

**SOCIAL SECURITY OF POPULATION
AS A BASIS FOR STABLE GROWTH OF BORDER
REGIONS**

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A b s t r a c t

This article presents the issues of social development and social protection in border regions. An extensive analytical study shows that taking effective actions on social protection and social development is the basis of stable development of border regions. Theoretical foundations of social protection of the population were also presented. Using the example of national programs of social protection of the population in developed countries, the main directions of social protection of the population were examined. This paper also includes an assessment of capabilities and resource bases and their impact on the social protection of the population, a combination of cash and in-kind funds required to meet human needs and the functioning of the entire system of social protection of the population in border regions.

**OCHRONA SOCJALNA LUDNOŚCI JAKO PODSTAWA STABILNEGO ROZWOJU
REGIONÓW PRZYGRANICZNYCH**

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Abstrakt

W artykule przedstawiono problem rozwoju socjalnego i ochrony socjalnej w regionach przygranicznych. Na podstawie wyników obszernych badań analitycznych wykazano, że skuteczne działania w tych dwóch obszarach są podstawą stabilnego rozwoju regionów przygranicznych. Omówiono teoretyczne podstawy ochrony socjalnej ludności oraz przedstawiono jej przykłady w krajach rozwiniętych. Przebadano również podstawowe kierunki ochrony socjalnej społeczeństwa. Artykuł jest swoistą oceną potencjału oraz zaplecza surowcowego i ukazuje ich wpływ na społeczną ochronę ludności, pozyskiwanie środków pieniężnych niezbędnych do zaspokojenia potrzeb człowieka oraz funkcjonowanie całego systemu tej ochrony w regionach przygranicznych.

Introduction

Social security is the most important task of developing border regions, and this affects their sustainability. The relevance of this problem is obvious and shows that, to date, science intensively explores this important area. This study shows the theoretical basis of social protection of the population and the development program of developed countries concerning pension funds, insurance for the unemployed, sick, pensioners, orphans, as well as the multi-tiered structure of social security to ensure a safe income level and the specific problems of social protection of people. A specific example of two border regions of the Kaliningrad region and the Warmian-Masurian Voivodeship shows the most urgent problems of economic activity of the population and its natural movement, the average monthly income of the population, employment and unemployment. Special attention is paid to realization of practical measures for the social protection of the population and the system of maintaining and increasing jobs, which aims to improve the living conditions of the population using the traditions and experiences established on both sides of the border.

Theoretical foundations of social protection of the population

The “social security” category refers to specific actions of a government on enabling decent life conditions and unhindered growth for all social groups (employable, unemployable, socially vulnerable), which are narrowly targeted to particular groups and are aimed at protecting them from all kinds of risk.

Foreign and domestic economic theories of wealth, state programs of social welfare in economically developed countries, as well as a government’s experience in providing welfare care constitute the theoretical underpinning of a social security policy. An analysis of the scientific publications of A. Pigou,

R. Titmuss, E. Hansen, S. Boulding, P. Samuelson, D. Eibessiere, L. Erhard and others leads to the conclusion that it is a fundamental right of a citizen to receive certain social benefits from the state (PIGOU 1985, HANSEN 2008). The mechanism of social security itself is a dynamic process of transformation of forms and methods of state intervention under the influence of the social class struggle condition and has a huge impact on a population's motivation.

Among the elements of national programs that we find most relevant, one can name the following: Great Britain – the idea of a retirement decade, retirement with examination of needs, national insurance for the unemployed, ill, retired, widows, orphans, pregnant women, as well as national support of a program for the unemployed; Sweden – with a universal character, large scale and broad availability of all elements of the social care system, high level of collective satisfaction of social needs, social insurance system; USA – multileveled structure of the social security system, participation principle, social security law, private programs, safe level income guarantee program, obligatory child security program. Without any doubt, other countries' wide experience in building social care systems should be studied, although in the process of its implementation, certain specific problems of Russian citizens in the context of critical economic situation, as well as the complicated establishment process of market economy relations, should be taken into account.

