

Social unemployment insurance as the effective mechanism of adaptation to new economic conditions

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Abstract— The system of social protection of the unemployed became a hot topic in economic and political disputes in the Russian Federation again. The question of search of new financing sources of this system is brought up as the state budget and its social expenses is constantly revised towards reduction. In this article we pay attention to need of return of the insurance mechanism of jobless citizens social protection. Social insurance allows to create separate financial fund, on the one hand, and to provide the principle of individual justice for the employee, on the other hand. The main thing to determine the scale of the involvement of employees into this system.

Keywords — *unemployment, social protection, social unemployment insurance, benefit*

I. INTRODUCTION

Macroeconomic conditions in our country remain rather intense for the serious solution of providing policy by financial resources problems in labor market. Very big contingent of employees with their professional qualities does not conform to requirements of market economy. Considerable scales of the latent unemployment, nonpayments of the salary, wide circulation of the latent forms of employment led to delay of structural shifts in the sphere of employment and forming of the active employee. There is an orientation of citizens to a stable workplace even in case of low and untimely salary payment. Programs of social protection of the unemployed shall consider the fact that human resources are recognized as a key factor of national economy development in any country. At the same time in the Government of the Russian Federation the question of need of phased reducing budgeted expenses including on social protection is considered. It also opens negative prospects from the point of view of full and timely financing of unemployed social protection programs. The alternative method of financing of this sphere is necessary. In this connection, we prove need of entering of social insurance on an unemployment case. Social unemployment insurance will allow to create a social protection financial system of the unemployed, autonomous from the government budget. Moreover, the unemployment benefit will become the mechanism

of compensation of the lost income and will keep incentives to search of a new place of employment.

II. REVIEW OF LITERATURE

For the last decades in the Russian science there were no hot discussions on unemployed social protection. Since abolition of unemployment insurance in 2001 social protection of the unemployed began to be financed by means of the federal budget. But in recent years this question became relevant again. Many researchers began to note negative changes in amounts and structure of an unemployed population of Russia. The level of unemployment in the country from 2011 to 2014 was reduced from 6,5% to 5,2%, but in 2015 it increased to 5,6%. [1,2] At the same time in Russia for the last years there is an essential growth of population, occupied in the informal sector of economy. Total number of the persons working unofficial increased from 8,2 million people in 2001 to 14,8 million people by 2015. At the same time the share of employed in the informal sector of economy from the total number of an occupied population grew from 12,5 to 20,5%. These tendencies testify about negative tendencies of shadow economy growth in our country.

Covering labor market problems in Russia, researchers note such negative tendencies as increasing of young age persons without work experience in structure of the unemployed, increasing of male part in it. Thanks to the low size of unemployment benefits people don't hurry to be registered in public services of employment. They consider this benefit as very poor help from the state which isn't giving the real help in fight against poverty during unemployment [3,4,5,6].

In foreign literature there are much more works devoted to a subject of social protection from unemployment. Works are the cornerstone of this research (Spiezia V., 2000) and (Standing G.,2000), executed under the International Labour Organization. The ideas about a role of an unemployment benefit, decreasing of poverty level among the unemployed and creation of incentives to search of a new place of employment are their cornerstone. In the work by Standing G.

formulated risk of bad faith of the unemployed. The risk of moral hazard of the unemployed is a probability that the jobless person in case of receipt of an unemployment benefit and, respectively, reducing its personal costs on the content in case of the status of the unemployed will aim to keep this status as long as possible. In case of the sufficient size of an unemployment benefit it convinces the unemployed to extend the period of the unemployment for possible careful searching of the most profitable work or just for rest. For prevention of this risk these authors asked a question of benefit size which would keep incentives to job search.

In case of creation of jobless citizens social protection system there is a question of economic and its financial availability to society. It was and remains to one of the most important questions of the debate developed around reforms of social security in many countries. Though the structure of social protection financing directly affects structure of production and affects the labor markets and means of production, it should be noted that social protection generally is the mechanism of redistribution of financial resources from economically active to inactive national groups [10,11].

