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DEPARTMENT OF ENTREPRENEURSHIP AND INNOVATION

**STRATEGIC MANAGEMENT:
GLOBAL TRENDS AND NATIONAL PECULIARITIES**

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2. TERRITORIAL DEVELOPMENT STRATEGIES: CLUSTERS, REGIONS, CROSS-BORDER COOPERATION

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THE SOCIAL COMPOSITION OF REGIONAL SOCIO-ECONOMIC SECURITY: STATE AND PROSPECTS FOR STRENGTHENING

Summary

Social-economical security of a region is a necessary condition of its social-economic development. There are economic, social, demographical, and ecological components in social-economical security of the region. Providing social-economic security of the region by all of its components is the result of common efforts of the State and the region. Role of the State in providing social-economic security of the region by social component is social provision. One of the most important parts in social provision is the social protection of the citizens. There are elements of the system of social protection of the citizens, results of implementing social programs that are financed by the state budget, regional and local budgets analysed in the article. Directions of empowering role of the region in providing social-economical security by its social component are considered. Such directions are a social dialog, social partnership, and social responsibility.

Introduction

The region socio-economic security, being a prerequisite for its socio-economic development, is today a new object in the economic security science of meso-level, which study has largely intensified today.

The region socio-economic security as a category of economic security science of meso-level arose at the junction of the concepts of «regional economic security» and «regional social security». As shown in [1, p. 174], there is a causal connection of a closed type between the components of the region socio-economic security: the regional economic security is the basis of the category «regional socio-economic security», it is the foundation of its social security, while social security

is a category superstructure, and therefore, low regional economic security has a low level of social security and vice versa.

The definition of the content of category «regional socio-economic security» depends on the chosen approach, provided in [2, p. 176]. Among these approaches, it seems appropriate to use an activity approach, according to which the regional socio-economic security is a combination of the existing economic and social conditions that together provide the social needs of the population, comfort and security of living in the region through the full support of regional authorities within the existing competence of active economic activity of the economic entities in the region, which does not harm the environment of the region.

The complexity and versatility of the category «regional socio-economic security» made it necessary to use a functional approach in its research, according to which a complex concept is decomposed into its simpler components – economic, social, demographic, and ecological security of the region. Each of these components becomes the object of a separate study, which results are combined later to obtain a general idea of the regional socio-economic security.

Ensuring the socio-economic security of the region in all its components is the result of joint efforts of the state and the region.

The state plays a great role in ensuring the socio-economic security of the region in terms of its social component.

Part 1. Role of the State in providing social-economical security of the region by its social component

In ensuring the regional socio-economic security on the social component, the role of the state is objectified in the realization of its social function in the form of social security of region citizens, which is a set of social services, provided by the state and its regions to the citizens in order to meet their social needs. Social services require corresponding budget expenditures of social orientation (education, healthcare, social protection) (Fig. 1). So, only during 2010–2016, social expenditures of the consolidated budget of Ukraine increased almost twice (from 240,631.7 million UAH to 480,059 million UAH) [2] with the GDP growth of Ukraine during this period in 2.21 times (in UAH at constant prices in 2010 according to the SNA methodology in 2008) [3] (in US dollars, Ukraine's GDP for the same period decreased by 31.4%) [4].

Social expenditures in Ukraine are recognized as a priority, they constitute more than half of the total expenditures of the consolidated budget of Ukraine: during 2010–2016, their share in total expenditure ranged from 55.53% to 64.41%, and social expenditures in % of GDP -from 19.07% to 22.39% (Table 1).

The priority of social expenditures in Ukraine is a sign that Ukraine is positioning itself as a socially-oriented state, in which a person is recognized as the highest value, and social wealth is distributed according to the principle of social justice that strengthens civil consent in the society (Article 1. Article 3. Constitution of Ukraine). After all, the developed countries of the world consider the solution of social problems and increasing the well-being of the population the main tasks of domestic policy.

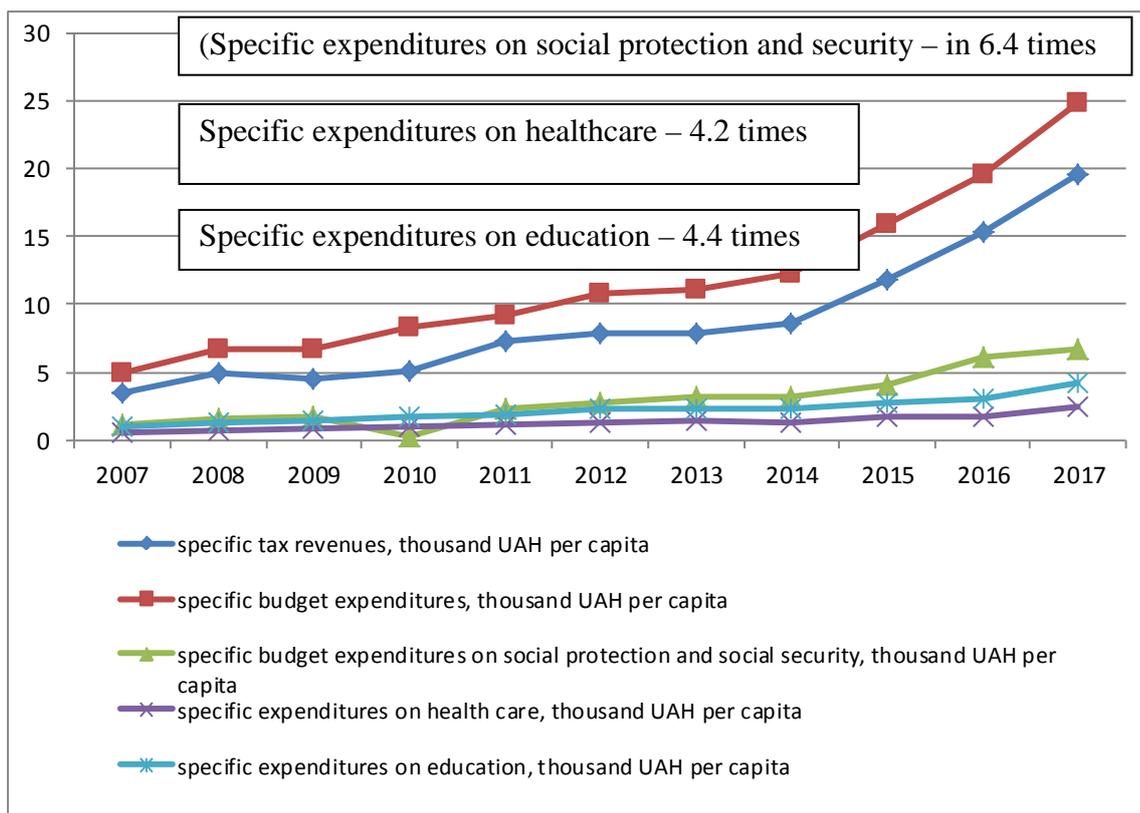


Fig. 1. Dynamics of social expenditures and tax revenues in terms of the consolidated budget of Ukraine (2007–2017)

