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SOCIAL POLICY AS THE MOST IMPORTANT FUNCTION OF
THE RUSSIAN STATE

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Abstract

Protection of human rights to a decent standard of living is one of the primary duties of a modern state. According to the Constitution adopted by it, the Russian Federation, a social state, proclaims the creation of a decent standard and quality of life for Russians as its most important task as a state. In the world, public support for certain strata of society has been carried out in various forms since ancient times. However, only from the end of the 19th century, social security for employees began to be carried out at the state level. The use of social consumption funds was one of the important features of the socialist state. Public consumption funds aimed to satisfy a wide range of material and spiritual needs of members of Soviet society. This process is evidenced by the various laws and regulations adopted by him in this direction. With the collapse of the Soviet Union and the beginning of market reforms, the Russian state faces an acute problem of forming a new social security system and protecting the population, considering the changed circumstances. The first step in this direction is creating the Russian Pension Fund as an independent off-budget credit and financial system. During the Soviet period, child benefits were provided from the budget only to single mothers and mothers with many children. Now, a lump sum for the birth of a child was paid to each family.

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1. Introduction

One of the primary responsibilities of a modern state is the protection of human rights. In the 1948 Universal Declaration of Human Rights states the following:

- the rights of every member of society to a decent standard of living were enshrined, which ensured the opportunity to meet basic needs, necessary to maintain the health and well-being of each member of the family;
- the types of social risks, upon the occurrence of which a person could have the right to social security, have been determined;
- special attention has been established for motherhood and infancy.

In 1966, the International Covenant was adopted, which, among other things, recognized human rights, which were presented in the Universal Declaration of 1948. According to the International Covenant, the family was considered the natural and fundamental unit of society, requiring protection and assistance in the care and upbringing of children. Family is one type of paid leave or leave with sufficient social security benefits in the prenatal and postnatal period, protecting children and adolescents from economic and social exploitation. In the USSR, the International Covenant entered into force on January 3, 1976, and Russia, being the legal successor of the USSR, bears all legal obligations under this Covenant.

2. Problem Statement

Explore the content and role of the social security and protection system in modern society.

3. Research Questions

This article analyzes the processes of formation and development of the social security and protection system in the developed countries of the world and the Russian state and examines the features and reasons for the reform of the Russian social security system during market transformations.

4. Purpose of the Study

The article aims (1) to study the formation and development of the system of social security and human protection both in the world as a whole and in the Russian state, (2) to study the features of social policy in the Soviet period of the development of the Russian state, (3) to consider the reasons for reforming the system of social security and protection in Russia in the period of market transformation and the specifics of the implementation of this process.

5. Research Methods

The basis for the development of a modern system of social security and human protection is that in human society, there are always people who, due to certain objective factors, cannot obtain the means

for their existence on their own. This category of the population includes children, the elderly, the disabled, the sick, and the development of society. In the conditions of the dominance of certain economic relations, new social strata are added to them as the unemployed and the poor.

In a historical analysis of the emergence and development of social security systems, it can be noted that in one form or another, public support for certain strata of society was carried out even during the primitive communal system. If in this formation, the maintenance of the elderly and disabled members of society was carried out by virtue of custom, then already in Ancient Greece and Ancient Rome at the state level, they began to pay pensions and allocate land plots for military veterans. In the context of the development of feudal relations, one can also note the presence of other forms of social support for those who are unable to work and have no means of living, such as charity. High officials and other persons who had certain merits before the rulers could receive pensions.

6. Findings

In the Constitution by the Russian state, the Russian Federation has declared a social state. This fact meant the recognition for each member of society the right to a standard of living, including food, clothing, housing, medical assistance, and social services, which is necessary to maintain the health and well-being of both himself and members of family, when person works, as well as in the event of unemployment, disability, illness, widowhood and old age (Lazarev, 2009). It is worth noting that the formation and development of the Russian state, starting with the Grand Dukes, was characterized by special care for the poor, the poor, the sick. So, in the era of the Great Kiev Prince Vladimir, popularly nicknamed the red sun, food was transported on carts to the places of residence of the sick and beggars if they could not come to the prince's court to receive it themselves. In 996, a princely charter was issued, in which public charity was entrusted to the care of the clergy (Zakharov & Tuchkova, 2004). At the expense of the Russian Orthodox Church, almshouses, homes for orphans were maintained, and charity events were held. Many people found shelter, salvation, and care within the walls of the monasteries.

With the development of the state in the system of public charity, two mutually complementary directions began to be more and more defined. The first direction was a continuation of the traditions of Prince Vladimir and other princes of Kievan Rus, who gave a personal example of help and patronage of the poor, orphans, the elderly, and other people in need of help. The second direction consisted of strengthening the organizing principle, improving the forms and scales of state public charity in preserving and encouraging charitable activities on the part of the church.

