

EFFICIENT ORGANIZATION OF SOCIAL ASSISTENCE OF POPULATION AT THE MUNICIPAL LEVEL

© 2008 N.M. Chentsova, T.S. Veshniakova*

Key words: social protection, social assistance, efficiency, efficiency criteria, the level of social assistance, social strain

This article describes the essence and the distinctive features of the efficient system of social assistance of the population. The main aim of enhancement of efficiency of social assistance is to raise the real income of the population. Interconnection of the three approaches to study the efficiency of social protection provides the integrated assessment of the efficiency of the municipal social policy. The article contains the estimation of the indices of social strain. Integrated assessment of the efficiency of the system of social assistance in Togliatti reveals the insufficient level of the goal accomplishment. The use of the considered approaches and evaluation criteria of social efficiency will enable management of social protection of the population to reach a higher level.

The essence of the efficiency of the social economics is stated by the ability of the state and the society, the system of the social protection of the population to react in a positive way and meet the demands and needs of the population, and above all the needs of the vulnerable group of the population. Therefore the considered phenomenon can be regarded as the most possible pursuing a goal to meet the needs of the population at the economic cost. In other words, the efficiency of the social economics reveals the result of the activity to reach the goal.

The goals of any municipal formation are esteemed in terms of economics and sociology. The goal of a municipal formation in the social sphere is to provide all the citizens of the society with the equal opportunities to get a decent level of wealth and create equal life chances. The municipal policy is to reduce the inner social strain of a municipal formation and to keep its entirety and unity. The goal of a municipal formation in the economic sphere is to provide the rational usage of the economic resources, opportunities, objective advantages of the territorial division of labour and economic cooperation of the rayon.

There are always the contradictions between economic and social goals that show the importance of making compromise of the economic efficiency and social fairness within the federal and regional interests' adherence.

It is important to give adequate criteria which are scientifically approved for the objective estimation of the efficient social assistance.

The criteria of the efficient social assistance can be of different kinds: quantitative and qualitative (living standards, pension and welfare benefits etc.); norms-goals, norms-conditions, norms-limits (living wages, margins of ecological norms etc.). Social norms and standards are integrated criteria of the estimation of the efficient economic-social activities. The most important social norm is the budget of living wages.

The evolution of the social ideas worked out the criterion of estimation of the social-economic development of an individuum. They are embodied in the criteria of economic efficiency and social fairness. The criterion of economic efficiency characterizes not only the level of production forces but also the ability to foreseen and prevent the dangerous of anthropogenous changes. The criterion of social fairness estimates the quality of the public (economic in particular) attitudes in terms of providing wealth, freedom and other human values not at the expense of other people's interests.

The influence of economic factors on the social wealth, meeting the needs of the society members in terms of the market relations development is increasing dramatically. The degree of meeting the needs of a human being, different layers of the society is known to be one of the most important criteria of the economic efficiency of the social work.

The enhancement of the efficient social assistance of the population is targeted to raise

*Chentsova Natalia M., The Volga Region Institute Of Service, Togliatti, Samara region; Veshniakova Tatiana S., Ph.D. in Economics, The Volga Region Institute Of Service, Togliatti, Samara region.

the real income of the vulnerable groups of the society and guarantee to save and use of the social benefits for its intended purpose, to provide social service. The social assistance policy includes the following main activities:

- ◆ To provide the maximum efficient social protection of the vulnerable households, since they are unable to solve social problems on the independent basis, therefore they urgently need the assistance of the state:

- ◆ To provide the available and acceptable quality of the basic social welfare such as medical health care and general education;

- ◆ To create economic conditions for the able-bodied population which let the citizens get a higher level of the consumption at the expense of their income, including comfort accommodation, better quality service in terms of education and medical health care, decent living level for the retired¹.

The efficient social assistance must be envisaged in correlation of the local authorities. Therefore it should be taken into consideration the way the local aspect fits the system of the social assistance management.

Social management is one of the means of society management, and its functions include the regulations of the social conditions of all the society members to provide their development as subjects of the common relations.

According to the Federal Act № 131-FZ of General Principles of The Local Government Organizing Act 2003, the local authorities are to deal with the problems of local significance and implement the stated public authorization, they also deal with problems which are not in the other local governments' competence, public authorities', the problems which are within their competence according to the Federal Act, only at the expense of the local budget income (except subventions and donations from the federal budget and the budget of the constituent entity of the Russian Federation)².

The uniting of the government institution and the property institution is characteristic for our state. In mixed economy it should act not only as a proprietor but as a management subject as well.

Hereat the economy of social assistance organizations is regulated from top downward.

The main subjects of the social assistance system implementation are the following:

- ◆ The state
- ◆ The constituent entity of the Russian Federation

- ◆ Municipal formations
- ◆ Large-scale enterprise

Summing up the competence of the above mentioned subjects makes it possible to define the following activities:

- ◆ Implementing and maintenance of the state common policy of the RF in social assistance sphere;

- ◆ Working out and implementing of the social programs of the concrete level, participating in the federal programs drafting;

- ◆ Legislative, organizational, resources' and human labor's provision of the social service

- ◆ Forming of the local units of the social service

- ◆ Developing, providing and advancing of the social service

- ◆ Budgeting with the consideration to the social service expenses

- ◆ Controlling over meeting the state's standards and norms of the social service

- ◆ Assistance to the developing and coordinating of the non-government units

- ◆ Interregional cooperation in terms of social service

- ◆ Solving other problems of social development within the competence of a particular unit³.

The efficiency of the municipal social maintenance can be estimated within three trends (picture):

- ◆ firstly, the actual social assistance is being researched as a level of social strain;

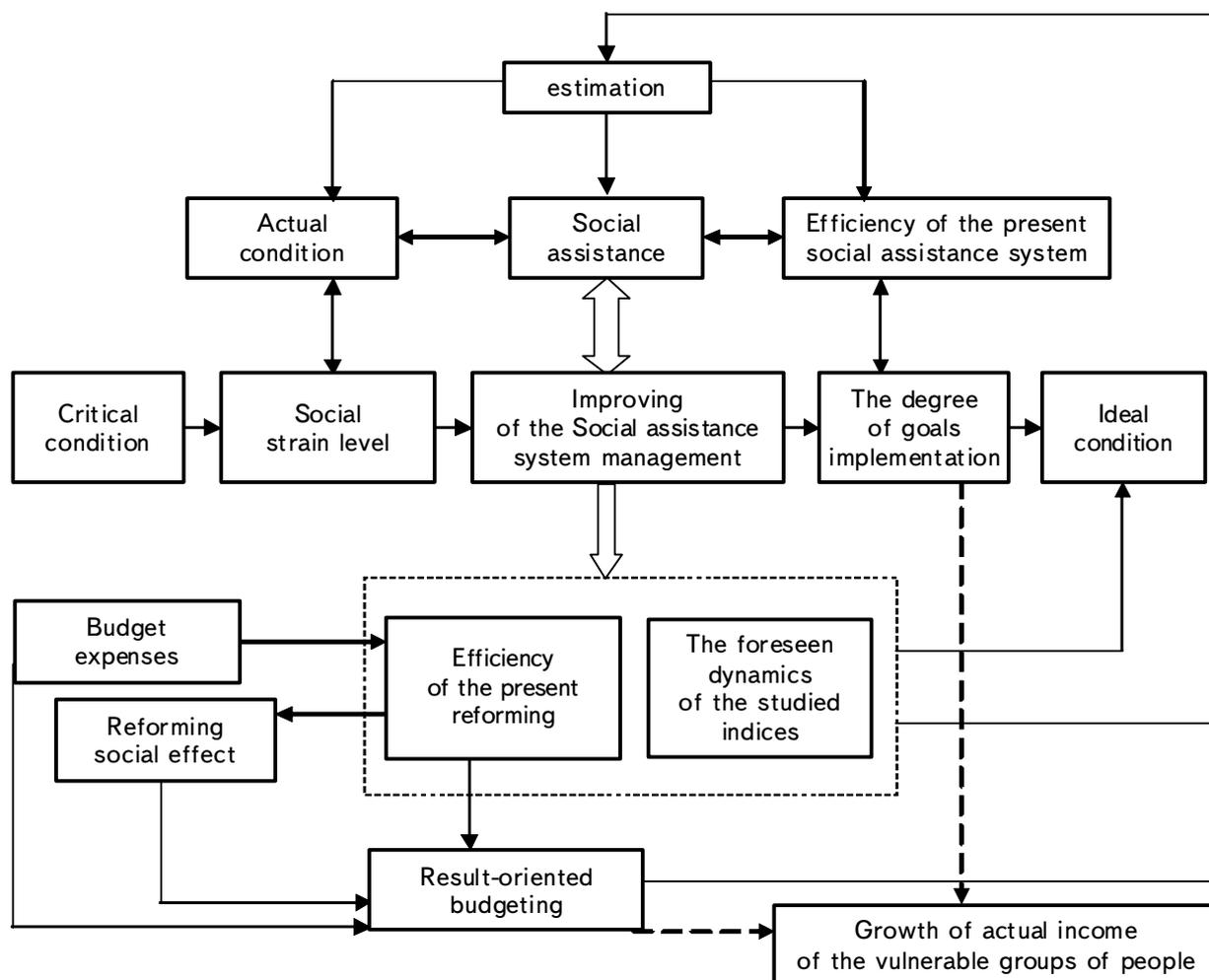
- ◆ secondly, the rate of goals implementing of the social assistance system should be estimated;

