

RESEARCH AND DEVELOPMENT AS ONE OF THE KEY DIRECTIONS
OF THE ACTIVITY OF THE GLOBAL AUTOMOBILE INDUSTRY

Summary. The article considers the key trends in the field of research and development of the automotive industry as one of the leading branches of the world economy, their structural analysis in terms of their areas, national affiliation and their providers are conducted. In addition, the main features of the modern global automotive industry are determined, which will have a direct impact on its operation in the future.

Key words: automotive transnational corporations, research and development, innovations, key trends.

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PREREQUISITES FOR DEVELOPMENT OF STATE SOCIAL INSURANCE
IN THE CONTEXT OF EUROPEAN INTEGRATION OF UKRAINE

Summary. The paper considers prospects for the development of state social insurance in Ukraine in the context of European integration. Indicators characterizing the macroeconomic state of our country do not allow comparisons with any of the countries where other models of social insurance are used. Thus, at present, Ukraine does not have the necessary macroeconomic conditions for the functioning of the social insurance system.

Key words: state, state social insurance, European integration, development, prerequisites.

Formulation of the problem. In the member countries of the European Union, there are four basic models of social protection dominant: continental or Bismarck model (Germany, Austria, Switzerland), Beveridge model (Great Britain), Scandinavian (Sweden, Norway, Denmark, Finland), and Southern-European (Spain, Italy, Greece, Portugal). This typology is used by researchers of existing models of social protection of the population. However, it should be noted that in most states of the European Union, or even the United States or Canada, it is possible to find features indicating a certain combination of features of the Bismarck and Beveridge models of social protection of the population among themselves.

Analysis of recent research and publications. Such foreign scholars as W. Beveridge, O. von Bismarck, R. Nozick, J. Rawls, and others made a significant contribution to the formation of theoretical foundations of social insurance. Among Ukrainian researchers, it is worth mentioning O. Vasylyk, B. Nadtochiy, M. Savarina, N. Shamanska, S. Yuriy and others. Despite the considerable interest of domestic scholars in the economic aspects of the functioning of the social sphere of society, insufficient attention is paid to the issue of macroeconomic preconditions for the functioning of state social insurance in Ukraine in the context of European integration. This determines **the relevance** of the paper.

Practice shows that social-fee payers in our state perceive current fee rates as high. In addition, the system of social insurance in the country itself is based on the availability of a certain number of benefits that do not allow taxation of the entire wage bill in the economy. One of the reasons for such a situation, in our opinion, is the lack of necessary macroeco-

omic conditions for the functioning of the state social insurance system in Ukraine in the context of European integration. **The aim** of the publication is to research prospects for the development of state social insurance in Ukraine in the context of European integration.

Results. Based on research by scientists [1, p. 33-34; 2, p. 30; 3, p. 31], we are going to present the following division of countries into groups:

a) Countries where the Scandinavian model of social protection prevails (Northern Europe). The social democratic model of the Scandinavian countries is manifested in the fact that the state assumes a significant share of responsibility for the social protection of the population, and the global economic task determines the achievement of full employment. As result, the main share of expenditures in the field of social protection is financed through the state budget system;

b) Countries where the continental model of social protection prevails (Continental Europe, North America). Problems of social protection are mostly solved between employers and employees in the person of trade unions. State interference in this sphere is negligible, mainly through the introduction of programs of minimal medical (for the whole population) and financial (for the unemployed) provision. The main share of expenses for social protection of the population is carried out through the system of insurance companies;

c) Countries where the Beveridge and continental models of social protection with the predominance of the latter are applied (Austria, Switzerland, Germany). In these countries, models are implemented based on a mixed public-private solution to social problems, where the responsibility of an

individual entrepreneur replaces the system of their mandatory collective responsibility under the control of the state;

d) Countries where the Beveridge and continental models of social protection of the population with the predominance of the first (England, Ireland) are used. It is envisaged that in certain cases (illness, retirement age, death, childbirth, etc.), every citizen must be covered by social assistance, the main source of funding of which are budgets of different levels. In these countries, a wider range of social programs is implemented, than in the countries of North America. The main task of the state, which it sets itself – is to ensure the minimum income of citizens.

