

THE SOCIAL PROTECTION COSTS. SPHERE OF CONTENTS. COMPONENTS.

Tuță Loredana

University of Pitești, Faculty of Economic Sciences, Str. Gradinarilor, Bl. R2, Sc. A, Ap. 13, Mioveni, Arges, lrdntt@yahoo.com, 0727 848630

Micu Cristina

University of Pitești, Faculty of Economic Sciences, Str. Banat nr. 20, Bl. B16, Sc. B, Ap. 6, Pitesti, Arges, micucristyna@yahoo.com, 0721 811127

The social protection is a fundamental component of the European type of society. It can be understood as an expression of the set of collective changes meant to protect people against some social well defined risks. The functioning of the social protection systems supposes important costs and, therefore, the corresponding allocation of financial resources. At present, the costs of the social protection engross and stimulate an important proportion of the financial and human resources at the European states' level. Thus, on the whole of the European countries UE-25, the costs of the social protection represent more than a quarter from the Gross Domestic Product (28% in 2005), almost half of the public budgetary expenditures, with very important variations from one country to another.

Key words: social security, cash services, social protection.

1. Definition. Sphere of contents.

The social protection is understood and especially seen in many ways. This depends on the way of approaching the subject or on the interest which it represents for the social and economic politics.

Before circumscribing the sphere of contents of the social protection system, it is necessary for us to specify that the literature of specialty and the statistics use another term, too, similar to the one of social security. In practice, there is almost a overlapping between the two concepts. The first term, the one of social protection imposed in the European space and in the European Union' institutions, the second term is much more used in the American territory, especially in the United States of America and by the International Labour Organization.

In the literature from our country, the literature published after 1989, the researchers devoted to the social problems used, frequently, the concept of social security with its actual meaning, of social protection. Thus, Maria Molnar shows that the security system in our country is made of "an ensemble of schemes oriented towards the safeguard of the necessary resources for our existence, in case of the appearance, in individual's and families' lives, the following social risks: old age, sickness and handicap, the loss of the upholder, unemployment, the absence of the family care, the insufficiency of the income, of the social services or other sources.

Through all these, the individuals and the families affected of these risks benefit by cash services (pension, indemnity, allowance, assistance) or in kind (in the form of some social services granted for the old persons, the persons having handicaps, or to single mothers)etc.

One part of these services (especially the cash ones), constitutes direct incomes for their beneficiaries, which have to assure the total protection (pensions, sickness indemnities, unemployment compensations, social aid) or partial protection (child allowances) of the consumption expenditures or other occasional expenditures.

The literature presents other definitions less precise in order to be used with a view to analyses. For instance, in the "Dictionary of Social Politics", the social protection represents an ensemble of actions, decisions and measures taken by the society in order to prevent, to diminish and to remove the consequences of some events considered as social risks for the people's life conditions and in the "Sociology Dictionary", the social protection is defined as an ensemble of politics, measures, institutions, organizations which assure their support to the persons and groups of persons which find themselves in difficulty and which can realize through their own effort, normal conditions, minimal conditions of life.

In the last period of time, in the territories of the European Union's countries and in Romania, the concept of "social protection" was imposed. An important factor to better understand and to use correctly the term of social protection is represented by the definition given by Eurostat (The European Union's Statistics Organization) which calculates- after a public and unique methodology- comparative data referring to the expenditures and the incomes of the social protection system, in the countries of the European Union.

According to Eurostat, the book of the ESSPROS (European System of Integrated Social Protection Statistics), 1996, the social protection contains all the interventions made by the public and private organizations which do not have in view to protect the households and the individuals from the burden/ the negative effects generated by a set of social risks or well-defined needs, for which no mutual agreement, a simultaneous or an individual one, is implied. In this definition, another term which can explain the sphere of contents appears, and this is the one of social risks or needs.

The list of risks or needs which can generate social protection are established, through convention, and refer to: (1) Sickness / Health care, (2) Disability, (3) Old Age, (4) Survivors, (5) Family / Children, (6) Unemployment, (7) Housing, (8) Social exclusion not elsewhere classified.

The negative effects against the conditions of life of persons/ households, generated by the appearance of these risks, are attenuated through the granting of social services in some specific schemes of social protection, associated to a certain risk. For instance, against the risk of "old age" and this represents the retirement of one person or of a category of persons from the working life when reaching the retiring age (and that means the disappearance of incomes from salaries) , schemes of pensions (frequently called pension plans) were created and they function, practically in all countries. It is important to mention that in order to attenuate the effects of any risk, as the age advancement/ old age, in one country, many plans may function. For instance, in Romania, there are many more plans through which the social services are furnished (pensions, traveling facilities, other aids) when the risk of old age appears. We mention here one of the most known and important: public pension plans (as part of the state social securities), the pension plans for farmers; the pension plans for the military, etc.

