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STRUCTURAL AND FUNCTIONAL FEATURES OF THE SOCIAL PROTECTION SYSTEM IN POST-SOVIET ARMENIA

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Nearly all countries, differing greatly in their economic, social and cultural circumstances, have introduced social protection systems, which deal with the management of social risks and existing social problems. Armenia is not an exception. The contemporary social protection system of Armenia was established in the Post-Soviet period. It has its main structural and functional features.

The article is aimed at analyzing those features and revealing the main reasons for them. Particularly, it is directed towards studying structural components of the social protection system in Armenia and examining the functional features in the scope of prevention/intervention activities.

Keywords: *social system, social protection, structural components, functional features, prevention, intervention, state social agencies, social services.*

PARTICULARITĂȚI STRUCTURALE ȘI FUNCȚIONALE ALE SISTEMULUI DE PROTECȚIE SOCIALĂ DIN ARMENIA POST-SOVIETICĂ

Aproape toate țările, chiar dacă diferă mult din punct de vedere economic, social și cultural, au introdus sisteme de protecție socială, care se ocupă de gestionarea riscurilor sociale și a problemelor sociale existente. În acest context, Armenia nu reprezintă o excepție. Actualul sistem de protecție socială al Armeniei a fost instituit în perioada post-sovietică și reflectă caracteristici structurale și funcționale ale acestei perioade.

În articol se urmărește scopul de a studia componentele structurale ale actualului sistem de protecție socială din Armenia și de a examina caracteristicile funcționale din sfera activităților de prevenire/intervenție.

Cuvinte-cheie: *sistem social, protecție socială, componente structurale, caracteristici funcționale, prevenire, intervenție, agenții sociale de stat, servicii sociale.*

Introduction

„Social Protection” Concept: General Overview

Social protection systems help individuals and families, especially the poor and vulnerable, cope with crises and shock, find jobs, improve productivity, invest in the health and education of the children, and protect the aging population [1].

In a narrow sense, social protection is defined as social assistance provision through cash transfers to those who need them, benefits and support for people of working age in case of maternity, disability, work injury or for those without jobs, and pension coverage for the elderly [1].

According to another definition, presented by Robert Holzmann and Steen Jorgensen, social protection consists of public interventions to assist individuals, households and communities in better managing social risks. The objectives of these interventions are a subset of the overall development objectives of economically sustainable participatory development with poverty reduction [2, p.4].

The form and extent of social protection differ greatly between nations but the fact that nearly all countries, differing greatly in their economic, social and cultural circumstances, have introduced social protection systems is itself remarkable [3, p.7].

Social protection systems can powerfully shape countries, enhance human capital and productivity, reduce inequalities, build resilience and end inter-generational cycle of poverty.

Social protection deals closely with social risks management procedures. It is directed towards prevention of those risks or overcoming social problems that have been caused by risks not prevented on time and in needed manner [4, p.15].

Social Protection System in Armenia

Social protection system has an important role in dealing with social risks and social problems in Armenia as well.

After establishing its independence Armenia constitutionally announced itself a social state. This means that the state has "an obligation to protect and promote the economic and social well-being of its citizens, based upon the principles of equal opportunity, equitable distribution of wealth, and public responsibility for citizens unable to avail themselves of the minimal provisions for a good life".

In early 1990's a sharp rise in unemployment, real wage fall, tax base shrinkage, government suffering from persistent cash shortages generating large external and domestic expenditure arrears, were the factors resulting in a crucial decline in living standards and rising poverty levels caused a large migration [5, p.2]. During that period, social protection had a great impact on alleviating extreme poverty [6, p.35]. It still plays an important role in meeting the basic needs of population. Nevertheless, social protection system of Armenia faces a lot of problems and in some cases fails to implement some of the functions that theoretically and legally are prescribed to it. But before revealing the reasons for it, it will be worthwhile to present some data for featuring demographic, social and economic situation in Armenia in a Post-Soviet period.

Demographic situation in Armenia

Armenia is a small country officially with 2.93 million population according to the results of Census conducted in 2017 and United Nations estimates [7].

Life expectancy is high. It is 74.9 years for the total population, and 71.6 for men, 78.5 for women [8].

The average annual number of births during a year per 1.000 persons in the population at midyear is 12.9 births with 1.64 children born per women [9]. Demographic indexes show that Armenia faces demographic problems like becoming ageing society and having decreasing number of natural growth of population. According to the UN Population Fund, Armenia has come closer to reaching the threshold of an ageing population. Demographic problems in Armenia become more severe because of the problems and negative consequences of emigration as well. The last is a huge problem for Armenian demography. The emigration from Armenia intensified after the collapse of Soviet Union and social changes the country had to undergo.

