. Social protection by the state of persons entitled to them in the event of full, partial or temporary loss of disability, loss of breadwinner, unemployment from circumstances beyond their control, as well as in old age and in other cases provided for by law, covers a complex of measures carried out by the state within its socio-economic opportunities.

5. In the decision dated 11.10.2005. № 8-rp / 2005 [23] The Constitutional Court noted that the provisions on limiting pension and other payments from the joint-stock system based on the provisions of the Law of Ukraine "On Amendments to the Law of Ukraine" On the State Budget of Ukraine for 2005 "and some other legislative acts Ukraine "dated 25.03.2005. N 2505-IV does not comply with the constitutional provisions on guaranteeing the right to social protection, which is part of the pension provision at the expense of budgetary sources as well. It was deleted that the priority in the social sphere is the fulfillment of the state obligations to the citizen, and not its financial capabilities.

6. In the decision of November 27, 2008 № 26-rp / 2008 [24] in the case of balancing the budget, the Constitutional Court of Ukraine noted that the provisions of Art. 95 of the Constitution of Ukraine regarding the state's desire to balance the budget should be understood as the efforts of the state in determining the revenues and expenditures of the State Budget of Ukraine and the adoption of laws and other normative legal acts that may affect the revenue and expenditure part of the budget, and maintain a uniform ratio between them and her duty on the basis of a just, impartial distribution of social wealth among citizens to take into account the general needs, the need to ensure the rights and freedoms of man melons and worthy conditions of her life.

That is, art. 95 of the Constitution contains an imperative norm on expenditures and establishes that only the state budget law determines any expenditures of the state for general needs, the size and purpose of these expenditures. In this case, the permissible excess of expenditures on income, the size and source of coverage of the budget deficit, must be determined exclusively by law and be such that they do not endanger state sovereignty, economic security of Ukraine. In addition, justice is a moral rather than an economic category and is characterized by some uncertainty, and therefore it can not be a criterion for balancing the state budget. Revenues and expenditures of the state budget should be balanced, provided that both the fair and unfair distribution of social wealth is fair. In addition, the question of the possibility of suspending or abolishing the rules of laws establishing certain types of benefits, compensations and guarantees for citizens should be decided on the basis of Article 22 of the Constitution, which contains the basic requirements that do not allow narrowing the content and scope of existing rights and there are no freedoms when adopting the law on the state budget, or when adopting other laws, making changes to them or stopping their actions.

Taking into account the different content of the Constitutional Court's interpretation at different periods of time, the issues of consistency of the constitutional rights of citizens on social protection and the powers of the authorities and management in determining the size of their implementation depending on the financial capabilities of the state and the need to prevent or eliminate the real threats to the economic security of Ukraine are very similar in nature. , we can argue that the provision of social and economic rights has always been a matter of politics. Each political force has always sought to show its concern for people, although often it was a manifestation of failure to guarantee their implementation. As a result, today we have declarative, inflexible legislation, a large imbalance in the field of social insurance and security, as well as deepening the gap between the rich and the poor.

The process of Ukraine's integration into European structures causes the transition of all spheres of activity to new standards of development, including social welfare. It is important to reform the system of social protection of the population through various spheres of society, namely: through • to emphasize the constitutional duty of the state (represented by the authorized bodies and authorities) as a social to ensure the "social orientation" of their economy, the effective use of objects belonging to the property rights of the people;

- create conditions for ensuring the full guarantee of the social and economic rights enshrined in the legislation;

- to disable the practice of non-compliance with legal norms guaranteeing the implementation of socio-economic rights of citizens as defined by the Constitution;

- to refuse to use the indicator "level of maintenance of the subsistence minimum", which unreasonably reduces the minimum social guarantees declared in the legislation;

- gradually reduce the share of direct state financing of social needs and increase the share of financing by the population on the basis of increasing all incomes, first of all wages, pensions, other types of social transfers;

- reforming the system of granting social benefits through the division of legal norms into those that guarantee socio-economic rights and those providing certain privileges in connection with the occupation of a particular post or special merit;

- improve work on providing social protection for vulnerable sections of the population in connection with the increase of tariffs for housing and communal services, in particular, functioning of a transparent and efficient system of housing and communal targeted subsidies, including their monetization;

- ensure a rigorous link between the social benefits provided and the sources and mechanisms for reimbursing their value to providers;

- continue reforming the pension system by implementing the provisions of the legislation on the accumulation level of the system;

- avoid a discrete increase in the minimum pension; introduce a indexation rule, in which the increase in the pension will be tied to the consumer price index calculated for groups of people with different incomes;

- provide guarantees for the implementation of decisions of national courts concerning social assistance payments where the respondent is a state;

- enable the formation of legal provisions in the field of social protection through the introduction of conciliation procedures in order to take into account the positions of the parties, to develop compromise agreed solutions when drafting normative legal acts, as stipulated by the norms of the Law of Ukraine "On Social Dialogue in Ukraine" [18];

- ensure the adoption of budget decisions with the application of norms and rules of public life, namely: the establishment of procedural constraints when making budget decisions (only by a majority of votes in two-thirds of deputies), the establishment of direct and structural limitation of budget expenditures; assessment of fiscal risks.

