ESSENCE AND VALUE OF SOCIAL SPHERE IN UKRAINE

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Карпова Т.С. Сущность и значение развития социальной сферы в Украине

В статье рассмотрена история возникновения и обосновано экономическое содержание социальной сферы и сферы услуг. Проанализированы трактовки известных отечественных ученых, предложено авторское определение социальной сферы как сложного многоотраслевого комплекса, который образуют предприятия и учреждения различных форм собственности, большая часть результатов деятельности которых представлена в форме услуг. Определены факторы, препятствующие инновационному развитию социальной сферы Украины. Рассмотрены точки зрения известных ученых на состав отраслей социальной сферы. В зависимости от характера удовлетворения потребностей общества, автором выделено две группы отраслей социальной сферы и определены их особенности. Освещены предпосылки для развития социальной сферы в Украине.

Ключевые слова: сферы общества, материальное производство, потребности общества, социальная сфера, сфера услуг, производственная деятельность людей, материальное и духовное блага, рыночная экономика, социальное хозяйство, отрасли социальной сферы экономики.

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In the article it is considered the history of emergence and economic content of social sphere and sphere of services. It is analyzed interpretations of the famous scientists, it is offered the authorial determination of the social sphere as a difficult diversified complex that is formed by enterprises and establishments of different patterns of ownership, which greater part of activity results is presented in the form of services. It is identified the factors, that prevents innovative development the social sphere of Ukraine. It is considered the points of view of the famous scientists on the composition of industries of the social sphere. Depending on character of satisfaction the necessities of society, the author offers two groups of industries of social sphere and determines their features. It is presented pre-conditions for development of social sphere in Ukraine.

Keywords: spheres of society, material production, necessities of society, social sphere, service sector, productive people’s activity, material and spiritual welfares, market economy, social economy, industries of social sphere of economy.

Formulation of the problem. The development of society is a complex and multifaceted process, which is under the influence of many factors, and is characterized by complicated structure. Currently, most scientists: economists, philosophers, social scientists, sociologists, political scientists, psychologists believe that a society is a complex system of specially organized human activity, which, despite the high level of self-sufficiency, submits to objective laws, and is in a state of unstable equilibrium. Currently, it is globalization and socialization process in the world economic development, ignoring them, our country has the lowest rates of
economic growth and low standard living of citizens. That is why special attention should be given to social development as a key element in the growth of the prosperity of society.

**Analysis of recent research and publications.** The issues of the social sphere is reflected in the scientific works of leading foreign and domestic scientists. Among them, Weber [1], S.Y. Lukashenko [2], A.M Babich [3], Z.S. Varnaly [4], V.I. Lyashenko [5], L.P. Khmelevskaya [4], V.L. Inozemtsev [6], V.M. Novikov [7], and others. Despite the significant number of publications, the development of the social sphere are not fully understood.

**Isolation of the unsolved problem.** The development of society is a complex system, which characterized by the release of the largest sub-systems, reflecting the different nature and content of the types of social activities: economic, social, political, religious, spiritual, aesthetic, and others. Accordingly, most scholars identify the following main areas of society: economic, social, political and spiritual. All sectors of society are closely interrelated and mutually influence each other periodically strengthening or weakening its influence on the various stages of historical development of society. At the present stage attention should be given to the examination of the issues of functioning and development of the social sphere, as the driving force of social development and sustainable economic growth.

**The purpose of a scientific article** is to review the history of the development of the social sphere of Ukraine, analysis of interpretations of well-known domestic scientists, author's definition of the category of "social sphere" and the allocation of its branches.

**The results of the study.** The social sphere of society is a system of social relationships between groups of people occupying different positions in the social structure, including between classes, professional and socio-demographic segments of the population and national communities about the social conditions of their lives and activities. At first, the role of social services is to create favorable conditions for the production activities of people; to ensure the necessary level of life for all segments of the population; in addressing the health, education and social security; in observance of social justice in the implementation the rights to work of each person, as well as distribution and consumption in the society created material and spiritual values; in resolving conflicts arising from social stratification of society; social protection of the most vulnerable segments of the population. Thus, social sphere covers the entire range of social class and national relations on the software working and living conditions, education and living standards. Activities of social sphere directly related to the satisfaction of the social needs of a person or social group, and the degree of satisfaction of this determines the level and quality of life of the individual, family, social group, their wealth.