The Manifesto "On the Establishment of Orphanages" was published on September 1, 1763. In this Manifesto, Catherine II, for the first time, pointed out that caring for the poor is the main task of the state. In 1775, in the "Institution for the Governance of Provinces", the state system of public charity was first defined by law for all civil estates (Zakharov & Tuchkova, 2004). In each province, special Orders were created, which were supposed to build and maintain public schools, orphanages, restraining houses at the expense of the treasury, and subsequently, at the expense of the treasury. The network of charitable institutions expanded in the country, the number of people using the services of these institutions increased. So, during only 1898, more than 7 million people, excluding 20 million cases of one-time

appeals, received assistance in these institutions, while about 500 thousand people permanently lived in them (Zakharov & Tuchkova, 2004).

In 1827, the Charter on Pensions and Lump-sum Benefits to Major Officials and Those Who Occupied Military Ranks was published. The highest pensions could reach up to 12 thousand rubles a year; the policemen and their families, according to this Charter, could also count on such pensions and benefits (Shelamigin, 1947).

With the development of capitalism and the formation of a class of hired workers in Russia, the labor sold by them becomes the only source of their income and, thus, the need for organizing mutual assistance in the event of a loss of the ability to work becomes more and more acute. In the second half of the 19th century, mutual aid societies appeared in Russian enterprises in the form of cash registers, which were dated both from the contributions of employees and employers. Employers disposed of these funds at their discretion, setting the level of contributions, the number of pensions, benefits, and other payments. Although the pension given out was only one-twentieth of the earnings, it still served to some extent as support for the workers and their families. The state encouraged creating such funds, ensuring their legal protection, thus relieving itself of responsibility for social risks.

Subsequently, with the intensification of contradictions within capitalist society, the social activity of the governments of many capitalist countries increases. So, laws were issued on the responsibility of employers for accidents occurring at work. This process was in 1871 in Germany, then in 1880 in England, in 1903, and Russia. Germany in 1883 adopted a law on compulsory state insurance for sickness; in 1884 – a law on accident insurance; in 1889 – a law on compulsory insurance for disability and old age (Zakharov & Tuchkova, 2004). These processes later began to spread to other European countries.

Thus, at the end of the 19th century, social security for employees began to be carried out at the state level, thereby marking a new stage in employees' social security. Both workers and entrepreneurs paid insurance premiums on a compulsory basis; the norms of law developed by the state enshrined uniform conditions and amounts of security, regardless of the industry affiliation of the insured. In some countries, the state made many additional payments to the issued pensions and benefits. For example, in France, the state made an additional payment of 100 francs to the old-age pension, while in Germany, the additional payment to the same pension was 50 marks (Zakharov & Tuchkova, 2004).

By the beginning of the 20th century, in tsarist Russia, capitalism was actively developing and, accordingly, the growth of hired labor. The hired force exceeded 1.5 million people. A small part of the workers could apply for pensions, benefits, and medical care. There were no other measures of social support for the rest of the unprotected strata of the population (Zakharov & Tuchkova, 2004). The laws "On insurance in case of illness," "On insurance against accidents," adopted in 1912, "Charter on industrial labor" were mainly applied to workers and employees of state-owned enterprises of specific departments (Zakharov & Tuchkova, 2004).

Social insurance in European countries was further developed in 1911. For the first time in England, and then in other countries, laws on unemployment insurance are being adopted (Zakharov & Tuchkova, 2004). It should be noted that along with the development of state insurance, private (voluntary) insurance has not outlived its usefulness but has been further developed, turning into

additional social insurance systems. With the economic growth of developed countries and, accordingly, with an increase in the population's standard of living, the list of social risks expanded. The onset of social risks became the basis for obtaining certain social benefits. So, along with the bases of a natural character, those that are caused by economic relations in society are added to them. Such risks are unemployment, stratification of the population according to the level of income received, inability to adapt to these conditions. It should be noted that depending on the country, the types of social assistance varied significantly. So, while the poor, legally assigned to this social category, could count on receiving social assistance, in the Scandinavian countries, equal access to all social benefits was provided to all members of society (Delpere, 1993).

In Russia, the social security system received further development after the October Revolution of 1917. Already in the fall and winter of 1917, several decrees were adopted such as "On increasing pensions," "On free transfer of all medical institutions and enterprises to the health insurance funds, or, in the absence of such, on the issuance of funds for their equipment," "On insurance in case of illness," Which provided for a significant increase in assistance to victims of accidents, sickness benefits, employee death benefits, childbirth and various types of free medical care (Zakharov & Tuchkova, 2004).

