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## ДЕРЖАВНЕ РЕГУЛЮВАННЯ СОЦІАЛЬНИХ СТАНДАРТІВ ТА ПРОДУКТОВИЙ КОШИК В УКРАЇНІ

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## STATE REGULATION OF SOCIAL STANDARDS AND FOOD BASKET IN UKRAINE

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**Анотація.** Базовим елементом системи життєзабезпечення окремої людини і населення країни в цілому прийнято вважати забезпеченість продовольчими товарами. І саме держава є гарантом і регулятором задоволення першочергових потреб населення шляхом безперешкодної доступності до якісних продуктів харчування у достатній кількості. Саме це гарантує підтримання основ життєвої діяльності організму людини. Забезпечення населення продовольчими товарами здійснюється через ринковий механізм, а стратегії виробників ґрунтуються на врахуванні купівельної спроможності населення. Одним з чинників, за яким визначається рівень купівельної спроможності населення, є споживчий кошик із законодавчо визначеним набором продовольчих товарів. Проблема взаємозв'язку споживчого кошика та прожиткового мінімуму, як елементів системи соціальних стандартів, досліджують українські науковці Болбот А.В., Жебчук Л.Л., Сокол М.В. та інші. Вони доводять той факт, що масив українських нормативно-правових актів у сфері соціального захисту населення є хаотичним і безсистемним. Досліджено зв'язок понять, пов'язаних з соціальними стандартами, а саме: споживчим кошиком, прожитковим мінімумом, споживчим набором, споживчим бюджетом, купівельною спроможністю. Розраховано вартість продуктового кошику та оцінено рівень купівельної спроможності населення за структурою діючого в Україні споживчого кошику. Акцентовано увагу на частці продовольчого кошика у прожитковому мінімумі українців. Склад споживчого кошику формується на основі науково обґрунтованого фізіологічного та соціального мінімумів. Його розмір у вартісному виразі відображає прожитковий мінімум та використовується для встановлення мінімального споживчого бюджету. Основною метою статті є оцінка достатності грошових доходів українців для досягнення соціальних стандартів, що мають гарантувати забезпечення основ життєдіяльності людини. На основі цієї оцінки мають робитись висновки про зміни у державному регулюванні соціальної сфери. Отримані результати ілюструють те, що працездатний українець здатен в межах коштів, передбачених соціальними стандартами, придбати тільки продуктову частину мінімального споживчого кошику. Його вартість за досліджуваній період коливається в розмірі від 81% до 90% прожиткового мінімуму. З огляду на різноманітність сучасних потреб, розмір мінімальних соціальних стандартів є критично недостатнім. Якщо ж врахувати й те, що, за оцінкою вітчизняних експертів, власне структура продуктового набору також є недосконалою, то необхідність корегування державою соціальних стандартів стає ще більш очевидною.

**Ключові слова:** соціальні стандарти, продовольчий набір, споживчий кошик, ринок продовольчих товарів, прожитковий мінімум, споживчий набір, споживчий бюджет.

Формул: 0, рис.: 1, табл.: 2, бібл.: 10

**Анотация.** Food security is considered to be a basic element of the life support system for an individual and the country population as a whole. And the state itself is the guarantor and regulator of meeting the immediate needs of the population through the unrestricted access to food of sufficient quality. This is what guarantees the maintenance of vital activity of the human body. The provision of food products to the population is carried out through a market mechanism, and producer strategies are based on the purchasing power of the population. One of the indicators to measure the level of purchasing power of the population is the consumer basket with a set of food products defined by law. The problem of the interconnection between the consumer basket and subsistence minimum as elements of the social standards system is researched by Ukrainian scientists Bolbot AV, Zhebchuk L.L., Sokol M.V. and others. They