Source: according to research results by A.Yu. Berezyna

Table 1

Dynamics of social expenditures financing and their share in GDP and aggregate expenditures of the consolidated budget of Ukraine during 2010–2016

Year	Social spending, million UAH	Total consolidated budget expenditures, million UAH	GDP, million UAH	Share in consolidated budget expenditures, %	% to GDP
2010	240631,7	377842,8	1082569	63,69	22,23
2011	251404,9	416853,6	1316600	60,31	19,10
2012	298961,3	492454,7	1408889	60,71	21,22
2013	325831,3	505843,8	1454931	64,41	22,39
2014	309122,0	523125,7	1566728	59,09	19,73
2015	377501,7	679793,5	1979458	55,53	19,07
2016	480059	835589,8	2383182	57,45	20,14

Source: compiled according to the data in [5; 6].

However, appropriate financial resources are required to maintain the social orientation of the state, which, of course, are not enough for these purposes for well-known reasons recently. Despite significant amounts of social security funding, the following are observed in Ukraine:

- low efficiency of social expenditures (disproportionate effect of related expenses, dispersion of expenses, which reduces their targeting);

- low efficiency of the population social protection system, which functioning does not contribute to the social protection of that part of the population that needs it;

- the formation of the population dependence on social assistance and social services at the expense of the budget and extrabudgetary trust funds.

A significant part of social services is aimed at social protection of the population, which is aimed at maintaining and improving the welfare of society members, eliminating the negative effects of market processes, ensuring social justice and socio-political stability in the country.

Social services aimed at social protection of the population are numerous and diverse, which makes it expedient to consider them from the viewpoint of a systematic approach. The population social protection system is a set of economic, legal, organizational measures aimed at providing targeted financial assistance to certain segments of the population at the expense of the budgets of various levels.

The social protection system in Ukraine is quite complex and consists of several subsystems, with the different level of their development: social assistance, social guarantees and standards, social services and social insurance (Fig. 2). A detailed description of these subsystems and their features is provided in [7; 8].

An important subsystem of the social protection system is social insurance, which is basic in developed countries. But in Ukraine, social insurance is still in its infancy. The role of social insurance is to preliminary identify and take into account the social risks that a person may incur during their life (temporary disability, loss of a breadwinner, old age, unemployment, etc.).

Social insurance has two varieties: compulsory state and voluntary. Unfortunately, voluntary social insurance has not yet become widespread among the Ukrainian population, which is mostly due to the passivity of the population to take care of itself, its low financial literacy, low social responsibility of business.

Social help is one of the main forms of public support for individuals whose financial situation does not meet the generally accepted level or below the limit of security, as defined by law, to assist people who are in certain social groups, who are in difficult life circumstances and cannot independently overcome them. The main forms of social services are financial help (monetary, in-kind) and social services (in relevant institutions and agencies).