In the 40 years of the twentieth century it is formulated the basic methodological principles of the theory of post-industrial society, according to which all social production are divided into primary (agriculture), secondary (industry) and tertiary (service industry) sectors and the key provisions of the subsequent growth of the share of the tertiary sector compared to the primary and secondary in the total labor force in developed countries and in the structure of their gross national product by the American economist K. Clark [8] and the French social scientist J. Fourastié [9]. If, before the First World War, only seven of the most developed countries of the world put to social development about 3% of their gross national product, by 1940 the majority of democratic states in Europe have reached a level of such expenses equivalent to 5% of GNP, and in mid-70s, this indicator in the EU amounted to 25-35% of the gross national product. In the USA, the increase of social expenditures was less rapid, but in comparison 20.2% of GNP spent for these purposes in 1981, to 2.4% in 1890, also shows a very clear trend. [10] This suggests that for most of the twentieth century in terms of the industrial system attempts to address social inequality and ensure the relative availability for all members of society to most social benefits.

Since the second half of the twentieth century, it is radically changed the structure of social production. Despite the fact that the industry is provided with an excess of the needs of the population in the new consumer goods, which is virtually unknown before the Second World War, its share in the gross national product, and in the structure of employment declined sharply against the background of rapid growth of the service sector. If in 1955 in the manufacturing and construction of the United States it was employed to 34.7% of the total workforce and produced about 34.5% of GNP [calculated by: 11] (in this case Germany, Britain and France were characterized by somewhat higher figures: 41.2 and 47.4, 44.4 and 42.1, 30.4 and 43.2%, respectively), since the beginning of the 60s the situation changed, and by 1970 the share of manufacturing in GNP dropped to 27.3 and in the employment up to 25.0%. Scientific and technical progress has led to both a significant reduction in
employment of the industry, and to relative decrease in the prices of manufactured goods. At the same time a high standard of living has caused a huge demand for all sorts of services, primarily in the field of health care and education. In the early 70s, most researchers considered becoming a post-industrial society, just talking about it as a society based on services. When using as a criterion the degree of development of the tertiary sector, a critical point is considered the mid-50s, when the number of USA service workers exceeded the number employed in material production. [10]

Ukrainian scientist, academician A.A. Chukhno rightly pointed out that, if the pre-industrial, agrarian era of the economic basis of society was agriculture, and industrial - industry, the post-industrial era is characterized by the dominance of the service sector, non-material production, information, and knowledge. In the mid-80s, more than 70% of the working population of the United States were employed in the service sector. In developed countries there is a reduction in the scope of actual material production, in spite of the rapid growth of the sphere of non-material production, services [12, p.41]. Ukrainian scientist I.I. Malyi also reported about a sharp increase in the sphere of services in GNP of industrialized countries that characterizes the high level of its development and the importance of meeting the needs of people in these countries [13, p.56].

In the book, Z.S. Varnaliya, L.P. Khmelevskoy "Small bussines in the sphere of the customer services" [4] the service sphere is defined as an area in which it is organized the delivery of services and the provision of various services. And in A.A. Chuhno "Civilizational and formational approach and their role in economic theory and social practice" [12] service sphere - is the sphere of immaterial production, information, knowledge.

We believe that the services sector is a sphere of non-material life of a society that meets their everyday needs and is a component of the social sphere.

Russian scientist V.L. Inozemtsev stresses that modern progress as the secondary and tertiary sectors of the economy is marked by a variety of new phenomena, among which there are the changes in the ratio of shares of the secondary and tertiary sectors - in the structure of employment, and created product - in favor of the production of services ... The grounds and at the same time, a consequence of these processes is the expansion of the interior world and the development of human capabilities as the subject of production - both in the secondary and in the tertiary sector [10, p.226].

Productive nature of work in the social sphere and increase of its share in the formation of GDP were also evidence of a certain level of development of industrial and postindustrial society. The greatest proportion of the service sector in GDP is in the United States, Japan and Western Europe. If the USA GDP for the past 35 years has increased in 11.9 times, the corresponding figures for all sectors of material production, storage and trade are located on one side of the boundary (agriculture - by 5.4 times, the mining industry - 6.75 times, manufacturing - by 7.4 times, construction - in 9.57 times, trade – in 11.2 times), while the corresponding figures for the service industry: (governments - in14.1 times , communications and telecommunications - to 15.43 times, finance and insurance - to 15.78 times, household services – in 24 times). [12] Despite the fact that the service sector and the production of information have higher incomes, more highly qualified workers and their considerable satisfaction with their activities than in material production, the traditional performance in the tertiary sector is significantly lower than in the extractive and manufacturing industries. Already from the middle of the twentieth century, particularly in 1960, development of GDP per person employed in the tertiary sector accounted for about 77.5% of the industrial production of the worker, and in 1992 this figure had fallen to the level of 69.35%. [6]

