

## **World Experience in the Use of Cash and in-Kind Transfers in Social Security**

**Samieva Gulnoza Tokhirovna**

Associate Professor of the Department of Innovative Economics Karshi Engineering and  
Economic Institute

### **Annotation**

This article presents opinions on the foreign experience of social security, which plays an important role in improving the standard of living of the population. The article presents the world models of social protection and their review. In particular, the article describes the continental, Anglo-Saxon and Scandinavian models.

**Keywords:** social security, transfers, unemployment benefit, social protection, benefits payments, continental model, Anglo-Saxon model, Scandinavian model.

**INTRODUCTION.** Article 25 of the Universal Declaration of Human Rights, adopted by the United Nations on December 10, 1948, states that everyone has the right to a standard of living adequate for the health and well-being of himself and his family, including food, clothing - the right to a head, shelter, medicine, care and necessary social services, as well as the availability of means of subsistence in case of unemployment, illness, disability, widowhood, old age or circumstances beyond his control, is entitled to be secured in case of absence.

**LITERATURE REVIEW.** Social security issues are considered one of the indicators that determine the standard of living of the population throughout the world. Scientists who studied these components in the economics of the social sphere V.M. Rutgeizer, Shpilko S.P., Simbalist A.V., Pupynin K.N., Rutkovsky M., Zhrebin V.M., Romanov A.N., Perova M.V., Perov E.V., Kukushina V. .S., Khashimov P.Z., Umurzakov B.Kh. In their scientific works, social security issues are widely covered.

**RESEARCH METHODOLOGY.** This study is being studied based on the use of a number of research methods, including mainly foreign experience, the results of a monographic study, analysis and synthesis, system analysis, analysis of social security issues. The content and essence of the directions of socio-economic transformations carried out in the sectors of the economy of the Republic of Uzbekistan and the laws of the Republic of Uzbekistan in the field of providing social services to the population, resolutions of the Cabinet of Ministers, the work of the President of the Republic of Uzbekistan Sh.M. Mirziyoyev, the President on the basis of decrees and resolutions are also presented.

**ANALYSIS AND MAIN RESULTS.** Currently, Sweden is the country in the world where the share of government spending in GDP exceeds 42%. The unemployment rate in Sweden is 1.8-2.2%, which is considered full employment for most countries. The state not only employs the unemployed, but also supports them financially. Unemployment benefits are paid five days after the loss of a job. The maximum financial assistance period is 300 days for those under 55 and 450 days for older people. Unemployment insurance covers 90.0% of the employed population and covers 80.0% of wages in case of unemployment.

In Canada, federal transfers are usually transferred from the federal government to provincial budgets. Recognized by scholars as part of Canada's "fiscal federalism" due to its clear distribution. These transfers are intended to help provinces with limited financial resources to provide public services, including health care and education.

Canada measures the average financial strength of each province, which varies greatly. Alberta has the highest per capita at \$12,577, while PEI has the lowest at \$6,013 per capita. In 2016, Alberta's federal income tax was over \$8,000, compared to less than \$3,000 in PEI. But all provinces pay the same federal tax rates. Economist Trevor Tombe writes that by 2018, transfer payments had evolved from initial subsidies to "complex mechanisms" that were much larger and "evenly distributed". By 2018, interprovincial redistribution had fallen to 2 percent of Canada's GDP, the lowest in 60 years.

In China, since July 2011, existing regional and local social security schemes, including the merger procedure, have been gradually integrated under the country's first national social transfer law. By 2020, the government intends to create a comprehensive, equal and unified pension system covering urban and rural residents. In 2016, the government decided to create a unified system of health insurance for rural and urban residents without wages. The government also announced a merger of health and maternity insurance programs.

There are four types of social transfers in India:

- old age and disability benefits;
- sickness and maternity benefits;
- transfers for industrial injury;
- unemployment benefit.

Most sources of payments are trust funds through employers and government funding.

The USA still uses paper transfers with the Social Security Administration because many recipients, especially low-income individuals, do not have bank accounts, meaning the bank that facilitates direct deposits does not have an account. However, the USA has been able to introduce electronic transfer systems for food stamps and educational assistance programs.

Social protection in foreign countries is built on the basis of 3 main models: the Bismarck model (continental, conservative), the Beveridge model (Anglo-Saxon, liberal) and the private-corporate model (mixed, Scandinavian).

**Continental model.** The Bismarck model is based on the mechanism of social insurance, which provides for full or partial compensation to insured persons in case of disability. Social security is financed by contributions to the budget, insurance contributions from employees and employers. Countries such as Germany, France and Austria operate on this model. The advantage of the Bismarckian model of social insurance is the increase in social benefits depending on the length of service and income, thereby stimulating the labor activity of citizens.