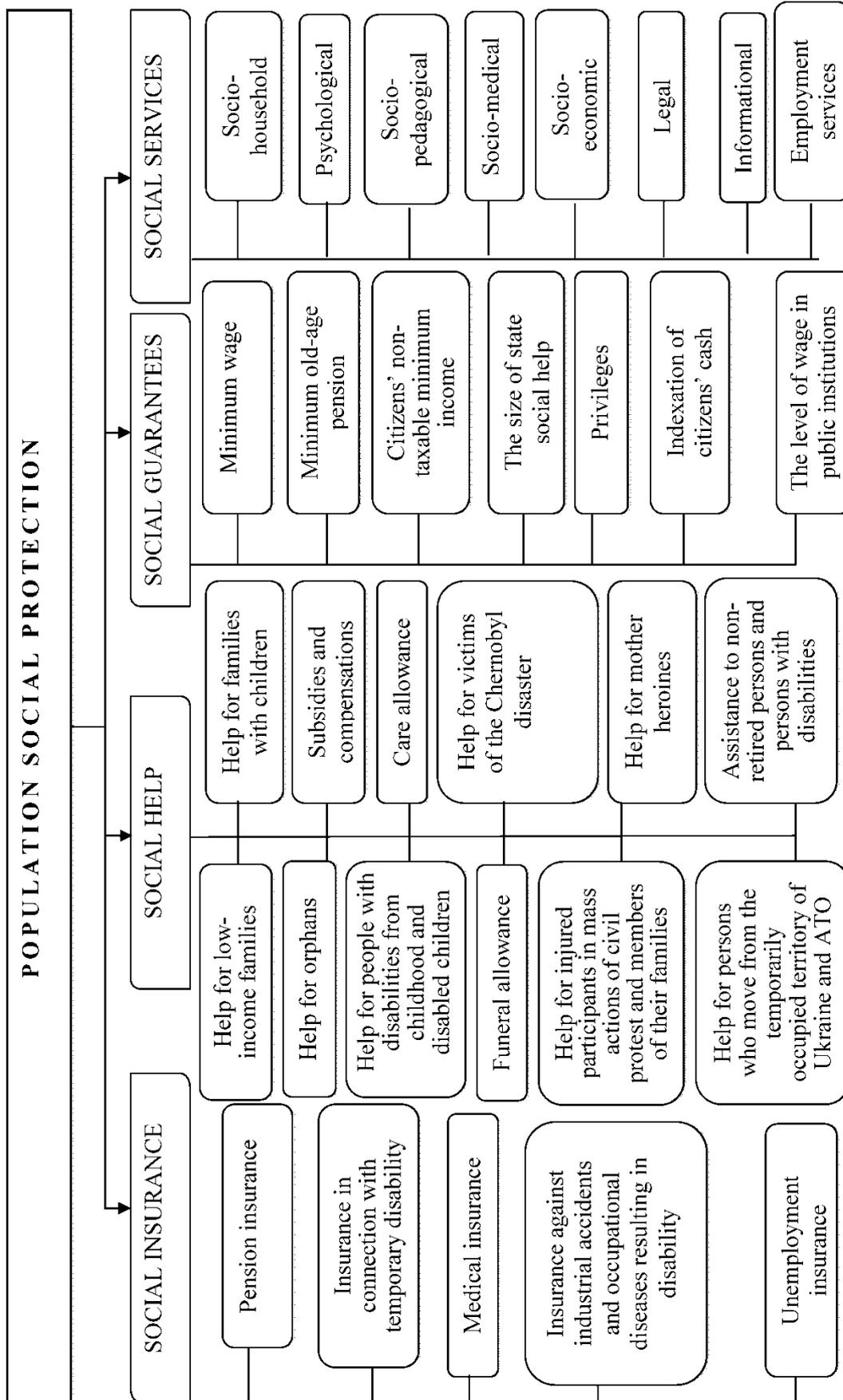


Fig. 2. The structure of the population social protection system in Ukraine

Social guarantees of the state are provided by the Law of Ukraine «On State Social Standards and State Social Guarantees» [9]. The level of social protection of the population directly depends on the compliance of the social guarantees of the state with their standards and norms. It is necessary to point to such form of state social guarantees as benefits provision, which significant amount exists in Ukraine since the administrative-command economy times. The rights to benefits are defined by 45 legislative and other regulatory acts (the laws of Ukraine, decrees of the President, resolutions of the Cabinet of Ministers of Ukraine and the Verkhovna Rada of Ukraine), which determined the unsystematic nature of the legislation, resulting in lack of transparency and confusion in the provision of benefits injustice [10; 11].

Social services are a complex of legal, economic, psychological, educational, medical, rehabilitation, and other activities for certain social groups or individuals who are in difficult life circumstances and need outside help in order to improve or reproduce their livelihoods. The main organizational and legal framework for the provision of social services aimed at preventing difficult life circumstances, overcoming or minimizing their negative consequences, for individuals/families who are in difficult life circumstances, is governed by the provisions of the Law of Ukraine «On Social Services» [12].

So, the social protection system in Ukraine is large and extensive, as it should be in a country that declares a social orientation. The system includes a large set of events of a different nature [13], which, on the one hand, should be recognized as a positive characteristic (if there is a corresponding base in the state) but, on the other hand, the system's ramification leads to the use of egalitarianism in its functioning (egalitarian distribution principle).

A distinctive feature of the population social protection system in Ukraine is state paternalism, which causes significant expenditures of the state budget for its implementation, there is a dependence of the population on social assistance and social services provided at the expense of the budget and extra-budgetary funds.

Part 2. The financing of social programs carried out at the expense of the state budget expenditures

The main tool for implementing the social function of the state is various social programs (an ordered sequence of actions aimed at achieving a predetermined social goal or solving a social problem) (Fig. 3).

Financing of social programs is carried out at the expense of the state, regional, and local budgets. The provision of benefits, housing subsidies, and compensation to the population, as well as the payment of help to families with children, low-income families, people with disabilities from childhood, children with disabilities and temporary help to children is provided through subventions from the state budget to local budgets, which constitute the bulk funds received from state budget to finance social programs in the regions.

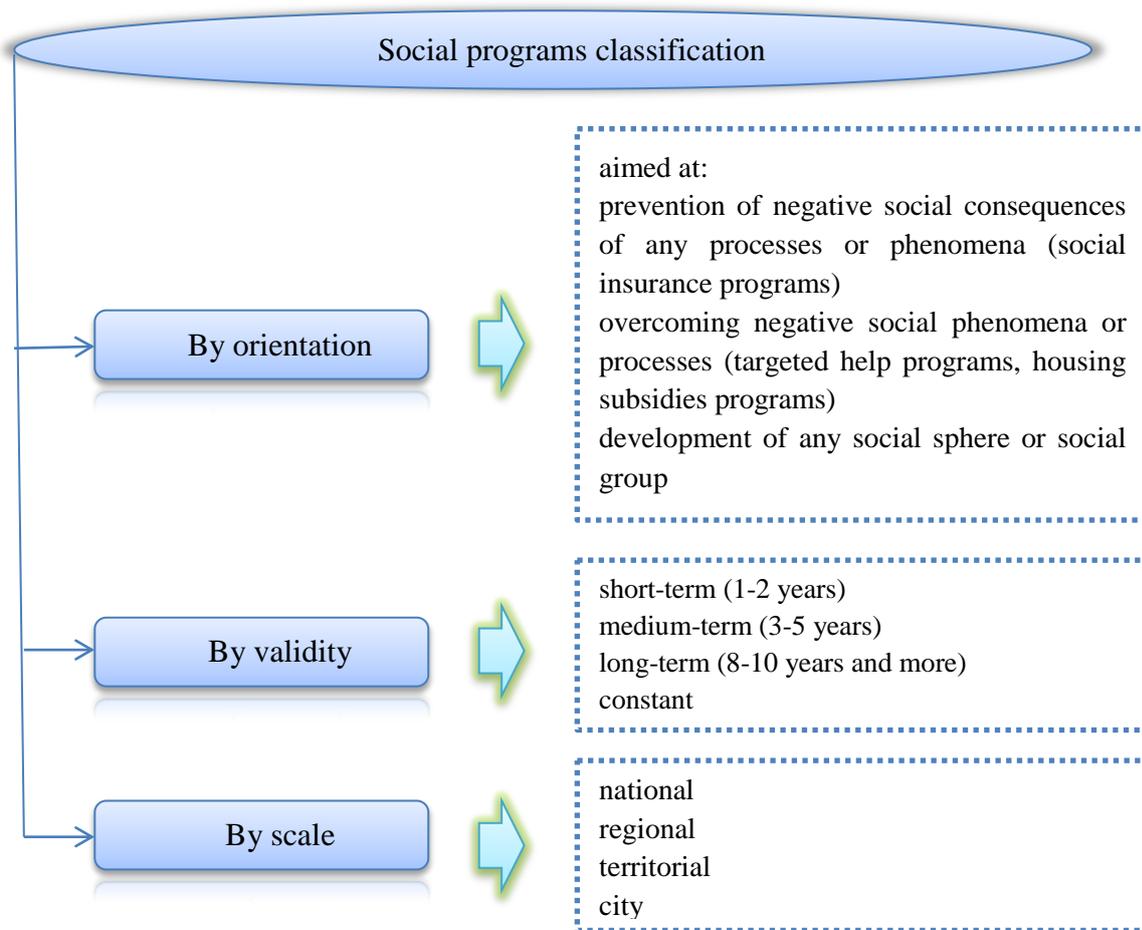


Fig. 3. Social programs classification

Source: compiled according to the data in [14]

Financing social protection programs at the expense of the state budget in the Poltava region and the city of Poltava during 2011–2017 is presented in Table 2.

The data of Table 2 indicate an increase in the number of social programs in recent years.

Among social protection programs, a program aimed at covering the costs of housing and communal services through raising prices and tariffs for them was the most important in recent years: their tireless increase has led to an increase in the number of families receiving subsidies.

