Current model of social protection of the population in Kazakhstan and the ways to optimize it

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Abstract: The basic models of social protection of population and foreign experience of their introduction are considered in the article. The state of social protection of population and formation of its current model in Kazakhstan are analyzed. The algorithm of efficiency estimate of social protection model application is offered. [Iskakbayeva M., Kuzembekova R., Sadvakassova A. **Current model of social protection of the population in Kazakhstan and the ways to optimize it.** *Life Sci J* 2013;10(12s):800-803]. (ISSN:1097-8135). http://www.lifesciencesite.com. 126

1. Introduction

Social protection of the population should be under the scrutiny of the state to ensure the life activity of citizens and the development of socially oriented policy. The negative effects of not sufficiently successful management of the state, the impact of the global economic and financial crisis led to a sharp drop in the standard of living of citizens of Kazakhstan. During independence its own system of social protection is formed in the state which allowing for the development peculiarities prevents automatic successful transfer of foreign models and requires certain adaptation to the post-Soviet space conditions. In view of this, an important task for local scientists is to develop mechanisms to adapt the international experience to the realities of the state development.

2. Material and Methods

Both domestic and foreign scholars were engaged in the research on social protection and social models, among which are the works of V.V. Antropov [1], V.P. Miletsky [4], G.B. Pestunova [7], P. Flora [8], W. Beveridge [9], G. Espring-Andersen [10], V. Hanesh [12], R. Titmus [14], etc.

The main objectives of this paper are the study of current model of social protection in Kazakhstan and the development of the ways to optimize it.

Social protection is an integral part of the policy of the country, responsible for the development, well-being and safety of its population. As rightly noted by researchers of questions of social policy of the state [13, 14, 15, 16], social protection is a factor, which efficiency influences the civilized development of any society. In scientific studies several classifications of models of social protection are singled out.

The classic approach to the classification approach is considered to be that of R. Titmus [14], singling out the institutional and distribution model, marginal and intermediate model as a system of social protection models.

Institutional and distribution model focuses on the alignment of inequalities between social classes and awareness of social responsibility. According to R. Titmus [14], this model is based on the alignment and social protection of all segments of the population regardless of their needs.

The marginal model is formed on the principle according to which the social security institutions begin to function in the event that the own efforts of individuals are not enough to meet their needs and the family and market are also not able to protect them [8].

R. Titmus proposed an intermediate model of social protection, which included the best features of the institutional-distribution and marginal models. This model is treated as a "softer" version of these models in terms of possible changes in social protection strategies at changes of internal political factors [14].

The study of scientific studies [10] and research notes [11, 12] made it possible to highlight a different approach to the classification of models of social protection, covering four models, including:

- Continental Model (Bismarck model) is a correlation between the period of professional activity and levels of social protection. It is financed by contributions from employers and the insured (not included in the state budget) [10]. This model is used in Germany.

- Anglo-Saxon (liberal) Model (Beveridge model [9]) is the most widespread in the United States, Great Britain and Ireland. In accordance with the ideas of Keynes, this model is based on the fact

that the dynamics of social production and employment is determined by factors of solvent demand and, consequently, the redistribution of income in favor of social groups with lower incomes, is able to increase the purchasing power of mass buyers. This model is inherent in social insurance with a fairly low social benefits and the dominant role of social assistance.

- Scandinavian Model of social protection is used in Sweden, Denmark and Finland. As V.V. Antropov [1] points out, in this model social protection is seen as a legitimate right of every citizen. Eligibility for benefits and social services at the legislative level is regulated by all the inhabitants of a country that uses the specified model, and these payments are not related to the period of professional activity, employment and payment of contributions to insurance funds.

- Southern European Model of social protection is used in Spain, Italy, Portugal and Greece. This model is seen by the scientific community as a transitional and developing one, having no clear organization. According to researchers [1, 12], there is a fairly low level of social protection for this model, and the care of the family and relatives is seen as its objective.

Over the last twenty years since independence, its own model of social protection of the population was formed in Kazakhstan, based on foreign economic experience and internal features of the state. On the basis of research studies, reports of political and governmental leaders of Kazakhstan, one can state the ambiguity of the approaches to the identification of the existing model of social protection in the country. According to the long-term development strategy of Kazakhstan, represented by the President of the state [6], the liberal model of social protection is used at this stage of development.