Every plan is stipulated by law and contains precise rules through which are stipulated: the conditions of eligibility (who has the right), the manner of calculation and/or the dimension of services, the period of granting, etc.

The social services are money transfer or in kind made by plans of social protection for the households or individuals in order to be able to handle the burden of the eight risks or needs (social protection functions), mentioned above.

Function	Category of services
(1) Sickness / Health care	Indemnities for sick leave; services for health care; pharmaceutical products.
(2) Invalidity	Invalidity pensions, aids in the form of goods and services (other than the health care); for the ones in this situation.
(3) Old Age	The old age pensions (with a limit age) the goods and services (other than the health care) granted to the aged persons.
(4) Survivors	The pensions and aids granted in connection with the demise of a family member.
(5) Family / Children	The services (other than the health care) in connection with pregnancy, birth, motherhood, children care and other members from the family.
(6) Unemployment	The unemployment services and the professional briefing, financed by the public agencies.
(7) Housing	The intervention of the public authorities in order to help the households to handle the expenditures for dwelling.
(8) Social exclusion	The services for supporting the incomes (minimal); the rehabilitation of the alcoholics, drug consumers, different other services (other than the health care).

The social services, on functions

The social protection expenditures represent the overwhelming proportion (almost 95%) from the total of the social protection expenditures. In the total of the social protection expenditures are also included the

administration expenses and other costs. So, according to ESSPROS, the total social protection expenditures at one country's level consist of:

1. expenses with social services; which can be money or in kind (see the figure above);
2. administration expenses, expenses made by a plan for its management and administration;
3. other expenses consist in different other costs made by a social protection plan, as the bank interests or other loan lenders and the payment of some income or estate taxes.

It may be said that this entire gearing made of plans, social services (grouped on functions, at their turn, associated to the risks), on the basis of the legislation which regulates their functioning in one country, at a given moment, forms the social protection system in that country.

2. The social protection of the aged persons

The demographic ageing and the rising of the needs for social protection of the aged population supposes higher expenses. This reality creates many worries in almost all the European countries.

On one hand, the book-keeping of the volume increase in the social protection expenditures, and on the other hand, of the signals intercepted from the projections regarding the evolution of the number and the structure of population, made by the ONU' division, by Eurostat or specialized institutions at a national level.

At the moment, it does not exist the possibility of a very clear delimitation of the social protection expenditures which concern especially the aged persons. But, it is sure that the ones presented by the statistics at present, as being included in the function old age and an important part of those referring to the health care and, entirely, those made for the long term care of the aged persons as well as the survivors function (an important part of the beneficiaries being widows/widowers- aged persons) can be considered expenses for the social protection services from the two functions mentioned above, respectively, those for "old age" and "sickness/ health care"- involve at the moment, in the European Union's member states, around 70-75% from the total social protection expenditures or around 20% equivalent Gross Domestic Product.

That state of facts generated many worries at the level of the European Union organizations, as well as at the level of many member states, concerned with pensions, with health care and long term care of aged persons.

In October 2001, the Ageing Working Group under the Economic Policy Committee of the European Commission presented in the first report which show projections of the public spending on pensions, health care and long term care and examines the way in which these projections could be used for the assessment of the general sustainability of the public finance. The projections were realized on the basis of an assumption of demographic evolution elaborated by Eurostat and on the agreed assumption regarding some important economic parameters (the participation rate, unemployment, the growth of productivity and the real interest rate).

For pensions, the national authorities used their own models or subcontracted that project with the national research institutes, and regarding the health care and the long term care a common methodology was used.

The projection showed that the expenditures for the public pensions will increase substantially – as the Gross Domestic Product - in the following decades in the majority of European Union Member States, if the politics remain unchanged.

The results of the mentioned projection showed that the expenditures with the public pension are to increase between 2000 and 2050 with 3 or 5 percentages, because of the old age dependency ratio. The highest rate was projected for Greece, of 12 percentages from Gross Domestic Product, followed by Spain with 7,9 percentages.

It obviously results that the demographic factor, expressed by the growth of the dependency ratio, represents the prevalent power which will exert pressure over the growth of the spending on pensions.

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