In the process of development of social security mechanisms, it is considered necessary to rely on the fact that the main guarantee of a social security system for citizens is the constitution, e.g. in Russia, the Russian Constitution. According to the Constitution in the Russian Federation, the labor and health of all people shall be protected, a guaranteed minimum wage shall be established, state support shall be provided for the family, maternity, fatherhood and childhood, for the disabled and for elderly citizens, the system of social services shall be developed and State pensions, allowances and other social security guarantees shall be established. The Russian Constitution also states that every citizen shall be guaranteed with social security for old age, in case of illness, disability and loss of the main income provider, for the bringing up of children and in other cases specified by law (The Constitution of the Russian Federation of 12.12.1993).

At the same time, the established conditions and possibilities of the Russian state, in terms of effective social security system creation, should be taken into account. The high level of state budget deficit, sanctions and collapse of the Russian ruble make all currently implemented social security programs unrealistic. Whereas in developed countries which have a stable market economy, the presence and the outreach of social security systems are considered to be the main criteria and measure of a market economy's

civilizational development level. In Russia, the social security mechanism is rather a reaction on building social tensions and should be seen as an attempt to support social stability.

The practical direction of social protection of the population

In the course of a study on the stable economic growth of border areas and its impact on the condition of the social environment and prosperity of the population, it is worth pointing out the three main directions that characterize this multifaceted phenomenon. The first direction is related to the assessment of the potential and the resource base and their influence on social growth. Numerous studies prove that the higher the amount of high quality supplied to a border area, the higher the level of social development (BILCHAK et al. 2016). Human resources are the main and most important resource of border regions (Tab. 1).

Table 1
Population and working and non-working age population in the Kaliningrad region and the Warmian-Masurian Voivodeship in the years 2011-2015

Year	2011	2012	2013	2014	2015
Kaliningrad Region					
Population:	941,823	946,796	963,128	968,944	976,439
– males	442,054	444,420	452,309	454,927	458,430
– females	499,769	502,376	510,819	514,017	518,009
– population per 1 km ²	62.3	63.1	64.0	64.0	64.6
– population at age:					
pre-working	145,437	148,364	157,808	162,065	167,223
working	588,026	584,245	578,702	573,739	569,283
rural areas	208,360	214,187	226,618	233,140	239,933
Warmian-Masurian Voivodeship					
Population:	1,452,596	1,450,697	1,446,915	1,443,967	1,439,675
– males	711,551	710,502	708,478	706,988	704,893
– females	741,045	740,195	738,437	736,979	734,782
– population per 1 km ²	60.1	60.0	60.0	59.7	59.6
– population at age:					
pre-working	284,478	279,683	274,832	270,848	266,937
working	947,920	942,867	935,744	927,429	917,403
rural areas	220,198	228,147	236,339	245,690	255,335

Source: *Obwód kaliningradzki i województwo warmińsko-mazurskie w liczbach* (2012, 2013, 2014, 2015, 2016).

As can be seen from Table 1, in both border regions, there is a significant problem in the gender structure of the population. Starting from 2011, the number of females significantly exceeded the number of males, and this trend increases with each passing year. If in the Kaliningrad region in 2015 the number of females exceeds the number of males by 59,579, then in the Warmian-Masurian Voivodeship – by 29,889. Herewith, the total population of the Kaliningrad region tends to increase – it has increased by 43,616, but in the Warmian-Masurian Voivodeship, the population is reduced – by 12,921. A similar situation exists with population density. For example, in the Kaliningrad region, population density increased from 62.3 people per 1 km² in 2011 to 64.6 people per 1 km² in 2015. The Warmian-Masurian Voivodeship population density decreased from 60.1 people per 1 km² in 2011 to 50.6 people per 1 km² in 2015. Another characteristic feature in both border regions is the reduction of the working age population and the increase of the indicator over the working age population.

The second direction is related to the role of income in ensuring prosperity of the population and requires more detailed insight. In scientific literature, income formation issues are the most discussed, and the scientific definition of “income” changes whenever economic relations within a society change, reflecting objectively unavoidable mistakes and disputes.

Usually, income is defined as the total amount of money and natural resources necessary for satisfying human needs. In other words, income is a stable supply of money and other material goods and services measured within a certain period of time and which is capable of satisfying human needs. There are also other definitions of income. Taken as an economic category, income reflects a complex combination of economic relations, in which the total amount of newly produced value is distributed between owners of production factors and which materializes the relationship between members of a society as owners of these factors, as well as their relationship with the government in terms of appropriation and consumption of a certain part of the produced goods and services (SERGEEV et al. 2009).

