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Reforming Public Administration

Dilemmatic Concepts in Social Area

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Abstract: As a rule, in every domain, a pertinent and non-ambiguous definition and employment of concepts is desirable. But, sometimes, certain terms are mistaken for, or identified with, one another, resulting in equivocal contents and interpretations which are more or less valid. For this reason, we will present a series of such dilemmatic notions, hoping that we could at least bring some "light" to their contents and signification.

Keywords: social protection; social security; social insurance; personal insurance

1 Social Security vs. Social Protection

In contemporary society, social protection as a component of state social politics has become the main "weapon" against the current crisis and the almost indispensable instrument of each governmental party which aims to come to rule. The concept of "social protection" is often assimilated with the concept of "social security". Therefore, certain clarifications need to be mentioned.

1.1 Social Security

The concept, used in the European Code of Social Security (ECSS), includes both social insurances and social assistance, and it refers to nine social domains: medical care, sickness benefit, unemployment benefit, old age benefit, employment injury and professional sickness benefit, family benefit, maternity benefit, invalidity benefit and survivors' benefit. The European Code of Social Security is a judicial instrument adopted by the member states of the European Council, in Strasbourg, on April 16, 1964, entered into force on March 17, 1968 and signed by Romania on May 22, 2002¹. It was elaborated on the basis of the provisions in Convention no. 102 of the International Labour Organization (ILO), referring to minimal standards of social security, adopted in 1952. For each of the nine domains listed above, the Code establishes the risk covered, protected persons, benefits granted, eligibility criteria, amount of benefit, period of benefit allowance, and duration of waiting periods. The Code also establishes certain percentages of social security benefits which must be granted in proportion to the anterior income of the beneficiary prior to the appearance of the social risk.

¹ Ratified by law no. 116/2009, published in O.M. no. 331/2009.

According to simple definitions, social security designates the corpus of measures, financial benefits or benefits in kind, given with the purpose of protecting the income in case of social risk (<http://www.legislatiamuncii.ro/index.php?pag=pages&id=104>), or social security represents the total amount of institutional methods aiming at repairing (eliminating or diminishing) the damaging consequences produced by different social risks (Tănăsescu, n.d.). Social risks can include: sickness, maternity, invalidity, old age, employment injury and professional sickness, death, unemployment, family allowances (according to ECSS). The International Labour Organization defined social security as the protection granted by the society to its members by way of a collection of public provisions against economic and social misery, which threaten them in case of loss or significant reduction of their income as a result of disease, maternity, professional injury, unemployment, invalidity, old age or death, as well as by means of granting medical care and allowances to families with children. We can observe that this institution equates the two terms social security – social protection.

More than that, UNO General Assembly qualified the concept of “social security” as an inalienable human right, on the occasion of the adoption and proclamation of the Universal Declaration of Human Rights, on December 10, 1948, which stipulates, in article 22, that “*anyone, as a member of society, has the right to social security*”.

Hence, social security can be defined as the collection of institutions and regulations, norms and measures which are activated once the social risks appear (or even for their prevention).

1.2 Social Protection

In Romanian Constitution, article 47, alignment 1 is mentioned that: “*The state shall be bound to take measures of economic development and social protection, of a nature to ensure a decent living standard for its citizens*”.

An article with a very suggestive title (Odinokaia, 2009) presents an extremely pertinent analysis related to the “connection” between the two notions, resorting to definitions from the judicial area, as well as the national and international theoretical areas. As a conclusion, the author remarks that by using the social protection notion, in a narrow sense, we plead for the synonymy between social “protection” and “security”, making reference to the system of social insurance and assistance, and by using this concept in a broad sense, besides social security, we also refer to labour protection, moral, cultural, civic protection, etc. Another opinion (Văcărel, et al., 2007) underlines the fact that the area circumscribing the actions related to social protection exceeds the area of actions undertaken by social security. Among the social protection measures we find the creation of new jobs, the subsidization of products and services given to the population, monetary restitutions for persons with fixed income in case of raising prices for vital goods for the population, fiscal facilities, as well as unemployment aids, social assistance, social insurances, and so on. Hence, for social protection, besides socio-cultural expenses, expenses of an economic nature or some other type are also made.

