

CRITERIA FOR ASSESSMENT OF MANAGEMENT EFFICIENCY OF SOCIAL INSURANCE SYSTEM

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The main role of social insurance is providing insured persons with material goods and services as a result of certain social risks: old age, illness, unemployment, loss of breadwinner, etc. Thanks to the effective management of the social insurance institutions high social standards can be achieved and a new model of social protection in Ukraine that is consistent with the principles of social justice and economic efficiency can be created. For determining of the management effectiveness of the social insurance system, it is expedient to apply the following assessment criteria:

1) Compliance with international standards of minimum standards of social protection. International standards "On Minimum Social Security Provisions" No. 102 were approved as long ago as in 1952 in Geneva at the 35th session of the General Conference of the International Labour Organization (ILO), and ratified by Ukraine in March 2016. This document provides not only insurance, but also the budget mechanism of providing social benefits, establishes the minimum amounts of disbursement at the onset of insurance cases, which can reach 40-50% of the average wage, depending on the peculiarities of the insurance risk, the category of persons who social assistance can be appointed, as well as basic rules on payout periods and their periodicity.

2) The justification of insurance tariffs. The establishment of the size of insurance tariffs for compulsory social insurance should be based on the assessment of the change in the frequency of insurance claims. In this case, it is important to have a correlation between the dynamics of the number of victims as a result of the occurrence of an insurance event and the immutability of tariffs and one or another type of social insurance [1]. As to Ukraine, the change in the rates of a single social contribution or in the context of deductions to social insurance funds is being influenced by such economic factors as the shortage of budgets of social insurance funds, tax burden, employers' pressure, etc.

3) Stability of the legal base of social insurance. As practice shows, the legislative framework for the provision of social security to the citizens of our state is extremely unstable this creates barriers for the effective management of the social insurance system.

4) Administration of contributions to compulsory social insurance. The reform of administering a single social contribution in Ukraine in the long run, which was held in 2013, in our opinion, will negatively affect the development of state social insurance. Thus, in accordance with certain powers, social insurance funds lost the motivation to mobilize the necessary amount of the paid single social contribution. In addition, the link between the incentive measures of social insurance funds and the growth of their revenues weakens. As a result, incentives to develop and apply innovative measures aimed at deepening financial literacy of the population and understanding of the need for participation in state social insurance are diminishing in the latter.

5) Accurate calculation of planned and forecast indicators of the social insurance system. Important role in the management of financial resources of social insurance is played by the correct calculation of planned and forecast indicators of income and expenditure of social insurance institutions and the minimum attraction of funds from the single treasury account of the state. In recent years, problems with the proper filling of financial resources of the budgets of social insurance funds of Ukraine have become more acute. Thus, for example, public administrations resorted to attracting funds from a single treasury account to cover temporary cash gaps in the budget of the Pension Fund of Ukraine. However, according to domestic experience, in most cases loans are not granted for the payment of arrears in payments, even when there is virtually insufficient funds on a single treasury account that do not even provide state and local budget expenditures. This creates social tension, first of all, in the institutions of local self-government, which, having funds on their accounts can not pay at a due time for the received goods, works, services [3, p.32].

6) Ability to calculate independently the insured sum assigned to them insurance premiums (pensions, social benefits, compensatory payments). In connection with the reform of the social insurance system in Ukraine and the constant changes in legislation regarding the rates of a single social contribution, the amount of deductions to funds, changes in the insurance period and the size of the other socially important indicators, there is a significant difficulty in self-assessing the insured social benefits that belong to them for various types of social insurance. In our opinion, an important role in fulfilling the task of properly informing citizens about their role in compulsory state social insurance can be played by the introduction of a unified information system created to provide information about the expected amount of social benefits after entering into the system the necessary parameters (average monthly wage insured, insurance record, existing disability group, etc.). An automated system for informing about expected social benefits will increase the financial literacy of insured persons and encourage the latter to properly respond if the employer avoids paying a single social contribution prescribed by law.

7) The feasibility of attracting non-state financial institutions to the management of compulsory social insurance. In addition to the state represented by social insurance funds, non-state organizations (insurance companies and non-state pension funds) in the field of social insurance, which supplement the range of the insurance market by special services, may be engaged in the insurance market. The involvement of non-state financial institutions in compulsory pension or medical insurance is appropriate only if the income from investing financial resources of social insurance which is at their disposal far exceeds their administrative and managerial expenses.

Taking into account the above-mentioned criteria in making administrative decisions, the governing institutions of social insurance funds will be able to optimize the use of financial resources of the social protection system, improve the administration of social contributions, improve the activities of authorized institutions, making it more transparent and understandable for insured persons, and ensure also integration of Ukraine into the international system social insurance.

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AN EFFICIENCY OF AN IMPLEMENTATION OF LOCAL BUDGETS ON INCOMES AND EXPENDITURES IN GENERAL

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Expenditures incurred by local budgets lead to obtaining a certain effect (result), which in the scientific literature is considered a public good. P. A. Samuelson and W. D. Nordhaus in the classical textbook «Economics» define the public good as «... these are goods intended for general use, while nobody can be deprived of this right ... [its own translation]» [1, p. 102]. To such goods «... everyone has access, even those who did not pay for them...[its own translation]» [2, p. 315]. Taxes collected at all administrative levels are used by the state to pay for public goods. Thus, the determination of the effectiveness of the use of financial resources of the territorial communities should be made by comparing the value of the public goods provided by the community concerned and the cost incurred for their expenditure (formula 1).

$$AN\ EFFICIENCY = \frac{PUBLIC\ GOODS}{EXPENDITURES} \quad (1)$$

Obviously, if we try to estimate the «size» of the benefits provided by the territorial communities, we will encounter the difficulty of defining the units for its measurement. However, in spite of the complexity of defining the goods in absolute units, according to B. Malynyak and V. Goryn, the subject who can make such an assessment is consumers of these goods, that is, citizens [3, p. 29]. These scholars have developed the idea of evaluating the effectiveness of budget expenditures not as a separate indicator, but by their compliance with some criteria:

- (a) An observance of democratic procedures in the planning and implementation of the local budget;
- (b) An assessment of compliance of budget expenditures with public priorities;
- (c) An analysis of the implementation of budget programs and
- (d) An achievement of the planned goals, and, in fact, the study of the value of services provided by the community (local goods).

With regard to the «size» of the expenses incurred by the territorial community budget for the provision of the goods, it is calculated as the total amount of budget expenditures (or accumulated by the local community from all sources of taxes). Determining the value of public goods provided by the community only from the point of view of the material costs of their provision seems problematic to us. For example, funding by the local community within the framework of the «Building of the Park» budget program should include not only an assessment of the «value» of the program in terms of the cost of the costs incurred for this purpose (taxes used), but also the actual assessment of this project by the community from others (not only financial) points of view - aesthetic, logistic, tourist, etc. Such an «assessment», in addition to the «financial evaluation», should be reflected in the relevant results of the implementation of local budgets by: