

ECONOMIC AND SOCIAL SECURITY PROBLEMS IN LITHUANIA

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ABSTRACT. *Complex and constantly increasing tension in economic and social fields forces to engage in a deeper investigation of the problems of economic and social security. The authors analyse the concept of economic-social security, indicators, inner and external threats in the conditions of active integration and globalisation. The tendencies that are born in social realm constitute the biggest risk among internal threats. In terms of the free market, powers of huge potential emerge there, which, however cannot be employed successfully without proper governmental economic and social regulation. Nevertheless, this regulation does not automatically guarantee economic-social security. State strategy of economic-social security must be based on both further strengthening of a state's economic potential and ensuring of the minimal living standard for the poorest segments of the society. To fulfil the following tasks, the role of state in solving the main social and economic problems must be increased and activities of city and village communities have to be activated.*

INTRODUCTION. Currently, economic-social security problems are becoming more and more important and influence the most important political decisions. The majority of developed states have prepared national strategies of economic-social security. In conditions of accelerating integration and globalisation ensuring economic-social security is becoming one of the main functions of the government. The concept of economic-social security has been grounded in modern society and has become an integral part of national security. Economic-social security cannot be ignored when analysing problems of national security.

The purpose of the research was to indicate the arising problems of the economic-social security and suggest the ways to deal with them. The following tasks were implemented to achieve the purpose [2]:

- Defining the concept of economic-social security
- Indicating the threats of the economic-social security
- Setting the criteria and indicators for assessing economic-social security
- Formulating aims and tasks of economic-social security.

The object of research was to analyse Lithuanian economic and social situation in realms of integration and globalisation.

Methods of investigation: problem analysis, comparative analysis, logical deduction, analytic and sociological methods.

I. THE CONCEPT OF ECONOMIC-SOCIAL SECURITY

The differences and specialties of social and economic interests, the increase in the difference of the living standard and insufficient capacity of administrative apparatus forces to deeper analyse the essence of economic-social security. Ensuring economic-social security is one of the main tasks of state. The government has to guarantee the effective operation of economic and social subjects and the proper level of further development.

Economic-social security is a particular state of economic and governmental institutions, which when it is achieved guarantees the safety of national interests, the singleness of politics in social sphere and adequate economic and defence potential. In other words, security in this sense does not only comprise protection of national interests, but also readiness and capability of governmental institutions to establish the mechanisms of implementation and protection of national interests and to maintain political and economic stability in the society. Criteria of economic-social stability are assessed using various security approaches and include [1]:

- Evaluation of country's potential and its perspectives;
- Effectiveness of exploitation of all sorts of resources, capital and labour; and comparative advantage of these factors in terms of developed countries;
- Competitiveness of various branches of economy;
- Sovereignty, independence and capability of fighting external threats;
- Social stability and avoidance or salvation of social conflicts.

Standard and quality of living, level of unemployment, temps of the growth of economy, budget deficit, the amount of state's loan, and competitiveness in world economy, gold and currency reserves and the scale of shadow economy are usually distinguished in the system of indicators of economic security. Margins of the values of these indicators are more important than the indicators themselves. Exceeding the margins often undermines normal development of economy and creates negative ruining tendencies. Hence, the largest security is achieved when the indicators do not exceed their margins [4].

This concept is not amateur or conjunctive. The concept of national security, which is wider than the concept of economic-social security, includes defence, information, and technological, ecological and energetic security. Economic-social factor, however, cannot be neglected when analysing national security. Economic and social conditions raise the issue of economic-social security to very important position in current society. It is related with differences and specialties of national interests. Lithuania is situated in the field of various geopolitical tensions. The main interest of Lithuanian nation is to preserve its statehood and to widely spread creative powers of the nation. Lithuanians must not forget that other nations can overtake them in fields of economics, science, etc. If strategic issues are left for the element of free-market, the possibility of economic expansion and threats to economic security arises. After defeats in international economic competition, real danger to national interests would arise. Hence the state must firstly assure its economic safety. Economic security is a constituent part of national interests, which has to react to inner and international conditions. It is impossible to unconditionally agree with the recommendations of Lithuanian Free Market institute that state interests must always step down to private interests, and that state has to prevent itself from intervention into economy. In the developed free-market economy state usually not only guarantees the principles of private business, free competition and individual freedoms within the country, but also makes a strong pillar in international economy [3].

