

## FINANCIAL PROVISION OF SOCIAL PROTECTION OF DISABLED PERSONS IN THE CONTEXT OF THE EUROPEAN ELECTION OF UKRAINE



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**Abstract.** Ensuring a high standard of living for persons with disabilities is one of the important issues in creating an effective model of the country's socio-economic policy. Considering the current state of the Ukrainian economy, which is characterized by an increase in the share of persons with disabilities in the general population structure, improving their material well-being and reducing poverty, plays an important role in the development of human potential.

The purpose of the article is to analyse the current state of financial support for social protection of persons with disabilities in Ukraine and to identify the main directions for its improvement.

To solve these problems, we used general scientific and special methods: analysis and synthesis, generalization, comparative and graphical analysis.

The study analysed trends in changes in the budget expenditures on social protection and social security. There were identified the problems that reduce the standard of living of persons with disabilities in Ukraine, the main of which is the lack of budgetary funds to finance this sphere. The high level of social expenditures in Ukraine is not an indication that the social protection system for persons with disabilities is effective in terms of the quality and accessibility of social services and social assistance.

The main goal of reforming the system of financial support for the social protection of persons with disabilities should be to increase the level of social standards and guarantees, to increase the level of provision of social services, social-medical, psychological-pedagogical, social-legal services, financial assistance and support for disabled people with special needs, both at the state and regional levels.

**Key words:** *persons with disabilities, the social protection, social assistance, financial support for the social protection of persons with disabilities, social programs.*

## Introduction

A sufficiently important role in ensuring the adequate standard of living of the underprivileged population is played by the establishment of a reliable and effective system of social protection of the population with an adequate strong base of financial resources. The question of the proper level of financial support for the social protection of persons with disabilities in Ukraine is very relevant, especially given the significant growth of this category in the structure of the country's population. Insufficient financial support for persons with disabilities leads to a decrease in their standard of living. Therefore, given Ukraine's focus on European integration and the European model of social protection, reform of the social protection system (including persons with disabilities) and its financial security in order to maximize approximation to pan-European norms and standards in this field should be one of the strategic priorities of development.

**Analysis of recent researches and publications.** The problems of the development of the system of financial support for social protection of the population are reflected in the works of such domestic scientists as N. Boretskaya, I. Gnybidenko, M. Kravchenko, E. Libanova, I. Lunina, M. Malyovani, M. Ruzhensky, V. Skuratovsky, V. Tropina [9] and others. However, the issue of financial support for social protection of persons with disabilities in Ukraine is theoretically justified.

**Formulating the goals of the article (setting the task).** The purpose of the article is to substantiate the directions of reforming the system of financial support for social protection of persons with disabilities in Ukraine.

### Outline of the main research material.

Successful functioning of the social protection system for persons with disabilities requires a balance between the needs for financial resources and disposable income. In Fig. 1 there are shown the main factors, that influence the need for financial resources to provide social protection for persons with disabilities.

