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## Methodological Bases of System of Social Service of the Population

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**Abstract:** In this article theoretical bases and preconditions of formation of social service of the population. Various approaches to concept formation «social market economy» are analyzed. Objectivity of formation of system of social service is shown. In modern conditions as social market economy understand the system providing high efficiency of market economy and on this basis guaranteeing to citizens of the country a maximum of social justice, security and social and economic progress.

**Key words:** Social market economy • Social service • System of social security • Citizens of advanced age • Disabled people.

### INTRODUCTION

After the end of World War II economic systems in the western countries underwent essential changes. The social market economy comes to change by forcibly directed military authorities of economy in countries of Western Europe. The ideology of the social state based on the concept of a social market economy with orientation to development of creative potential of the person, realization of his requirements and creation of worthy living conditions was based on the Universal declaration of human rights adopted by General assembly of the UN on December 10, 1948 [1].

The term «social market economy» proved for the first time in 1946 Alfred Müller-Armak, the professor of economy, from 1958 to 1977 the member of administrative council of the European investment bank, Ludwig Erhard's secretary of state, the first post-war German chancellor, the creator of German «economic miracle» introduced into circulation. He noted that this formulation initially was surprising as 1946 was characterized by economic control of the sphere of social security and it was illogical to see in market economy formation of the best order for broad masses of the population. In this regard it was especially noted that «the social market economy represents a social and economic order» at which «purposefully organized economy of the free market kept by means of the competition regulating system, gives more reliable guarantee of social progress - especially because social

progress on the basis of free system, by conscious development of the measures corresponding to the principles of the free market and redistribution of the income through the state budget when development of the competition forms economic base for social measures, can be organized more effectively».

Müller-Armak claimed that existing economic systems with elements of state regulation inevitably conduct to reduction of economic freedom of separately taken person and break a market mechanism of pricing [2]. Only in social market economy he saw security of economic freedom in relation to businessmen and workers of wage labor. Only social market economy at the heart of which the principle of social justice, able to guarantee implementation of the best opportunities for the economic growth and development of creative potential personality lies.

It especially distinguished from conditions of creation of social market economy: creation of the centralized administrative and legal bodies which under own responsibility will carry out economic and financial policy; carrying out tax reform by means of decrease in tax burden to the level stimulating personal economic interest in expansion of production; carrying out reform of a financial system by radical decrease in expenses and ensuring the budgetary balance for prevention of debts; carrying out an antimonopoly policy for overcoming of possible abuses by the power in economy; replacement of the collapsing it is total adjustable economy social market economy.

Essence of Social Market Economy: Müller-Armak considered a social market economy as defining basis of economic and social policy. It characterized studied category as an order which absorbs values, but doesn't establish them, calling it aspiration to a certain way of the solution of social problems. The essence of a social market economy as he believed, consists in that «instead of carrying out the policy keeping the past, or the economic control braking a free initiative in society, or an uncontrollable market mechanism - to give the social decision uniting all purposes in working, realistic harmony». Thus he explained the value of this formulation with basic possibility of practical realization of the specified course.

In modern conditions as social market economy understand the system providing high efficiency of market economy and on this basis guaranteeing to citizens of the country a maximum of social justice, security and social and economic progress [6]. In similar treatment the theory looks ideal. According to it Ludwig Erhard's undoubted merit is that he managed to realize the concept of a social market economy in practice. «No economic situation can be so hopeless that the resolute will and honest work of all people couldn't cope with it» such is the point of view of Erhard L. characterizing his belief in success of the global enterprise. «Success of restoration - result of efforts and work of people who the diligence and dedication created that around the world is called today as «the German miracle».