The condition of economy and competitiveness of economics, as well as global competition determine Lithuanian economic security as one of the main national interests of the country. Hence, when we seek economic-social stability, we aim at fulfilling national interests at the same time. The developed western states have collected valuable experience in defending national interests in the field of foreign trade. These countries use governmental protection tools for regulation of trade relations for the sake of national producers' interests. Their governments show interest in cohesive development of national market economy and increasing the efficiency of economy. Beside custom tariffs, which have been losing their previous popularity non-tariff measures are increasingly used – economic and administrative. The first, similarly to tariffs influence market mechanism by raising imported goods. And the latter directly limit accession of foreign goods to national market. Among non-tariff measures, dumping procedures are developing in contemporary economics, which result in international economic conflicts [8].

SOCIAL SECURITY CONCEPT

The complex of actions to secure economic-social security contains improving of demographic situation, fighting unemployment, ensuring proper living standard and quality, guaranteeing accommodation for citizens, developing public health system and making it accessible to everybody, improving common and professional education, accessibility to information and cultural values, ensuring of individual civic security and establishment of ecologically safe environment. Hence, social security should be treated as the system of particular governmental and social actions and prevention measures, guaranteeing civic social security under all the parameters listed above [9].

Economic-social security and social protection of citizens can be considered as implementation of the social function of society carried out by the state and ensuring the development of all social subjects. The main aim of this implementation should be preservation and development of societal gene pool and potential, as well as comprehensive stimulation of national and working activity of all inhabitants and protection of their everyday interests [6].

II. SOCIAL-ECONOMIC THREATS

Comparison of external and internal threats has indicated that the biggest danger to Lithuania is constituted particularly from its inner threats. The roots of external threats (growth of national loan, decrease in export, etc.) are usually conditioned by low economic effectiveness, weak competitiveness of particular branches of economy, etc. this shows that initially they also have internal background. And the biggest risk from inner threats usually comes from tendencies, forming within the social sphere [5].

This sphere plays a key role in ensuring not only economic but also national security. Interests of persons, society, families, segments of society, social groups and of the state are embedded in this sphere. The biggest threat to existence and security of the country stems from clear differentiation of civic income, worsening of the structure of nutrition, the increase in relative and absolute poverty. Today in Lithuania the income of 10% of the richest members of society exceeds the income of 10% of the poorest members of society by 10 times, while in Western societies this difference equals to 5-8 times. Such huge differentiation cannot be justified neither socially nor economically. Not only unemployed persons belong to the category of poor, but also the working people. The tendencies singled out above, as well as increase in unemployment and decrease in accessibility to education, increase in death-rate and decrease in birth rate, influence the quality of living of Lithuanian people.

Big threat to security is also posed by deep depression in the scientific, technological sphere. Sudden decrease in teaching capacity of enterprises and organisations has reduced the supply of scientific and technological orders. Hence, the number of Lithuanian scientists is in constant decline. As scientific-technological potential determines the condition of economy and its capability for development, it is hardly possible to speak of principal perspective changes in this field. The insufficient involvement of the state in identifying internal and external threats to economic security must be emphasised [12]:

- Economic structural deformation strengthens;
- Scientific-technological potential is being devastated;
- Activity in investment and innovations is in decline;
- Dependency on import grows;
- Differentiation of income grows within the society;
- Foreign loan increases;
- Criminal element becomes involved in economic relations;
- The lack of expertise on economic security is visible when considering new budget projects, taking financial and economic decisions, choosing objects for privatisation.