Most of the underdeveloped market economies, including Ukraine, are trying to build financial support for the social protection system on the basis of the guaranteed minimum income of the population. The existence of one or another of its models will depend on what stage of political and economic development in the state is.

In the financing of social protection of the population in Ukraine were separate periods when one of the above-described models was used more actively than the other, and consequently, with these changes, the role of social insurance increased or decreased.

In the study of these stages, we consider the period of duration from the end of the nineteenth century (the beginning of measures for social protection in Western Europe) and to this day. Collective insurance funds to cover the risk of disability on the territory of Ukraine existed throughout the twentieth century. Its early forms developed on the initiative of employers who tried to avoid liability in case of a trial after an accident, injury or death of people in the workplace. The social program thus replaced judicial proceedings and contributed to the resolution of conflict situations [4, p. 39].

Historically, the first model of social protection in Ukraine has become continental (the Bismarck model). Its existence was accompanied by the dynamic development of elements of social insurance, which began in 1903 and lasted during the first half of the twentieth century (Table 1).

In general, after 1917, the social insurance in Ukraine developed in the same direction as in all republics of the Soviet Union. Initially, it covered only the risk of permanent disability (disability), and since 1917 it has spread to unemployment and temporary disability.

The formation of social insurance in the XX century was characterized by the following features:

a) The social insurance of industrial accidents (with the exception of the period of the civil war) and illnesses, respectively, from 1903 and 1917, lasted for the longest time as a part of public finances;

b) Its development began in 1917 and was abolished in 1930 by social insurance in the event of unemployment for political reasons since it was believed that socialism is not compatible with such rudiments of capitalism as unemployment. Thus, on August 23, 1930, the Board of the People's Commissariat for Labour adopted a resolution, which, inter alia, stated: "... The unemployed who are registered in labour exchanges are the result of improper work of labour exchanges and the failure of the unemployed to work for retraining ... projected in control figures for 1930/1931 408 thousand unemployed and 30 million roubles to financing this unemployed person to be considered incorrect, and therefore to cancel it. ..." [6, p. 119];

c) The financial basis of the Soviet pension system until 1990 was the State Budget of the USSR, at which expense pensions were paid. During a short period – the beginning of the 20s of the twentieth century and in 1937 – the source of pension financing was the social insurance budget. However, this practice was abolished in 1938.

Table 1

Stages of social insurance development in Ukraine¹

Stages	Events	Features
1903–1917	Formation and development of social insurance against accidents at work	Not applicable to all sectors of the economy
1917	Formation of social insurance in case of unemployment and illness (prototype of nowadays temporary disability)	The unemployment insurance does not apply to all employees; the temporary disability covered only the risk of illness, childbirth or death of the worker
1918–1921	Civil War	Funding of social expenditures at the expense of the budget
1921	The social insurance has been restored from accidents at work, in the event of unemployment and illness	Payments were made through insurance cash registers
20-s XX centuries	Formation of pension insurance	Covered only certain categories of workers (Red Army soldiers, Communist Party workers, etc.).
1927–1936, 1938	Rolling out the NEP and implementing the policy of industrialization in the USSR	Pension payments to non-working pensioners are transferred to local budgets
1929		The state social insurance received a single budget
1930	Suspended the existence of social insurance in the event of unemployment	The changes were caused not by economic but by political motives
1931	The policy of industrialization in the USSR	Changes in the organization of social insurance in the direction of increasing the role of trade unions
1948	Post-war period	The monopoly of trade unions for the purpose of social assistance has ceased to exist. These responsibilities are transferred to the administrations of state enterprises
The second half of the XX century	Development of social insurance in the event of unemployment and illness	It has a "declarative" character
since 1991 to today	Dynamic development of social insurance	It does not cover health insurance

Source: it was made by the author on the basis of [5]

Joining the opinion of scholars, we note that the development of social insurance in the Soviet period was more artificial than real. This is conditioned by the fact that since 1917, when the state form of ownership began to form, the state as a general entrepreneur and insurer (guarantor), as well as the main producer and main consumer, were not interested and did not have incentives to become social insurance. Because of this, in the second half of the twentieth century, a system of free social welfare (medical and pension) was created, which was based on the Beveridge model of social protection of the population and implemented in practice its extreme left-wing option.