We share the view of Professor Z.S. Varnaliya that the objective basis for the rapid development of the service sector was the rapid growth of labor productivity, which led to a reduction in working hours and an increase in free time, as well as improving the living standards of the population [4, p.11]. We believe that this also led to growth in consumer demands for quality of life and meet their needs, which can’t implement themselves, but only by professionals. This confirms the productive nature of work in the social sphere. It should be noted that in the sphere of services work as people who are not so much involved in the direct provision of services, as the process of creating the immediate material conditions. A rise in employment of the tertiary sector does not mean that the sphere of material production is experiencing a noticeable decline, rather the opposite is true. Scientific and technological progress and information, actively penetrating into traditional industries, lead not only to the fact that many countries in recent decades, are actively expanding production of material goods, without increasing the consumption of energy and raw materials, but also to the fact that this growth is also without additional manpower [10].
Thus, the transition to a postindustrial society the state of the social sphere becomes a determining condition for quality of life and a source of sustainable economic growth. According to the Russian scientist R.F. Abubakirova, major factor in sustainable development and irreversibility of reform advocates intellectual capital, and the person becomes a means of social progress in its goal. This tendency of humanization of economic life, the transition "technosphere" of 70 years of the twentieth century, into a new quality - "sotsiotehnosferu" where the engine business is a self-action, initiative building on the knowledge [14].

In terms of planning and administrative economy the role of social sphere in society unjustly were underestimated, and with ideological overtones, was considered minor compared with the sphere of material production and labor in the social sectors, in particular in the services sector was considered unproductive, which led to a shortage of many services, cross-sectoral imbalances and exacerbate socio-economic situation in the society. Ukrainian scientist V.N. Novikov stressed that a prerequisite for the emergence of a new social platform organization were discussions about the development of fee-based services, which lasted quite a long time before restructuring processes [7, p.3].

Due to the fact that the social sphere - is the relationship arising from the reproduction of immediate life and person as a social being, the concept of "social sphere" has different meanings, though linked. In social philosophy and sociology - it is the sphere of social life, including various social entities and relations between them. In the books we can find this definition: social services - is the production and reproduction of human beings, where it reproduces itself as a biological, social and spiritual being. In this sense, the social sphere is opposed to the material and spiritual spheres of production - the scientific knowledge and values, as produced in them should be consumed and assimilated people of other categories and professions. Social sphere it is a health and education, from kindergarten to high school, is interaction with culture, a visit from the theater to science clubs, is the continuation of the human race, from the children birth to the passing of the older generation [14].

Scientific Director of the Graduate School for Social Research in France P. Rosanvallon in the book "The new social question" widely covers the positions of scientists developed countries, exploring social issues that interpret it widely enough, that is not only through the prism of social protection, as well as the associated with freedom and citizenship, involvement in the life of human society, its social integration [7, p.4].

The authors of the book "Economic Sociology" V.E. Pylypenko, E.A. Gansova, V.S. Kazakov believe that the greatest social specificity expressed in when it is associated with certain conditions and by means of expanded reproduction of people. Accordingly, the social sphere - a sphere of life support, address the diversity of human needs through the misappropriation of funds of life and existence. In other words, it is the assignment of funds and the conditions of reproduction the man as a subject of public relations, the reproduction of the individual as the subject of labor, the transformation of the universal nature of the individual, forming his abilities to the diverse activities. The sphere in which the assignment is social. Relations between people, groups of people, man and society by means of which this assignment is called social [15].

The economy under the social sphere, first of all, understand the totality of industries, companies and organizations whose mission is to improve people's living standards, and including health, social security, public services, etc. In the "Great Economic Dictionary" and "Modern economic dictionary" social sphere is treated as a set of industries, businesses, organizations, and directly related to the image and determine the standard of living people, their welfare, consumption. Social services include, above all, services (education, culture, health, social security, physical culture, food, utilities, passenger transport, communication) [16,17].

According to E.V. Prokopyshak social sphere has a distinct regional character and is a category of the regional economy as well as personal needs of the population are considered, taking into account specific regional characteristics. The social function of the social sphere is the preservation and development of labor and intellectual potential of the population and each person as an individual, economic - to create favorable conditions for the production of material goods, political - in the implementation of the social policy of the government. [18] In our view, social sphere – is a category of general, but has regional characteristics.

