

The Role of Social Protection in Formation of Quality of Work Life

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Abstract: In this article the elements of social protection of population are considered from the standpoint of the formation and development of the quality of work life. The features of the social insurance in Russia today are investigated. In this work author's classification of forms and types of social insurance and also the characteristic of the main subjects of compulsory social insurance are presented. The item-response of current Russian social insurance system is presented. The authors offer the option of reforming the existing system of social insurance in the aspect of unemployment insurance management.

Key words: Quality of work life • The system of social protection • The classification of social insurance
• Social insurance risks.

INTRODUCTION

By consideration the question of formation and development of the quality of work life (QWL) as the main indicators are distinguished: appropriate and fair remuneration for work, safe and healthy working conditions and also possibility of workers to use and develop their abilities, to satisfy need for self-realization and self-expression.

On formation of QWL considerable number of the various factors had impact defining the QWL level. From all variety of factors we would like to highlight the system of social protection of the population. In our opinion, this factor has impact on the QWL level in Russia; however, at the moment this question isn't enough studied and presented in scientific literature.

As a rule, one considers the system of social protection of the population in aspect of development of quality of life of the population. The All-Russian center of a standard of living allocates the following components of quality of life of the population: quality of society; quality of environment; quality of work and enterprise life; quality of social infrastructure; personal security; standard of living; people's satisfaction with their life. Base of ensuring quality of life is the sphere of labor activity, which defines the possibility of consideration of QWL as an independent component and also to define interrelation between QWL indicators and system of social protection.

It would be incorrect to consider the system of social protection as a factor of providing social status stability for only separate groups of the population. The whole population is considered as an object of social protection and the history of formation of modern social protection system shows that originally it was focused on employed population.

The origins of social insurance in Russia begin in the first craft associations - artels and guild organizations. As a rule, all artel or guild members payed a certain percentage from the income to the common treasury or a craft office from which the aid to sick and infirm members of artel (guild) and also care of members of their families was carried out.

The main development of forms and types of mutual aid in the working organizations fell on the 80-90th of the XIX century, during formation and active development of large machine-building production. At this particular time along with the factory legislation, labor protection development, there is a formation of personal and collective insurance system, mutual aid funds. At the beginning of the XX century Russia only started introducing system of social insurance being guided by experience of Germany, however, revolution of 1917 changed a vector of social protection formation towards social security.

From first years of formation the Soviet legislation provided the right of workers to material security in case of disability for various reasons. However, in the

Constitution of RSFSR of 1918 and the Constitution of the USSR of 1924 the right to social security for all citizens wasn't proclaimed. It was made only in 1936, with adoption of the new Constitution of the USSR where the right to material security in old age and also in case of an illness and disability for the first time was recorded. This right was provided at the expense of development of social insurance of workers and employees at the expense of the state and also providing free medical care to workers and pensioners. Thus, almost to the head of the seventies social security provisions in full didn't extend on the workers occupied in agriculture [11, pp: 63]. In fact, formation social protection system went proceeding from a postulate that the able-bodied population needs it less, than disabled people, pensioners, etc.

If we address to the text of the Constitution of the Russian Federation of December 12, 1993, in item 2, Art. 7 of the direction of social protection of the population are defined so: "In the Russian Federation labor and human health are protected, the guaranteed minimum wage is established, the state family support, motherhood, paternity and the childhood, disabled people and elderly citizens are provided, the system of social services develops, the state pensions, grants and other guarantees of social protection are established"[4]. Thus, in the existing Constitution of the Russian Federation there is no emphasis on social protection of the working population, only separate guarantees are defined at realization of some social risks and the minimum wage, as a special form of a social guarantee of workers is established.

In any society, at a given time, the whole population in social and work status can be conditionally divided into three groups: able-bodied, economically active part of the population; still disabled (children) and already disabled (elderly population). In the population structure the part of economically active population is dominating, respectively focusing on the formation of social protection for this group of the population has a number of advantages.

First, the developed institutes of social insurance allow minimizing and compensating such types of social risks as, for example, temporary disability, loss of a work place. It defines conditions for effective use of each employee potencial, keeping thus the reached QWL level.

Secondly, for this category of the population the choice of forms of implementation of social protection is much bigger. Respectively, domination of the insurance mechanism in implementation of social protection of economically active population creates opportunity for expansion of a range and the bigger amount of financing of social security of the disabled population programs.

Thirdly, the development of a range of pension insurance for all categories of workers, allows to provide worthy level of pensions in the future. Today almost 60% of pensioners receive pension comparable to a living wage. According to International Labour Organization standards the pension size after 30 years of a labor (insurance) experience has to be not less than 40 percent of the skilled worker salary. Standards of the European social charter are even higher: after 35 - 40 years of an insurance experience the pension has to make not less than 50 - 60% from a salary.

In the fourth, the social protection focused on able-bodied population taking into account dependents (i.e. when as object of social protection is considered not the individual is considered not, but a household), allows to improve quality of children's life. Thereby the strategic basis for the future workforce formation is created.

Thus, there is a need for research and analysis of a condition of social protection system from a position formation and QWL developments.