The system of subsidies in Ukraine began to operate in 2015 with an increase in tariffs (although subsidies were provided earlier but on a much smaller scale): in 2014, every 41st Ukrainian received a subsidy with a population of 45,462 thousand people, and at the end of 2018 every sixth person from the population of 42,153 thousand people had it. In January-August 2018 subsidies issued 6,700,000 Ukrainian, which is 2.5% less than in 2017 but 46.7% more than in 2015 when the system of subsidies started. The average size of subsidies in 2018 was 744 UAH, which is 23.7% less than in 2017 and 28% less than in 2016 [15].

Table 2

Financing of social protection programs from the state budget during 2011–2017

Program name	Financed, thousand UAH							2017/ 2016
	2011	2012	2013	2014	2015	2016	2017	
Subvention from the state budget to local budgets for the provision of benefits and housing subsidies to the population for payment of housing and communal services	268454,6	287835,8	285850,1	276286,7	1036000,7	2712624,7	3164489,8	116,66
Subvention from the state budget to local budgets for the provision of benefits for communication services, other benefits provided by the legislation and for compensation for privileged travel to certain categories of citizens	41636,2	50712,2	59502,9	52439,4	55149,7	–	–	–
Subvention from the state budget to local budgets for the provision of benefits and housing subsidies to the population for the purchase of solid and liquid furnace household fuel and liquefied gas	7577,7	8822,5	7528,4	7290,4	16764,9	30646,8	35953,2	117,31
Subvention from the state budget to local budgets for the payment of help to families with children, low-income families, people with disabilities from childhood, children with disabilities, and temporary help to children	793269,7	947646,9	1117235,9	1236884,9	1345109,6	1507362,2	1363694,1	90,47
Subvention from the state budget to local budgets for the payment of state social help for orphans and children deprived of parental care, cash support for parents to caregivers and foster parents for the provision of social services in family-type orphanages and foster families on the principle “money follows the child”	9698,9	12799,9	16278,6	18870,3	21626,7	24221,2	22582	93,23
Subvention from the state budget to local budgets for the construction (purchase) of housing for the families of the deceased servicemen who were directly involved in the antiterrorist operation, as well as for disabled people of groups I-II from among the military personnel who participated in this operation and who need to improve their living conditions	–	–	–	–	6698	12956,6	–	–
Provision of housing for persons who participated in the antiterrorist operation and in ensuring its implementation and lost the functionality of the lower extremities	–	–	–	–	322,7	–	–	–
Provision of one-time cash help to persons who received serious bodily harm during the massive public protest actions that took place from November 21, 2013, to February 21, 2014	–	–	–	121,8	121,8	546,3	640	117,15

Continuation of Table 2

Provision of one-time help to family members of persons whose death is related to the massive public protest actions that took place from November 21, 2013, to February 21, 2014	–	–	–	121,8	243,6	206,7	480	232,22
Providing one-time cash help to members of the families of the volunteers who died and the volunteer who has been diagnosed with a disability due to injury (contusions, traumas or mutilations) received during the provision of volunteer assistance in the area of the counter-terrorist operation, hostilities, and armed conflict	–	–	–	–	243,6	–	–	–
Payment of financial help to servicemen discharged from regular military service	–	–	–	–	661,7	672,5	897,7	133,49
Measures on the social and professional adaptation of participants in the antiterrorist operation (except for servicemen discharged or resigned)	–	–	–	–	197,3	490,5	2391,4	487,54
Creation and software technical support of the system of information and analytical support, information medical support and production of identity forms and badges for the social protection system	–	–	–	–	1768	–	–	–
Providing monthly targeted help to persons who move from the temporarily occupied territory of Ukraine and ATO areas to cover living expenses, including the payment of utility services	–	–	–	20384,8	130568,4	106868,8	76886,7	71,94
One-time payments to women who have been awarded the honorary title of Ukraine “Mother-Heroine”, disabled and low-income persons, and people affected by human trafficking	3501,2	6564,7	3537,8	1600,2	1624,9	821,8	982,3	119,53
Annual one-time financial assistance to war veterans and victims of Nazi persecution	21259,3	30567,6	33760,5	33053,5	34872,4	45927,9	54748,5	119,21
Lifetime state scholarship	72,8	76	76	84	77,2	96,5	81,3	84,25
Social protection of citizens affected by the Chernobyl disaster	39296,2	39671,7	41993,3	40207,3	43658,4	49558,4	41315,6	83,37
Comprehensive medical care and treatment of diseases using expensive technologies for citizens affected by the Chernobyl accident	–	–	–	322,8	767,4	–	–	–
Compensation to enterprises, institutions, organizations within the average earnings of employees called for military service for a prize during mobilization for a special period	–	–	–	–	106713,3	–	11527,4	100,0
Measures for social, labour, and professional rehabilitation of the disabled	–	–	–	612,4	556	–	–	–
Rehabilitation of children with disabilities	–	–	25,6	12,6	15	21	26,7	127,14
Total	1184766,6	1384697,3	1565789,1	1688292,9	2803761,3	4495145,7	4794880,1	106,67

Source: compiled by the authors

The system of subsidies in Ukraine has advantages and disadvantages: the main of the first are the real maintenance of poor citizens, and the second is the lack of accurate data on the citizens who need it and the imperfection of the rules for issuing subsidies, which resulted in the abuse of participants in this social program. Therefore, in Ukraine in 2019, there is clearly a focus on reducing the scale of the system of subsidies and increasing the targeting of this type of social assistance by constantly changing the criteria of the subsidies (September 2016, April and August 2017, May, October 2018), which also corresponds to the recommendations of the World Bank and IMF.

In the Poltava region in 2017 compared to 2011 subventions from the state budget to local budgets for the provision of benefits and housing subsidies to the population for housing and utility services increased by 11.8 times, and subventions from the state budget to local budgets for the provision of benefits and housing subsidies to the population for the purchase of solid and liquid furnace household fuel and liquefied gas – by 4.7 times. The dynamics of financing social protection programs for the population of the Poltava region related to the costs of housing and communal services during 2011–2017 is shown in Fig. 4.