In the mid-80 of the XX century, in the USSR, radical transformations in the political and socio-economic organization of social life began. They were caused by deterioration of the overall economic situation of the country, low efficiency of the economy in terms of meeting consumer demand, high expenditures of the military-industrial complex, and others. This led to the fact that social costs, especially pensions, became an excessive burden on the state budget. The formation of various forms of property, which began with the construction of a market economy, showed the ineffectiveness of the functioning of the outdated social security system and an impetus for its restructuring, which could not but be reflected in social insurance.

Thus, in the late 1980s, the problem in the USSR was the search for non-budgetary sources to finance pensions and other types of social assistance. Taking into account foreign experience, in the USSR and the states formed after its collapse, was chosen to construct a continental model of social protection of the population with the widespread use of principles of social insurance.

In our country in early 1991, a fundamentally new structure was created – the Social Insurance Fund of Ukraine. Organizationally, the Fund was active through the creation of the Board of the Fund, which consisted of an absolute majority of representatives from trade unions. The Board of the Fund developed and approved the Regulations on the Fund and its executive bodies. During 1993–2001, an independent Ukraine laid down a regulatory framework for restoring the role and importance of social insurance in the financial system of the state by adopting the relevant Concept and Fundamentals of Legislation. During this period, the Parliament of Ukraine adopted a statutory framework that defined the principles of the existence of such types of state social insurance as:

- (a) In the case of unemployment;
- (b) In connection with temporary disability and costs due to burial;
- (c) From work accidents and occupational diseases that caused disability;
- (d) Pension.

On the basis of the single Social Insurance Fund of Ukraine, separate state-owned trust funds were created that managed the funds for each type of social insurance until 2016. Such a division into separate branches of social insurance lasted until

2017, when on the basis of social insurance funds in connection with the temporary loss of working capacity and expenses caused by burial and from an accident at work and occupational disease that caused disability; a single Social Insurance Fund of Ukraine was established.

Only one kind of social insurance, distributed abroad, does not have a legislative consolidation in our state – it is health insurance.

Thus, in Ukraine, legal conditions were created for the formation of a system of compulsory state social insurance (or continental model of social protection), based on the requirements of the European Code of Social Security (1964) and the recommendations of the International Labour Organization No. 67 (1944) and corresponds to the theoretical principles developed by Otto von Bismarck.

So, in Ukraine, the formation of the social insurance system: a) Accompanied by the transition from the Beveridge model to the continental model of European countries;

b) Hampered by economic reasons, in particular, due to the unsatisfactory structure of the economy (focus not on services or consumption of the population) and its crisis.

In our view, considering any model of social protection (including a continental model that actively uses social insurance), it is necessary to analyse not only the principles of its construction but also the necessary conditions and limitations on the functioning of this model. It should be noted that such conditions and restrictions are based on the accumulated experience of constructing models in those or other countries. The conditions contributing to the development of the continental model of social protection and, therefore, social insurance will be determined by the indicators of the economic development of the state, presented in Table 2.

We give a description of such indicators contained in Table 2:

(a) GDP per capita: The choice is due to the fact that this is a generalized indicator that determines the economic performance of a country serves as a measure of the well-being of the population in it and is used to compare the economies of the world. In addition, the analysis showed that the source of financial resources for social insurance is GDP, so its size (and GDP per capita as a derivative) will determine the possibilities of the social protection system;

(b) The level of economic growth: This indicator will characterize the opportunities for the development of a model of social protection in the long term – the reduction of the indicator narrows them and vice versa;

(c) Unemployment rate: The use of this indicator is determined by the source of the formation of social insurance resources – the size of wages and the number of payers of insurance premiums (employees), which will also determine the financial capabilities of the system. The effect of this indicator is reversed to the previous one: the higher it is, the possibilities of social insurance are reduced, and vice versa;

(d) Inflation rate: This indicator will allow you to compare the amount of financial resources to real, rather than the

Table 2

Macroeconomic indicators for assessing the preconditions for the existence of social insurance

