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STATE ECONOMIC POLICY AS AN EFFECTIVE REGULATOR FOR IMPROVING THE SOCIAL WELFARE SYSTEM

For any human society, income inequality and, therefore, inequality of access to resources and benefits is a fundamental fact. In the course of historical development, the latter is not eliminated at all, but on the contrary, takes on increasingly complex and diverse forms. Moreover, thanks to its enshrining in laws, norms and customs, it becomes «social inequality». A certain degree of differentiation of incomes and earnings is necessary for the economy. It plays the role of an economic stimulator, as it forms a person's material interest in increasing work efficiency, finding more effective options for applying one's strengths and using one's opportunities. However, significant differentiation, growth in the number of the poor population, which hinder the development of the social system and can lead, in its extreme manifestation, to a social explosion.

In this regard, ensuring the well-being of the population is a central task in the formation and implementation of state policy. However, setting and solving this problem acquires a new system of priorities in the conditions of Ukraine today. The theoretical foundations of welfare theory were formed in the classic works of Galbraith J., Keynes J. M., Clark J., Marshall A., Rawls J., Schumpeter Y.

The purpose of this study is improvement of directions for increasing public welfare in Ukraine through reforming the system of state economic policy.

In classical economic theory, economic well-being is understood as the general usefulness of material goods. It manifests itself in how well a person feels or the degree to which a person's needs are satisfied. Needs are the foundation of well-being. They are divided into individual, individual and collective, individual and public.

At this stage of Ukraine's development, regardless of the subject of needs, the state plays an important role in shaping the living conditions and well-being of the population. In the Constitution of Ukraine, the second chapter is fully devoted to the rights, freedoms and duties of a person and a citizen. It states that work and people's health are protected by the state, the minimum living wage is legally guaranteed, and family and elderly people are supported. The Constitution also establishes pensions, payments and other guarantees of social protection of the population. The state is both the subject of public needs and the regulator of individual and public welfare. The state creates an atmosphere of equality and security for all citizens through the provision of services in the form of maintenance of state structures that ensure the maintenance of

public order: court, prosecutor's office, police, etc., as well as supports money circulation, establishes rules for the functioning of the market of goods, capital and labor.

The study of models of state influence on public welfare [1-4] allows determining the directions of state intervention: external effects, production of public goods, influence on asymmetric information, leveling of cyclical fluctuations, policy of support and growth of incomes, protection of competition.

In the Ukrainian economy, there is a lack of institutional prerequisites for effective actions of the state for the benefit of all its citizens, which makes it possible to carry out such a state economic policy that negatively affects the well-being of the population. Unhappiness in the social sphere is manifested in the growing processes of mass degradation of the population and the formation of a multi-million «social bottom». In such conditions, preventing mass degradation and lumpenization of the population becomes a priority problem of social policy.

Along with the specified priorities, we will also indicate other tasks: it is necessary to overcome social injustice created by privatization during market reforms. The results of the work of several generations ended up in the ownership of the «power elites» and financial players. As a result, the mass feeling of injustice and disagreement of the population with the results of privatization caused social instability in society and the formation of an unfavorable environment for the development of legal entrepreneurship; it is necessary to form a new system of values and a new dominant ideology, the basis of which will be the task of increasing individual and social well-being with the help of personal labor and property contribution. Society is interested in prioritizing high humanistic values, such as high morality, social justice and security, a developed legal environment; the need to create a system of state and regional social standards to increase the social security of the population; ensuring favorable conditions for the growth of socially beneficial and effective economic activity of economic entities; ensuring compliance with global standards in the field of environmental safety and public health.

The above-mentioned social problems determine the priorities of the state's social policy. A system of measures aimed at solving these problems could serve as the basis of the state program of social improvement of Ukraine and social protection of its population.

The most important task of the state is the creation of reliable sources of income for the majority of the population, and even an adequate assessment of labor resources by the market. Increasing the value of human capital is the basis of sustainable socio-economic development. To increase the potential of labor resources, the country needs to create special conditions. The need for this is dictated not only by economic expediency, but also by the moral responsibility for lowering the standard of living of the least well-off citizens, which must be assumed by the government and business. The main condition for the increase in labor productivity of employees should be an increase in wages.