Wage takes priority among the income of a population and defines its prosperity. Wage can be direct or social. Direct wage is related to production activity and measures the exact contribution of labor to the development of an enterprise. Social wage is understood as various types of transfers (Tab. 2).

As it can be seen from Table 2, the gross wages and salaries in the Warmian-Masurian Voivodeship are approximately 2-fold higher than in the Kaliningrad region, especially within industry. An even larger gap is observed in the provision of a pension to the population. In the Warmian-Masurian Voivodeship, this is approx. 2.5 times higher. Such an important figure as the average monthly income per capita in households also varies in favor of the

Table 2
Average monthly income in the Kaliningrad region and the Warmian-Masurian Voivodeship in the years 2011–2015*

	Kaliningrad region					Warmian-Masurian Voivodeship				
	2011	2012	2013	2014	2015	2011	2012	2013	2014	2015
Average monthly gross wages and salaries	19,911	21,526	25,104	26,639	28,262	3,019	2,996	2,996	3,107	3,223
Of which:										
– industry	18,916	20,616	22,076	24,527	26,991	2,800	2,895	2,895	3,011	3,149
– construction	19,543	19,351	25,593	26,326	28,038	2,611	2,486	2,486	2,533	2,645
Average monthly gross retirement pay and pension	7,893	8,724	9,562	10,358	11,492	1,501	1,588	1,670	1,734	1,790
Average monthly income per capita in households	11,649	12,527	13,829	14,630	18,290	1,097	1,110	1,109	1,230	1,281

* in Kaliningrad region in Ruble (RUB), in Warmian-Masurian Voivodeship in PLN.

Source: *Obwód kaliningradzki i województwo warmińsko-mazurskie w liczbach* (2012, 2013, 2014, 2015, 2016).

Warmian-Masurian Voivodeship, where it is 306 euros compared to 272 euros in the Kaliningrad region.

The third direction is related to the social security of a population. Survey results show that not only those who lack material assets to support their physical existence, but also those people who do not accept the fact of having any worse living standard than other social groups, their neighbors, etc., consider themselves to be poor.

Many people have a habit of correlating their needs to the “earned” level of income, their objective position within the social labor division system, as well as within the system of relations in terms of appropriation of individual and collective labor effects on the basis of one’s abilities and private property, both in material and monetary forms.

Thus, in border regions, the orientation of a government’s social security policy for low-income social groups (in terms of physical needs) should be considered unsuitable for the present realities. The government should focus on designing a multi-level social security system embracing all social groups with regard to the settlement dispersion aspect of an intraregional social policy of border regions.

The main form of social security is to provide useful forms of employment in general, as well as sufficiently paid employment in particular. The main goal is to establish a real price of a good (namely – labor force) and to develop the basic market mechanism for both the professional and territorial movement of the labor force. There should be a regulatory mechanism of social partnership on the basis of the use of the three-party principle: the relationship between

the state, employers and employees in the form of general agreements on social and economic issues, tariff agreements within industries and collective agreements. A significant role should be attributed to the social partnership mechanism, in which the principle of tariff autonomy can be used; in other words – when severe government intervention can be avoided. There is a need for a mediation institution composed of natural persons and for legal mechanism to solve contradiction between the voluntariness of taking obligations and their real performance to the full extent.

A non-traditional approach should be adopted to solve the problem of providing social security for those who need special care (women, school graduates, impaired people, people of pre-retirement age and others). With regard to the prosperity level of modern families in border areas, as well as the character of production activity, professional structure, the need for economic reforms and other social factors, it is expected that, apart from implementation of intra-regional sources of social wages (both in monetary and natural forms), certain administrative measures should be undertaken in order to increase the employability of a population (Tab. 3).