The System of Social Protection in Russian: In the new economic conditions the social protection system develops as a special social institute, being characterized by a set of the principles, social norms, establishments, organizations and which defines steady forms of social behavior and action of people [3, page 36]. In modern economic literature there is no common interpretation of social and economic content of category "social protection of the employed population" and the standard definition of category "social protection".

According to V.D Roik, "Social protection is a system of economic, social, legal, organizational, medical and technical measures for protection of workers against adverse factors (social and professional risk), worsening quality of their labor life, for the purpose of health protection, working ability of workers, their financial position through the establishment of special mechanisms and funds at the enterprises, in regions and the state, including insurance funds and mechanisms and institutes of social protection, in cases and under conditions established by the legislation and labor agreements". This definition reflects the interrelation of the QWL categories and social protection of working population.

Generally, the social protection system in Russia represents the most common model in countries with market economy, including social insurance, social security and the social help. However, in the course of transformation of the Russian economy each of social protection components got its own specific features that are different from western practice. A basic element of the

social protection system is a social insurance, which, in turn, also can be recognized as an independent system for managing social risks.

By means of social insurance state not only solves problems of social protection of working citizens, but also uses this institution in order to increase social and economic stability, to harmonize the relations in working collectives [12].

The social insurance system differs from other forms of social protection because it is based on requirements, which are likely to arise in the future and a wide range of social guarantees without verification of neediness of the particular person, which are realized through the social insurance implementation (i.e. social security).

At the same time, social insurance acts in a market economy as an all-purpose financial mechanism, which allows to minimize and compensate consequences of social risks realization for hired workers, members of their families and for self-employed population. Generally the social insurance system, which has developed in Russia with its structural elements, is shown in Figure 1.

One of the system elements are the forms of realization of the relations on social insurance, namely, compulsory and voluntary. Compulsory social insurance is led on the terms of generality and obligation, voluntary personal insurance is carried out on the principle of voluntariness of the insurance relations.

At the same time as a criterion for selection of branches of compulsory social insurance were considered: community of economic interests to compensate for the effects of social risks, identity of characteristics of insured events and existence of the special industry legislation. Allocation of directions of voluntary personal insurance was carried out depending on object of protection and the level of insurance cover.

In our opinion, effective impact on QWL through the social insurance system (as the basic element of the social security system) is possible only with the mutual complement of compulsory forms of social insurance and voluntary forms of insurance relations. This achieves the effect of stability of incomes through a variety of types of insurance coverage by the implementation of social risks. At the same time, not all social risks are admitted as insurance risks according to the current legislation. Today it is a loss of insured person's earnings or income, the necessity for the insured (or the beneficiary) medical care as well as the additional expenses of the insured person (beneficiary).

Therefore, further development of the social security system from a position of formation and development of QWL is possible on condition of recognition

(i.e. legislative fixing) some social risks as insurance risks. Considering that social insurance is urged to protect, first of all, interests of the working population, it is reasonable to recognize the professional risks as insurance and give them a qualitative and quantitative assessment. This circumstance will allow to continue reforming the pension insurance [6] and will influence positively on development of corporate systems of compulsory and voluntary medical insurance.

In our opinion, in the process of active reorganization of all elements of the social protection system, the most difficult situation developed in the field of unemployment insurance.

Classification of Intangible Property and its Companies-

owners: At the present time in the Russian Federation in management of the risk of unemployment, there are no insurance principles, i.e. the duty isn't imposed on employers on payment of the insurance premiums, there is no trust fund at the level of the state, the payments of the unemployment social benefit are attached only conditionally to a salary of the worker which he used to receive before recognition him as the unemployed and in fact at the level of the minimum social standards.

From a position of management of QWL more preferable is the mechanism of an insurance coverage of obligatory insurance of risk of employment. In this regard there is a question, what ways of reforming of management of the risk are possible today.

The need for reforming is defined by the fact that influenced on scientific and technical progress, the modern policy of employment addresses towards retraining and requalification for those who have lost their jobs, and not only a guarantee of benefits and job search assistance [12, page 15]. Respectively, it demands the additional expenses which size shouldn't be in dependence from the size of the federal budget and the means redistributed within social security.

For reorientation of management of unemployment risk on the principles of social insurance (Figure 1) it is possible to return to practice of creating separate off-budget fund (for example, taking into account the experience of Fund of employment functioned from 1991 to 2001) or to try to create the structures new to Russia, being guided by experience of the western countries (for example, in the Scandinavian model of social protection unemployment insurance is voluntary and governed by trade unions). However, considering that fact that in system of compulsory social insurance the mechanism of government administration with elements of self-government of insurers is prevailing, in our opinion,