### **Approaches to Formation of Social Market Economy:**

Erhard L. defines a position of social market economy as follows: at the heart of a social market economy freedom and responsibility of an individual lie. The market economy owing to the competition based on fight for objective results of activity, excludes any attempt of the state to abuse economic force as the tool of the political power. Problem of a state policy of an order is only freedom connection, about, individualism and a collectivism in harmonious unity for the purpose of achievement «welfare for all». The purpose - to provide to each individual a necessary minimum and to create conditions that any of them at desire was able to provide to himself a desired maximum. There is nothing more important, than opportunity to liberate the person, to give a scope of its energy, an initiative, to provide it worthy existence, to satisfy material and spiritual needs.

Erhard L. gives importance to sense of the term «social». The sociality is initially inherent in market economy. Efficiency of social policy of the state isn't defined by its scales. The correct social policy has to be

guided by support of positions of each separately taken person: finding independence and independence of state guardianship, the citizen turns into the free person.

Creation of society in which there will be no disadvantaged was the purpose of reform of L.Erhard. Traditional following to this task means a socialist way of development. Therefore it is logical to assume that L.Erkhard's social market economy - a stage on this way. L.Erkhard opposes the concept of social market economy not to a socialism and concept to more concrete - forcibly directed economy. Friedrich von Hayek noted: «it is incorrect to think that the choice which we face, is a choice between system where everyone meets with the deserts according to some absolute and universal criteria and system where the destiny of the person to some extent is defined by accident or luck. Actually, it is a choice between system at which to solve to whom that is due, there will be some people and system at which it depends, at least partly, on abilities and enterprise of the person and partly - from unpredictable circumstances. Having taken a planning way, the government can't relieve from itself responsibility for destiny and a social status of each person.

In planned society all will know that to them is better or worse, than another, not because of unforeseen and to nobody subject obligations but because any ruling body» so wants. Certainly, this or that form and a measure of influence of the state on economic life is necessary always. Basic there is a question of limits of the power which the government has. The social market economy assumes existence of the mechanism of a ratio social with the market. Walter Eucken, the representative of neoliberalism - a current to which Ludwig Erhard belonged also, so characterized this mechanism: «If the statement is fair, it is possible what to distribute only that is created previously, all social reformers have to achieve first of all the economic order operating with the highest efficiency. There can be other requirements only later. Because if at any order all people equally starve, it isn't permission of a problem of equitable distribution, either providing, or any social problem. These issues aren't resolved at a bad order and when it is seasoned with ethical jewelry and appeals to common interests of all people» [5].

«The purpose of a social market economy only then can be considered completely reached when according to the growing productivity the prices at the same time go down, providing, thus, original increase of a salary». Erhard L. actively discusses with those who defends the system of thinking justifying growing power of the state by need to protect the person for excitements and cares, having provided it life let and without special comfort, but

quiet and, in fact, to seek to conduct still it on rigid помочах public guardianship. «When efforts of social policy are bent on that already from the moment of his birth to protect each person from all falsities of life, i.e. when try to protect very firmly the person from all changes of destiny, then - and it is quite clear - it is impossible to demand from the people who have been brought up in such conditions that they revealed in a necessary measure such qualities as vital force, an initiative, aspiration to achievements in productivities and other best qualities, so fatal in life and future of the nation and which, moreover, are the precondition for creation of the social market economy based on a personal initiative. Economic progress and based on achievements of productivity welfare are incompatible with system of the collective guaranteed security».

According to H. Vatrin, the professor of the Cologne university, the social market economy differs from older concepts of subjects as the main problem of the developed society is solved: whether social problems have to be state business? If to proceed from an ideal of free society, it is necessary to strengthen independence of system of social security. Citizens independently have to supervise administration of bodies of this system, have to make decisions.

The state of general welfare successfully developed to the middle of the 70th years. However power and structural crises of the 70th and 80th years bared earlier hidden negative tendencies of social system of the state of general welfare and sharply strengthened them. With development of the state paternalism the officialdom occupied with social programs increased. Growth of public expenses wasn't accompanied by poverty overcoming. In the conditions of fast rate of the economic development, growing social expenses weren't too burdensome for the state budget. But with deterioration of an economic situation financing from the state budget of the reached volume of public expenses became heavy burden for the state. For overcoming of the crisis phenomena privatization in some sectors of the social sphere (housing and communal services) that reduced burden of public expenses on the state budget at the expense of transferring them by private structures and the family budget was undertaken. Transformation of the social sphere during this period gave the chance to some scientists to speak about an inefficiency of this system.