#	Indicator	An economic interpretation of the impact on the social insurance system
1	GDP per capita	The higher financial capabilities of the system, the higher the indicator
2	The level of economic growth	The effect is similar to the impact of the previous indicator #1
3	Unemployment rate	An inverse-proportional relationship. The higher the score, the lower the financial capacity of the system
4	Inflation rate	The effect is similar to the impact of the previous indicator #3
5	State budget deficit	Its presence or large size may encourage a wider use of the social insurance system

Source: It was developed by the author

nominal ratio. Without it being taken into account, the possibility of a system of financial insurance will be assessed biased – in absolute terms, they can significantly increase, but if this is accompanied by a depreciation of the monetary unit in a country, the conclusion on the increase of financial resources without taking into account the inflation rate is not completely objective;

(e) State budget deficit: It has no direct relation to the conditions of functioning of the social insurance system, only indirectly. The presence of a deficit reduces the possibility of the Beveridge model of social protection of the population and can be one of the reasons for the abandonment of it and the transition to continental. Only monitoring the indicator will show if there are prerequisites for such a transition in the country in the future.

The analysis of five indicators described above is for countries that, depending on the distribution of this or that model of social protection, are divided into four groups, will determine the preconditions for the functioning of the continental model (social insurance system) in Ukraine.

Necessary prerequisites for the existence of individual models of social protection of the population is the availability of potential for economic development of the state, which is described by the relevant indicators (inflation, unemployment, economic growth, etc.), and based on one of the five methods of accumulating insurance fees in the state social insurance.

Table 3 contains indicators of the economic development of a number of countries in accordance with their common models of social protection.

As it can be seen from the above data, the state where:

(a) The continental model of social protection (Germany, Austria, Switzerland) has become, it is characterized by a lower level of economic growth (9%) and unemployment (5%) compared with other models; low inflation (0.4% per annum), and a budget deficit of 0,35% to GDP;

(b) The Beveridge model has become, it has an average of other countries with a budget deficit (2% of GDP), the highest rates of economic growth (14%), low inflation (0.13%) and one of the highest unemployment rates (7%);

(c) It is based on the Scandinavian model, has one of the lowest deficits (0.4% of GDP), the lowest among countries with other models of inflation (negative), high unemployment (almost 7%) and one of the highest rates of economic growth (more 10%);

(d) The Southern-European model is used, it has one of the worst macroeconomic indicators: a large budget deficit (3.4% of GDP), high unemployment (over 17%), and low GDP per capita (30,4 thousand USD);

(e) The system of private social insurance is used (in particular, the US), it has one of the largest budget deficits (3.5% of GDP) and creates conditions that are somewhat similar to Beveridge model.

The states that have chosen as a source of funding for the social protection system budget funds (Beveridge model) tend to be in the way of a deficit in public finances (2% of GDP).

In the long run, the welfare of the population should not deteriorate as, in the conditions of a significant economic growth (14% per annum) and one of the highest unemployment rates without increasing the budget deficit, this goal will be difficult to achieve. At the same time, the number of unemployed loses its relevance: taxpayers are primarily enterprises and the state focuses on creating a favourable investment climate in the economy. Because of this, the number of unemployed people, in comparison with countries with other models of social protection, is greater (almost 7%).

The states that chose the insurance system (the continental model) as the main source of financing social protection of the population are forced to pursue a policy of active employment, as it is the main contributor to it. Because of this, the number of unemployed is slightly lower than in other countries (5%). The lower burden of social expenditures on the budget results in its lower deficit (0.5%).

States with a Southern-European model, increasing the welfare of the population reach by deficits of the budget, as they combine its funds as sources of financial support for social protection with the social insurance system, sharing the burden of social spending between these levels of public finance. It traces the annual growth of the economy. Therefore, the number of unemployed people (17% vs. 5%) is not important in comparison with the continental countries.

A private social insurance system can exist in high rates of economic development (almost 10%) and insignificant unemployment (5% of the able-bodied population). The large deficit of budgetary funds (3.5% of GDP), which was observed during this period, did not directly concern the social protection system and was due to the fact that the basis of macroeconomic policy in the United States in the 90s of the twentieth century. B. Clinton's administration took Keynesian views on scarce finances. Other macroeconomic indicators of this model are similar to the Beveridge model.