According to data of the Report of the International Labour Organization about the social protection systems of the population in the world, only 28% of a labor power worldwide potentially has the right to the benefits (based on insurance or budget financing) in case of unemployment. Within this general figure there are essential regional distinctions. Thus, social protection covered 80% of a labor power in Europe, 38% in Latin America, by 21% in the Middle East, 17% in the Asia-Pacific and 8% in Africa. Only 12% of the unemployed worldwide actually receive benefit. There are significant regional differences: the actual scope constitutes from 64% of the unemployed in Western Europe to a little more than 7% in the Asia-Pacific, 5% in Latin America and Caribbean countries and less than 3% in the Middle East and in Africa [12].

In 73 countries from 89 in which there are nationwide systems of social protection on an unemployment case social protection is based on the principles of compulsory social insurance. The systems of unemployment insurance have strengths from the point of view of separation of the risks based on the principles of solidarity, their capability to provide benefits in the form of periodical payments and their potential as automatic stabilizers within national economy. Today in the majority of the countries (112 countries; 56%) of 201 countries there are no systems of the unemployment benefits enshrined in the national legal system [12].

Application of social unemployment insurance in our country occupies a small period: from 1993 to 2000 [13,14].

Creation of the financial mechanism of social protection of the unemployed first of all depends on a paradigm of the social protection of the unemployed, accepted by the Government and the state. In the world of economic science various options of creation of the state social protection are possible, but the society inclines to more liberal models increasingly. In each of them there is a combination of unemployment insurance and provision of financial support from means of the government budget, supported by options of active pol-

icy of employment and subsidies for creation of workplaces. The liberal nature of these models is shown in connection with introduction of unemployment insurance in a basis of the financial mechanism of social protection of the unemployed as method to strengthen the personal liability of employees for the quality of health.

It is proved that social unemployment insurance has positive influence on decrease of poverty level, increase of physical activity among the unemployed, maintenance of quality of health.

The analysis of results more than 100 articles devoted to influence of unemployment insurance on the level of poverty and health of the unemployed which is carried out by group of scientists [15], showed that positive influence takes place. Though even very generous unemployment pay will never fill all losses of income of the jobless person. But the purpose of benefit not only to compensate the lost income, but also to keep an incentive to continue working. In this connection it is impossible to consider insurance on an unemployment case as the unique solution of material problems of the unemployed. The question of duration of payment of an insurance benefit is very important. As showed the carried-out analysis by this group of authors, the unemployed people often found work after the long unemployment period, during which they received benefit (up to two years) [15].

Besides, there is an opinion that social unemployment insurance can be considered as one of possible ways of improvement of functioning of a zone of the European economic union. In the conditions of economic crisis young people migrate, it destroys a tax base of the countries. In the long term it also reduces the economic potential through disturbing losses of a human capital [16]. In the research by A. Lasno is noted that the European Commission included reference to unemployment insurance as one form of automatic stabilisers in two key documents: first, in the Blueprint on the deep and genuine EMU and, 10 months later, in the Communication on strengthening the social dimension of the EMU. The idea of a basic European unemployment benefit scheme has been recently advocated by Sebastian Dullien, and it also has been analysed by the European Commission's DG Empl with the involvement of a number of external experts [16].

III. METHODOLOGY

Our methods include: (1) identifying the review question, (2) formulating our initial theory, (3) searching for primary studies, (4) selecting and appraising study quality, (5) extracting, analyzing and synthesizing relevant data, and (6) refining theory (iteratively as we analyze data).

IV. RESULTS

Now we observe limitation of the financial resources allocated in the federal budget, on implementation of labor market policy and government aspiration to limit growth of budgeted expenses. For development of the most effective labor market policy and more rational use of limited budget financial resources more effective financial mechanism of social protection on an unemployment case is necessary.

It is known that the level of development and efficiency of systems of unemployment protection depends firstly on the "external" conditions, connected with functioning of economy in general, its financial and insurance institutions. It is the level of development of productive forces, the salary level, the level of unemployment. Secondly it depends on parameters of the system of protection against unemployment and clearness of functioning of the most financial mechanism of social protection of the unemployed: legislation, method of the organization, structure, subjects. Thirdly it depends on degree of interrelation of external conditions and internal parameters of system. Therefore achievement of balance between the necessary needs for social protection of the unemployed and the available financial resources by means of the financial mechanism is rather difficult and relevant task, especially in the conditions of cardinal changes and transformations in economy and society of the country.

The researches, conducted by the author, allow to make a conclusion, that in modern conditions in an efficient manner of ensuring social protection of employees from risk of unemployment use the principles of social insurance of the population employment.

