

Financing Social Assistance in Romania and Great Britain Comparative Aspects

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Abstract

Social assistance is a set of institutions, programs, measures, professionalized activities, specialized services for the protection of individuals, groups, communities, special or cultural problems, of a different nature, temporarily diffused.

We approached this topic because we found that the social assistance systems in the Member States of the European Union know a great diversity that is due to their historical evolution, the social, economic, political context of each country and even, to a greater or lesser extent, religion.

That is why the purpose of this paper is to make a comparison between Romania and another European state with totally different social security systems, to highlight the fact that there is a deep attachment of the peoples of Europe to their social assistance systems with a high cost which is covered by important and mandatory withdrawals from national income.

Key words: social assistance, social services, financing, budget

J.E.L. classification: H51, H55, I12, I13

1. Introduction

The national social security systems encountered in the Member States of the European Union are divided, in the left class, into four main categories, to which we must add one more thing, taking into account the process of enlarging the Union towards the East.

The continental system (Germany, Austria, France, Belgium, the Netherlands, Luxembourg) is the system in which the Bismarckian tradition of protection based on the criterion of employment is preserved and in which the principle of social insurance predominates. The financing is made on the basis of contributions, and the management is ensured by six managed by the social partners and endowed with a certain autonomy.

The concept of "welfare state" has a negative connotation in the German vision, being associated with excessive state intervention. This vision appears natural for a state that has always focused on economic development, to the detriment of social welfare: "the best social policy is an efficient economic policy" (Popescu, 2004). On the other hand, there was a strong influence of dogmas. The Catholic Church emphasizes solidarity and subsidiarity, and on the principle that services should be organized and offered at the lowest possible level.

The German system is considered "one of the prototypes of European social security", the social policy of the German state being sarcasticized by: fragmentation and decentralization of social programs according to the type of benefit or service, beneficiary groups and regions; the preponderance of cash benefits gives the beneficiary the freedom to decide on consumption and

leaves a maximum space for private services; the essential role of the contributory component (social insurance); the importance of labor legislation.

The goal of German social assistance is to keep all citizens above the official poverty line, through a variety of benefits in money, nature and services. Social assistance is financed entirely by taxes and is granted to German residents, regardless of age, for an unlimited period, until their financial situation improves. The amount of this aid is set at the level of each Land, starting from the standard rate and varies according to the resources and needs of the beneficiary.

The influence of the German system introduced by Bismarck spread throughout Europe as follows: the influence of German legislation on continental systems manifested itself in the presidency in Luxembourg, the Netherlands, Austria, Norway, Sweden, Italy, Belgium, etc .; The British National Insurance Act of 1911 instituted insurance for sickness, disability and unemployment.

The system of the Nordic countries (Sweden, Denmark, Norway, Finland) is such a system in which social protection is a right of the citizen who can thus receive a minimum of resources, employees receiving additional benefits proportional to their salary under the schemes; only unemployment insurance, which is voluntary, is distinguished from the system guaranteed by the state.

Representative for the system of the Nordic countries is considered to be the social protection system in Sweden. Thus, the distinctive features of the Swedish welfare state are: citizenship as the basis of the right to social protection, high level of social spending, the principle of solidarity, the central role of the state (administrator and financier of the system), the principle of universality.

Considered for a long time an ideal model of the welfare state, the Swedish model owed its prosperity and wealth to a vigorous private sector, distributing national income in accordance with an egalitarian vision of social justice. Sweden's social security system covers all risks. It covers public health care, sickness insurance, mixed old-age and disability insurance, accident and occupational disease insurance, unemployment insurance, family allowances, social assistance and other specific benefits.