According to the official statistics, since that up to 2010, 28.2 percent of Armenian's population or 870.200 persons has emigrated. According to ILCS 2017, 22.2% of households had members aged 15 years and above involved in external and internal migration processes over the period of 2014-2017, this constituted 10% of household members of that age group [10, p.24]. As we can assume the main reasons for high rates and negative impacts of migration in Armenia are mainly caused by social and economic problems that the country still tries to cope with.

Social and Economic Situation in Post-Soviet Armenia

Armenia's transition from a centrally planned to a market oriented economic system (formally-starting from 1991) has not gone smoothly because Armenia experienced a series of extra floats that seriously affected the economy. Since the collapse of the USSR in December 1991, the ongoing conflict with Azerbaijan over Nagorno-Karabakh independency, closed borders with Turkey and Azerbaijan, Armenia has been in a severe economic decline with small percentages of growth in some sectors, mainly restricted to Yerevan. The situation was improved by the increments, the government implemented to liberalize trade, encourage investment and promote the key market economy. In 2004-2008 GDP per capita was increased over 30%, which caused the decrease of the percentage of the poverty and extreme poverty in the country [11].

The global economic crisis in 2008 hit the Armenian economy. Over that period the country experienced 5.9 % economic recession and 6.9 % annual GDP growth, as opposed to the two-digit growth of GDP at 13.7% back in 2007 [9, p.32]. The economic growth over the last years (2012-2017) has had certain positive impact on the poverty level in the country. But still the poverty remains the major social issue for Armenian society.

Poverty in Armenia is assessed since 1996. For that aim the concept of absolute poverty is used. Based on the poverty status the population in Armenia is classified into poor and non-poor households. The poor, in turn, comprise the moderate (very) poor and, among them, the extremely poor. The poor are defined as those, whose consumption per adult equivalent is below the upper nation poverty line, the moderate (very) poor are defined as those, whose consumption per adult equivalent is below the lower national poverty line, whereas the extreme poor of the undernourished are defined as those, whose consumption per adult equivalent is below the food (extreme) poverty line. According to the official statistic data, the highest rate of poverty was recorded after the establishment of the independency. From 1991-1995 the major part of the population (70-80%) appeared in poverty. The situation improved a little bit since 1996, when the economic situation started to

stabilize. During the next 10 years the poverty rate was reduced from 56.1% to 26.5%. It is notable that during that period the extreme poverty rates recorded significant decline from 21% to 4.1%.

The situation got worse in 2008 after global economic crisis, which had resulted increase in poverty rates. Only in 2017 it become possible to record the poverty rate lower when it was before 2008's crisis [10]*. Since that time little changes were fixed in the estimated rate of poverty in Armenia.

The close attention should be paid especially to the child poverty issue, as it still remains worrisome. Based on the report presented by the Armenian National Statistic Service all children in Armenia are in a more risk of general and extreme poverty than adult people are [12]. The attention should be paid also to the fact that both child and general poverty rates have territorial determination. Particularly, 2.7% of children living in rural areas are poor, and this rate is higher comparing to the children's poverty in urban communities. It is 1.7%. The same situation occurs in the case of general poverty. According to the Armenian National Statistic Service, 25% of poor people live in urban and 26.8% in rural communities [10]. Though the difference in the rates is not so high, still the rate of poor inhabitants in rural areas remains higher than it is in urban communities.

The other very important and actual problem in Armenian society is unemployment. According to the latest data, the unemployment rate is 17.7% for the second quarter of 2019.

The close determination between poverty and unemployment is obvious and it has its expressions in Armenian reality, as well. Particularly, the dominant part of the population who live in poverty according to the measures and indicators used by the government are also registered as unemployed. Though it should be mentioned that the rate of poverty also involves the percentage of the people who have job and are working at the moment but at the same time they get very low salary which is not enough for meeting the main needs and demands of themselves or their families. This means that the percentage of working poor people is also high in Armenia.

Another very actual and widespread social problem for the Armenian society is a housing problem. Based on the report of the Ministry of Territorial Administration and Infrastructures of RA, 650000 citizens of Armenia have housing problems, 30000 of which are homeless [13, p.7]

For summarizing the results of our analysis conducted for describing demographic, social and economic situation in Armenia, we can assume that Armenia faces social problems very specific to the transitional societies. The main system which deals with all those social problems with the aim of solving them or mitigating their consequences, or reducing their influence on the well-being and life quality of the population is the social protection system.