The increase in food import also constitutes threat to economic security of the country. International experience shows that a country can preserve its economic independence only when the share of inner consumption import does not exceed 20-25%. In Lithuania, the share of gross consumption of imported food far exceeds this dangerous limit. The primary tasks in reducing dependency on imported food are financial supporting of local producers, differentiated employment of tariff system, and the guaranteed supply of affordable production to home market. The legal and normative basis of foreign trade must also be reviewed and reformed to meet contemporary international rules [7].

The deepening of income differentiation within the society poses economic-social threat. There are no countries in the world where all inhabitants are rich. The income differentiation is common to every state. But the degree of this differentiation cannot be too big. The abnormal situation is progressing in Lithuania when the society is entering the zone of social instability. Only smaller part of the society adapted to the conditions of market economy and manages their living. The rest of the society cannot adapt to new conditions and are sentenced to poverty. Specific factors even more strengthen economic-social threats. The middle class, which normally constitutes the social fundament for political stability of the state has not formed yet within the

country. The demographic situation is worsening, poor people degrade, the trust in government and its institutions lessens, and the criminological situation worsens. Hence, economic depression – basis of poverty reproduction – has to be liquidated. It is very important to reduce the income differences by introducing progressive tax system and tightening the rules of income declaration [5].

It has to be stated that the risk of involvement of criminal element into economics increases. Criminal economy is a specific field of economics, ensuring big income from criminal activities using grey zones and shortcomings in legislation for relatively small part of the society. The criminological situation worsened in the period of privatisation, when the power of state diminished and corruption among civil servants went up to high level. The shadow economy amounts to 20% of countries economy in Lithuania. Existence and growth of shadow economy reduces possibility to manage the economy of the country, narrows the tax basis and reduces the amount of collected taxes, and helps representatives of shadow economy to influence the government or even to become part of it. This makes macroeconomic regulation of the state more difficult and distorts the economic indicators [2].

Social threats constitute real preconditions for the society to degrade and to violate the vital interests of various social subjects.

Economic-social threats are complex and are determined by many factors. E.g., the condition of health is determined by the public health system only by 8-12%, while it depends on standard and quality of living by 50%, on the condition of living environment – by 18%, and on genetic factors – by 20%. Hence, frontal observation and research is necessary to thoroughly evaluate the threats. Anti-crisis measures need to be implemented to ensure the security of people and their protection in usual and extreme situations [5].

Social rights of people are the main approach in choosing criteria for assessment of economic-social security. Within the concept of social security, goals and principles of guaranteed fulfilling of social rights must be clearly set. This can be done only after analysing the country's (region's) social situation.

The main criteria and indicators of this analysis are [11]:

- Demographic situation;
- Health protection;
- Employment;
- Education;
- Social adaptation;
- Standard and quality of living;
- Accommodation;
- Accessibility to information;
- Accessibility to cultural values;
- Protection of motherhood;
- Social supply;
- Environmental protection;
- Individual security.

Preserving organic connection or integrity among those social security indicators predicts distinguishing of a unified social space. Within this space, the zones of social welfare, social risk, social threats and social degradation can be singled out.

III. ZONES OF SOCIAL SPACE

None of the social security indicators meet the requirements of social space. The indicator that can be treated the closest to the social space is education of inhabitants. In the XXIst century, in the light of globalisation human capital – investment to people through education and health protection – obviously becomes crucial [10].

The higher the education of a person, the higher is his/her correspondence with the demands of information society. And the better the health condition of the members of society, the more of their working time they spend productively. When education and health conditions are improved a positive affect is made not only to economic indicators. Even more important is the social function of these improvements – the social diffraction among the members of the society declines, the life of human beings becomes miscellaneous and comprehensive. Thus, today's societies invest a lot into human capital. In some countries this investment constitutes 8-10% of GDP. It is clear that education of citizens and their health condition have a very important impact on cohesive economic-social development. The speed and qualitative parameters of this development will be determined by civic education. After Lithuania's accession to EU, when the country borders begin to shrink, the obstacles for movement of human capital should also melt. Increasing competition will modify not only traditional branches of economy, but also the human being him/herself, his/her education and health. In the light of this huge competition threat a much more consistent adoption of education to knowledge economy – new qualification and new technologies – will be needed. In the conditions of constant aging of information, a person has to learn the whole life: to obtain new social and professional competence, to renew or to obtain new qualification. It is not possible anymore to "learn once for a lifetime". The knowledge society unavoidably becomes the learning society. Such development and creativity of the society demands essential structural changes in educational system, creating possibility to learn the whole life [2].