- ◆ thirdly, result-oriented method of budgeting should be used for improving the social assistance system and forecasting activity⁴.

For the better comprehension of the trends we should estimate the actual state of the social assistance system. The author of the article provides the list of the rate's indices of the social assistance system from the municipal unit's social strain's point of view (table 1).

The estimation of the social strain in Togliatti for the last 5 years is given in table 2.

The following conclusions are to be done according to the results:



Pic. The scheme of the integrated estimation of the municipal social assistance of the population

1. Due to the growing number of people of not-employable age gross coefficient of job strain at the expense of the non-employable people grows during 200-2007 from 0.469 to 0.5.

2. The gross coefficient of social strain is rather high: in 2002 it was 0.755, but in 2007 it grew to 0.825 due to the growing number of vulnerable groups of people.

3. In Togliatti the gross coefficient of budget strain can be regarded as unreasonably low, taking into consideration that poverty issues are one of the priorities of the social policy at all management level. But it should be mentioned that a growth tendency takes place: in 2007 this coefficient was 0.08.

4. Integrated coefficient of social strain was 0,32 in 2007, that is 0.014 higher than in 2002 in Togliatti.

The efficiency of social assistance in Togliatti should be estimated within the aim-orient-

ed approach, according to picture 1. In this case the target indices are relative indices of income of the population, in particular the income of the vulnerable groups. Their actual numbers fluctuate from 0 to 1.

1. The correlation of monthly social benefits (including benefits given at the federal, regional and municipal levels) and budget expenses of Togliatti per a person in need over 2002-2004 is reaching to 2, but since 2005 it has been equal to 1, caused by the Act of replacing benefits by actual money. The growth of social benefits is higher than the growth of the budget expenses per person. The exception was the starting point of the act implementation 2005⁵.

2. Despite the growth of the minimum pension rate, it correlates with pension as 1\3. The correlation of the pension and the living wage for a pensioner is not more than 1 in 2006 and