It is possible to increase the size of social payments by attracting free funds to social insurance funds. When using this model, the residual principle of state financing of social expenditures is observed. The disadvantage of the Bismarck model is that it depends on the number of employees and the amount of social insurance payments. With a decrease in the number of employees, the level of social payments decreases or the amount of social contributions increases.

The Continental Model consists of the following three main features:

1. This model describes a direct relationship between the duration of a person's professional activity and the level of social security.
2. As a basic principle, attention is paid to the principle of social insurance under market and state control.

### 3. Public organizations and charitable foundations are very active in the social protection of citizens.

Germany is distinguished by the fact that it was able to fully implement all the principles of the continental model. Chancellor Otto von Bismarck is one of the founders of the insurance legislation in this country and played an important political role in the life of the country. He was the first to adopt a series of laws that provided certain social guarantees to the population of the country. The main ones are the Industrial Workers' Health Insurance Act (1884), the Industrial Accident Insurance Act (1885), and the Disability and Old Age Insurance Act (1891). . Thanks to these laws, the independence of the individual, the support of society and the support of the government by the state led to mutually beneficial agreements between the three parties.

Currently, there are 4 types of social insurance in Germany: pension insurance, compulsory health insurance, unemployment insurance and accident insurance. The social security system also includes child benefits (one-time payments at the birth of a child, subsidies for low-income and large families), refugee assistance, education benefits, medical benefits, pension subsidies, state funds allocated in the form of assistance to war victims, the disabled and social assistance are covered. low-income citizens.

In the first place in the German insurance system is the creation of good and suitable economic conditions for the working population. This form of social policy proved successful. But it has an important drawback - the bulk of the state budget goes to social protection. To cover these costs, it is necessary to constantly increase taxes on workers. High taxes scare people away from work.

Because people's savings from taxes are equal to the amount of social security that an unemployed person receives. For a positive solution to this issue, a number of political measures are currently being implemented, the main of which is the involvement of social assistance recipients in social production.

**Anglo-Saxon model.** The Anglo-Saxon (liberal) model of state welfare differs significantly from the continental model described above. The founder of this model is William Beveridge, an English economist who led a working group on social security reform in Great Britain in 1941-1942. Beveridge proposed to establish a single amount of contributions to the social insurance system and the same amount of payments for different types of social security.

The amount of contributions and payments received was determined based on the recipient's participation in the social insurance system and belonging to a certain group, regardless of the amount of contributions made by him. It was proposed to establish a living wage. If a citizen is not able to provide himself with a living wage, he is supported by the state. According to most experts of that time, the Beveridge model made it possible to restore economic and social well-being after the war, to create conditions for the restoration of labor productivity and the economy as a whole.

In addition, this made it possible to maintain the possibility of receiving social security for those who could not pay insurance premiums for objective reasons (pregnancy, disability, etc.). Due to its relevance, the Beveridge model was actively supported abroad. The successful implementation of this model can be seen in countries such as the USA, France, Japan, Switzerland.

Some of the key features of the Anglo-Saxon model are:

- social services are provided on the principle of "universality" and the same amount of benefits is provided (everyone who has paid insurance premiums is provided with the same amount of benefits);
- the state assumes responsibility only for maintaining the minimum income of the population and the welfare of the vulnerable, thereby minimizing participation in the social sphere;

- this model does not take into account individual insurance premiums for specific insurance programs. With the help of unified social payments, the collection and distribution of income for the necessary needs of a certain social security sector is carried out;
- the financial basis for the implementation of social programs is not the state budget, but private insurance premiums.

**Social insurance in case of loss of a breadwinner.** In the event of an insured event related to the loss of a dependent, if the deceased person is insured and the family is supported by income from his main job, it is considered that the family has lost the main source of income and family members (usually spouses) of the deceased are paid benefits in case of need for additional material support.

**Social insurance in case of temporary disability.** In this case, the insured event occurs as a result of temporary disability of the working employee, regardless of the work performed by him. To receive temporary disability benefits, an employee must have five years of work experience and pay insurance premiums established by the employer.

**Unemployment Insurance.** At the same time, insurance premiums are 6.2% of annual income, but this figure can be adjusted by the states. As a rule, they are paid by the employer. The payment of these contributions enables insured persons to guarantee the payment of appropriate benefits in the event of unemployment.

**Scandinavian model.** Scandinavian countries such as Sweden, Denmark and Norway use the Scandinavian model of public social policy. Today, as a country with a modern, mature and developed social system, countries using the Scandinavian model are shown as an example. This model combines elements of the Bismarck and Beveridge models.