Taking into account the number of officially registered unemployed (less than 10%) and the deficit of budget funds (3% of GDP), we will determine the possibility of introducing a Continental, Scandinavian or South-European model of social protection in Ukraine. At the first point of view, the prerequisites for applying the continental model seem most likely: the budget deficit and the number of unemployed in our state are similar to those observed in continental Europe. However, the rates of depreciation of the monetary unit and the growth rate of the economy are not comparable. For the same reasons, the Ukrainian economy cannot ensure the implementation of the Scandinavian model. In addition, budget deficits in Denmark, Sweden, Finland, the United Kingdom, or Ireland are due to a large share of social expenditures (primarily pension payments), while in Ukraine and without Pension Fund of Ukraine expenditures, the deficit is 3% of budget revenues.

Conclusions. Indicators characterizing the macroeconomic state of our country do not allow comparisons with any of the countries where other models are used. In other words,

Table 3

Macroeconomic indicators of social protection models of the population

Indicator	Continental or model Bismarck	Model Beveridge	Scandinavian	Southern-European	USA	Ukraine
GDP per capita, \$ [7]	48181	43471	48663	30498	54629	8790
The level of economic growth, % [8]	9,15	14,07	10,33	8,86	9,23	4,7
An unemployment rate, % [9]	5,15	6,93	6,29	17,16	5	9,55
An inflation rate, % [10]	0,41	0,13	1,08	-0,09	0,7	31,3
A deficit of the state budget, % [11]	-0,35	-2,3	-0,45	-3,4	-3,5	-2,9

Source: It was developed by the author

the existence of social insurance as a component of social protection in Ukraine occurs in conditions not characteristic of any of the states under consideration. This can be clearly seen by comparing the average per capita income (which is 4 times smaller than the nearest indicator of the countries of Southern Europe), the growth rates of the economy (which are 2 times less than the indicator of the countries of the continental model of social protection) and the level of inflation (which is not comparable with any of the countries we analysed).

Thus, at present, Ukraine does not have the necessary macroeconomic conditions for the functioning of the social insurance system. Such conditions will only arise if the rate

of economic development of the country is at least twice as high as that of continental Europe; ensuring unemployment at a level at least twice as low as that of continental Europe; reducing the budget deficit by 10 times compared to the level in 2016 and, most importantly, stopping the depreciation of the national currency. If these steps are not taken, the legally "continental" model of social protection declared in Ukraine will be gradually transformed into an actually implemented "South-European" model.

The research on the development of state social insurance in conditions of European integration of Ukraine opens the prospects for future research in this area of financial science.

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ПЕРЕДУМОВИ ДЛЯ РОЗВИТКУ ДЕРЖАВНОГО СОЦІАЛЬНОГО СТРАХУВАННЯ В КОНТЕКСТІ ЄВРОПЕЙСЬКОЇ ІНТЕГРАЦІЇ УКРАЇНИ

Анотація. В статті розглянуті передумови для розвитку державного соціального страхування в контексті європейської інтеграції України. Результати представленого дослідження, а саме, аналіз макроекономічних показників України, свідчать про відсутність в нашій країні необхідних умов розвитку континентальної моделі соціального страхування характерну для європейських країн. Розвиток державного соціального страхування в умовах європейської інтеграції України та існуючих макроекономічних показників відкриває перспективи майбутніх досліджень у цій галузі фінансової науки.

Ключові слова: держава, державне соціальне страхування, європейська інтеграція, розвиток, передумови.

ПРЕДПОСЫЛКИ ДЛЯ РАЗВИТИЯ ГОСУДАРСТВЕННОГО СОЦИАЛЬНОГО СТРАХОВАНИЯ В КОНТЕКСТЕ ЄВРОПЕЙСКОЙ ІНТЕГРАЦІЇ УКРАЇНИ

Аннотация. В статье рассмотрены предпосылки для развития государственного социального страхования в контексте европейской интеграции Украины. Результаты представленного исследования, в частности, анализ макроекономических показателей Украины, свидетельствуют об отсутствии в нашей стране необходимых условий развития континентальной модели социального страхования характерную для европейских стран. Развитие государственного социального страхования в условиях европейской интеграции Украины и существующих макроекономических показателей открывает перспективы будущих исследований в этой области финансовой науки.

Ключевые слова: государство, государственное социальное страхование, европейская интеграция, развитие, предпосылки.