Table 3
Employment in the Kaliningrad region and the Warmian-Masurian Voivodeship in the years 2011–2015

	Kaliningrad region					Warmian-Masurian Voivodeship				
	2011	2012	2013	2014	2015	2011	2012	2013	2014	2015
Average paid employment (in thousands)	470.5	478.2	476.5	477.7	473.9	203.5	280.4	267.9	263.2	265.6
– of which is industry	100.1	103.1	101.1	91.7	87.7	80.1	84.5	83.3	81.1	82.6
Economic activity of the population (annual averages) by LFSa										
Economically active persons (in thousands)	532	524	527	529	530	598	569	597	584	614
– of which are females	255	253	254	251	253	262	249	263	257	272
– employed persons	483	485	497	500	499	540	506	529	527	556
– of which are females	234	236	239	237	240	232	219	230	231	244
– unemployed persons	49	39	30	29	31	58	63	68	57	59
– of which are females	21	17	14	14	14	30	31	32	26	29
Economically inactive persons (in thousands)	215	217	214	213	214	548	537	551	557	563
– of which are females	133	133	132	135	133	334	322	326	334	336
Activity rate in %	71.2	70.7	71.1	71.3	71.3	52.2	51.4	52.0	51.1	52.1
Employment rate in %	64.6	65.5	67.1	67.4	67.2	47.1	45.8	46.1	46.1	47.2
Unemployed rate in %	9.2	7.4	5.6	5.4	5.7	9.7	11.1	11.4	9.8	9.4

Source: *Obwód kaliningradzki i województwo warmińsko-mazurskie w liczbach* (2012, 2013, 2014, 2015, 2016).

In 2015, the level of economic activity of the population reached 71.3% in the Kaliningrad region and 52.1% in the Warmian-Masurian Voivodeship. The unemployment rate was 5.7% in the Kaliningrad region and 9.4% in the Warmian-Masurian Voivodeship. What is more, in certain border counties, the unemployment rate reached 27.4% – Kętrzyn, and 27.3% – Braniewo (*Województwo warmińsko-mazurskie w liczbach 2016*).

It should be noted that in the Kaliningrad region, the economically inactive population is 214 thousand people, and in the Warmian-Masurian Voivodeship, it reaches 563 thousand. This is due to the level of employment in both regions. In 2015, this figure reached 67.2% in the Kaliningrad region, and in the Warmian-Masurian Voivodeship – 47.2%. Thus, the number of unemployed and the economically passive residents in the total population in the Warmian-Masurian Voivodeship is higher than in the Kaliningrad region.

In addition to the employment of the population, in practice, other, specific means of social protection are used. These can be both traditional indicators (such as nominal income level, family income, birth and death rates per 1000 people, distance to nearest economic and political center) and new ones (net migration rate and percentage rate of highly qualified human resources, percentage rate of unemployed among employable population, real dynamics of wages, dividends, incomes coming from property or enterprise, estimated value of personal property with regard to depletion and age prices, supply of housing, services, etc.).

In order to define a border region's ability to form non-budget funds, it is useful to calculate the index of pure profit supply level (for one resident) that remains at the disposal of that region's administrative entity. If that index is below the average level for the country, it means that this will prove difficult for that particular border region to form its intraregional reserves.

The social security mechanism should include a social partnership of administrative organs and new structures, such as non-government commercial and non-profit or charity organizations. There is a potential support mechanism for these organizations: creating the most favorable conditions, implementing a qualified non-intervention policy, tax and credit policy reform, providing assistance in solving urgent problems (selling of unfinished objects, lands, service facilities, etc.), providing consulting services.

Particular attention should be paid to support programs for small businesses. It is obvious that, along with the simultaneous change of economic structure in border regions and the change of character of interregional connections, and in the course of the transformational process, small businesses begin to involve a huge part of population – as new subjects of ownership, into the sphere of economic relations.

Small and medium-sized businesses of border areas are not only intended to help in the struggle during an ongoing critical situation, they are also capable of dealing with large, regional-level issues, such as general harmonization and rationalization of public production, developing a new structural policy of national economic complex within regions and eliminating the very heart of a monopoly on production of goods and services. Although in order to let small and medium-sized businesses successfully develop and perform their typical functions, appropriate conditions within regions should finally be created (BILCZAK et al. 2011).

There is an emerging challenge for enterprises of border areas to solve the social problems of their employees in a civilized manner. Social benefits attributed to members of staff are established at a cost of artificially increased product prices, monopolistic dictate on a segmented market, misuse of soft loans, etc. An intraregional mechanism of mutual interest for enterprises and local administrative organs in the development of social objects within regional production complexes should be created.