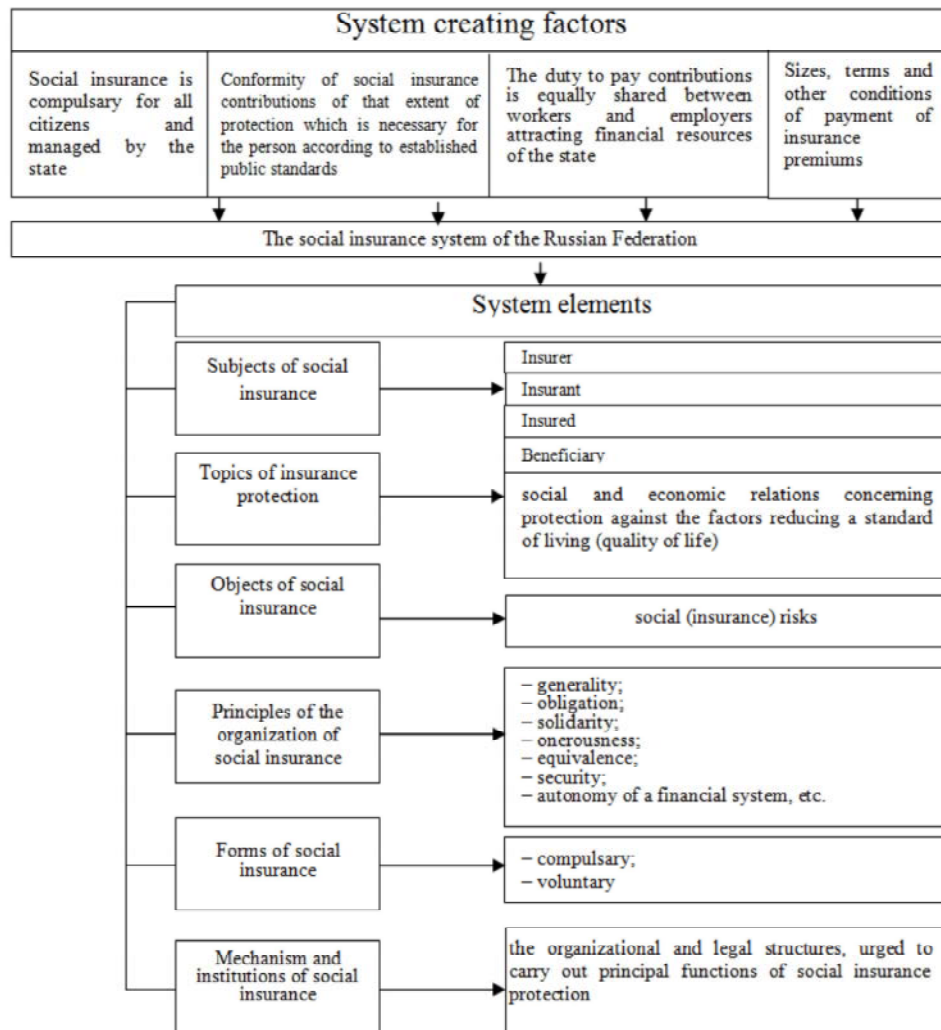


Fig. 1: System of social insurance of the Russian Federation

unemployment insurance can be transferred to the management of Social Insurance Fund of the Russian Federation (SIF of the Russian Federation). The SIF of the Russian Federation operates the funds of compulsory social insurance in case of temporary disability and in connection with motherhood and also, compulsory social insurance from occupational accidents and occupational diseases. Thus, the fund focuses exclusively on employed population.

The most debatable question during the unemployment insurance is the question of assignment of duties on insurance premiums' payment. In our opinion, the obligation for payment of contributions has to be formed on a parity basis and the worker has to be the full-fledged participant of the insurance relations, i.e. should be allocated with certain powers of the insured. The means accumulated by SIF of the Russian Federation

aimed on unemployment insurance can't be used on payments for other social benefits. The following factors have to have impact on the size of an insurance coverage for this type of social service: duration of an insurance experience of the worker, average wage in the last place of work, a regional living wage.

Generally the process of transition to the insurance mechanism by this type (branch) of social insurance can be presented as the scheme in Figure 2.

To sum up, it is possible to draw conclusions: formation and development of QWL in Russia is considerably connected with the development of social protection system; the key aspect of formation of new structure of social protection of the employed population is to transfer the compulsory social insurance to the mechanism of an insurance coverage and expansion of a range of insured social risks.

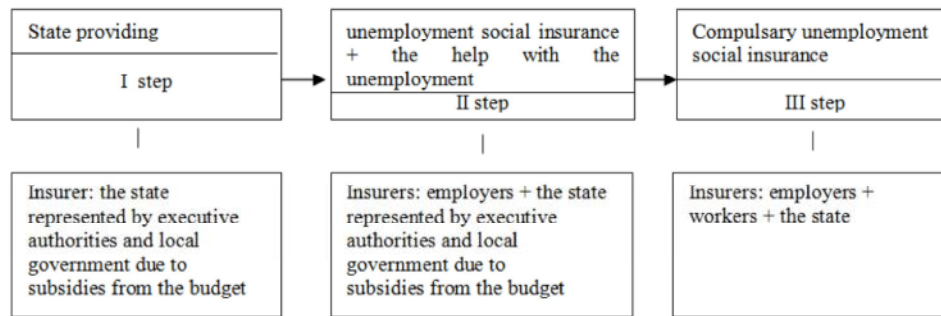


Fig. 2: Version of the transition process of unemployment insurance to the insurance mechanism of realization within the Social Insurance Fund

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