*prove the fact that an array of Ukrainian normative acts in the field of population social protection is chaotic and biased. The relationship between concepts related to social standards is explored, namely: a consumer basket, a subsistence minimum, a consumer set, a consumer budget, and purchasing power. The cost of food basket is calculated and the level of purchasing power of the population is estimated according to the structure of the consumer basket in effect in Ukraine. The emphasis is placed on the share of the grocery basket in cost of living of Ukrainians. The composition of the consumer basket is based on the scientifically proved physiological and social minimum. The size of the consumer basket, in value terms, reflects the cost of living and is used to define the minimal consumer budget. The main purpose of the article is to assess the sufficiency of Ukrainians income for reaching the basic level of social standards that must guarantee the foundation of human life. Based on this assessment, conclusions should be made on changes in the state regulation of the social sphere. The obtained results illustrate the fact that an able-bodied Ukrainian is capable of purchasing only the food part of the minimum consumer basket within the limits of the funds required by social standards. The food share value for the period under study varies from 81% to 90% of the subsistence minimum. Given the diversity of modern needs, the size of the minimum social standards is critically inadequate. Moreover, if we take into account the fact that, according to domestic experts, the product set structure itself is also imperfect, then the necessity for the state to adjust social standards becomes even more obvious.*

**Key words:** social standards, food set, consumer basket, food market, cost of living, subsistence minimum, consumption set, consumer budget.

*Formulas.: 0, fig.: 1, tabl.: 2, bibl.: 10*

**Introduction.** Food security is considered to be a basic element of the life support system for an individual and the country population as a whole. And the state itself is the guarantor and regulator of meeting the immediate needs of the population through the unrestricted access to food of sufficient quality. This is what guarantees the maintenance of vital activity of the human body.

The statistical data reveal that the quality of Ukrainian food is lower than the established norms for caloric content, protein, fat and carbohydrate content for the able-bodied population [1; 2]. That is, the state does not completely fulfill one of the main social functions, which is assigned to it by the Law of Ukraine «On State Social Standards and State Social Guarantees» [3]. The provision of food products to the population is carried out through a market mechanism, and producer strategies are based on the purchasing power of the population. One of the indicators to measure the level of purchasing power of the population is the consumer basket with a set of food products defined by law. It is therefore necessary to make normative changes to the set of food products in the consumer basket, and that will lead to the development of the food market at a socially acceptable level.

**Analysis of recent research and publications.** The problem of the interconnection between the consumer basket and subsistence minimum as elements of the

social standards system is researched by Ukrainian scientists Bolbot A.V., Zhebchuk L.L., Sokol M.V. and others. They prove the fact that an array of Ukrainian normative acts in the field of population social protection is chaotic and biased. The work of economists Nebavy M.I. and Kovyazkin K.O. are devoted to the study of procedures for the development of a consumer basket as the basis of the social standards. [4], Nadtochiya A.O. and others.

**Setting objectives.** The main purpose of the article is to assess the sufficiency of Ukrainians income for reaching the basic level of social standards that must guarantee the foundation of human life. Based on this assessment, conclusions should be made on changes in the state regulation of the social sphere.

**Research results.** Modern civilization forms new demands on human capital and transforms the structure of human needs. In our opinion, one of the forms of public recognition of needs is their inclusion in the consumer basket. However, the inclusion of goods that meet the new needs of the consumer basket is not the only notion that is used by modern economists in analytical research. Related concepts and phenomena are subsistence level, consumer set, consumer budget, purchasing power.

Purchasing power is considered as the ability of the population to buy goods and services in accordance with the available individual income at the level of prices and

tariffs defined by the market and the state. Often, the category «purchasing power of the population» is associated with the concept of «standard of living» and «welfare of the population».

One of the tools for assessing and calculating the purchasing power of the population is such indicator as a consumer basket. It is an annual (monthly) set of goods and services consumed by a person or a family belonging to the main social group of the population. The minimum set of foodstuffs included into the consumer basket of a Ukrainian is determined in accordance with the consumption standards established in 2016 by the Cabinet of Ministers of Ukraine Decree No. 780 «On Approval of Food Sets, Non-Food Sets, and Sets of Services for Main Social and Demographic Groups» [2]. The cost structure of the consumer basket depends on the level of prices and tariffs on the market. The structural parameters of the consumer basket are a kind of reflection of the level of social welfare.

It is often observed that the term ‘consumer basket’ is replaced by the term ‘consumer set’. What they have in common is that both terms imply products and services. However, there is an essential difference in their composition and purpose of use, and that is a matter of principle. The consumer basket is used for calculating the value of the subsistence minimum, but the consumer set is used to estimate the consumer price index to measure inflation (deflation) [4].