Practical recommendations on social protection

Within border areas, activation of a social policy should contribute to increasing the level of employment and income of the population. To that end, the attention of the business community and all branches of government should be drawn to the following issues:

1. Ensuring execution of the constitutional law of the residents of border areas to have free access to high quality education and health care services and, simultaneously, providing normative financial support, facilitating development of national social standards, gradual implementation of individual social loans into a high education system and classification of border areas in terms of their financial condition, having previously foreseen the primary role and anticipating the character of education and health care systems as compared to other branches of the economy. To carry out strict supervision over the disbursement of money from the non-budget fund of health insurance and transition towards an insurance-budget health care system according to the possibilities of each border region.

2. To develop an effective incentive system within regions in order to enhance the development of a multi-sectoral economy that gives people the freedom to choose jobs that fit within their sphere of interests. In this regard, full assistance will have to be provided in order to enhance new forms of self-organization of the population, which are aimed at creating new jobs, re-education, further training and increasing the level of social protection. Within

border regions, integrated programs aimed at retention and creating jobs; these programs should be geared at normalization of living conditions and sustenance among the population, with regard to existing traditions and experience on both sides of a border. At the same time, the possibilities deriving from a legal and regulatory framework should be used in order to execute such programs and provide financial and informational support to border regions. In this regard, there should be practical implementation of social expertise of the main economic solutions and programs in terms of their social consequences and impact on the level of employment and solutions for socially significant issues within the entire spectrum of the living standard and quality of life for the population of border regions.

3. In the aspect of social security of the population, particular emphasis should be placed upon consistent implementation of measures aimed at ensuring residents (especially the unemployable and socially vulnerable) guaranteed social security, to an extent adequate to their financial situation. In this regard, new government standards and licensing conditions for the social services sector should be implemented; new social technologies with particular emphasis on providing outreach services, as well as enhancing social security for certain categories of people. Particular attention should be paid to providing a guaranteed wage and maintaining its minimum level, which should be near the average subsistence level, along with its further systematic increase. Implementing a guaranteed minimum wage level within enterprises, with indexing depending upon price growth, minimizing social inequalities, designing a savings restoration mechanism, wage indexing in order to evaluate work input for the purposes of establishment of retirement rights and re-evaluation of its amount; also, bringing levels of salaries and pension levels closer to the subsistence minimum of developed countries.

4. Ensure integrated growth of social infrastructure related to protection of population. Also, by building new facilities and major reconstruction and renovation of existing nursing homes, orphanages, dormitories, rehabilitation centers, administrative buildings and social care facilities. At the same time, to provide full amount and broad availability of social services to all senior and disabled residents, or families with disabled children, including taking actions on designing appropriate home amenities for disabled adults and children, providing special rehabilitation items for self-service and care, purchase of special transportation facilities and technical rehabilitation equipment for disabled people.

5. To revise legal regulations on social care in order to eliminate all outdated regulations, as well as the declarativeness and unenforceability of particular articles and paragraphs. At the same time, to supplement the existing legislative system with additional norms and acts on the basis of

independent expertise, in order to ensure enforcement of the social rights and guarantees used in developed and progressive countries. To facilitate a social inventory system and to evaluate, on a basis of social norms and indexes, such factors as: supply of housing facilities, family and personal income, subsistence minimum, health care, educational, touristic, recreational, cultural and sport services as main development level indicators for the social environment.

Conclusions

Thus, the main strategic goal of the social policy in border areas should be seen as systematic work aimed at shaping social policy in the context of actual existing conditions within border areas. First of all, in the course of implementation of social measures, particular attention should be paid to the possibilities and potential of a resource base. Only then could the active social policy constitute a catalyst of stable economic growth.

In modern conditions of integration, internationalization and globalization of the economy, systemic changes take place in border regions, which are aimed at establishing new contacts, developing innovative forms of management and converging the legal, cultural and ethnographic differences existing among the population living in border areas. This material reflects the current problems of social protection of the population as a basis for sustainable development and the operation of border regions in new geopolitical conditions.

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