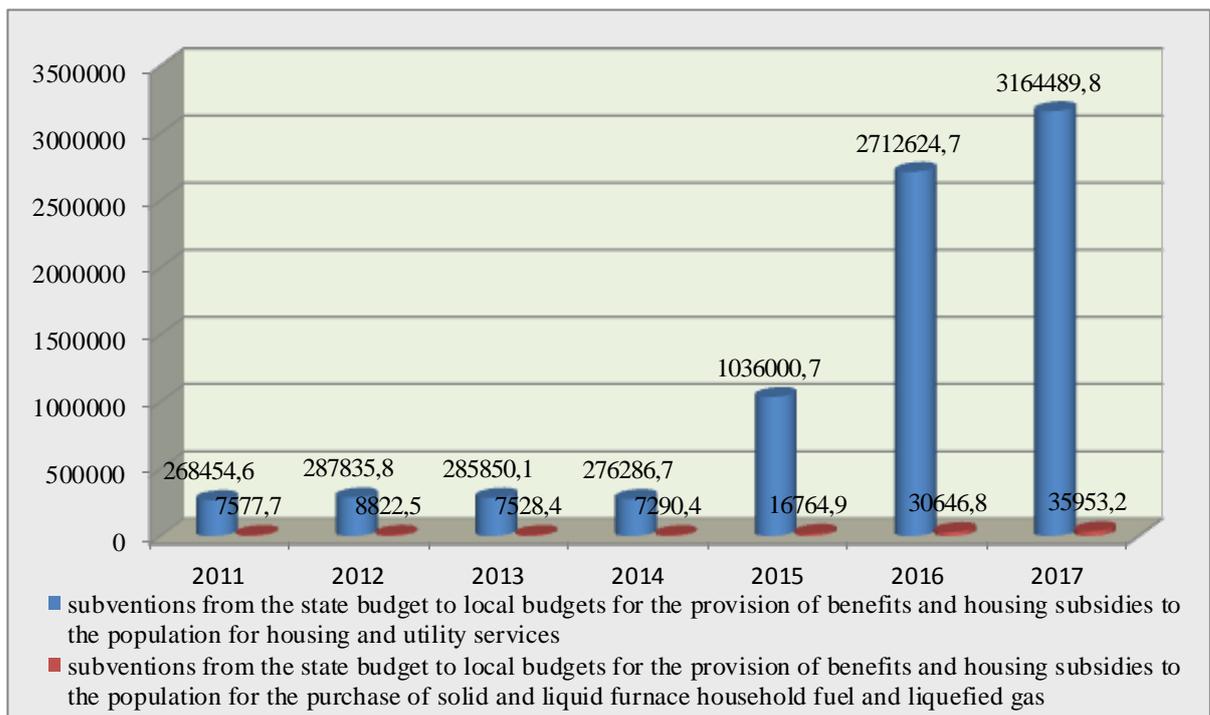


Fig. 4. Dynamics of population social protection programs financing of the Poltava region related to the costs for housing and communal services during 2011–2017, thousand UAH

Source: compiled by the authors

The dynamics of the number of people who received benefits and housing subsidies to pay for housing and communal services in the Poltava region during 2013–2017, is presented in Fig. 5.

In 2017 compared to 2011 increased:

subventions from the state budget to local budgets for the payment of help to families with children, low-income families, people with disabilities from childhood, children with disabilities and temporary help to children – by 71.9%;

subventions from the state budget to local budgets for the payment of state social help for orphans and children deprived of parental care, monetary support to parents-educators and foster parents for the provision of social services in family-type orphanages and foster families according to the principle «money follows the child» – in 2.32 times.

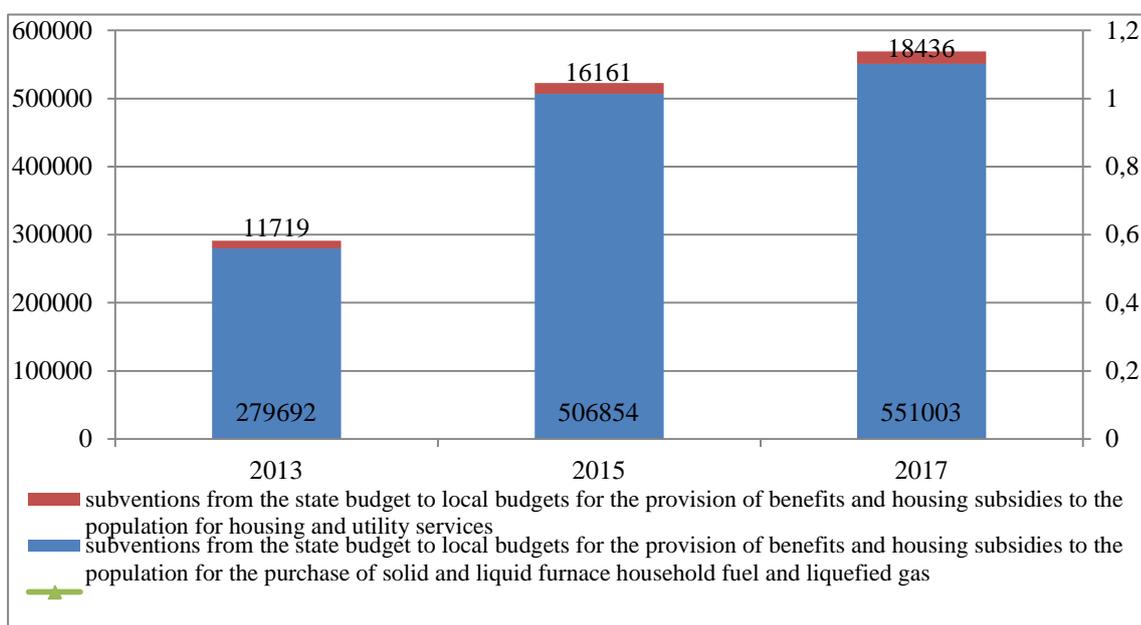


Fig. 5. Dynamics of the number of persons receiving benefits and housing subsidies for payment of housing and communal services in the Poltava region during 2013–2017

Source: compiled by the authors

In recent years, the support of servicemen, their families, as well as temporarily displaced persons from the occupied territory of Ukraine has become important. So, in 2016 in the Poltava region, for 19 people subventions were provided from the state budget to local budgets for the construction (purchase) of housing for families of deceased servicemen and disabled people of group I-II from among servicemen who were directly involved in hostilities and needed better living conditions (12,956.6 thousand UAH).

Part 3. Financing social protection programs of the Poltava region at the expense of regional and local budgets

The data on the financing of population social protection programs of the Poltava region at the expense of the regional and local budgets during 2011–2017 is presented in Table 3 and 4.

17 programs were financed at the expense of the regional budget of the Poltava region during 2011–2017, which funding in 2017 compared to 2011 increased by 136.23%.

During the study period, the city of Poltava funded three programs at the expense of the local budget, in 2017 for their implementation were allocated by 107.61% more funds than in 2011. But with an increase in funding for territorial social service centres in 2017 by 77.64% compared to 2011, the monetary compensation to individuals who provide social services to senior citizens, people with disabilities, children with disabilities, and people who are unable to self-care and need assistance increased by only 22.46%.