The term "consumer basket" is related to the concept of "consumer budget". The latter is the minimum consumer basket (MCB) and rational consumer basket (RCB) and represents the minimum amount of finances for which a set of goods and services can be purchased.

The monetary expression of a consumer basket is a social standard such as the subsistence minimum. The latter is a sufficient amount of money for the purchase of basic foodstuffs and the ordering of vital

services for the normal functioning of the human body.

The composition of the consumer basket is based on the scientifically proved physiological and social minimum. The size of the consumer basket, in value terms, reflects the cost of living and is used to define the minimal consumer budget.

In our study on the minimum value of the food part of the consumer basket in Ukraine, we used official data on the structure of the current consumer basket and the corresponding indicators in 3 more years. In order to assess the purchasing power of the population, the minimum wage and the calculated value of the Ukrainian food basket were compared. Since we used the prices and wages that were valid for a certain period, inflation correction was not implemented.

The data indicate that the minimum wage of a Ukrainian has a tendency to rise and over the past four years has increased from 1218 UAH in 2015 to 3723 UAH in 2018 (Table 1).

Table 1  
**Dimensions of the basic minimum social standards**

Indexes	2015	2016	2017	2018
The subsistence minimum per one able-bodied person per month as of January 1, UAH	1176	1330	1544	1700
Minimum wage per month as of January 1, UAH	1218	1378	3200	3723

*Source: constructed by the author according to the data [5; 6; 7; 8]*

The results of calculating the monthly cost of a minimum food basket for an able-bodied person on the basis of official prices monitoring are given in Table 2.

As the data of Table 2 show, almost all the living wage Ukrainians are directing to the food purchasing within the approved minimum standards.

Table 2

**The cost of the minimum food basket for an able-bodied person**

Food products	Volume per person per month, kg / pc.	Cost of food set as on January 1, 2015, UAH per month	Cost of food set as on January 1, 2016, UAH per month	Cost of food set as on January 1, 2017, UAH per month	Cost of food set as on January 1, 2018, UAH per month
<b>Bread and cereals</b>					
rye bread	3,25	26,26	37,54	35,82	50,05
wheat bread	5,17	48,39	71,14	57,25	74,45
wheat flour	0,78	5,07	7,16	6,97	7,48
pasta	0,33	5,38	3,25	3,26	4,97
rice	0,21	4,17	4,85	3,45	4,85
millet	0,08	1,24	0,70	0,84	1,34
buckwheat	0,17	3,51	5,10	4,85	3,59
oatmeal	0,09	1,80	1,95	2,10	1,53
legumes	0,16	2,30	2,20	2,28	1,86
others (barley, pearled barley)	0,04	0,37	0,35	0,36	0,41
potato	7,92	29,62	49,74	48,21	50,90
<b>Vegetables (including salted, fermented)</b>					
cabbage	2,33	8,46	26,40	9,57	11,57
tomatoes, cucumbers	2,08	79,41	81,12	72,92	66,90
carrot	0,75	2,81	8,51	3,33	5,39
beetroot	0,75	2,72	6,22	3,05	5,31
onion	0,76	2,79	7,87	3,46	4,35
garlic	0,08	4,20	5,60	6,55	4,50
other seasonal vegetables	1,08	15,94	6,50	7,48	8,56
Gourds (melon, watermelon)	1,33	8,51	9,05	9,20	13,33
<b>Fruits and berries</b>					
fruits, berries raw	5,00	75,30	65,30	62,50	87,35
dried fruit	0,33	12,55	14,20	18,33	16,67
Sugar	2,00	21,74	36,70	30,40	31,24
Confectionary	1,08	47,09	54,00	56,41	57,79
Plant oil	0,59	11,55	18,13	19,19	20,22
Margarine	0,17	6,46	6,80	7,43	7,27
<b>Meat, meat products (processed meat)</b>					
beef	1,33	95,53	112,11	121,63	156,19
pork	0,67	42,17	49,90	47,46	73,52
by-products	0,33	17,20	17,60	18,48	18,65
poultry	1,17	36,61	46,36	48,74	64,00
lard	0,17	6,27	7,94	6,76	12,03
sausage wares	0,75	37,64	42,62	46,23	61,93
<b>Fish, seafood:</b>					
fish fresh, fresh-frozen	0,58	27,76	37,38	24,89	38,79
salted fish, dried fish (herring, cod, etc)	0,33	17,10	17,50	19,90	16,77
fish products	0,17	15,60	17,20	22,47	20,73
<b>Milk,dairy products:</b>					
milk	5,00	50,35	69,25	80,30	110,05
sour-milk drinks (kefir, ryazhanka, yogurt)	5,00	42,11	54,79	88,10	110,35
butter	0,42	35,45	46,73	57,53	74,90
cheese	0,29	16,57	21,15	36,55	52,74
soft cheese, cottage cheese	0,83	40,91	51,30	71,17	74,72
sour cream	0,42	11,19	12,63	17,24	21,31
Eggs	18	28,48	45,65	34,10	51,33
Tea	0,03	10,43	10,80	11,33	11,40
Whole bean coffee, ground coffee	0,04	10,20	11,60	12,45	6,63
Salt	0,25	1,00	1,05	1,13	0,86
Spice (bay leaf, pepper)	0,03	5,40	6,70	13,75	5,61
Total cost of the basket	-	975,61	1210,64	1255,42	1524,39