Discussion

Development of the Social Protection System in Post-Soviet Armenia

Basically social protection system in the Republic of Armenia takes its roots from Soviet time, when the system of state allowances was established. During the post-soviet time it has passed certain stages of the development. That period can be conditionally divided into 3 phases [14, p.17-20]. First was figured by the establishment of market economy (1991-1995) in the country. That was a period when newly established Armenian government started creation of the necessary bases for market economy development. Proper changes were also initiated in the social protection system. Those changes were very necessary because of the collapse of soviet system; the social protection systems of soviet countries were seriously damaged. For changing the situation, the social protection programs which had difficulties to be run normally, were completed with several other programs, developed already in the period of independency. One of those programs was the Family State Benefits program created for distributing material assistance to the poor households.

The second phase of the social protection system's development in Armenia was the period when new mechanisms of social protection were developed and the proper legislation was designed. That was also a period when social insurance and social assistance programs were separated and started to function as structural components of the system.

The social protection system of Armenia now is considered to be in its 3rd phase of development. That is the period of reforms. The actuality of those reforms has been caused by several facts but the most important of them was the Reviewed European Social Charter's ratification by the Republic of Armenia. Based on that

* According to the national statistics service of Armenia the estimated poverty rate in Armenia was 25.7%, of which 15.1 fell under the category of poor, 9.2 % - very poor, and some 1.4 % constituted the extremely poor population.

Armenia has got an obligation to initiate and implement certain changes in the social protection system of the country. One of those changes has become the integration of existing state social services and the creation of integrated social services in the whole territory of the country. Those services now form one of the main structural components of the social protection system of Armenia.

Structural features of the Social Protection System in Armenia

If we analyze social systems using the methodology developed by T.Parsons, we should study interrelated and interacting units that form the structures of the system and contribute to the development and maintenance of it. According to that methodology the following structural components can be defined in the social protection system:

- social assistance;
- social investment and development funds;
- labor market;
- pensions and other insurance-type programs.

The services and agencies enrolled in the structural components of the social protection system present the institutional subsystem of the social system.

Coming to the structural components and institutional subsystem of the social protection system of Armenia, in all 4 components the major providers are state services. Particularly, social assistance to the families, social benefits, social pensions, employment services, are implemented by the state social agencies, established specifically for the implementation of those programs. The services mentioned above are:

- *territorial agencies of social assistance;*
- *territorial centers of employment services;*
- *state social security services;*
- *commissions of medical and social expertise;*
- *centers of integrated social services.*

Territorial agencies of social assistance are state organizations aiming to provide social benefits to the target groups of the population. Their functions can be described by the following activities they conduct:

- assessment of the social and economic situation of the family;
- drawing a conclusion on the eligibility of the family for receiving the specific type of the state benefits;
- provision of the social benefits to the family.

Territorial centers of employment services are responsible for the implementation of employment state policy.

State pensions are provided by the organizations called state social security services. They are responsible for the registration of the potential receivers, registration of their data on the database, and arrangement of the pension's distribution.

Committees of the medical and social expertise have the functions of providing services to the people with disabilities. Particularly, they officially provide the status of „person with disability”^{*} and decide the type (group) of the disability he/she has. The specialists of the committees also develop individual rehabilitation plans for the people with disabilities. They have a duty to follow up the processes of the individual plan's realization as well.

As was mentioned above, the territorial centers of integrated social services have been established as a result of a big reform initiated by the government since 2012 and implemented with the help of international partners. The goal of the reforms was to enhance the improvement of the social protection system by integrating the administrative, decision making, service-provision procedures of the state agencies and promoting their cooperation within the system. The model of integrated social services in Armenia considers:

- one stop shop or one window reception;
- integrated data exchange on the regional and central levels;
- integrated procedures of financial payments within a single state body;
- integrated delivery of social services via case management practices;
- designing and implementation of local (territorial) social plans [15].

^{*} Having the official status of a “person with disability” provides the necessary legal bases for receiving different type of social assistance provided by the state.

Though the establishment of the integrated social services' centers in the whole territory of the country is not finished yet and there are already several analysis which even arise the question of the effectiveness of those services [16; p.8-9], still they are considered as the main state agency in the institutional subsystem of Armenian social protection system.