Traditionally, since 2001, in the city of Poltava, the Social Security and Social Protection Program «Care» (in accordance with the provisions of the Law) is being implemented for support of residents who need social protection, the introduction of additional guarantees of social protection of the city's residents, with the support of the deputies of the city council. Every year the funding of the program increases (Table 5 and Figure 6).

At the expense of the «Care» program in Poltava, material assistance is provided to disabled combatants and their families from among the participants of the ATO, to the participants in the Chernobyl accident disaster recovery, to patients with rare diseases (cystic fibrosis, phenylketonuria, cancer).

So, in Ukraine, numerous social programs are being developed, which are implemented at the regional level but the source of their funding is mainly state budget expenditures that come to the regions in the form of subsidies and subventions. The regional social programs, which are financed from the expenditures of the regional and local budgets, are much smaller both in quantity and in terms of financing.

Part 4. Empowering role of the region in providing social-economical security by its social component

However, the role of the region in ensuring social and economic security in terms of its social component cannot be reduced solely to the implementation of various social programs and will be mainly due to subsidies and subventions from the state budget. Strengthening the role of the region is possible in other areas (Fig. 7):

- social dialogue;
- social partnership;
- social responsibility.

Table 3

Financing of social protection programs at the expense of the regional budget during 2011–2017

Program name	Financed, thousand UAH									
	2011	2012	2013	2014	2015	2016	2017	2017/ 2016		
Residential care homes (boarding houses) for the elderly and disabled of social protection systems	65030,5	61038,8	65784,2	69524,2	80723	122178,2	131083,9	107,29		
Residential care homes for minors with disabilities	–	9884	11154,9	11275	13629	–	–	–		
Activities for the rehabilitation and recreation of children, except for activities for the rehabilitation of children that are carried out at the expense of funds for the rehabilitation of citizens affected by the Chernobyl disaster	–	76,1	148,5	148,5	162	–	–	–		
Capital investment	154,5	1324,9	375,2	747,3	1053,4	–	–	–		
Expenses for covering other debts that arose in previous years	–	168,9	201,6	353,5	465,5	–	–	–		
Expenses for the maintenance of the Payment Center	4373,8	4891,7	6031	6202,1	7610	8601,7	10380,5	120,68		
Other institutions	45,9	215,6	481,1	555,5	564,7	583,2	693,0	118,83		
Medical benefits for citizens affected by the Chernobyl disaster	1345,8	1413,2	1459,8	1477,9	1482,1	2132,0	–	–		
Other expenses on the population social protection	1793,1	2221,6	3741,5	8564,2	11166,8	9109,9	13397,3	147,06		
Funeral expenses for combatants and war invalids	992,1	888,5	1027,9	810,6	873,5	891,7	–	–		
Financial support of public organizations	409,9	466,9	537	527,1	570	765,1	678,4	88,67		
Compensation payments to people with disabilities for gasoline, repairs, maintenance of vehicles and transportation services	501	484,1	468,9	654,4	649,2	696,8	778,2	111,68		
Installation of phones for people with disabilities of I and II groups	11,6	10,5	7,3	4,6	4,2	1,1	–	–		
Help for the care for people with disabilities of group I or II due to mental disorder	142,7	9828,2	19596	21605,7	–	–	–	–		
Total	74800,9	92913	111014,9	122450,6	118953,4	145916,2	176701,4	121,10		

Source: compiled by the authors

Table 4

Financing of social protection programs from the local budget during 2011–2017

Financing of social protection programs from the local budget during 2011-2017	Financed, thousand UAH										2017/ 2016
	2011	2012	2013	2014	2015	2016	2017			2017/ 2016	
Territorial social service centres (provision of social services)	98679,3	115683,5	129083,5	124343,3	137693,2	150929,0	175292,1			116,14	
Payment of cash compensation to individuals who provide social services to senior citizens, people with disabilities, children with disabilities, and people who are unable to self-care and need assistance	3571,5	4152,7	4552	4619,3	4635,6	5093,5	4373,5			85,86	
Centres for social rehabilitation of children with disabilities; centres for the professional rehabilitation of the disabled	2777,3	4744,6	4714,1	5628,6	7239,1	9369,2	9651,7			103,02	
Provision of benefits for payment of communication services and other benefits and compensations provided for by law for the privileged travel of certain categories of citizens	–	–	–	–	–	–	28736,7			100,00	
Total	105028,1	124580,8	138349,6	134591,2	149567,9	165391,7	218054,0			131,84	

Source: compiled by the authors

Table 5

Financing of the Poltava Social Protection Program «Care»

Payments types	Period			
	2014	2015	2016	2017
One-time financial help to the disabled combatants (soldiers-internationalists) to the Day of the commemoration of combatants on the territory of other states, UAH	51600 (per 240 UAH)	138237 (per 480 UAH)	126500 (per 500 UAH)	160000 (per 500 UAH)
One-time financial help to the families of the deceased combatants (soldiers-internationalists) for the Day of the commemoration of combatants on the territory of other states, UAH	7020 (per 180 UAH)		23500 (per 500 UAH)	34500 (per 500 UAH)
Quarterly financial help to the families of the deceased in Afghanistan soldiers-internationalists, UAH	43200 (per 1200 UAH)	68000 (per 2000 UAH)	64000 (per 2000 UAH)	64000 (per 2000 UAH)
Quarterly financial help to persons with phenylketonuria and parents (guardians) of children under 18 years old (inclusive), people with phenylketonuria, UAH	84000	128000	148500	474000
Quarterly payment to disabled children and orphans, whose disability and orphanhood are related to the Chernobyl accident, UAH	11200 (per 400 UAH)	5600 (per 400 UAH)	4800 (per 400 UAH)	5500 (per 500 UAH)
Financial help for the burial of combatants (soldiers-internationalists) and people with disabilities who have the status of participants in the liquidation of the consequences of the Chernobyl nuclear power plant accident, and participants in the anti-terrorist operation, UAH	24000 (per 1200 UAH)	20400 (per 1200 UAH)	30000 (per 1200 UAH)	100000 (per 2000 UAH)
Organization of free food for single low-income citizens (through territorial centres of social services (provision of social services)), UAH	217190	203815	388000	452040