This model has the following features:

- the leading role in spending on social needs belongs to the government of the country, and all social programs are financed from the state budget;
- the government is actively fighting unemployment, taking all necessary measures to prevent it;
- the Scandinavian model is characterized by the equality of conditions for social support of different segments of the population;
- different social guarantees are provided for the population of the country in different life situations.

An example of the brightest Scandinavian model of regulation of social policy is Sweden. Today it is one of the most developed countries in the world in terms of socio-economic development. Social security of the population of Sweden is carried out on the basis of the state guarantee of social protection of the population of the whole country. It is aimed at redistributing the incomes of all segments of the population through tax and transfer policies.

**CONCLUSION.** The main features of the Swedish model are permanent social security and one hundred percent employment in all spheres of human life, the absence of conflicts between the poor, and high political and social stability. Despite the difficult economic situation in the 80s and 90s of the last century, none of the countries using the Scandinavian model abandoned the chosen path. However, the achievement of general welfare and the availability of high-quality social guarantees require large expenditures from the state budget. Therefore, taxes in these countries are characterized by a high percentage.

So, it is clear that in all models of social insurance and in all our countries, the bulk of the payment of social benefits is directed to the social security of citizens who have lost their income. But all systems have their own characteristics. When organizing a social insurance system, it is necessary to take into account the current economic situation in the country, the

economic mentality of people. It would be expedient to use the advantages of the financial and economic infrastructure that is used in practice.

## References

1. Morina, Donjeta & Gashi, Prespp. (2016). The Role of SMEs on the Economic Development: Kosova's Case. SSRN Electronic Journal. 10.2139/ssrn.2820980.
2. Beck, T. Asli Demirguc, K. & Levine, R. (2005). SMEs Growth, and Poverty: Cross-Country Evidence. World Bank.
3. Idemobi, E.I. 2012. The problem of sustaining the growth of Small Medium Enterprises in a typical sub-Saharan African context. African Journal of Social Sciences, 2(1): 15-24.
4. Fatoki, O. 2014. The causes of the failure of new Small and Medium Enterprises in South Africa. Mediterranean Journal of Social Sciences, 5(20): 922-927.
5. Mbatha, Nonhlanhla & Ngibe, Musawenkosi. (2017). Factors affecting financial stability of small and medium enterprises: A case study of emerging markets. Risk Governance and Control: Financial Markets & Institutions. 7. 10.22495/rgcv7i1art1.
6. Virglerova, Z., Dobes, K., Kramolis, J., Kotaskova, A. (2017). The Influence of SME Owners's Education on Their Perception of Business Environment in Czech Republic. Economics and Sociology, 10(3), 321-332. doi:10.14254/2071-789X.2017/10-3/22
7. Rutkowski M. Returning Hope: pension system reforms in countries with transition economies, p. 9 "Flagship course on pension reform".
8. Жеребин В.М., Романов А.Н. Уровень жизни населения: основные категории, характеристики и методы оценки. – М.: ЮНИТИ-ДАНА, 2009
9. Pupynin K.N. (2011) Application of foreign experience of functioning of sovereign investment funds for the Reserve Fund and the National Welfare Fund of the Russian Federation. Abstract of thesis. Dissertation economic sciences. Moscow, 24 p.
10. Хашимов П.З. Экономика социальной сферы. -Т.: «Университет», 2002. - С. 26
11. Цимбалист А.В. Социальная защита населения региона в условиях демографического кризиса. – М. Палеотип, 2005.
12. Умурзаков Б.Х. Проблемы пенсионного обеспечения в условиях рыночных отношений. – Т.: Фан, 2005
13. Sayyora G., Nasimovna N., Tokhirovna A. Prospects of Innovative Development of the Agricultural Sector. – 2023.
14. Tukhtabaev J. S. et al. Econometric Assessment of the Dynamics of Development of the Export Potential of Small Businesses and Private Entrepreneurship Subjects in the Conditions of the Digital Economy //Internet of Things, Smart Spaces, and Next Generation Networks and Systems: 22nd International Conference, NEW2AN 2022, Tashkent, Uzbekistan, December 15–16, 2022, Proceedings. – Cham: Springer Nature Switzerland, 2023. – С. 440-451.
15. Toxirovna S. G. RAQAMLI IQTISODIYOT SHAROITIDA AHOLIGA MAISHIY XIZMAT KO 'RSATISH TARMOG 'I FAOLIYATINING SAMARADORLIGINI OSHIRISH //Gospodarka i Innowacje. – 2023. – С. 313-319