Conclusion. The stated provisions of the practical implementation of the guidelines of the social orientation of the budget differ from the existing additions to the content of the essential characteristics of social obligations of the state in a systemic connection with constitutional rights and guarantees of citizens; outlining the sources of formation and directions of the use of financial resources of the public sector with an emphasis on the peculiarities of the manifestation of budgetary legal relations; identification of the presence of a political component in assessing the judicial branch of power issues related to the definition of constitutionality of actions of the participants in the budget process with artificial limited social standards, given the limited financial capacity of the state, the need to prevent, eliminate the real threats to the country's

economic security, which should be considered in the process of development and realization of measures of financial provision of social policy of the state.

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Бюджет соціального забезпечення: контроль практичної реалізації. Розглянуто суттєві особливості соціальних зобов'язань держави в системі зв'язку з конституційними правами і гарантіями громадян; джерела та напрями використання державних фінансових ресурсів з урахуванням особливостей прояву бюджетних відносин. Ця стаття підтверджує існування політичного компонента в діях учасників бюджетного процесу за рахунок штучних обмежень соціальних стандартів через обмеженість фінансових ресурсів держави. Сформульовано важливі пропозиції для фактичного, а не декларативного соціально орієнтованого бюджету. Державна політика щодо забезпечення добробуту населення є основою державного регулювання доходів. Державне регулювання доходів полягає в їх перерозподілі через бюджетну систему шляхом диференційованого оподаткування груп доходів і соціальних виплат. Обсяг коштів, що виділяються на соціальні програми для надання певних соціальних гарантій, залежить від обсягу ВВП, структури його розподілу (на накопичення та споживання), принципів і структури перерозподілу доходів, розвитку системи соціального страхування. Перехід до системи ринкової економіки не супроводжувався диверсифікацією системи фінансування заходів соціальної політики в Україні, основним джерелом витрат був і залишається державний бюджет країни. Тим часом, досвід виявив суттєві проблеми в бюджетному фінансуванні заходів соціальної політики в Україні: недостатнє фінансування, несинхронність зі змінами обмінного курсу, неузгодженість і роздробленість фінансування, неефективна структура, недостатня соціальна орієнтація. Відповідно до світових стандартів, поточний рівень державних витрат в Україні високий. Країна входить до складу десяти з найвищою часткою витрат державного сектора у ВВП. Така висока швидкість перерозподілу ВВП через бюджет і фонди соціального страхування, як в Україні, є, наприклад, у Німеччині (44% ВВП, за даними Євростату). На відміну від України, Німеччина займає одне з найвищих місць у світі з точки зору якості управління та контролю корупції, що оцінюється Всесвітнім банком (показники світового управління), якості управління 96% (максимум 100%), ефективності уряду 94%, боротьби з корупцією 94%; в той час як в Україні 36, 32 і 19% відповідно. Тому здатність українського державного апарату ефективно витрачати настільки значну частину економічних ресурсів країни сумнівна.

Ключові слова: соціальні зобов'язання держави, соціальні стандарти й гарантії, фінансові ресурси бюджету і фондів соціального страхування, правовідносини учасників бюджетного процесу, соціальна держава, соціальне забезпечення та захист.

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Berezhna Alla, PhD (Economics). **Filonych Olena**, PhD (Economics). Poltava National Technical Yuri Kondratyuk University. **The Social Security Budget: Controlling Practical Realization.** It is considered essential features of social obligations of the State in the system connection with constitutional rights and guarantees of citizens. It is also considered the sources and directions for the use of public financial resources, taking into account the particularities of the manifestation of budgetary relations. This paper confirmed the existence of a political component in the actions of the participants of the budgeting process by artificial restrictions on social standards due to the limited financial resources of the State. The authors formed important proposals for actual, rather than declarative socially oriented budget.

Key words: social obligations of the State, social standards and guarantees, the financial resources of the budget and the social insurance funds, legal relations of budget process participants, social State, social security and protection.

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Бережна Алла Юриевна, кандидат экономических наук. **Филонич Елена Николаевна**, кандидат экономических наук. Полтавский национальный технический университет имени Юрия Кондратюка. **Бюджет социального обеспечения: контроль практической реализации.** Рассмотрены существенные особенности социальных обязательств государства в системе связи с конституционными правами и гарантиями граждан; источники и направления использования государственных финансовых ресурсов с учетом особенностей проявления бюджетных отношений. Эта статья подтверждает существование политического компонента в действиях участников бюджетного процесса за счет искусственных ограничений социальных стандартов из-за ограниченности финансовых ресурсов государства. Сформулированы важные предложения для фактического, а не декларативного социально ориентированного бюджета.

Ключевые слова: социальные обязательства государства, социальные стандарты и гарантии, финансовые ресурсы бюджета и фондов социального страхования, правоотношения участников бюджетного процесса, социальное государство, социальное обеспечение и защита.