

Shot report

**TRANSFORMATION OF WELFARE
STATE FUNCTIONS IN THE
TRANSCENDENCE PERIOD TO
ANTHROPOCENTRIC DEVELOPMENT
MODEL**

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Developed modern countries identify themselves as “welfare states”. The definitions of a welfare state, having been formulated within the period of more than a hundred years, beginning with Lorenzo von Stein (1850 r), underwent radical changes [1], as the state itself had been suffering from evolutionary alterations reflecting productive forces and public relation development [2].

The dynamics of principal concepts, their content and characteristic features of a welfare state generalized by Kalashnikov S.V. [3] look like the following:

1. Primary welfare state (80-s of the 19th c. – 30-s of the 20th c.): the citizens have got social rights, and the state – social responsibility. Features: all-round introduction of social insurance, provision of social equality, budgetary financing of national social aid and separate social programs. The state becomes a predominant subject of citizens’ social assistance (communities, cooperative societies, church, and charity).

2. Legal welfare state (30-40-s of the 20th c.): system of civil rights to social protection on the part of the state. Features: social functions of the state not just acquired legal foundations, but became leading for nations. Personal human rights became a foundational part of the whole state legal system, determining social duties of the state through the civil rights.

3. State of welfare services (40-60-s of the 20th c.): the state is a subject of specific social functions - employment provision, formation of life medium for invalids, etc. Features: the state is responsible for equality of opportunities for all social groups of the society on the ground of

active social policy. The state not only compensates impossibility of a person’s achieving certain life standards, but actively forms the conditions of their achieving. The state is the guarantee of equal social opportunities.

4. State of universal prosperity (60-80-s of the 20th c.): achieving of relatively equal high life level of the whole population. Features: period of maximal development of insurance signs and giving the principle of solidarity priority number one. It determines the generality of social assistance, orientation on universal quality of life indicants, mechanisms of social risk insurance preferentially on solidarity foundation.

5. Universal prosperity state crisis (80-90-s of the 20th c.): growing gap between the number of social contribution payers and those who are entitled to social security services: the unemployed, poor, single-parent families, etc. Features: crisis of the entire solidarity insurance system. Contradiction between growing social allocations and objective necessity of tax deduction on business.

6. Liberal welfare state (middle of 90-s of the 20th c.-present time): social policy efficiency. Features: divestment from paternalistic state role and political objectives to life leveling of citizens. Sources and pre-conditions of liberal welfare state becoming are discussed in the clause.

New state functions in the form of national insurance, creating and budgetary financing of national social assistance and separate social programs, provision of equal access of all citizens to client care plan, became real. Compared to preceding period the state became a predominant social function subject in the society, and earlier theses functions were carried out by market subjects (charities) – church, communities and other forms of collective human activity, cooperatives, for example [4].

Welfare state legal reasoning perfected the principle of natural social human rights. The state became an intermediate link between human rights collection and the society, and on the ground of social policy started providing these social rights. In this quality it received specific

rights to secondary distribution of goods and so acquired a specific *function to guarantee initial, starting opportunities of the citizens*.

A modern welfare state claims maintenance of the balance between freedom and equality; the equality being dynamic and not static one. The state should provide a citizen not only with freedom but real opportunities to use it. The problem of opportunities is the corner stone of the argument: to provide equal life conditions and equal life chances. Before the 80-s in science research and state policies of many European countries the priority of the first equality form dominated. At present the majority of scientists abandon themselves to the idea that social justice should be founded on economic liberalism: a state should be responsible for life and labour conditions of its citizens having social rights. The citizens' rights consist in realization of economically and socially acceptable life level for all and in providing them with equal life chances (education, health care, culture).

A modern welfare state, in our opinion, should be understood as a dynamic economical system, in which the social protection foundation is successfully developing market economics itself, complemented only the most necessary measures on the part of the state. A liberal welfare state starts having new, earlier neglected by it, functions (Table 1), which are the reaction on alterations of social-economic conditions, wherein the modern state develops.

Rights and responsibilities asymmetry compensation pays great attention to the national insurance principle which establishes benefit sizes in proportion to contributions to the system (priority of the insurance principle over the one of social assistance). It is necessary for the removal of contradiction between rates of economic growth (assessment severity and employers' social benefit values) and the level of provision assistance to the population in case of occurrence of hazardous situations.

We consider that the main vector of modern economic development is the transcendence from technogenic type of production to innovation-information economic system, when social production factors turn into the main source and impulse of economic development, when the employee cannot be seen only as a means of economic effect maximizing.

High-tech production ruined the ideas of unprofitability of social expenditures slowing down accumulating, expansion of production and its competitiveness. In an industrial production, especially on the primary stage which is characterized with an expansive character, developing on the account of earned value the economic efficiency directly depends on simple, intensive labour. For such a production the opposition of economic and social priorities is typical of: the last are restricted with the necessity of simple reproduction of labour-power. There is no need of other investitures, as a matter of principle, and once got qualification can be used in the industrial production without sufficient changes for 20-30 years.

Under the conditions of continuous perfection of productive powers the investments to the man become objectively necessary as not a simple labour, and not even a complex one being thought as mechanically multiplied simple labour is required already, but a labour associated with continuous knowledge renewal, capability to think analytically and react the requirements of the production competitiveness growth. There appears a feedback effect: postindustrial production creates preconditions for "socialization" of economics, but at the same time it is a precondition for organization, deepening and development of modern innovation-information economy.

The emerging role of social context in modern innovation-information economy allows many scientists to consider such an economy to be anthropocentric one as the role of material factors becomes more and more mediated, dependent on organically included in national economy structure of organizational, technical and scientific creativity. It goes without saying that what is meant here is a technologically advanced postindustrial economy.

That is why the strategy of modern economic system development in a postindustrial society as one of the four internal factors considers "developing human capital by means of investments to education, health care, culture, housing improvement, staff training in accord with prospective demand on the labour market and possibilities to compete on the labour market" [5].

Table 1 – Signs and social functions of a modern state

| Signs | Functions (in order of their appearance) | New functions of a liberal welfare state under the conditions of industrial- innovation economy |
|--|---|---|
| National social assistance availability for all society members Legal nature of social policy – the right to handle and control Budget welfare benefit system availability Social safety net availability (including systems of population employment and welfare) Recognition of the state responsibility for the welfare level of its citizens Civil society institutions' availability | Social welfare Available health care (social insurance) Social protection Social services' available Employment provision Leveling of social inequality Carrying out national social policy | Rights and responsibilities asymmetry compensation Removal of antagonism between social objectives and market requirements Guarantee of achieving high economic indicators and competitiveness of the county on account of social factors Protection against social non-insurance hazards on account of effective economy on the ground of damage compensation principle |

*Is made by the author

Potential for development of modern economical systems is measured by the indices of human development and innovation-investment activity which are the key factors of postindustrial economy development.

Thus, modern economic systems are specified by societal development economic and social context balance alteration in favour of the last one. Acquisition by them the role of economic growth basic impulse has got a double nature. On the one part it is the result of science-technical progress and welfare state evolution, and on the other part – features of human potential (education, health, culture level), they being a precondition for the development of new quality economy, innovation-information one. In connection with this a welfare state has modified

its functions having added to existing ones the function of guaranteeing of achieving high economic indicators and competitiveness of the county on account of social factors.

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