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EUROPEAN TRENDS OF THE FINANCING OF SYSTEMS OF SOCIAL MAINTENANCE

Paper discusses the trends in EU countries to finance social security. It is determined that due to the economic crisis, most of the EU countries adopt a policy of social transfers reducing by the state and failure of a state monopoly on the social services rendering and the transfer of these functions to the private sector.

Keywords: *social security financing, the EU countries.*

European integration for our State has become one of the most important issues in foreign policy. Ukraine's desire to enter the European Union requires the study of basic legal aspects, that is generally accepted in European countries, among which the most important is the Institute of social welfare and the trend of its funding. To the studying of foreign experience of functioning systems of social security have dedicated their works V. Antropov, S. Vetrov, S. Didik, N. Grynenko, T. Koziy, O. Koval, V. Latik, T. Martynova, V. Mushchinin, M. Kaznova, L. Tarasenko, N. Timchishina, S. Ustinov, T. Jackiv and others, however, the analysis of modern trends of social development financing system in EU countries in scientific literature devoted enough attention precisely because the purpose of our work will be the study of the main trends of modern financing social security in EU countries. All, without exception, Western European countries financially support their citizens in old age, the sick, the disabled, unemployed (partially), provide assistance to the children of women on the occasion of pregnancy and childbirth, etc. In all countries the citizens are entitled to free or partially subsidovanu State medical assistance. However, the system of social security in different countries of the European Union vary depending on national features from the existing political and economic conditions [1].

According to this criterion of European countries can be divided into four groups: a country dominated by insurance principles, and the size of the payments and benefits associated with individual insurance schemes; countries where insurance principles social protection, less pronounced, aid and payments to more meet individual needs, and funding is carried out mainly with tax funds; the country, occupying an intermediate position between the first two; the country, where the social security system is at a stage of formation.

The first group of countries include Germany, France, Belgium and Luxembourg. In these countries, social protection system based on contractual insurance principles. Hired workers and small businessmen pay a portion of their income to the insurance fund, which gives them the right to use the services of the Fund in case of need for assistance in amounts proportional to their accumulation in the insurance fund. At the same time employers on behalf of their salaried workers also count certain amounts in the insurance fund. In most cases, the amount of the payout from the insurance fund depends on salary and associated with the amount that has been accumulated due to the contributions of the worker and the employer. The exceptions are the costs of medical care and family assistance. The main purpose of this system is to support the level of human life in the case of illness, disability and loss of work. Such a system allows you to redistribute the income a person for its physical life. In these countries the insurance deduction is a major funder of social protection. In some cases, the Fund can be expanded at the expense of larger or smaller deductions from total expenditure article national budget, at the expense of tax payments. However, in all countries in this group, the State assumes obligations to citizens, to income of any citizen has not dropped below a certain guaranteed minimum no matter what income he received earlier, and how much he has contributed to the insurance fund. This type of payments from the national budget [2].

The second group of countries include the United Kingdom, Denmark, Ireland, where social security is different from the countries of the first group of the fact that social protection to a lesser extent associated with insurance accumulations. In these countries a greater role in financing of the social sphere plays a State budget and social payments and assistance are distributed more evenly. The basis of this distribution is the idea that people in need are equal, because social assistance should be provided, based on human needs, rather than her former income. The difference between the fee and the lies mainly in the fact that welfare payments are required, they shall be entitled to claim every citizen under the law, and assistance given, depending on the extent and nature of social risk, i.e. not all [3, p. 127]. To the third group of countries include the Netherlands and Italy, representing a mixed system of social security. Their systems closer to the systems of the first group of countries, taking into account certain differences. In Italy, for example, the State does not assume the obligation to pay the guaranteed social minimum income, such guarantees are only some of the local authorities in certain areas [4, p. 277]. In the Netherlands, by contrast, social security is at a very high level and the system covers every inhabitant of the country [5, p. 34].

The fourth group of countries include Spain, Portugal and Greece, where the system of social protection is at the stage of formation. In these countries there is a guaranteed minimum income and social services provided by selective categories of citizens [6, p. 215]. In all European countries social protection multifunction. Normally, it meets the basic social risks, which may be subjected to any citizen throughout his life. These include: the risk of disease; risk of disability; the risk of occupational injury and occupational disease; risk of loss; risk maternity; family assistance; the risk of unemployment; the risk of migration; risk of loss; the risk of old age. Other types of social assistance: additional service buildings, special spending to combat poverty, the cost of preventing delinquency among children and teenagers, to help victims of war and natural disasters, etc. In many countries, are additional measures related to the care of the family. So, for families with low income, there are certain tax advantages, incomplete families receive assistance [7].

In the period of economic crisis, which are now a lot of European countries, where resources are limited and demands are growing, most States trying to pursue a policy of reducing assistance to socially unprotected layers of the population. In the countries of the European Union policy of reducing social benefits has affected mainly family benefits and co-payments for housing. In the Netherlands was put in place a system under which sickness allowance, disability, unemployment and old age was below the social minimum (but this at least high enough on purchasing power in comparison with other countries) [8]. European scientists [9; 10; 11; 12; 13] doubt the effectiveness of social protection or even his legitimacy. Some of them are openly talking about the inefficiency of systems of social protection expenditure which the heavy burden imposed on the EU economy. To reduce the financing of social benefits in many countries of Europe were taken by new schemes target payments, strengthened requirements when providing State social benefits. This is especially affected the UK, where it has been considerably limited rights to receive compulsory payments from the Social Fund with a low income, and in some cases even replaced on help for specific needs [14]. The objective of the national policy in most European countries is now in reducing social services provided by the State to achieve savings. Most EU countries joined the new concepts of social security and its funding, according to which social services will be provided, based on three sources: state social security, private sector and the informal sector services [15].

Thus, the system of social security in Europe is going through a crisis, the main cause of which is the economic crisis, because of revenues to budgets of these countries have significantly declined, while spending on social assistance increased. The function of the Government regarding the redistribution of income and the rendering of social services, which previously was considered impressive, today criticized, resulting in many countries tending to decay of the State monopoly on the provision of social services and social services in a mixed ownership. It is natural to assume that the continuation of such a policy in the end could result in a denial State from major social obligations to their citizens that will breach the interests of socially disadvantaged groups, and primarily – the interests of women, children, the disabled and the elderly.

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