An interesting connection between the two concepts refers to the fact that social security is the effect of social protection measures (Isac, 2009). These measures comprise: “work place protection, the protection of the employed population, protection for preserving life quality, protection of underprivileged social groups, protection of the entire community”. As a result, by means of social protection measures, one of the objectives and desiderates of social protection is achieved: social security. Similarly, the Socio-Economic Program of the European Community contains a series of measures for social protection, whose aim is the improvement of workplace and living conditions in

Europe. These measures are targeted at six interconnected domains: the development of social dialogue and professional relations on the labour market, the restructuring of life and work, the promotion of work health and security, the promotion of environment protection policy measures, the improvement of living conditions and of collective welfare, and the evaluation of future technologies. Therefore, in a narrow sense, social protection or security includes the institutions, regulations, norms and measures referring both to social insurances and to social assistance, incorporated into a national system of social protection. In a broad sense, social security is only a component or a purpose of social protection, the latter comprising other measures aimed at social welfare, too.

For a better understanding of the two concepts, below we present a comparative table:

Table 1 Social security vs. social protection

Comparison criteria	Social security	Social protection
1. Nature	Socio-cultural expenses	+ expenses of an economic character
2. Purpose	Ensuring social welfare	Ensuring social welfare
3. Areas covered	Social insurances and social assistance	+ work protection, moral, cultural, civil, environmental protection etc.
4. Forms of manifestation	Social insurance benefits, social services and benefits	+ benefits of an economic character etc.
5. Financing sources	In general, specially constituted budgets, the state budget and local budgets, funds of civil societies and local communities, and, exceptionally, other collections from various sources	+ other sources (extraordinary funds, non-callable financing etc.)
6. Beneficiaries	Certain categories (unemployed people, retired persons etc.) and underprivileged social groups	The entire community
7. Character	Predominantly unproductive	+ productive
8. Risks covered	Social risks	+ other risks
9. Guarantee method	By the Constitution and other specific laws	By the Constitution and other specific laws
10. Current trends/tendencies	Strategies for improving efficiency	Increased importance

2 Social Insurance vs. Personal Insurance

The present-day uncertainty, of almost every step we take, determines us to resort, voluntarily or involuntarily, to a corresponding solution, which is almost indispensable nowadays: insurances. In general, insurances represent protection instruments while facing risks, which are sometimes inevitable (this entails preventing, removing and repairing their negative consequences), offered by various specialized institutions, in exchange for payment as contribution or insurance premium. Currently, the insurance methods for persons, available in our country, are represented only by the following variants and forms:

2.1 Social Insurance

If the risks are of a social character (involving the state's intervention), then insurances also acquire the same connotation. According to a definition (Văcărel, et al., 2007), social insurances represent those components of financial socio-economic relations which assist – in the process of gross domestic product distribution – in forming, allocating, managing and employing monetary funds necessary for compulsory protection of employees and retired persons, as well as protection of their family members.

In other words (Romanian Academy, 2010), social insurances constitute an economic contract between generations, the management of its development and the supervision of mutual compliance with the contractual provisions being the duty of the state.

The social insurances can be:

- state social insurances;
- unemployment social insurances;
- health social insurances.

The urgent necessity of social insurances, in a market economy, gives them an objective character. Nevertheless, their existence is strictly dependent on, for the most part, the contributions of those who benefit from them (in exceptional cases they are supplemented by subsidies from the state budget or revenues from various sources). As a result, they are based on a contributory system due to which the various types of beneficiaries take advantage of a range of social insurance benefits if they comply with some criteria. The types of social insurance benefits include: pension (for age limit, early retirement pension, partial early retirement pension, disability pension, survivors' pension), allowance for temporary labour incapacity caused by employment injury and professional sickness (according to some conditions), death grant, quarantine allowance, unemployment allowance¹, medical care, allowances for social health insurances etc. These social insurance benefits are guaranteed by law. The pensions' law, with its subsequent amendments and additions, stipulates that the right to social insurances is guaranteed by the state and it is applied by means of the *public system of pension and other rights of social insurance*, and the updated unemployment law, in article 1, demands that each person is guaranteed the right to *unemployment insurances*. The major system of financing the protection of the population's health is added to this, and it ensures access to a basic services package for the insurants, represented by *health social insurances*.

Most of the social insurance benefits have an unproductive character, representing the so-called "passive benefits", namely a final expenditure from GDP. Nevertheless, lately, the "active benefits" have started to be used on a large scale, whose aim is, for instance, that of creating new jobs, professional retraining, offering facilities for those hiring unemployed people, applying measures to prevent unemployment and sickness etc. This entails a growing effectiveness of funds for social insurance benefits, with a double effect: on the one hand, their pertinent usage and, on the other hand, creating added value (productive character) and, implicitly, economic and social development.