According to Doctor of Economics, professor, R.F. Abubakirova social sphere – is a set of industries and organizations performing general objective function to meet the needs of the population, combined system of technological relations regulated industry and government. As part of the public sector, the social sector does not exhaust its content as a whole. A large part of the results of functioning the social sphere is in the form of services, so the tertiary sector of the economy is represented, including the social sphere, and thus includes part of the public sector. Social protection comprises a group of branches of the national economy, carrying out
services for the livelihood of a separate state with its inherent culture, work, leisure, family and household structure, traditions and way of life, psychology and spiritual values. This group of fields is combined to the social economy and include: education, culture, health, housing, utilities, health resort, spa and tourist complex (without an export share) and sports (except professional sports).

Russian economist E. Pesotskaya refers to the social sphere, first of all, non-productive sphere, which includes housing and communal services and consumer services; transportation and communication with service organizations, non-productive sphere of the population; geology and exploration of mineral resources (except for deep exploration drilling of oil and gas); health care; physical culture and social security; education; culture and art; science and scientific support; financial, credit and insurance services; control; public organizations [19, p.11,13]. The criteria by which we distinguish between the manufacturing sector and the service sector, E.V. Pesotskaya clarifies: participation of sectors and activities in the creation of wealth, direct (consumer) impact on the environment, the reification of labor results. Russian scientists V.F. Levicheva and V.F. Sherbina propose to exclude from the list of specified geology and prospecting, as well as science and commerce and housing included in the list. [20]

I.M. Tsaruk treats the social sphere as a sphere of activity that provides the standard of living the citizens, promotes their well-being, satisfies various needs of both society and the individual citizen (physical, spiritual, cultural, household), allows to realize the abilities and interests of the citizens and thus contributing to the reproduction of human growth and prosperity in the state. Without analyzing the component approach to understanding the structure of the social sphere, the scientist proposes to use the position of a number of authors such as: V.I. Kutsenko, Y.V. Ostafiychuk, S.I. Doroguntsov, T.A. Zayats, Y.I. Pityurenko, D.V. Klinova, T.V. Pepa, who released in the structure of the social sphere its social and cultural (education, culture and the arts, health and welfare, the media) and material household (trade, catering, housing and communal services, consumer services) sphere [21,5].

In our opinion, the social sphere – is a complex multi-complex, which form the enterprises and institutions of various forms of ownership, most of the performance of which is in the form of services. In our opinion, the social sphere is a system of interrelated industries, enterprises, institutions and organizations whose activities are aimed at satisfying the needs in the labor market, social and economic activity and spiritual culture, and way of determining the standard of living the people, their welfare and consumption.

Depending on the nature of society's needs, we offer social sphere divided into two groups (Table 1). The first group includes the sectors which activities are related to the appreciation of the socio-cultural, intellectual and spiritual needs of people, the creation of favorable conditions for their life and activity. The second group comprises industry, which are aimed at completing the process of wealth creation and bringing them to consumers. They provide a reduction in labor costs and time on housework, care of family members, the increase in leisure time and providing opportunities to meet spiritual needs. A feature of such sectors as health, education, culture is the necessity to limit them as a private business. Here, on a large scale is maintained non-market sector, which is financed from public sources.

Table 1.

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<th>Groups of social sphere</th>
<th>Depending on the nature of societal needs</th>
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<td>1 group - includes industry, which activities are related to the appreciation of the socio-cultural, intellectual and spiritual needs of people, the creation of favorable conditions for their life and activity</td>
<td>2 group - includes industry, which activities are related to the completion of the process of wealth creation and bringing to consumers</td>
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<tr>
<td>- Healthcare</td>
<td>- Trade, repair of motor vehicles, household appliances and personal use</td>
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<tr>
<td>- Education</td>
<td>- Transport and communications</td>
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<td>- Culture and art</td>
<td>- Activity of hotels and restaurants</td>
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This is due to the fact that health and education - the most important social sectors, which aim to ensure the constitutional rights of Ukrainian citizens to receive medical care, aimed at maintaining and promoting health, and ensuring universal access to education and training in educational institutions of different levels: children preschool educational institutions, educational institutions - schools, institutions of higher education. Activities of cultural and art institutions is aimed at preserving the system of public cultural and art institutions, museums, theaters, libraries, access to cultural values for all segments of the population without exception society.

