

SOCIAL INSURANCE PROBLEMS IN UKRAINE

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Concept of labor protection should be considered as system of ensuring the security of everyday life and employees health in process of labor activity which include legislative, socio-economic, sanitary-hygienic, medical-preventive, rehabilitation and other measures. Rights for labor protection is one of the inherent person rights, that is established in the Universal Declaration of Human Rights of 1948, The International Covenant on Economic, Social and Cultural Rights of 1966, The European Social Charter of 1961 and 1996 years [1, 2].

Every employee has rights on work in conditions, that provide health safety, security and dignity protection are established in the 31 Article of the Charter of Fundamental Rights of the EU.

Labor protection legislation in EU is based on four fundamental principles:

- more improved standards of labor protection should assist in strengthening of concurrence;
- only proper executive regulation of labor protection legislation can give the desired results;
- suddenly new risks emergence require elaboration of innovative legislative tools;
- social dialog remains the main instrument in development of labor protection policy, which success depend on the common efforts of social partners.

The problem of social protection and social insurance system reforming became visible and crucial under the conditions of Ukrainian economy transition process towards market economy and its principles. The creation of market economy is followed by rapid differentiation of society by material and social statuses. The problem of social protection and support of needy families emerged for our country.

The will of Ukraine to enter the European unity and the European Union is impossible without formation of the system of legal, economic, managerial and other measures by state and non-state establishments and organizations, influencing and promoting the maintenance of social stability in the society, creation of conditions for population welfare growth, enablement of high level of living quality [3].

According to next researches of the State Fund of Social Insurance, 4965 incidents happened on workplace during 2017. 332 of overall incidents were fatal injuries. Only nearly 16 million of population of Ukraine work legally, so rate of fatal injuries for last year is 0.002% and rate of all injuries is 0.03% to all workers.

This tendency shows that majority of injuries at workplace and occupational sickness in Ukraine are hidden by local business or don't registered in right order. State agencies of supervision and CEO of businesses are firsthand interested in injuries reporting and fact of not getting worse situation with injuries in country.

As estimated by the Institute of Economics of Ukraine, annual expenses in result of injuries is nearly 8.5 billion of hryvnias, that is equal to 4% of Gross Domestic Product (GDP) of Ukraine.

The main source of funds resource formation of generally compulsory state social insurance are as follows: insurance contributions by insurers – employers and people under insurance; state budgetary appropriations; amounts of financial sanctions against enterprises, establishments, organizations and individuals for any kind of violations of established orders of payment of insurance contributions due from them, usage of fund means and also amounts of administrative penalties, imposed on officials and individuals for the abovementioned violations; profits, obtained from temporarily free fund means, including such fund's reserve means on the deposit account; charitable contributions of enterprises, establishments, organizations and also individuals; other incomes in accordance to the acting legislation of Ukraine [1].

The process of integrity extension into the world economic community prescribes a range of developments in the state's governance system with its social-economic system being an integral part, based on the idea of economic effectiveness connection as a result of market agent's activities and social compromise. Such an effective and efficient social protection system is an evidence of state development level and its readiness to stand out all the recent time challenges.

The prevention of social tension growth on the basis of property inequality, prediction and funding of market economy adverse developments (unemployment, performance loop), creation of effective social protection system in Ukraine.

Social insurance – is objectively essential attribute of market economy. World experience says that insurance development is one of the most important indicators of economy of any country with market economy orientation. Social insurance provides secure protection of any property interests of businesspeople and population in the case of material loss, caused by fire, natural disaster, industrial disaster, road accidents and a range of other unpredictable circumstances possible.

Insurance well proved itself to be a good form of people's resources accumulation for the settlement of their social problems (health protection, pension assurance, education, and others).

The system of social protection nowadays in Ukraine covers:

- approximately 14.5 million elderly people (including 2 million disable persons);
- 115.000 disabled children;
- 3 million Chernobyl industrial disaster affected;
- 3 million of service people of various categories and also their family members (for an instance, law enforcement, custom, tax, sanitation-and-epidemiological service members, officials of different levels and servicemen of the Armed Forces of Ukraine).

In our country there are approximately 200 laws and regulations acting, which define fringe benefits for its nationals. There are 40 such benefits kinds (for example, free travel by public service transport, free sanatorium therapy, free drugs, half and full discounts for housing and utilities services payment, and others). The correlation

of an average pension's amount and an average salary payment in Ukraine is rather low. It is 35%. Pensions are set in amounts, which are rather lower than state appropriated living wage. Expenditures for services, commissions and centers of social operation are still growing rapidly.

Thus, the system of social protection in Ukraine needs large scale reforming. The necessity of social-economic rights protection of Ukrainians requires that state's social policy become an organic part of economic reforming and be conducted according to world experience in this sphere. Social insurance in such countries is based on state and non-state programs, having the common ends – performance of complete protection of their nationals.

While evaluating social protection system now acting in Ukraine, it should be mentioned that, first of all, the creation of any additional special dues to the Pension Fund, such as purchase and sale operations of currencies, jewelry of gold, platinum and precious gems taxation has a little effect and can't actually effect crucially the level of pension providing. 37% of contributions due to the fund of labor is too hard burden for establishments, enterprises and organizations. Also, such means are not able to solve social protection problems of already non-working at the cost of working nationals. A large part of shadow economy makes it even more complicated to decide the problem of proper pension support at the cost of law-abiding, but low-paid categories of nationals.

The deficiency of budgetary means makes the solution of the aforementioned problem very hard to reach in the closest perspective. There is a necessity to reform not only the system of social insurance at all, but also pension system in particular. The experience gained by countries, which overcome rather hard economic conditions, very similar to those, which we have in Ukraine nowadays, says that society is able to resolve a range of economic, social, and political problems by the means of life and personal health insurance.

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