A scientific community regards the model of social protection of the population of Kazakhstan as a liberal one, but there are opinions that the country uses the mixed model. This opinion was expressed, for example, in the research paper of G.B. Pestunova [7], which along with listing the system of social standards focused on maintaining the most vulnerable categories of the population, notes the use of a voluntary pension system and reform of the wage system. In this case, as G.B. Pestunova [7] pointed out, the key role in social model of protection of the population belongs to the state. That is, in our opinion, at this stage of development it is still difficult to talk about the prevalence of additional model of social protection to play a significant role in comparison with the liberal one.

Based on the fact that the liberal model suggests the main landmark of protection of the population that lacks sufficient income for their livelihoods [10], it can be assumed that a liberal model is introduced at this stage in Kazakhstan. This is confirmed by the fact that the main aspects of the social protection of the population are considered from the point of maintaining minimum standards, namely, the Ministry of Labor and Social Protection of the Republic of Kazakhstan in the provision of statistical information:

1) in the employment field it highlights: the unemployment rate and its quantitative indicators, the number of people covered by active forms of social protection against unemployment [5];

2) in the field of pension provision and social security it discloses the information about: social benefits for the most vulnerable groups of the population (social benefits on disability, widowhood, loss of work, maternity leave, child care, benefits of different categories) [5];

3) in the field of social assistance and social services it provides the information about the payments to citizens with incomes below the poverty level [5].

Agency on Statistics of the Republic of Kazakhstan also considers the issues of social protection of the population through the prism of social assistance to vulnerable categories of the population and changes in the level of poverty [2].

The Concept of Social Welfare of the Republic of Kazakhstan [3] specifies that the state uses a solidary as well as a personalized system of social protection. As practice shows, the introduction of the latter did not find yet wide application because of the low level of income and imperfect legislation. That is, in spite of the regulation of possible use of a mixed model based on liberal and Bismarck ones, liberal model is currently dominating.

During the research the specifics of the liberal model with a glance to the landmark on the provision of minimum social standards an algorithm to estimate the effectiveness of the model of social protection of the population in the state has been developed.

$$Efmsz \sim Inf\% > Ub\%, Mg+\% > Mg-\%;$$

where $Efmsz$ – the state of the effectiveness of social protection model, which is provided in compliance of indicators presented; $Ub\%$ - the depth of poverty; $Inf\%$ - the rate of inflation; $Mg+\%$ - change of incoming migratory flows; $Mg-\%$ - change of outgoing migration flows.

We will assess the effectiveness of the model of social protection of the population in Kazakhstan in 2009-2011 on the basis of the proposed algorithm (Table 1).

Table 1. Estimate of Application Efficiency of the Model of Social Protection of the Population in Kazakhstan*

Indicators	2010	2011	2012
Ub% - the level (depth) of poverty [2]	1,3	1,1	0,9
Inf% - rate of inflation [2]	6,2	7,8	7,4
Mg+% - change of inbound migration [2]	-11,3	-0,9	-8,9
Mg-% - change of outgoing migration [2]	-24	-22,4	-22,8
Estimate of efficiency	Conditions of Eq. 1 are met	Conditions of Eq. 1 are met	Conditions of Eq. 1 are met

* *authoring*

The estimation found that during the study period, the country experienced the effective application of the model of social protection of the population, as all the performance indicators have been met. The author believes that these indicators can characterize to the greatest extent the state of the social protection of the population in the economic crisis. The state when the inflation rate does not exceed the increase in poverty rate, can testify to the support of the state the minimum social standards. If the state will experience a positive migration balance, this may indicate that citizens accepted the social standards declared by the government.

The use of this algorithm is designed to analyze the effectiveness of application of the liberal model of social protection in Kazakhstan. Improvement of the existing model of social protection, in my opinion, is possible if:

- more large-scale introduction of personalized social protection. Its use primarily involves the growth of voluntary pension insurance in the non-state pension funds. The indicated direction can get a wider development in the optimization of legislation and growth of social literacy of the population;

- implementation of the projects Working Places giving the opportunity to reduce unemployment and improve living standards.

4. Discussions

Research of the state of social protection in Kazakhstan indicates that the state uses such a model that can be considered the most adequate to the level of economic development. The liberal model of social protection of the state is expected to maintain minimum standards of life of citizens by the state. The proposed directions of changes of the model towards a mixed one, providing personalized protection, requires serious study and support at the state level.

The practical value of the presented algorithm to evaluate the efficiency of the model of social protection of the population is that it provides an opportunity to evaluate the implementation of government commitments to ensure minimum social standards.

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