Based on the fact that the dominant part of the social services in Armenia is provided by the state social agencies or institutions, we can assume that the crucial role in the social protection system belongs to the state.

This doesn't mean that the civil society has no role or participation in the system. From the beginning of its formation, non-governmental organizations have conducted projects that significantly promoted reforms within the system. For example, NGO's have had and still have important role in initiating reforms in child protection system, family assistance programs, inclusive education programs, social support provision to refugees, people with disabilities, elderly, etc. Still, long-term financial insecurity, fragmentation and competition among NGO's, failure to extend their outreach and rally greater support and higher levels of citizen participation in their activities stand as hindrances to the effective functioning of NGO's in the social protection system of Armenia.

The analysis of legislation regulating social protection system functioning in Armenia show the state is actively involved in social services planning and providing procedures. At least the legislation prescribes those authorities to the state agencies and to proper social services [17].

That fact can be proofed based on the financial dimensions as well. Particularly, during the last 20 years the government addresses the first largest expenditures of Armenian state budget to the social assistance provision to the population [18].

Functional Features of the Social Protection System of Armenia

Social protection system undertakes several activities with the aim to meet the main goals it functions for. As the goal of the social protection system is to enhance social welfare of the population, it deals with social risks management and with solving or mitigating existing social problems and their consequences. This also explains the reason of having the following functions the social protection system usually has: *prevention, assistance, compensation, insurance* [19].

For conducting the functions mentioned above social protection, system uses measures directed to the prevention and mitigation (ex-ante) or copying interventions (ex-post) [2, p.5].

Prevention is considered to be the most effective way for dealing with different risky situations and social problems [4, p.16].

Despite of that, Armenian social protection system is mainly limited with the copying interventions directed towards assisting the most vulnerable groups of population. It is because the system emphasizes supporting the persons or groups/families that are already in difficult life situations and need external help for overcoming them. They are in the focus of the social protection system in Armenia. This fact itself comes to proof another feature of the system, which considers that the social protection system of Armenia is based on residual approach of social welfare traditional models.

It should be noted that Armenian social protection system also considers implementation of the functions like:

- compensation with contributory programmes of the state insurance and pensions' systems, designated to cover contingencies affecting welfare or income of the households;
- prevention with the help of state benefits or employment and labor market protection programmes, etc.

But still, the coverage of social services is less comprehensive, and the spectrum of assistance provided to the beneficiaries is too small for preventing people from falling into poverty and substantially reducing income inequality.

The current situations all over the world show that the desired impacts of traditional social protection instruments are best achieved when they are delivered in conjunction with a variety of other multispectral interventions such as trainings, counseling, therapy, etc. Despite this, Armenian social protection system remains based on material and mainly financial provision to the families and persons who appeared in difficult life situations. State social services, the main leading agencies of social protection system in Armenia, provide the service-users social benefits or pensions, not paying enough attention to the skills and capability development of the beneficiaries.

In high and middle-income countries, social transfer programmes can be sufficiently generous to achieve measurable reductions in poverty and income inequality [20, p.34].

Still even those countries need to establish systems/subsystems promoting human capital development for the high level of social growth and welfare in the country. Armenia still emphasizes the distribution of material assistance rather than provision of non-material services.

Though the new reforms consider shifting the policy from passive distribution of financial resources to active social intervention towards the human resources development. Those reforms are not implemented in a comprehensive and systematic way, and this conditions the situation when there are no significant changes recorded in the proportions of material and non-material services within the social protection system of Armenia.

Concluzions

For summarizing the results of our analysis on the structural and functional features of Armenian current social protection system, we can present the following postulates:

- State is the main enrolled institution in the social protection system of Armenia. It is responsible for not only planning, but also implementing the social protection procedures and programs.
- The main structural components of the social protection system of Armenia are, appropriately, state social services and state agencies.
- NGO's have also very important role in the contemporary social protection system of Armenia, but because of non-sustainable funding, fragmentation in functioning, weak cooperation with the state they don't have enough influence on policy making or social policy implementation processes.
- The main function of the social protection system of Armenia is the provision of social assistance to the persons or groups who appeared in difficult life situations and need help for overcoming them.
- This means, that: 1) social protection system in Armenia is not able to pay enough attention and put enough resources on the social risks management and social problems prevention processes, 2) it is focused on the most vulnerable groups of population.
- The social protection system of Armenia mainly consists of ex-post mechanisms or social problems copying interventions.
- The main mean of social assistance remains material support which is mostly provided via social transfers (state benefits, state pensions) or in-kind support.

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