The problem of poverty has never been a major concern of the Swedish welfare state, providing the majority of the population with sufficient resources and a high standard of living. Social assistance is a non-contributory benefit that is granted to residents (regardless of the length of residence) who do not have sufficient resources to pay subsistence expenses and who do not receive benefits from the general scheme (sickness allowance, unemployment benefits, pension.). Even in these conditions, the beneficiary is obliged to prove his availability to find a job, in order to be able to support himself from his own salary. As a result of the active employment and reintegration policy, the number of countries receiving social assistance accounted for about 8% of Sweden's population in 2014, with the average duration of unemployment being low (4 and a half months in 2014).

The Anglo-Saxon system (Great Britain and Northern Ireland) is based on the universal principle of social protection and national solidarity. The financing is mainly of fiscal origin, and the administration belongs to the public authorities.

The British social security system was intended to be the ideal of a welfare state (resembling, in this respect, the Swedish system) and to offer every citizen a comprehensive set of measures and social benefits at the highest possible level. The social security system in Great Britain is dualistic because it is based on the existence of an insurance system based on the contributions of employees and employers (which was introduced progressively starting at the end of the 19th century), ensuring the financial protection of the employee and in maintenance of it, in case of loss of salary income, and a supplementary guarantee system (whose origins were found in the "Laws of the Poor" - "Poor Laws" of 1598 and 1601) are paid to all those in need, state-funded.

In the case of social assistance, it consists in granting non-contributory benefits (income support and family credit), based on the testing of the needs or means of the beneficiaries (principle of selectivity). Income support is intended to provide financial assistance to persons who do not work full time and whose income is below a minimum level set by law. Therefore, the right to receive this aid is restricted. The applicant must take the test and be registered as unemployed and available for employment. The amount of income support is the difference between a person's resources and needs (classified as normal needs, additional needs and housing needs). The family loan is intended

to provide support to low-income families and is obtained under conditions similar to those required for receiving income support.

The Mediterranean system (Italy, Spain, Portugal, Greece) is a system in which there are many contradictions between national regimes; the general principle is that of universal protection, but the regimes are distinct, organized in a professional framework and based on social security. Health services are not accessible to everyone except Italy. The social security system is financed by individual contributions paid through salary deductions.

Non-contributory social assistance benefits are paid to people who are not included in the general insurance system or who do not meet the conditions of the pension. Social pensions are granted to people who have reached the age of 65 or to people over the age of 18 who have a permanent incapacity for work. The integration aid is intended for young people aged 18-25 who have completed a school or vocational training course of at least 9 years and are looking for their first job.

The system of Southern and Eastern European countries (Hungary, Poland, Czech Republic, Estonia, Latvia, Lithuania, Slovenia, Slovakia, Romania, Bulgaria) is the social security system present in the countries that became members of the European Union from 1 May 2004, respectively January 1, 2007 (Romania and Bulgaria).

In these states, social assistance is characterized by: spontaneous (ad-hoc) and reactive measures to protect new unemployed and to compensate for the erosion of income caused by inflation; elimination of subsidies for many goods and services without proper anticipation of social consequences for vulnerable groups; the call for poverty and volunteering to fill the gaps created by reducing state services; the emergence of independent initiatives in the field of social protection, in the conditions of a differentiated inability of citizens to participate in them; partial privatization of some medical and social services; starting the process of "building" the state social security system and moving to social insurance systems financed by individual contributions; giving up some childcare services (nurseries, kindergartens with extended program), medical services and recreational facilities organized by enterprises for their own employees; changing the nature of access inequality and the use of social services from inequality based mainly on bureaucratic and political privileges to one based mainly on market mechanisms; greater decentralization and local control in the provision of social protection, but in the conditions of urgent financial resources.

2. Literature review

Due to the recent orientation, social assistance was systematically relocated and repositioned structurally within the welfare state, so that it always had to accept compromises. It was called irony by V. Jordan and St. Jordan "the dog never barked", which, in D.Buzducea's opinion, conditioned "a certain demoralization, disorientation and, of course, uncertainty among assistants" (Buzduș, 2005).

Although in recent decades social assistance has faced various doubts caused by negative and less controllable factors, we can see today that it has asserted its necessity and usefulness, becoming a credible and integrity partner of the civilized world, located at the intersection of economic resources, social policies and local needs.