For the first time in Russia, the decree of December 22, 1917, "On insurance against unemployment," introduced insurance coverage for the unemployed (Zakharov & Tuchkova, 2004). In the future, the social security system begins to cover pensions for military personnel and families of peasants. Children's orphanages, orphanages, previously funded by charitable organizations, are being transferred to state support, reorganizing into homes for invalids, mother and child homes, orphanages.

Subsequently, the country adopted many different laws and regulations on the introduction of new types of social assistance and the development of existing social security systems. This system included the benefits introduced in 1974 for children to low-income families, benefits for disabled people from childhood I and II groups who have reached 16–Years old, increase in the minimum size of pensions, and a uniform procedure for calculating them for workers, employees and collective farmers.

It should be noted that poverty and unemployment in the Soviet years of the country's development were not official for receiving social support, and social insurance was only declared. The mechanism for financing social payments was that certain expenditure items were allocated in the state budget for pensions, benefits, for social services for the elderly, disabled people, children in children's institutions. Although in theory, these funds were considered as such a special legal category as "funds for the disabled," in fact, there were simply no funds in the form of independent credit and financial systems that had a strictly targeted purpose, these budgetary funds were disposed of only by the executive authorities.

The creation in 1964 of special off-budget centralized union funds for social security and social insurance of collective farmers did not change the rigidly standardized and centralized way of distributing social benefits. Payments of this nature were made to the budget only by enterprises, institutions, organizations at approved tariffs. The level was determined by the state, mainly based on the profitability of sectors of the economy. Financing of expenditures for social purposes was carried out on the principle of "reasonable sufficiency," in fact, meaning independence from any social standard, denying the existence of the category of the poor in the country as a specific social group. The consequence of this

state of affairs was that the financing of social programs was carried out according to the "residual principle", which freezes the size of social payments for many years. The share of GDP attributable to social needs gradually decreased.

Thus, the state in Soviet society became the guarantor of equality in poverty, providing specific segments of the population with a stable, albeit with a low level of social assistance and support. This process contributed to social homogeneity and prevented society's stratification by income level.

Articles 35, 42, 43, 53 of the new Constitution of the country of developed socialism of 1977 proclaimed the creation and development of state health care and social security systems in the country with equal rights to them for men and women. The Constitution guaranteed the right of citizens to health care and the right to material security and family care from the state.

According to the social policy of the Soviet state, from the first days of its formation, the Soviet government considered solving social problems as one of its most important tasks, in connection with which many laws and regulations were adopted in this direction. Further, the number of subjects and types of social security increased. The very process of social security was strictly centralized and carried out through public consumption funds. One of the most characteristic features of a socialist society was the use of public consumption funds to meet a wide range of material and spiritual needs of members of a given society (Nevoroshkina, 1997).

In the Russian state, even in the first years of market processes, it can be said that the social security system created and developed during the construction of socialist society remained unchanged. However, there have been changes in the following areas: an increase in state benefits for people with disabilities from childhood (1980), payments of benefits for children with disabilities up to 16 years old, the adoption of a decree "On material support for disabled people and elderly citizens who do not receive pensions" (1985) and further increasing the state's concern for military veterans; and other improvements to the existing types of social support.

Russia was faced with the problem of forming a new system of social security and protection of the population, taking into account the circumstances that arose. The first step in this direction was the adoption on November 20, 1990, of the Law "On State Pensions of the Russian Federation," which laid the foundation for the creation of the Pension Fund of Russia as an independent off-budget credit and financial system (Zakharov & Tuchkova, 2004).

The formation of the Pension Fund of Russia was the first attempt to implement insurance principles in the system of state pension provision, since, in Soviet times, pension provision was formally carried out through state social insurance, as evidenced by the Labor Code of the country (Labor Code of the RSFSR). In fact, insurance payments for to this direction, neither the employer nor the insured were paid. Pensions were paid directly from the state budget in the form of residual subsidies. The pensions did not depend on the labor contribution of the recipients and the level of their wages. They were carried out on the principles of "reasonable sufficiency" and equalization. However, they did not apply to those who were employees of the Soviet nomenklatura. With the transition to the market development path, an objective need arose to replace the old system with a new one based on insurance principles. Since linking the level of pensions with a person's labor contribution was more in line with market principles, new pension reform was carried out at the end of 2001. This fact meant the transition from a pay-as-you-

go to an individual-accumulative pension system, following the example of the modern three-tier pension model used in most countries of the world. The main goal of this pension reform was to strengthen the relationship between wages and pension. According to sociologists, the pension, while maintaining the usual way of life, should be about 70% of the worker's income (Khmyz, 2003).