2.2 Personal Insurance

According to Law 32/2000, the insurance represents the operation by means of which an insurer composes, on the basis of mutuality, an insurance fund, due to the contribution of a number of insured persons, exposed to possible risks, and indemnifies those who might be affected by loss by means of the fund made up of insurance rates, and by means of other revenues resulting from the activity performed. Unlike social insurances, personal insurances are optional most of the time (with certain exceptions), depending exclusively on insurance premiums paid by the insured persons, and the insurance

¹ In some works, there is the difference concerning the terms unemployment indemnity, insurance or allowance allocated to those who have previously worked, who have length of service, and have paid contributions and benefits and dole which is given to the newcomers on the labour market

indemnification (damage/loss compensation) is granted in clearly established cases and only after complying with strict conditions.

The value of the insurance premiums is not unitary for all the insured persons, but it varies, mainly depending on the dimension of the accepted risk and on the financial possibilities of each insured person. The insurance is based on an insurance policy in which the contracting of insurance or insured person is liable to pay a premium to the insurer, and the latter he is liable to pay, when the insured risk appears, to the insured person, insurance beneficiary or damaged third party the compensation or insured sum, named indemnification, complying with the agreed limits and terms. Such an activity can only be carried out by insurance or reinsurance companies authorized by the Insurance Supervision Commission or by competent bodies from the EU member states, which operate in Romania according to the freedom of establishment and free movement of services. A comparative view of the two types of insurances described above can be more expounding. With this aim, we present the following table:

Table 2 Social insurance vs. personal insurance

Comparison criteria	Social insurances	Personal insurances
1. Suppliers	The state – the sole insurer	Authorized insurance or reinsurance companies – multiple insurers for the same risk
2. Services	Social insurance benefits: state social insurances, unemployment social insurances, health social insurances	Different types of life insurance and general insurances: survival, death, mixed, against accidents or sickness etc.
3. Financing sources	Social insurance state budget, unemployment insurance budget, national unique fund for health social insurances, constituted on the basis of contributions and, exceptionally, on subsidies from the state budget or other collections from various sources	Funds made up on the basis of collected insurance premiums, as well as on other revenues from the activity performed
4. Beneficiaries	The insured people	The insured people
5. Granting conditions	Meeting the required criteria (due period, age limit, etc.)	Appearance of insured risk or contract expiration
6. Character	Generally compulsory for certain categories of persons (employees, the unemployed, civil servants etc.) but also optional for other categories of persons (lawyers, clergy etc.)	Generally optional, but also compulsory in some cases (for instance, when contracting mortgage credits)
7. Due forms	Monthly contributions, by percentages	Insurance premiums, in absolute value, which vary according to risk and financial power of the insured person.
8. Legal basis	Guaranteed by law	Valid on the basis of insurance contract
9. Purpose	Ensuring social welfare	Obtaining profit
10. Basic principle	Social solidarity and equality	Mutuality

3 Conclusions

Social protection and, implicitly, social security as components of social policy have as a main target to secure social welfare. But this intention entails allocating important sums so as to meet the objective, especially in times of crisis. Even if there are people claiming that social protection in Romania is excessive, we must not leave out the fact that this is often the result of erroneously associating it with social assistance (and, in this case, most of the abuses are made), the latter being, as we have shown above, only one of the directions in which social protection can be built. In more suggestive words,

insurances represent the “ingredient” for a peaceful life without stress, specific to the modern society. But the accomplishment of this goal depends, to a great extent, on the factors involved in guaranteeing such services. Lately, the State, as the main insurer, has lost some of its credibility as a result of the difficulties caused by the global economic crisis. Therefore, in the future, private insurances could gain more ground since they prove to be more stable and efficient, even in times of crisis. Nevertheless, the social insurance sector must remain, to a certain extent, the prerogative of the State, on the condition that it shall be managed more appropriately and more transparently. As a consequence, these conceptual dilemmas had, at their basis, numerous instances of erroneous association or incorrect usage. Hence, we hope that these lines contributed, at least to a small and satisfying degree, to the elucidation and clarification of these inconsistencies while trying to find solutions for them.

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