The term assistance derives from the English word assistance, meaning means support, help, and, used in the field of social protection, this term obtains the qualifier "social", becoming social assistance.

According to the Explanatory Dictionary of the Romanian Language, social assistance is "a system of material assistance to people who are not fit for work and do not have the means to live" (Coteanu, Seche and Seche, 1998).

The literature reads a variety of definitions of this notion, each of them highlighting one of the aspects of social assistance. Trying to choose a more complete definition, we stopped at the one proposed by D.D. Raiciu, who claims that social assistance, *lato sensu*, is an activity of helping people (through support and protection, support and rehabilitation) to overcome their difficulties, to develop their ability to solve problems independently, and *stricto sensu* - an activity aimed at solving the social problems of certain individuals or groups of people who no longer have material, social and moral resources, who are no longer able to ensure a decent living through their own

efforts (orphaned children, dismembered families , pensioners, unemployed, disabled, deviant, refugees, etc.) (Raiciu, 2014).

According to another definition, social assistance is: "a set of social services, in cash or in kind, medical services, various forms of social and professional recovery, travel services in the mountains, social services for the family, the elderly, the disabled, etc. based on the nominative or categorical principle" (Vieriu, 2016).

A. Athanasiu mentions that the notion of social assistance designates, in a first sense, the general principles on which the aid granted to the social communities in need is based, and in another sense - the set of technical-financial means used by the public power for the public power. social (Athanasiu, 1995).

Al. Țiclea argues that social assistance is "an essential component of social security, represented by a system of legal norms through which protection measures are implemented and the provision of benefits to families with children, the disabled and other categories of minors and beneficiaries, in need and supported, as the case may be, from the state budget or local budgets" (Țiclea and Georgescu, 2016).

From the above, we find that the main elements of the definitions are determined by the scope of people in need, the structure of organization and functioning, as well as the way of financing the social assistance system. Social need is the whole of the needs whose satisfaction is indispensable to ensure a standard and lifestyle adapted to the level of development and the status of the group. The needs can be: primary, so they are indispensable to life, such as food, clothing, etc.; secession, which are unnecessary, but not indispensable to survival: reading, recreation; tertiary are such insignificant ones (for example, gifts).

3. Research methodology

We have done this work because we have found that the social assistance systems in the Member States of the European Union are very diverse and are due to their historical evolution, social context, economy, politics of each country and even, to a greater or lesser extent, religion. . That's why I wanted to make a comparison between Romania and another European state. We have observed that chartered states through a conservative Catholic tradition or through a tradition of the authoritarian state have developed social security systems based on the principle of subsidiarity (according to which the state should support and provide only such forms of welfare). , especially the church, are incapable of reassuring them), conforming to the so-called model of the conservative (corporatist) state of welfare: Austria, France, Germany, Italy, Belgium. In the countries where the emphasis was on the political mobilization of the working class and on the active involvement of the social-democratic parties in government, based on large-scale partnerships, the model of the social-democratic state (socialist) of welfare was developed, Norway, Netherlands, Denmark, Finland.

Although very different due to the evolution of history and the context of each European country, European social security systems allow the construction of a European social model, characterized by: a large number of risks taken in the salt; a wider access to the services and services offered (the material and personal field of application is wider); higher amount of benefits (for example, in the case of pensions); a more important part of the income constituted in social transfers; a more effective fight against poverty, thanks to minimum income benefits.

These features result in a deep attachment of the peoples of Europe to their social assistance systems and a high cost of social security which is covered by important and mandatory withdrawals from national income.

4. Financing of social assistance in Romania

Social assistance is financed from funds allocated from the state budget, from local budgets, from donations, sponsorships or other contributions from natural or legal persons, from the country and abroad, from premiums and other contributions, , in compliance with the legislation in the field and within the limits of the available financial resources (art. 128).