Calculation of parameters of social intensity of municipal formation

№	Indices	formula	Symbols
1	Indices of Labour Distribution		
1.1	Load coefficient at the cost of old-aged people	$Kmp_1 = \frac{CT}{ЭАН}$	CT - adult people excluding employers ЭАН - economically active population
1.2	Load coefficient at the cost of younger people	$Kmp_2 = \frac{МЛ}{ЭАН}$	МЛ - young people excluding employers
1.3	Total coefficient of labour distribution at the cost of unemployable-aged people	$Kmp_{общ} = \frac{CT + МЛ}{ЭАН}$	
2	Indices of Social Load		
2.1	Social load coefficient at the cost of vulnerable groups of people	$Kcoy_1 = \frac{CH}{TPP}$	CH - disadvantaged group, TPP - labour resources
2.2	Social load coefficient at the cost of the people below of the poverty line	$Kcoy_2 = \frac{Б}{TPP}$	Б - the people below the poverty line
2.3	Total coefficient of social load	$Kcoy_{общ} = \frac{CH + Б}{TPP}$	
3	Indices of Budget Load		
3.1	Budget load coefficient due to financing of social policy	$Kбд_1 = \frac{\sum CO}{БД}$	$\sum CO$ - total sum of costs on social policy in budget; БД - budget balance
3.2	Budget load coefficient due to financing the regional benefits	$Kбд_2 = \frac{\sum CB_{рег}}{БД_{рег}}$	$\sum CB$ - sum of costs on financing the regional social benefits БД _{рег} - budget balance of a particular constituent entity
3.3	Budget load coefficient due to financing of social assistance of the population with lower living wages	$Kбд_3 = \frac{\sum СП_{рег}}{БД_{рег}}$	$\sum СП$ - sum of costs on the financing of social assistance of the population with lower living wages
3.4	Total coefficient of Budget load	$Kбд_{общ} = \sum_{i=1}^3 Kбд_i$	
4	Integrated coefficient of Social strain	$Kинт = \sqrt[3]{Kmp_{общ} \cdot Kcoy_{общ} \cdot Kбд_{общ}}$	

2007. It shows the fact that over 2002-2005 the average pension was higher than a living wage, in 2006-2007 it decreased.

3. There is a growth tendency in social benefits payments in terms of annual income per head for the vulnerable groups of people in 2007 it was about 0.344 and 0.489 relatively compared to 2002 with the index 0,245 and 0.350.

4. Income per head for the vulnerable groups of people is a bit more than 0.9 of the living wage per head in 2007. Overall this index reduced compared to 2003-2004 on 0.1-0.2 points.

5. Correlation of the income per head for the vulnerable groups of people and living wage per head fluctuates from 0.6-0.7. There is a slight tendency to decreasing.

6. Correlation of the monthly social benefits and living wage per head increased from 0.23 to 0.312 over 2002-2007.

7. In 2007 the index of living wage is only 0.406 of the income per head index and equals to 4279 rubles per head by the 4th quarter of 2007.

8. From 2002 to 2006 the growth of total income per head was higher than income per head of the vulnerable groups of people. In 2007 this tendency turned to be backward. Since 2005 the income of the poor people has been growing faster than the total income per head. This index is equal to 1.054.

In conclusion we can claim that the total index of efficiency can be estimated as higher than average during all the periods mentioned, it equals to 0.6 while the ideal index should be equal to 1. The highest index was 0.683 in 2004, in 2007 it was 0.603.

Therefore we can not but mention that the efficiency of social assistance provided by the local government is far from being satisfactory compared to the standard stated by the federal

Table 2

Indices of social strain in Togliatti 2002-2007

№	Rates	Years					
		2002	2003	2004	2005	2006	2007
1	Indices of Labour Distribution						
1.1	Load coefficient at the cost of old-aged people	0,086	0,092	0,095	0,095	0,095	0,101
1.2	Load coefficient at the cost of younger people	0,383	0,375	0,376	0,383	0,397	0,399
1.3	Total coefficient of labour distribution at the cost of unemployable-aged people	0,469	0,467	0,472	0,479	0,492	0,500
1.4	Growth index	-	0,99	1,01	1,01	1,03	1,02
2	Indices of Social Load						
2.1	Social load coefficient at the cost of vulnerable groups of people	0,540	0,552	0,565	0,602	0,615	0,621
2.2	Social load coefficient at the cost of the people below of the poverty line	0,214	0,226	0,245	0,174	0,189	0,204
2.3	The general factor of social loading	0,755	0,778	0,810	0,776	0,805	0,825
2.4	Total coefficient of social load	-	1,03	1,04	0,96	1,04	1,03
3	Indices of Budget Load						
3.1	Budget load coefficient due to financing of social policy in Togliatti	0,08	0,09	0,20	0,15	0,22	0,24
3.2	Budget load coefficient due to financing the regional benefits in Togliatti	0,002	0,003	0,003	0,001	0,001	0,001
3.3	Budget load coefficient due to financing of social assistance of the population with lower living wages in Togliatti	0,001	0,001	0,001	0,001	0,001	0,001
3.4	Total coefficient of Budget load in Togliatti	0,027	0,030	0,068	0,050	0,072	0,080
3.5	Growth Index	-	1,11	2,27	0,74	1,44	1,11
4	Integrated coefficient of Social strain in Togliatti	0,216	0,220	0,296	0,265	0,307	0,320