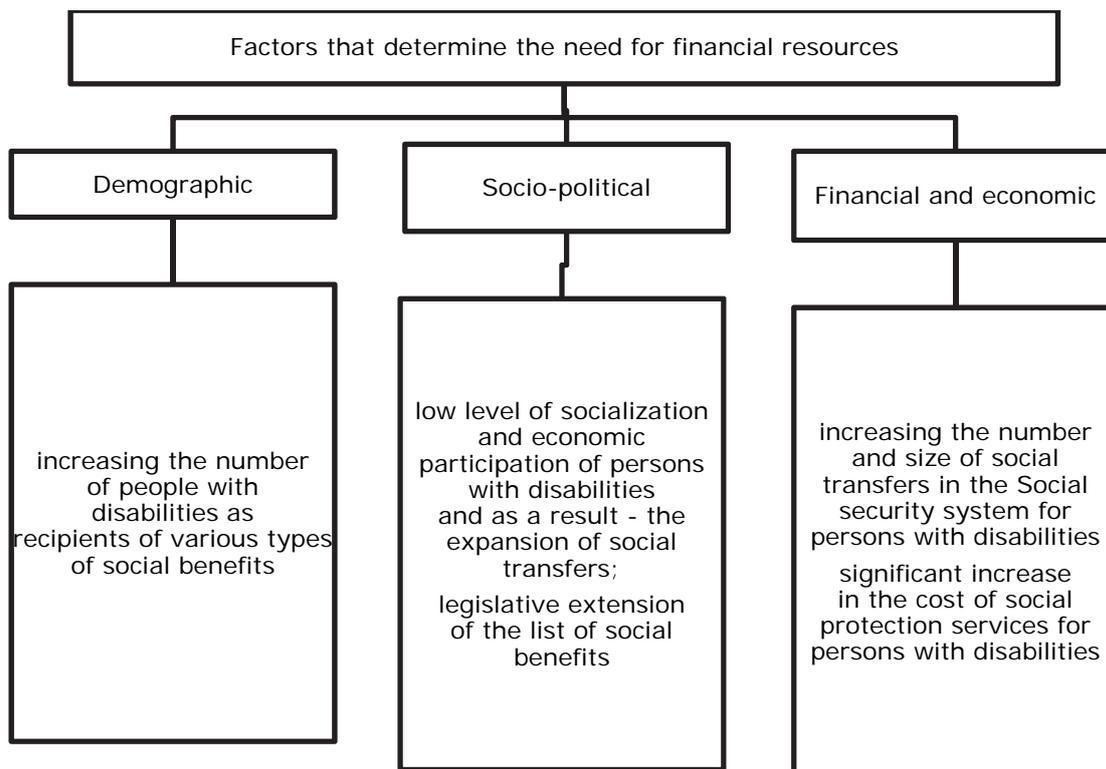


Fig. 1. Factors determining the need for financial resources to ensure the social protection of persons with disabilities

Source: Compiled by the authors.

The financial mechanism for the implementation of social protection of the population involves the formation of sources of financial resources that are directed to the implementation of relevant programs and activities, as well as a reasonable choice of methods, forms and levers of their use. In

a market economy, social protection of the population is realized through the financial resources of all economic agents: households, businesses and the state [6, p. 134].

Accordingly, financial support for social protection of persons with disabilities includes financing at the expense of state and local budgets, state social funds, business entities of various forms of ownership and public organizations (Fig. 2).

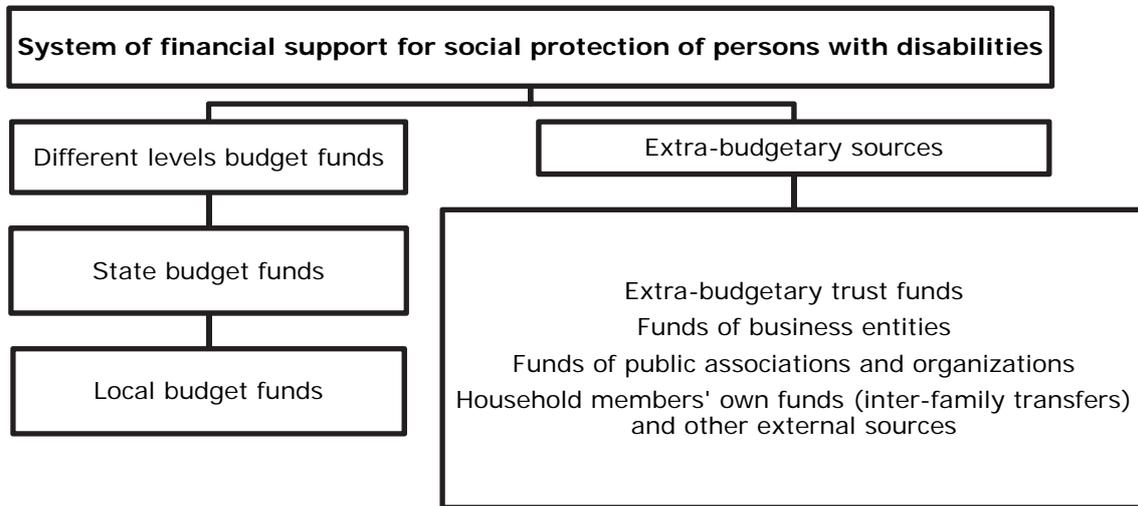


Fig. 2. Sources of financial support for the social protection of persons with disabilities.  
Source: Compiled by the authors.