Social assistance benefits are financed from funds allocated from the state budget and/or local budgets.

Social services are financed from the following sources: the state budget, the local budget of the county, respectively of the municipality of Buşureşti; the local budgets of the municipality, the municipality and the municipality, respectively the local budgets of the municipality of Buşureşti; donations, sponsorships or other contributions from physical or legal persons in the country and abroad; reimbursable and non-reimbursable external funds; the contribution of beneficiaries; other sources of financing, in accordance with the legislation in force.

The funds from the state budget are allocated for: the financing of programs of national interest, elaborated by the Ministry of Labor, Family and Social Protection, as well as by other authorities of the central public administration with attributions in the field of local government and government services; financing the program of subsidizing private providers of social services, carried out by the Ministry of Labor, Family and Social Protection; financing the establishment of a social assistance institution - pilot; financing of social services provided through the public structures under the subordination-ordering of the authorities of the central public administration; financing of social services provided by local public administration authorities and other public and private providers of social services; financing of the permanent education program for the specialized personnel and of the training program in the field of social services; investment expenditures and capital repairs for day and residential centers; financing social services, based on memoranda, protrusions, partnerships, partnerships.

From the local budgets of the counties, funds are allocated for: the financing of social services under its own administration, funded or subsidized, or financed on the basis of partnership funding; financing or co-financing the establishment, organization and operation of a new social service; the financing of social services works in rural areas and in disadvantaged areas, on the basis of a partnership agreement concluded biannually; financing the operating expenses of the evaluation missions and the complex evaluation services; financing or, as the case may be, co-financing in partnership with the local public administration authorities of the expenses necessary for the continuous training of the personnel with attributions in the field of social services and which is active at the county level; financing and co-financing in partnership with the local public administration authorities of the community awareness actions regarding the social needs and risks at the county level; financing of projects supported by structural and other international funds for projects in the field of social services; financing of subsidies for social services provided by private providers; other financing or co-financing.

The local public administration authorities have the obligation to insure the amounts from their own budgets and other extra-budgetary revenues, in addition to those allocated from the state budget.

The medical services provided to the beneficiaries of social services in residential and day care centers are financed from the budget of the National Fund for Social Health Insurance.

Public and private providers who provide care services in residential centers and, if necessary, in day centers provide, from their own funds, the usual medicines ordered without a medical prescription, sanitary materials and equipment not provided for care. Social health insurance or through the programs of the Ministry of Health.

For the financing of social services can be used the income obtained from sponsorships and donations in cash or in kind, paid by natural and legal persons, Romanian and foreign, service providers.

Social services can be financed from international funds, established through memoranda or financing projects concluded by the Romanian state with donors, as well as from the structural funds for the selected projects in the region.

Depending on the income, the beneficiaries contribute to the financing of the assignment of the social services to the social service providers in order to develop lucrative activities only for the self-financing of the ordered social services. Proceeds from these activities are also used for modernization, refurbishment and renovation of the facilities under management.

Associations and foundations, as well as salaries, as private providers of social services, may receive subsidies allocated from the state budget and from the county budgets / local budgets of the municipality of Buşureşti, in order to support the development of and ensuring the continuity of social services provided by them.

5. The financing of social assistance in UK

The Welfare Reform Act of 2012 is the law that regulates the general framework for the organization, operation and financing of the national social assistance system in the United Kingdom.

The social assistance system is financed by national insurance contributions paid by employers and employees and by general tax revenues. As in the case of Romania, there are important differences between insurance-based benefits, those based on categories and those based on income/goods.

The total number of recipients of weekly social assistance payments in 2018 was 1.39 million. This represents an increase of 1.2% (16,624) compared to 2017. The case in the country includes qualified adults and children, in 2018 there were 2.1 million beneficiaries (a stay of 0.5% or 11,320) - 44.1% payments in 2018. The downward trend in unemployment-related expenses reflects the decrease in the number of beneficiaries. Almost 4 billion euros were spent to support income in the work in 2018; a stay of 11.7% compared to the previous year. The seasonally adjusted unemployment rate in December 2018 was 6.2% (146,700 people). The rate was 7.5% (173,600) a year ago.