The zone of social risk contains many social security indicators, which transit to the zone of social threat in many spheres of life. However, the main reason for social insecurity is the increasing income inequality and poverty. The income of the richest and the poorest differ tremendously in Lithuania. Comparing by the place of living, village people suffer from the inequality the most. But the differentiation is also visible in towns and cities – bigger cities are marked with bigger inequality than smaller ones. When comparing the situation of families, the inequality is more acute among families with children. The biggest fluctuation in terms of income differentiation can be traced when the home economies are grouped by the socio-economic characteristics. The inequality is the biggest among farmers. Farmers also distinguish by the highest level of poverty. The level of poverty in the village exceeds poverty in towns and cities twice [1].

Poverty is also related to education level, field of employment, as well as size and structure of families. Families where education of the head of the family is low (initial, secondary), not-full families with children under 18, and families raising 3 and more children have the biggest number of the poorest families. Not only unemployed and retired people fall under the category of poor. Employed and educated persons are often also living below proper standard: doctors, teachers, professors, artists, cultural specialists. The level of poverty in the society is also indirectly reflected by the number of schoolchildren receiving free-food. Until 1997, 5% of school children were given food from public budget, and in 2000 this number has reached 24% (almost one fourth) of all schoolchildren [2].

The smallest part of the social security space is the zone of social degradation with asocial families as its material background. Recently, the number of such families has doubled in Lithuania. Approximately 50.000 children grow in asocial families. The environment of asocial families results in favourable conditions for criminality growth. The data of the Ministry of interior indicates that children criminals under 18 make 14% of total criminals in the country. Most often 16-17 years-of-age tend to commit criminal activities – 2/3 of all criminals under 18. It is particularly vexing that the number of criminals among children going to school increases. Most children crimes are of economic nature. Thefts constitute more than 2/3 of all children crimes.

The above analysed zones of social security space are basically determined by the complex of the main indicators that was presented earlier. These indicators are dynamic and may leap from one zone into another. E.g., worsening of the demographic situation can extend demographic indicators to the zone of social threat [1].

Not the indicators themselves but their marginal values are highly important to social security. The marginal values are extreme limits, which create negative demolishing tendencies in the field of social security if they are exceeded. The optimal social security is reached when the indicators do not exceed their marginal values.

IV. GOALS AND TASKS OF ECONOMIC-SOCIAL SECURITY STRATEGY

The strategic goal of economic-social security is to create favourable conditions for the development of personality, the social, economic and political stability of the country, and eliminating internal and external threats. The national economic-social security strategy must be oriented towards preserving of the country's economic potential and proper living standard, which could prevent the rise of social tension and conflicts among different segments and groups of the society. This strategy must be implemented through the security system, consisting of legislative, executive and judicial institutions, as well as societal and other organisations. The national economic-social security strategy can only be successfully implemented if the following requirements are met [2]:

- It is necessary to clearly distinguish the functions of president and the government;
- Functions of regional and municipal authorities must be set and rationally divided;
- The functions of national regulation of economy must be properly provided with information.

This strategy is prepared and realised through economic policy, having stability of personal economic situation, stability of the state and the society, respect and protection of civic constitutional rights and liberties, as well as fairness and social justice as the main priorities. It is necessary to clearly define the limits and criteria of the state's involvement into economics, proportionate share of public and private sectors, and to prepare the mechanism of efficient governmental regulation. It would be more difficult to indicate and to clarify the strategic goals of economic-

social security without concretising its tasks and measures, methods and procedures. Thus, the state must implement anti-crisis measures, including every field of economy. Active structural and social politics, active role of the state in the fields of investment, financial crediting and foreign trade relations can be singled out among those measures [10].