The reform of the pension system with its transfer from pay-as-you-go to funded, with the development of other forms of pension provision, including non-state pension funds, has become relevant and inevitable for Russia. The main reasons for the reform for Russia were the same as for developed countries – a decline in the birth rate and an aging population. Since 1992, depopulation has been observed in the country, leading to a decrease in the population proportion under the age of working age from 24.1 to 17.3%, while the norm is at least 20%. The observed increase in the proportion of the population over working age led to an increase in the demographic burden on the working-age population (Lysenko, 2006). In developed countries, with the completion of the urbanization process and due to demographic characteristics, the population is almost not growing, but it is aging. Therefore, the pension systems created 50-100 years ago on the principle of solidarity between generations cannot operate effectively due to the increasing load on one worker (Yasin, 2006). At the same time, the population has the opportunity to invest in forming savings for old age if it relies on developed financial markets. This opportunity expands the non-governmental solution of pension issues, resorting to the help of commercial and non-profit organizations operating in this area.

The new pension system combined elements of accumulation and distribution systems. Not all future retirees were included in this system. If, at the beginning of the reform, before retirement, a person had five years left, then during this period, it was impossible to form a decent amount of pension savings within the established contributions. For other persons, individual accounts were opened within the framework of personalized accounting of the Pension Fund of Russia.

The employer for each working citizen had to pay pension contributions to the individual personal account of the insured person in the Pension Fund of Russia. At the same time, since 2004, any person who had funds on this account could be having refused the services of the Pension Fund of Russia, transfer them to a non-state fund. The transition to the Non-State Pension Fund was associated with a certain risk. The Pension Fund of Russia provided a minimum investment income but at the same time gave relatively high guarantees due to the stability of the state fund. In contrast, the high investment income of the Non-State Pension Fund was not provided with such guarantees.

Countries such as Japan, Switzerland, Portugal, Germany, Sweden, Denmark, Belgium, Italy, Spain apply various measures in the form of quantitative regulation of the investment portfolio. In these countries, a closed list of assets for investing pension savings is determined (Krivoshchekova et al., 2006). The goal is to reduce investment risk.

In countries such as the USA, Canada, Austria, Great Britain, Ireland, Holland, there are no restrictions on investment in certain assets (Krivoshchekova et al., 2006). These countries also use the general principles of rationality, i.e., "The rule of the caring person." The reason is that management companies must take care of both the receipt of investment income and the preservation of fixed capital.

In Russian conditions, a more effective measure is to fix quantitative limits. The legislation sets several basic restrictions, such as limiting investments in foreign securities, rather than the use of the

"prudence rule." Changes in the social security system with the development of market relations in Russia affected pensions and other social benefits. Under the conditions of the Soviet system, child benefits were paid only to single mothers and mothers of large families at the expense of the budget. Now the state provided a one-time allowance for the birth of a child to each family. In addition to cash payments, social security includes social services and the provision of social benefits. In the era of socialism, citizens of the country had the right to certain free services, including medical care and treatment, education, services for the elderly, disabled people, families with children. Acts of various ministries and departments mainly regulated these processes.

Today in Russia, the legislation consolidates this system by adopting the relevant Federal laws ("On the protection of the health of citizens", "On social services for elderly citizens and the disabled", "On the Social protection of disabled people", "On the fundamentals of social services for the population in the Russian Federation"). For the first time, the Government of the Russian Federation, by a resolution of November 25, 1995, approved a federal list of free services provided by state social service institutions for senior citizens and disabled people.

Along with cash payments following the Federal Law (FZ) of June 24, 1998, "On the basic guarantees of the rights of the child in the Russian Federation", state minimum social standards were introduced for the leading indicators of the quality of life of children. Also, measures were determined to protect the rights of the child in the field of education, upbringing, health protection, vocational guidance, preparation for employment, and the adoption of the Federal Law of December 21, 1996 "On additional guarantees for the social protection of orphans and children left without parental care" were introduced and added to the above rights.

7. Conclusion

The second article of the Constitution of Russia considers a person, his rights, and freedoms as the highest value. Consequently, the state strategy should create a decent standard and quality of life for Russians in a democratic society. In Russia, the low-income strata of society account for a relatively significant part of the population. Therefore, it is necessary to reduce poverty and support low-income Russians radically. This direction of domestic policy should be carried out by state transfers and by creating conditions for strengthening and realizing their potential. This policy provides for the actual provision of equal minimum social guarantees for each family, regardless of other conditions. The need for the Russian business community to participate in this process should also be noted by strengthening social responsibility and social solidarity. Strengthening the social responsibility of business consists of providing decent wages and paying contributions to the system of compulsory and voluntary social insurance of employees and counteracting the high differentiation in incomes and living standards of Russians.

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