Continuation of Table 5

Payments types	Period			
	2014	2015	2016	2017
Preferential transportation for citizens, UAH	1362593	2595578	3652700	3781110
Purchase of gifts for first-graders and pupils of privileged categories from primary classes, UAH	325000	559800	799900	900000
Financial support of public organizations of veterans, disabled people, Chernobyl victims, rehabilitated, other organizations and associations dealing with the problems of disabled people and contribute to solving socially important citywide problems and tasks	223500	659478	1601200	1927620
Financial assistance to the population of the city on professional holidays for persons working in institutions, public and other organizations of the branches of physical culture and sports, education and culture (360,00 UAH per person) (as suggested by the heads of institutions, organizations)	3325740	18804600	22541000	23500000
Organization of free food for students of grades 5-11 of the Poltava special secondary school № 39 and the Poltava special secondary school № 40 (from December 1, 2014, to December 26, 2014)	19100	141986	1609800	1200180
One-time financial assistance for the International Day of Disabled Persons to the following categories of the population: people with general diseases of group I, people with disabilities in vision of group I and II, people with disabilities from childhood, and children with disabilities under 18 (300,00 UAH per person), payment and delivery of cash assistance and delivery of informational printed materials	1802722	2779983	3348400	4019850
Other costs on program directions	3869178	4099966	20791900	20649320
Total	11366043	30205443	55130200	57268120

Source: compiled by the authors

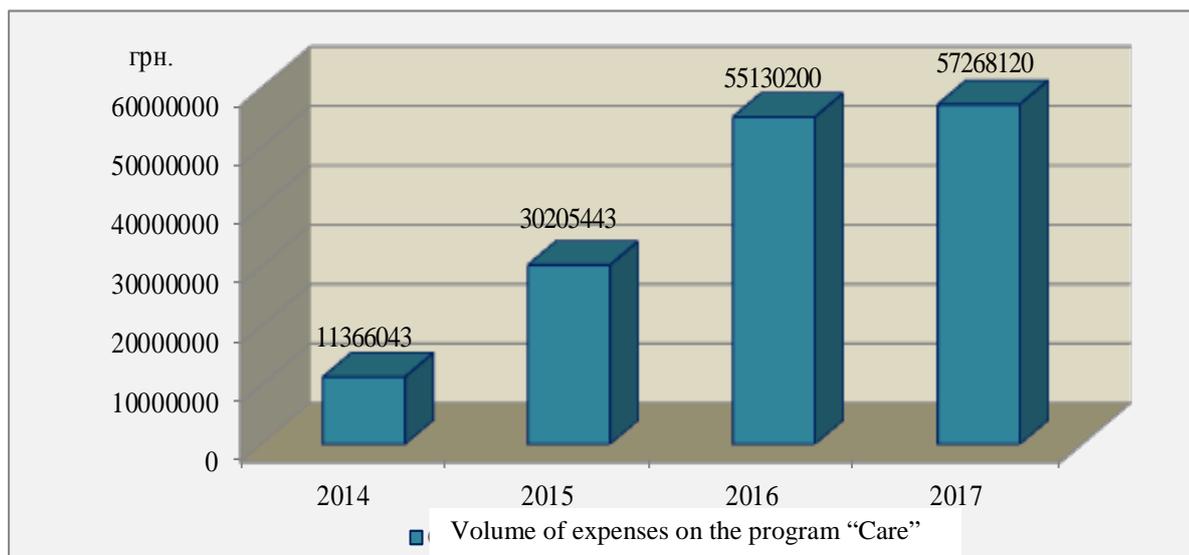


Fig. 6. Financing of the program of social security and social protection of the Poltava population «Care» during 2014–2017

Source: compiled by the authors

Social dialogue is a form of interaction between regional government, commercial, non-profit and community organizations in the region and is a process that results in the formation of a network of partners in the region that differ in status, role, and functions in the socio-economic development of the region and ensure its socio-economic security. The social dialogue is aimed at attracting all possible partners to the solution of regional development problems and strengthening the socio-economic security of the region, taking into account the various interests of the region and commercial, non-profit and non-governmental organizations operating in the region and, most importantly, the population of the region.

Social partnership is not introduced by law, and therefore, crucially depends on the quality of coordination of partners' actions and their voluntary consent to observe a number of principles, among which the balance of partners' interests, their voluntary participation, and secondary personal factors are considered.

Thanks to social partnership in the regions of Ukraine, civilized forms of relations between various social groups and institutions can arise and develop, which will help reduce social tensions, increase confidence in regional authorities and satisfaction with its activities. The communication of various social groups in the region makes it possible to identify threats to the regional socio-economic system even at the early stages of their inception. A side effect of a developed social partnership in the region is the creation of new jobs and an increase in the share of people working in the public sector [18, p. 32].

Social responsibility is considered as a voluntary and conscious execution, use and observance by the subjects of public relations of the regulations, social norms,

and in case of their violation – the application to the violator of the measures of influence provided by these norms [19, p. 15].