The system of satisfaction and care has official bases in all modern societies: as them all institutes of social redistribution serve (social security, pension cash desk, numerous grants, subsidies) by means of which, in opinion F.Pera «the public authorities are compelled to

correct monopoly rule extremes streams of the social payments, intended to satisfy requirements, instead of to reward productive services. The mentioned transfers which don't have visible compensation, for a long time reduce aggression of so-called dangerous classes».

Analyzing tendencies of social development Z.Bodriyyar writes that thanks to these assignments and economic transfers the public power (that is an established order) deliver to psychological advantage of generosity, gives out itself for the power, ready to assist. All similar institutes are noted by maternal, protectionist lexicon. Bureaucratic «philanthropy», the mechanism of «collective solidarity» which are «social gains», work, using ideological procedure of redistribution as mechanisms of public control. Everything occurs as if some part of profit was offered to keep another - the global system of the power relying on ideology of generosity where «blessing» hides profit. It is J. B. Clark designates the term «pseudo-market society».

Despite the trade character, societies of the West defend the unity by means of granting priority privileges, the legislation concerning social security, correction of an initial inequality. The principle of all similar measures is extremely mercantile solidarity. As means reasonable use of some dose of coercion to transfers which submit not to the principles of equivalence and rules of little by little rationalized redistributive economy for this purpose serves. The continuous transformation of the economic space which is based on the principles of displaced economy, allows to create objective preconditions for formation of system of public efficiency. It assumes that evolution in relationship between economic efficiency and social justice has to lead to formation of system in which these two factors will be equally applicable both concerning the pure public benefit and concerning the private benefit. Such approach to the concept of mixed economy assumes its treatment not only as subjective economic model with certain tools of carrying out economic policy from a position of economic growth, but also as the new objective quality of world economy corresponding to the present stage of social development.

# Objectivity Of Formation Of System Of Social Service Of

The Population: It is known that as though the economy not successfully developed, at the state always there are categories of citizens which for the objective reasons aren't able to provide to itself and the family a worthy standard of living. With good reason it is possible to carry to them people with limited opportunities of health (disabled people) and sick citizens care about which has to assume, first of all, the state. It is necessary to notice

that the state isn't the only subject of social protection and the social help, socially significant insurance funds, employers, the public and charitable organizations, objects of social security have to share responsibility and powers with government bodies of management.

«Social security is directed on the maintenance of disabled members of society (aged, the disabled people who have lost the supporter, children) and is carried out from two main sources: budget and social insurance funds. At the expense of the budget children, disabled people since the childhood and also separate professional and status categories (military personnel, civil servants, Chernobyl veterans) are provided disabled, aged, not having the seniority. At the expense of insurance premiums labor pensions are paid first of all. The system of social security at the expense of the budget includes also social service elderly, disabled people, children (a retirement home and disabled people, the centers of temporary stay, rehabilitation, medical services, prosthetics, free drugs)».

### **CONCLUSION**

The social help and social service have especially address character on the basis of needs check, are provided to the people who have got to a difficult life situation, breaking activity (need for leaving, drug addiction, alcoholism, adaptation and vocational training of the persons released from places of imprisonment, neglect, a medical and psychological assistance by the victim of violence, lack of a constant residence).

The state which according to the Constitution is social, is obliged to compensate limited opportunities of disabled people and pensioners creation of necessary infrastructure, conditions of activity and standard and legal base.

In September, 2008 Russia joined the international Convention by the rights of disabled people which provides improvement of system of social service, creation of the model based not only on medical, but also on medico-social rehabilitation and integration of persons with limited opportunities of health in active public life.

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