



PRIORITY AREAS OF SOCIAL PROTECTION OF THE POPULATION IN THE CONTEXT OF THE CORONAVIRUS PANDEMIC

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Abstract

This article analyzes the priority areas of social protection of the population during the current context of the coronavirus pandemic in the Republic of Uzbekistan. The researches have been conducted based on the both local and global official statistics.

Keywords: budget, social security, tax benefits, income, security of the population.

Introduction

Strengthening the role of social protection has created a radically new situation for the country's population, which has become characterized by an unusually high level of social risks: loss of a job, increased stability of life, in obtaining proper medical care and high-quality professional education.

The system of social protection that existed before the formation of financial and market relations could not, primarily due to the lack of a developed system of social services like, the increased types, level, frequency and consequences, social risks the previous one. Social insurance, due to ideological attitudes and the organization of economic life, played an insignificant and auxiliary role. The main institution of social protection was the state social security, which in the new conditions could take not the main, but a complementary social role.

With the development of a variety of forms of ownership, the sphere of state financing of social security of the population and its possibilities have diminished.

The number of people in need of social protection has sharply increased: the unemployed, homeless, refugees, large families. All of them are now included in: 1) “Temir daftar” (government supports the families that are noted in this document as the poor families are listed there); 2) a notebook of youth and women; 3) a notebook of unorganized youth. The dramatic decline in the purchasing power of wages, pensions and benefits, massive phenomena associated with low wages - all these and other factors have led to the emergence of areas of poverty.

In recent years, especially in the context of the coronavirus pandemic, the population's need for social protection has increased significantly.





Solving this problem, the executive and legislative bodies of the country in the last 5 years have improved the legislative base of social protection and services, regulating the activities of the main subjects of legal relations in this area, created state non-budgetary social funds: The Pension Fund of the Republic of Uzbekistan, the Employment Fund, the Road Fund and other social funds.

This made it possible to form a significant resource base for the purposes of social protection of workers and members of their families, and to ensure its functioning on a permanent and independent basis from the budgets of all levels, which is the main and fundamental difference from the model of state social security that functioned before the transition.

Functioning financial instruments and social security mechanisms, albeit very imperfect, can allow, in the context of innovative economic development, to prevent the spread of extreme forms of poverty of the population, by providing social security for pensioners acceptable in these conditions, and to attract significant financial resources, especially medical care in the context of the coronavirus pandemic. Undoubtedly, the positive result of reforms in the social sphere of the country is associated precisely with the formation of the social security system. However, it is impossible not to see the gradual formation of mass awareness, as noted by prof. V.D. Roik, that "creating acceptable conditions for social protection of the population in a new situation, the efforts of one state or the workers themselves are not enough. These require the unification of the capabilities of workers, employers and the state, and, on a permanent and long-term basis, according to clearly verified rules, which is due to the growing scale of problems and the need to attract significant financial resources "[1].

Now, as the accumulated experience confirms in the context of the coronavirus pandemic, the role of social protection has become a key issue. For example, in Uzbekistan, the volume of financing of social protection is the second most important component in spending on social needs of the population. In developed market countries, wage financing is 45-55% of GDP.[2]

Such a large financial resource directed to social protection makes it possible to ensure high living standards and the level of protection of the population. Moreover, pensions and other benefits of the developed countries on average consists 65-75% of salary.[3] In fact, in Uzbekistan, the potential for social protection of the population is just being formed. The total volume of financial resources channeled to the population through various funds is only about 6% of GDP.

Such a low share in spending on social protection of the population (4-5 times lower than in the EU countries) makes it possible to pay pensions and benefits, which for





the most part make up only 40% of the size of the wages before retirement, which is 7- 8 times less than the average wages in the EU as a whole.

This is due to the underestimated volume of expenditures on wages, which is the basis for calculating pensions. In addition, many scientists and specialists also note the weak institutionalization of social protection, for which many features of the pre - transition period of state social assistance remain characteristic.

It should be noted that social protection and social assistance are fundamentally different from each other. Social protection is a system for mitigating social risk from danger. Social assistance - is the activity of state bodies to address threats to the standard of living of all segments of the population more than it is defined by the Company as the minimum by providing monetary or natural-material assistance.[4] Social assistance to the poor plays an independent role and this area of social activity should exist in parallel with social protection of the population.

Social assistance has a general budgetary character: the circle of those provided by it is all those in need. Social protection should be carried out through autonomous funds, formed at the expense of payments of various degrees from budget funds.

The peculiarities of the organization and functioning of the compulsory social protection system indicate its imperfection.

Therefore, it can be stated that the development of the legislative framework for the formation of social protection mechanisms, one should openly acknowledge numerous "kickbacks" back, for example, the use of financial resources for other important, but not the goals of social protection or social assistance.

An analysis of the republican laws on the budgets of state extra-budgetary funds for 2005, developed in the context of a decrease in the size of the unified social tax, clearly indicates the counterproductive nature of the change in the insurance nature of contributions and their replacement by a tax method of generating income for the social insurance system, as well as a hasty and unjustified reduction in the size ESN. This affects the decrease in the level of social guarantees in the social protection system and a decrease in the level of social assistance to the population.

The budget deficit of state off-budget funds actually revives the socialist model of state social security. The latter can also be based on subsidies from the republican budget. Starting in 2018, the budget becomes responsible for the financial provision of the budgets of the Pension Fund and other social funds.

At present, with positive shifts in the values of macroeconomic indicators, the financial position of the social security system has stabilized, but at an absolutely and relatively low level. The growth in social security spending, while high in the mid-1990s, has slowed since 1998 compared to the growth rates of GDP and average





wages. So, if the average annual growth of real wages over the past 5 years amounted to 10%, and GDP - 6-7%, then the growth in the purchasing power of pensions and benefits does not exceed 2-3% per year, the purchasing power was approximately 70-75% of the value in 1990 year.

It should also be noted that during the last years the maximum amount of benefits for temporary disability and for pregnancy and childbirth has not been sufficiently indexed, funds are not provided for increasing benefits for caring for a child up to two years of age.

Practically, the programs of free health improvement of employees and their families have been eliminated: the sanatorium-resort treatment of the population is actually reduced to only aftercare, accounting for only a few percent of the base that existed 25 years ago, which was one of the largest in the world, and the costs of children's recreation have been mercilessly cut.

An even more acute problem is the extremely low absolute level of pension provision. The minimum size of an old-age labor pension at the beginning of 2020 amounted to only 60% of the pensioner's subsistence minimum. The average pension slightly exceeded the subsistence minimum and amounted to 106% of its value, but the absolute size of pensions for more than 30% of pensioners remained below the subsistence minimum.

In addition, in recent years, flaws and shortcomings in the formation of social security mechanisms, which are in the nature of systemic and conceptual miscalculations, have become more and more obvious, which ultimately blocks the further development of the institution of social security.

All this makes it necessary to clarify the ways of forming a financial model of social insurance in the medium and long term.

References

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