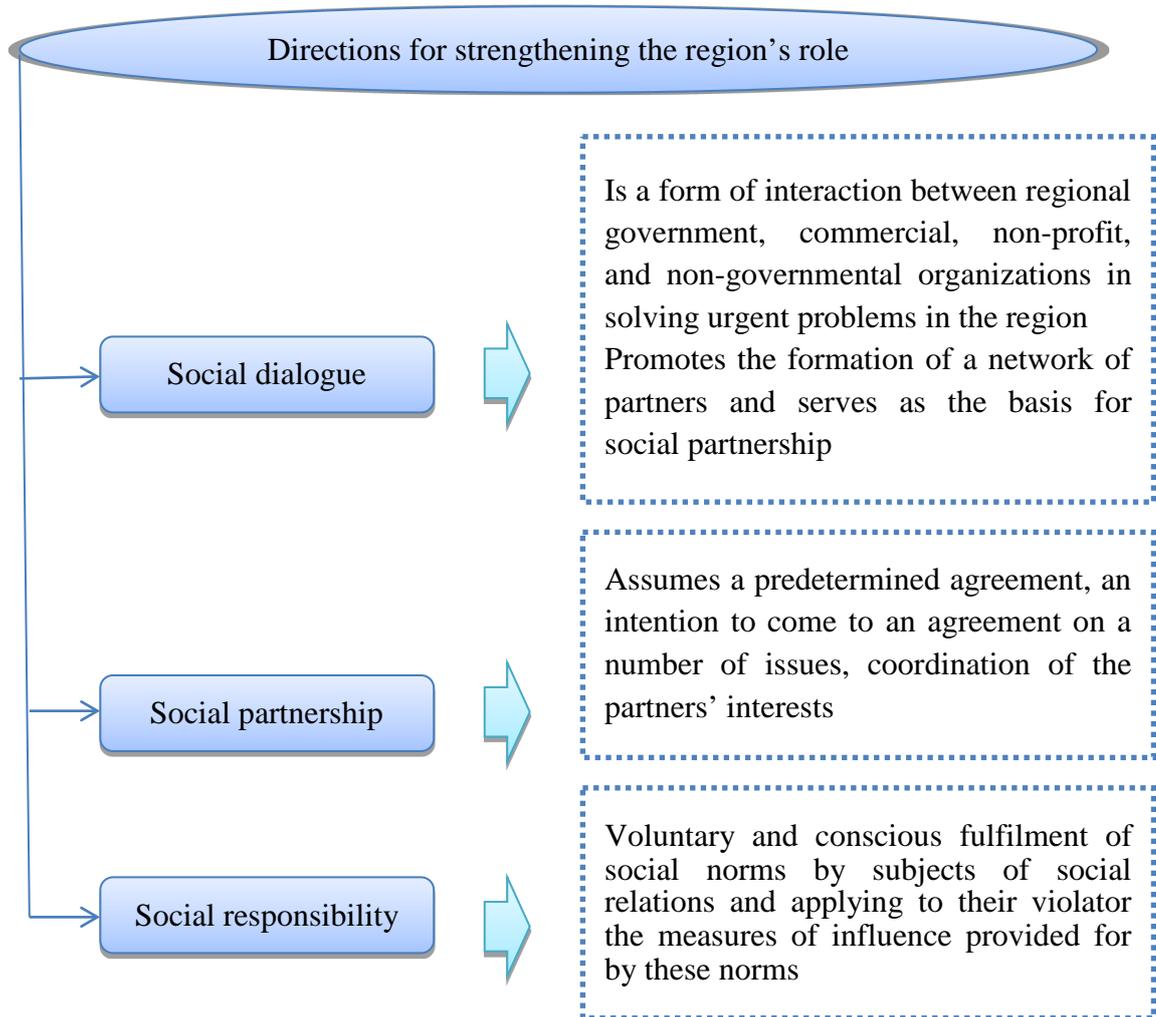


Fig. 8. Directions for strengthening the role of the region in ensuring socio-economic security in its social component

Source: compiled by the authors

Any business entity is an element of the regional socio-economic system, and therefore, the goals of its activities and functions should overlap with the needs of the region, actualizes the social responsibility of business in the region, which can affect the improvement of the region citizens' life quality through strengthening environmental safety, economical use of natural resources, promoting business and local partnerships.

The social work of the region's employers on the new value platform can be a driving force in strengthening the social component of the region socio-economic security, in particular, in raising the level of region citizens' social protection [20, p. 97].

In Ukraine, social responsibility of business exists only when businessmen can develop social programs, engage in charity, and have it is beneficial for them, if consumers pay more attention to the social component of the goods and services that they receive. Unfortunately, for Ukrainian enterprises social responsibility is only of a one-time nature, for example, it can be a market presentation, brand promotion. Despite the indisputable benefits that a business receives from fulfilling the principles of social responsibility (Table 6) [21], domestic enterprises should take into account that social responsibility limits the possibility of obtaining greater profits and thus to some extent violates the main principle of commercial activity – profit maximization.

The social measures implemented by the enterprise, on the one hand, provide the population with certain public goods that the state cannot provide; on the other hand, such steps are from an economic point of view the costs that need to be offset by the profit of the enterprise or, more likely, at the expense of the consumer by raising the price level for the manufactured products. Despite the generally positive foreign experience of developed countries, there is still no economic justification for the existence of a close relationship between the business carried out by social measures and the improvement of financial results in developing countries [22].

The institute of social responsibility in Ukraine is predominantly informal in nature because there is no full-fledged legislative base. The domestic system of regulation of this process does not correspond to international practice or the real demands of the regions socio-economic policy and the business sector [23].

Table 6

Benefits that business and region receive from respecting the principles of social responsibility

Benefits for business	Benefits for region
Ensuring the public reputation of the organization	Ability to establish partnerships between business, regional authorities, and the public
Growth of public confidence in the activities of the company, its products and services	Ability to provide targeted emergency assistance to citizens who need it
Improvement of professionalism and development of personnel potential at the enterprise ensuring staff loyalty	Strengthening the population social protection
Ability to create a secure environment for business and company development through its own corporate policy	Opportunity to attract investments in certain areas of the region
Compliance with norms and standards of the world economic community	Support for public initiatives, innovative projects, development of the social and creative activity of the population, preservation and use of intellectual resources for the region
Ability to form partnerships with authorities, the public and the media	needs

Source: based on the results of the analysis [24]

The low level of social responsibility is also associated with the nature of enterprise profits. Leading Ukrainian enterprises receive maximum profit due to the presence of economic power, administrative influence, access to budget funds, imperfect competition in the domestic market, artificially inflated prices for manufactured products, underestimation of wages, reduction of social expenditures. Such factors will mainly serve as the basis of competitive advantage in Ukraine. Greater social responsibility can be fostered by innovation activity, the use of new technologies, and the creation of new products, resulting in the company's profit being generated by reducing costs, increasing competitiveness, entering new markets for goods or services. This way of development is common in developed countries, where, as a result, a high level of social responsibility of business.

Conclusions

The results of the analysis provided the basis for such conclusions.

Ensuring the socio-economic security of the region for its social component is the result of the predominantly social policy of the state, the implementation of its social function. The role of the regions should be recognized as rather limited, in its essence, it comes down to receiving relevant subventions and subsidies to the regional and local budgets, determining the circle of participants in a particular program and checking the validity of their participation.

Strengthening the role of the region in ensuring socio-economic security for its social component has its fiscal decentralization, which began in Ukraine in 2015 (from 01.01.2015, the BCU made changes that should serve as the basis for encouraging communities to unite and strengthen their financial capacity through the transition to direct intergovernmental fiscal relations with the state budget). But the real results of fiscal decentralization have not yet been seen in strengthening the role of the region, it may take some time for this.

The level of financing social programs is different, as well as their effectiveness, which is the result of the programs' number. After all, the number of social programs cannot be recognized as evidence of an increase in the social function of the state and ensuring the socio-economic security of the region behind its social component. Despite the annual increase in state social help in Ukraine, the number of low-income families in need of social support is also increasing annually. Therefore, the state social policy in Ukraine aimed at population social security should be accompanied by a policy of encouraging its labour activity, self-sufficiency of the working population. Income from work should be the main source of financial income of the population and a stimulus for the development of national and regional economies. But for the present, there is no clear policy for stimulating the labour activity of the population in Ukraine.

In modern conditions, the authorities, business, and the public in the regions should become components in ensuring regional socio-economic security. Therefore, by extending social dialogue, social partnership, and social responsibility in the economic space of Ukraine, one can count on strengthening

the social component of the socio-economic security of the region, which is essential for the harmonious development of the state as a whole.

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