The main tasks of active structural politics have to be set on macroeconomic and microeconomic level. On the first level, the following tasks can be singled out:

- Increasing overall demand;
- Stimulating saving and forming favourable investment climate;
- Concentration of financial and productive resources in the most effective fields of economy;
- Encouragement and diversification of exports;
- Regulation of imports with the aim of protecting local producers.

On the micro level, the following tasks can be singled out:

- Support and promotion of efficient enterprises;
- Liquidation and reorganisation of non-efficient businesses;
- Applying norms of market behaviour of economic subjects.

When implementing structural politics, it is necessary to:

- Clarify “points of growth”, i.e. the companies, businesses or organisations implementing the programmes that ensure the real teaching demand in the market;
- Set the place and the role of the enterprises existing in economic system, initiate the processes of reorganisation and bankrupt of non-efficient businesses, and to increase the effectiveness of management of public enterprises;
- Single out strategic objects and ensure that their control stock pack belongs to the state, this way guaranteeing national economic security;
- Implement perspective programmes and projects – scientific and innovative, production and investment – under the requirements of the EU.

The main tasks of social policy are:

- To consolidate the society when stable civic economical situation exists, and to improve the living quality;
- To slow down the process of income differentiation growth. The speed of this process is a destabilising factor, resulting in potential social conflicts;
- To distribute more fairly the difficulties of crisis periods among all segments of the society. An effective mechanism must be created, which would help regulating the increase in income;
- To necessarily reset the main function of salary as of a reward for efficient working. To reduce social tension in the society and to increase the role of the government in solving this problem.

When attempting to preserve and develop the scientific and technological potential, it is worth setting the priorities of national scientific-technological policy, which would coincide with the tasks for ensuring economic-social stability of the country. It is necessary to prepare the programmes of national fundamental and applied science development, and to establish the favourable investment climate by using various forms of stimulation of advanced technologies [12].

CONCLUSIONS

1. The problem of economic security these days becomes of primary importance and is a constitutive part of national economic policy, influencing all the main political decisions. Ensuring economic security is one of the main functions of the state.
2. Assessment of economic security contains economic competitiveness and efficiency, sovereignty, independence and capacities of fighting external threats, social stability and avoidance or solving of social conflicts. The standard and quality of living, inflation and unemployment, economic growth, budget deficit, national loan, export and import, foreign currency reserve and operation of the shadow economy have to be singled out in the system of economic security indicators. The marginal values of the indicators rather than the indicators themselves have high importance to economic security. These values are the extreme amounts, which prevent the economy of proper development and cause negative demolishing tendencies, if exceeded. The highest security is achieved when the indicators do not exceed their marginal values.
3. Comparison of external and internal threats shows that the biggest danger to the country is comes from the internal threats. The causes of external threats – the growth of foreign loan, the decline in export, etc. – result from small efficiency of national economy, and weak competitiveness of particular branches of economy. Thus, they also are in principle internal. Among internal threats, the tendencies forming in the social and scientific-technological fields. Acute income and consumption differentiation, worsening of nutrition structure, as well as relative and absolute increase in poverty are extremely dangerous to economic security.
4. Development of economy raises the task to prepare the national strategy of economic security. This strategy is necessary to indicate the marginal values of economic security indicators. These indicators must be kept into consideration in the highest levels of the government.
5. The main systemic approach when basing the economic-social security criteria stems from social human rights. The maintenance of the organic connection of the system of security indicators foresees distinguishing of united social space. The zones of social welfare, social risk, social threat and social degradation are singled out in this space. From the economic-social security criteria, education has come closest to the requirements of the social welfare zone. In the XXIst century, in the light of globalisation human capital – investment to people through education and health protection – obviously becomes crucial. In the light of the increasing threat of international competition, much more consistent orientation of educational system towards the knowledge society is necessary – new qualifications and new technologies need be developed to create conditions for life-long learning.

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