A prerequisite for successful social protection is to provide timely and complete financial support for all social benefits and programs. The most important source of financial resources for the financial support of social protection in Ukraine, as in most countries of the world, are state centralized funds, which include state and local budgets [9, p. 222].

In the context of raising social standards, increasing numbers of socially vulnerable groups, increasing the number of social programs and the number of persons entitled to receive them, there is a significant increase in social expenditures.

Financing of social protection of the population in Ukraine is one of the priority items of public expenditure, as evidenced by the significant share of expenditures under this article in the structure of expenditures of the Consolidated Budget of Ukraine (Fig. 3).

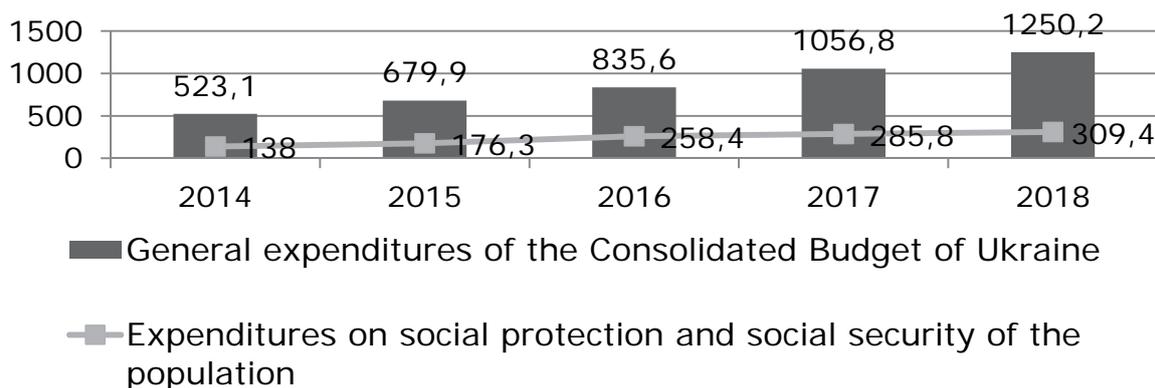


Fig. 3. Dynamics of changes in expenditures on social protection and social security in the structure of expenditures of the Consolidated Budget of Ukraine for 2014-2018, billion UAH.

Source: Compiled by the authors on base [5].

From Fig. 3 we can see that the budget expenditures for social protection and social security in the analysed period tend to increase. A significant increase of this category of expenditures is observed in 2016, which is partly explained by the increase in the share of socially vulnerable categories of citizens, which has increased significantly over the last 3 years and accordingly need protection and material support.

The largest share in the structure of expenditures from the state budget is social protection expenditures of pensioners their share is 92%. Regarding the budget financing of social protection of persons with disabilities, it is included in the category "Social protection of other categories of population", whose share is 4% of the total.

According to the ESSPROS methodology, social protection expenditures are aggregated into the following functions: illness / health care, disability, elderly, survivors, family / children, unemployment, housing, social exclusion [4, p. 5-6].

Consider the dynamics of social protection expenditures under the disability function using the data of the National Social Security Accounts (NSSA) in Ukraine (for 2017-2018, estimated data were calculated using MS Excel) (Fig. 4).

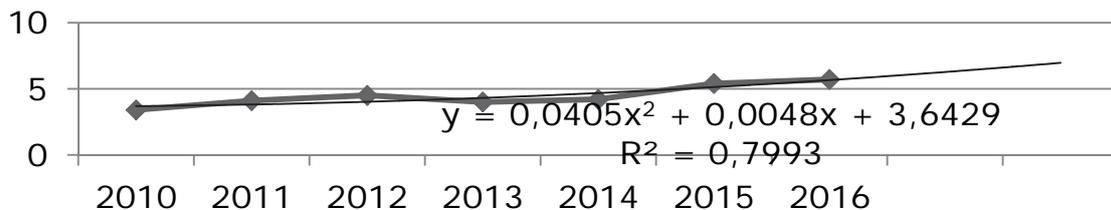


Fig. 4. Dynamics of social security expenditure on disability function.