The main sources of economic growth and improvement of well-being are increasingly moving from physical capital and raw resources to the sphere of

intellectual production services. One of the indicators of the efficiency of the modern economy is the amount of financial resources directed to the social sphere (investment in human capital). Only when working conditions are created that motivate employees to high-productivity work, public welfare will increase. The process of population income formation, primarily from labor activity, is very relevant. It is easy to see that there is a negative trend in the ratio of income from property and labor activity, as well as the incomes of simple and complex workers. Increasingly, lately, industries dominated by simple labor are distinguished by the level of wages, while industries based on the use of high technologies, which are targeted by the state, have not received significant support, including in terms of wages.

Another feature is the predominance in the structure of incomes not related to work, in particular incomes from property. This situation indicates a growing contradiction between the growing wealth of some and the catastrophic poverty of others, that is, the polarization of the population's incomes.

The state usually pays special attention to the performance of a complex of social and protective functions. The guarantee of the effectiveness of the implementation of social and economic policy aimed at the growth of public welfare is the productive interaction of state and market regulation mechanisms, which is confirmed by world experience.

In our opinion, it is appropriate to consider the following models of public welfare: non-market, which is characterized by the priority of public needs over individual needs, equality of the population's standard of living; transitional, characterized by social stratification of society in terms of level and quality of life, gap in income distribution; market, where conditions are created for the development of economic activity of the population and high standards of consumer behavior are formed. The social policy of the state should ensure the realization of practical social justice, a system of social guarantees and the same conditions for the start of life for all sections of the population.

In our opinion, modern social policy should first of all be aimed at overcoming poverty. The Constitution of modern Ukraine stipulates that our state is a social state, and the main task of the social state is to smooth out the social differentiation of the population while simultaneously ensuring the growth of public welfare.

Currently, the level of social protection is so low that it does not cover the living wage. At the same time, the total increase in the volume of social payments cannot fully solve this problem, so a comprehensive approach is needed. Most often, those forms of social assistance that are offered leave the degree of protection at the lowest level. Stagnant poverty is formed because of the war. A significant factor in poverty is the state of the labor market and low wages. The primary tasks of social protection in the conditions of the need to ensure public welfare are to expand access to free education, which will allow the population to receive a declaration of satisfaction of individual and social needs. This will happen at the expense of ensuring the growth of employment and profitability, which, in turn, will serve as an impetus for economic growth and strengthening of the skilled labor market.

As a result of the measures taken, stagnant poverty will be gradually overcome.

In our opinion, the further development of the social protection system should undergo a significant transformation. In the group of socially vulnerable population there are signs of irrational demand and excessive consumption. In this connection, it is important to focus the population on increasing savings and investments.

As one of the ways out of the current state, in our opinion, may be the further development of social partnership, the main purpose of which is to develop a unified policy in the social sphere on the basis of taking into account the interests of various parties at the following levels: national, branch, regional, city and a specific enterprise or organization. Social partnership should be based on the principle of social justice, which allows regulating the processes of polarization of wealth on the scale of the entire society, taking care of the least well-off strata of the population, meeting individual and collective needs.

The state takes care of its citizens, in particular, develops social standards. It should be taken into account that social standards are an analogue of the price of socially significant goods, and therefore these prices are set by the state. If there will be an increase in prices, then higher social standards should ensure a higher quality of services. When implementing this direction, it is important for the state to have a strong legal base, documents that allow establishing the framework of social standards, regulating and regulating the procedure for their formation, etc. The standard is based on norms and standards in the areas of income and provision of socially significant services. Thus, in the area of income, norms and regulations allow for the formation of two types of budget: the physiological minimum and the subsistence minimum. The latter should be higher than the physiological minimum, but it should not lead to a reduction in incentives for the recipient of assistance to obtain a higher income, but should lead to a desire to get out of a situation where the main source of income is formed at the expense of social assistance.

The state should take effective measures aimed at ensuring the growth of social and individual well-being both at the national and regional levels. At the same time, the measures taken are often ineffective due to the lack of the main basis in the mechanism of welfare improvement – the goal of meeting the specific needs of the individual and society. It is based on needs that the minimum wage, the level of pensions and scholarships, and other social standards should be determined. Collective and public needs must be taken into account when distributing both the profits of corporations and the revenues of the state budget. Targeting the state policy to meet needs will increase its effectiveness.

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