6. The positive aspects of the British legislation

Social assistance is an important part of society in the UK, with 20.3 million families receiving some kind of benefit (64% of all families), with around 8.7 million retiring. For 9.6 million families, benefits account for more than half of their income (about 30% of all families), around 5.3 million retirees. Therefore, the main positive aspect is the generous support offered by the British social assistance system.

Richer countries spend much more (in terms of income) on social assistance than poor ones. But, of course, this does not mean that spending more on social assistance makes a country richer and rather reflects the natural tendency of societies, as they become more prosperous, increasing social spending. Some economists claim that a large social assistance budget inhibits the growth of the private sector. However, the experience of the United Kingdom (and not only - eg the Nordic countries) clearly demonstrates that there is no direct link between economic dynamism and a relatively generous social assistance budget.

Another positive aspect of British law is that - despite a large number of social assistance benefits, the state encourages work. Social assistance benefits are generally targeted at vulnerable categories or are targeted at certain expenditures (eg housing).

The British social assistance system is oriented towards the following functions: the identification and registration of the population segment is the object of the assistance activities; diagnosis of socio-human problems in which vulnerable persons or groups at high risk may face in a certain period of time and in certain given socio-economic and cultural conditions; developing a coherent system of programs, measures, professional activities to support and protect them; identifying the various sources of funding for support programs; awareness of their own problems by those at risk; establishing the rights and secret ways to access the specialized social assistance services, by knowing the legislative - institutional framework; support through counseling, individual or group therapy, in order to restore the capacities of socio-cultural and economic integration; prevention; promoting strategies to prevent disadvantaged situations; developing a program of scientific research at national and local level on the size of the problems of those in special situations.

7. Conclusions

Law no. 292/2011 and Welfare Reform Act 2012 regulate the general framework for the organization, operation and financing of the national social assistance system in Romania and the United Kingdom.

In both countries, the legal framework is based on and regulates the objectives and solutions provided for in the Convention on the Rights of the Child, the UN Convention on the Rights of Persons with Special Needs 4 of 2006, the European Social Charter. Charter of Fundamental Rights of the European Union, European Council Recommendation 92/444 / EEC on common criteria for sufficient resources and social assistance in social protection systems, the European Parliament and the European Parliament, the European Parliament's resolution on and EU regulations on the implementation of social security systems.

We have shown in the chapters of the paper that due to a much higher budget, the social assistance system in the United Kingdom addresses a much larger number of people who benefit from a diverse range of social assistance benefits. The European Union, the United Kingdom is far behind. The United Kingdom spends 12% less than France and 19% less than Germany, but almost twice as much as the Czech Republic. Eurostat statistics show that the UK is spending about the same amount as the EU average in terms of unemployment and disability benefits, although it lags behind higher economies.

British experts unanimously agree that the United Kingdom is facing an immediate budget crisis. The unpredictability generated by the process of leaving the European Union, the increase in budget expenditures, the huge public debt are the main arguments for this opinion. Other problems of British finances are: a) Demography - a growing percentage of the elderly population and the consequences of a lower birth rate in recent decades. In combination, this means that fewer workers support an older population at retirement age. The impact on public spending will be strongly felt in the next decade and will continue until the middle of the century. b) Increasing the expectations of a group of consumers of public services from being more educated and better prepared. They are more and better services and adequate social protection. c) Higher labor costs are not necessary for high quality social services. Increasing productivity is much more difficult to achieve.

All these problems are also reflected in the social assistance budget, which is in a slight decline from 2013 to 2019. Even in Romania, things are not better. The rapid increase in expenditures on public salaries and special pensions stems from the social assistance budget. Also, my benefits and many others make it difficult for the assistance process that they really need. A reform is needed in this area, as was the case in 2012 in the UK.

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