R.F. Abubakirov emphasizes that social services sectors have a dual nature: they are both associated with the consumption of goods and to investments in human capital. Social services belong to the pure and mixed public goods, production and consumption of which is defined as the individual demand and the needs of society as a whole. On the one hand, they are different from the services provided by enterprises and organizations of other non-production sectors, as created and available for the benefit of the whole society through the use of predominantly mental work-based assessment of its performance as a means of moral and ethical character. On the other hand, their production and consumption is possible with the use of market methods of managing and properties of pure public goods characterized by a very small number of social services. Most social services, which have these characteristics do not fully and have the commodity nature. Benefits derived by individuals from consumption partly public goods, expressed in improving their quality of life [14, 22]. Many researchers of services consider that they have no value, their final result - social effect and not the real thing [7, 3, 6]. Therefore, its value is unique, it can not be measured, equate to cash equivalents, as do not pay for the product and for the process of labor. According to the V.L. Inozemtsev services and products embodying the subject-subject interaction are less reproducible, and most drop out of a number of benefits that can be given to the traditional economic evaluation. Meanwhile, it is now their production area, showing the highest growth rate of the GDP generated in it [10]. The scope of the service sector is constantly growing: amounting to more than half of USA GDP in the mid-50s, the tertiary sector provides now more than 73% [23], in the EU, accounting for about 63% of GDP and 62% of the number of employees, at that time in Japan, the figures are 59% and 56%, respectively [24]. So if from 1980 to 1993 in the USA GDP growth in the manufacturing sector in current prices amounted to 1.8 times the corresponding figure in the field of traditional services - repairs, hospitality, residential and social services - was just above 42% while in the business services, education and health care, the excess was more than 1.8 times and in the production of information, legal services, as well as in show business and entertainment industry – about 2.2 times [24]. We share the opinion of Ukrainian scientists Z.S. Varnaliy and L.P. Khmelevska, who think that people do not pay as much for the process of labor, and for the final result, the useful effect, and the world economic science uses the concept of "costs - the result" regarding settlement at both the macro and microeconomic level. [4]

The transition of the domestic economy and its social sphere to innovative development is undermined by several factors, the main ones are: the disproportionate age structure of the population, the poor health of all ages, low wages and pensions, a deep stratification of the citizens living standards, insufficient budget funding for health, education and science. The average monthly wage of Ukrainian worker in 2011 year, calculated to the official exchange rate was $ 332, ahead of only Moldova's workers, who earned an average of $ 271 per month. Little better is the situation if recalculate Ukrainian average earnings of employee in purchasing power parity (PPP). As Ukrainian prices are considerably lower than in most developed countries in terms of average salary of Ukrainian worker is equivalent to $ 841, and on with indicator Ukraine ahead of not only Moldova (461 USD), and Albania (796 USD). However, lagging behind the leading countries - more than five times. Since the average salary in terms of PPP in Luxembourg is 4420 USD, in the Netherlands - 4321 dollars, in Germany - 4271 dollars. The reduction in the budget financing is one of the key factors hampering the development of scientific research in Ukraine, which entails a reduction the specific domestic scientific and technical products on a global issue. In 2011 the share expenditure on science was 0.7% of GDP stipulated by the legislation at
1.7% share. Specific research spending per researcher in Ukraine, almost three times less than in Russia, 34 times lower than in South Korea and more than 70 times less than in the United States. The share of fixed assets of scientific institutions in the total assets of enterprises and organizations in Ukraine was 0.9%, including machinery and equipment - 1.3%. The degree of depreciation of fixed assets in the scientific sphere amounted about 45% [25]. This causes a weak social base of market transformation and lack of the social basis of development of social sphere in Ukraine.

Conclusions and suggestions. Therefore, incomplete economic reforms, the absence of a coherent long-term socio-economic policies and effective social policies have led to the fact that the main social indicators in Ukraine dropped significantly. So still there are very low percentage of the population with average income, an increase in relative and absolute poverty in the preservation of reducing the population that does not allow to adapt the basic social sectors to market economy and to ensure that standards in the world of social security rights. Ignoring the global trend of socialization factors of economic development remains one of the key factors braking economic growth in Ukraine and decrease the quality of citizen’s lives. In Ukraine, the balanced development of scientific, educational and high-tech sectors of the economy stands a real alternative to the extensive type of reproduction. The development of the social sphere and its component sectors, especially education and science can ensure the implementation of the competitive advantages of the Ukrainian economy, based on innovation, upgrading of traditional industries and large-scale transformation of the economic structure. State social sphere and maximum use of the intellectual potential of the individual and society are important factors in the effectiveness of socio-economic and technological development of the Ukrainian society and the formation of post-industrial system of social relations.

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