In case of creation of the financial mechanism of social protection of an unemployed population, it is necessary to determine and realize such tasks as:

- 1) *Providing a capability of the government of provision of such level of social protection of the unemployed which wouldn't depend on a work market situation.*
- 2) *A capability to a reproduction of social system (the salary is higher, the level of pay and quantity of financial resources on social needs is higher).*
- 3) *Degree of availability of social protection system to a private sector.*

According our opinion, it is reasonable to use enforcement of social unemployment insurance of achievement of the delivered result as effective mechanism of limited financial resources.

During creation of model of social unemployment insurance it is necessary to consider:

- points of the International Labor Organization Convention;
- the principles of the legislation regulating an order of the organization of social insurance on the territory of the Russian Federation;
- regional Programs of assistance of the population employment of the Russian Federation;
- world scientific achievements in the field of creation and functioning of such model;
- motivational prerequisites of creation of personal savings, by means of acquisition of necessary competences.

Unemployment insurance as a form of protection of the material interests is more acceptable for employees in connection with increase in personal interest of insurers (workers

and employers) in effective functioning of this system. Thus in case of social insurance the large role in the opinion of the worker is played by a factor of "individual justice". The passive policy of provision of insurance pay shall be extremely regulated, and one of its tasks is a non-admission of abuses and a fraud. It is possible to solve this problem with using insurance mechanisms. The help rendered within insurance model will come down not only to payment of material content in the period of an involuntary unemployment. Feature of this type of insurance is that at the expense of means of this type of insurance assistance in employment, retraining and occupational retraining of the unemployed and financing of other programs of assistance of employment of insured workers will be possible.

Such system creates an additional motivation to work at citizens, allows feeling more surely from the financial point of view. It is reached because the pay purpose in social insurance is compensation of the lost labor earnings.

Using not single but set of tiered rates of an insurance rate both for employees, and for employers, ensuring full accounting of probability of approach of unemployment is possible, in particular, for agricultural, temporary employees (agricultural industry, forest and fishery) and also for self-employed, like it used in Japan.

V. CONCLUSION

Implementation of social unemployment insurance is possible not for all workers, as there will always be workers without work experience (not having insurance years of service) and is long unemployed workers (who exhausted insurance pay). Therefore the Russian system of social protection on unemployment shall include two levels:

the first – the level providing the minimum social protection at the expense of budgetary funds for those categories of an economically active population, which only entered the labor market for the first time or after a long break, and couldn't find suitable work at once. It is connected with the fact, that in case of implementation of social unemployment insurance for its participants the persons that don't have a working life, and, therefore, not having the previous experience of insurance are automatically eliminated. It is the youth and persons, which for the first time entered the labor market, persons with the long term of a break in a labor activity, they are long jobless citizens. In this case the state shall take all financial liabilities for their material support and assistance for their fastest employment until they aren't a part of the system social insurance.

The second level is social unemployment insurance. Implementation of the principle of social insurance means use of an order and possibility of access to programs of assistance of employment of insured persons depending on the size of the paid insurance premiums in insurance fund. In case of determination of opportunities and scales of participation of the unemployed in these programs, the principal value will belong to a financial component of the insurance relations. The size of financial opportunities in assistance of employment will de-

pend on two factors – insurance years of service and the salary (income) of insured.

For the state benefits from entering of this concept will be expressed in the saved funds, allocated for the state support of the unemployed, as the main part of content of unemployed in the period of unemployment will be paid at the expense of their own means. Expenses of the state in this case are limited to provision of financial support by the unemployed, who doesn't have the right to an insurance benefit, holding actions for the organization of a temporary employment of teenagers and long-term the unemployed.

VI. DISCUSSION

The system of insurance is intuitively reasonable. But in case of implementation of social unemployment insurance, in our opinion, for using funds of insurance for programs of assistance of employment it is necessary to identify more accurate industry and regional priorities at labor market development in the territorial subject of the Federation. This work shall surely is carried out within the complex general development program of the region. Thus, problems of development of economy of the region will be solved in a complex, at the same time developing and adapting the labor market to new structure of economy industries. It would be desirable to pay attention to foreign experience in development of regional and state programs of adaptation of the workers, released from the industries, suffering from the processes of globalization once again.

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