act: the level of social strain produced on the employable population is much higher than the level of actual strain on the municipal and regional budgets.

Thus Article 7 of the Russian Constitution claims that the Russian Federation is a social state and its policy is to provide favorable conditions for decent living and self-development of any individual.⁶ According to article 39 of the Constitution of the RF any person is guaranteed to have social age benefits, medical health benefits, benefits for children upbringing and other cases stated by the law; government pensions and social benefits are quoted by the law. But currently the mentioned indices give no opportunity to implement the quoted standards and it is crucial to improve the exist system of social assistance of the population.

Having analyzed the dynamic of the efficient social assistance organization we can state that there is an urgent need for the solving of the following issues:

- ◆ the enhancing social and income gap of the population;
- ◆ unequal conditions for social rights implementation;

- ◆ complex and imperfect social reforming of replacing benefits by actual money in 2004;

- ◆ enhancing social and financial strain onto the employable population;

- ◆ enhancing social dependence and dissatisfaction with the local authorities combined;

- ◆ the state and the local governments do not take into consideration the efficient level of the social policy;

- ◆ the total living standards are low, mainly the living standards of the vulnerable groups of people.

The development of social assistance should be directed to reach and implement the main goals. They are:

- ◆ to reach reasonable wealth and living standards of the vulnerable groups of people

- ◆ to implement the constitutional rights of people in need in terms of labour, social protection of the population, education, medical health care, culture, accommodation;

- ◆ to improve dramatically the social infrastructure.

Realization of the stated goals is possible with the help of:

◆ economic and law conditions for labour activity enhancement, business initiative development of the vulnerable groups of people;

◆ high level of social protection and social service for the veterans, disabled, old age people, children and other unemployable citizens.

◆ Equal basic conditions for all the citizens to realize the eternal right for medical health care and education.⁷

To be able to realize the mentioned directions of social protection system there are a number of approaches proved by the international experience:-to implement the saving up pensions for the employable people;-to shift to the address social assistance for the households in need by enhancing the methodological role of the federal social formations;-to shift to finance social service due to its volume and quality-to establish independent institutions to estimate the efficiency of budget expenses on social assistance and protection and attract profile non-commercial formations to work out and expertise the state social programs. Implemen-

tation of the mentioned approaches and criteria of efficient social assistance makes it possible to enhance the level of the social protection management of the population.

¹ *Slezinger G.E.* Social Economy: Texbook. M., 2001.

² Federal Law about Principles of organization of local government of Russian Federation from October,6 of 2003 . № 131-FL [Electronic source], 2008.

³ Social management. Textbook for students / Editor E.I. Komarova, A.I. Voitenko M., 2001.

⁴ *Ananenko C.A.* Growth of the effectiveness of budget expenses with analytic opportunities of BOP // Finances. 2006. № 11. P. 14-17.

⁵ Federal law " About changes in legal basic of Russian Federation because of acceptation Federal laws about common principles of local self-government from August,22 of 2004 № 122-FL [Electronic source] // legal system "Consultant plus". 2008.

⁶ Constitution of Russian Federation from Desember, 12 of 1993 г. M., 2004.

⁷ *Panteleeva T.S., Chervyakova G.A.* Economic basics of social activity: Students textbook for high schools M., 2001.