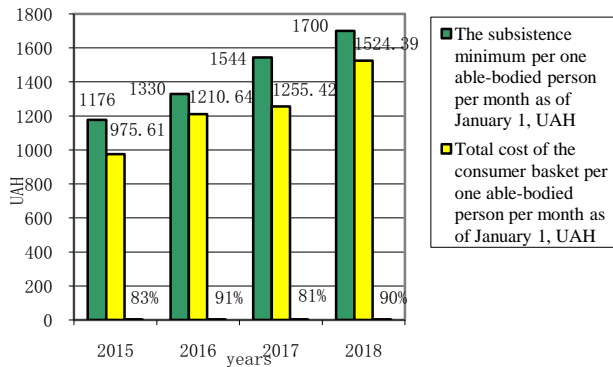
Source: constructed by the author according to the data [2; 9; 10]

The obtained results illustrate the fact that an able-bodied Ukrainian is capable of purchasing only the food part of the minimum consumer basket within the limits of the funds required by social standards. The food share value for the period under study varies from

81% to 90% of the subsistence minimum (Fig. 1).

Given the diversity of modern needs, the size of the minimum social standards is critically inadequate. Moreover, if we take into account the fact that, according to domestic experts, the product set structure

itself is also imperfect, then the necessity for the state to adjust social standards becomes even more obvious.



**Fig.1. Comparison of subsistence minimum and cost of consumer basket**

**Conclusions.** As a result of the study of the problem formulated above, we arrived at the following conclusions. Firstly, the minimum social standards, namely, the minimal consumer basket, the subsistence minimum and the consumer set, despite some conceptual differences are interconnected. It is mandatory for the state administration to take into consideration this interdependence while managing social standards.

Secondly, it is necessary to distinguish between the consumer basket, the consumer set and the subsistence minimum. Unfortunately, in Ukraine these terms are often considered as identical, and that can lead to erroneous managerial decisions. After all, the subsistence wage is an indicator of satisfaction, predominantly, of the physiological needs, "basic needs of existence". The subsistence minimum implies only basic reproduction. Instead, a full consumer basket is required to ensure the cultural, physical and social development of human being and citizen.

Thirdly, the study of Ukrainian statistics reveals that a working Ukrainian is able to purchase only a food part of the minimum consumer basket within the limits of guaranteed social standards. This confirms the presence of significant imbalances that pose a threat to the national economy in general and

the food market, in particular. The latter is due to the fact that the cost of 80% - 90% of the subsistence minimum for a food set hinders the development of the goods and services market. After all, the uniformity, invariability and limited demand do not stimulate commodity producers to expand and improve the quality of the offered goods and services.

Further research should aim at finding specific mechanisms for reconciling the goals of food security and public welfare policy, transforming the "traditional" needs of the information society into the altered concept of consumer basket as a desirable level of consumption in the form Ukrainian people are accustomed to.

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