Source: Compiled by the authors.

Taking into account the results of the calculated coefficient of determination ( $R^2 = 0,799$ ), the polynomial equation of the 2nd degree of the trend line is chosen for the forecast, where  $x_i$  is the time factor, respectively. According to the calculated equation, expenditures will amount to UAH 6.2 billion in 2017, and UAH 6.9 billion in 2018.

Social assistance is one of the financial security instruments for the social protection of persons with disabilities. A number of social benefits are provided to create and improve the living conditions of persons with disabilities in Ukraine:

- material (monetary) assistance to cover living expenses, including housing and communal services;
- state social assistance in accordance with the Law on state social assistance to low-income families;
- state social assistance for persons with disabilities since childhood and for children with disabilities;
- state social assistance for persons without pension rights and persons with disabilities.

Social policy is one of the most important areas of responsibility of any state. The main task of the state social policy is the harmonization of social relations, the harmonization of interests of the whole society and individual population groups, ensuring sustainable human development and decent living conditions for every citizen. The development of social programs plays an important role in improving this mechanism [3, p. 56].

The National target program "National action plan for the implementation of the Convention on the rights of persons with disabilities" until 2020 aims to ensure the realization of the rights and needs of persons with disabilities on an equal basis with other citizens, improving their living conditions under the Convention on the rights of persons with disabilities [7]. Estimated amounts of budget financing are shown in Table 1.

Table 1

Estimated budgetary funding of the National target program for the National action plan for the implementation of the Convention on the rights of persons with disabilities until 2020, billion UAH

2012	2013	2014	2015	2016	2017	2018	2019	2020
0,8	1,1	1,2	1,3	1,5	1,7	2,0	2,4	2,8

Source: Compiled by the authors on base [7].

According to Table 1, we can see that the program envisages financing from the State budget in the amount of 148.8 billion UAH.

One of the main ways to overcome the problem of finding and attracting new sources of funding for social programs is [3, p.58]: on the part of the state - more active participation in stimulating and supporting the activities of non-profit organizations; creation of conditions for state-business

cooperation by the state; involvement of citizens in the initiation of measures for the implementation of social programs.

In general, social protection of the population, in particular, people with disabilities, should be built at three levels, taking into account the economic situation in the country, sources of funding and opportunities for the regions [8, p. 179-180].

The first level - social assistance, which guarantees citizens a living wage and the possibility of psychophysical survival.

The second level is social security, which guarantees a normal level of human existence.

The third level - the provision of social services that provide employment, participation in public life.

Thus, a number of measures should be taken to improve the social protection of persons with disabilities. In particular: ensuring implementation of state social programs aimed at addressing priority social problems; search for new effective non-traditional mechanisms for overcoming social problems of depressed territories; ensuring the enhancement of the role of territorial communities and local self-government bodies, creating effective mechanisms for their participation in the formulation and implementation of social security financial support policies [2, p. 170].

The main steps to increase the level of financial support for persons with disabilities should be [1, p.229]: increasing payments to persons who are officially caring for persons with disabilities; making use of the best practices of European countries in the practice of making disability cash payments; development of mechanisms for attracting extrabudgetary funds for financing social protection of persons with disabilities; revision of the system of social standards and guarantees for persons with disabilities in order to create conditions for their adaptation in society, ensuring free access of persons with disabilities to material and spiritual goods; encouragement of persons with disabilities to self-employment in the field of small business through support, development and preferential lending.

## Conclusions

Thus, the system of financial support for the social protection of persons with disabilities must ensure an adequate level of material well-being and a certain social status of this category of population, prevent poverty, and create conditions for self-realization, physical and spiritual well-being and economic independence. Formation of new approaches to the issue of financial support for social protection of persons with disabilities requires the revision of state social benefits. As well as decentralization of the social services system, constant monitoring of social expenditures, which will facilitate the process of realization of sustainable development of society by supporting and integrating persons with disabilities by ensuring guaranteed receipt of income access to social services. Directly, the prospects for further research will be to identify the features of state social assistance and ways to improve the social protection system for persons with disabilities in Ukraine.

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