

## FORMS AND METHODS OF FINANCING THE SOCIAL SPHERE

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### ABSTRACT

This article provides forms and methods of financing the social sphere, priority areas for financing social infrastructure. Also given development of implementation of financial methods and tools in the field of budget financing of the social sphere.

**Keywords:** social sphere, financing, social infrastructure, service sectors, corporate finance.

Financing of the social sphere is particularly complex due to the heterogeneity of objects (commercial and non-commercial industries), different forms of ownership of financial resources (state, private, personal), a variety of financial methods and instruments, and the time-delayed effects of financial innovations.

Basic forms of financing the social sphere: public, private, personal, have significant development potential by expanding the composition of private financing entities, transforming financial methods and using combinatorial opportunities for co-financing the social sphere within the framework of public-private partnerships.

Social infrastructure is represented by many sectors, but the following have been selected as priority areas of financing:

- healthcare, where there is an objective and obvious connection between the quality of services and the level of development of human capital. A person's physical capabilities, determined by his state of health, determine his labor productivity and ability to reproduce;
- education, the accessibility of which is a factor in the holistic development of a person and the realization of human potential;

The system of financing sectors of the social sphere consists of budgetary (state and municipal) financing of the service sector (health care, education, culture) of budgetary institutions in accordance with state and municipal social guarantees and financing through the paid provision of social services in state and non-governmental non-profit organizations according to the demand for social services.

Forms and methods of financing the social sphere have an evolutionary development in the direction of commercialization. The first stage is characterized by a weakening of the role of budgetary financing and the emergence of new methods of extra-budgetary financing; the second stage is characterized by strengthening the target orientation of state funding, identifying priority sectors of the social sphere and the state creating conditions for the implementation of new methods of social investment; the third stage has signs of a transition to long-term programs for financing the social sector on the principles of public-private partnership; The transitional stage gives the evolutionary development of financial methods and instruments a transformational character.

The feasibility of expanding private financing of social sectors is justified by the following conclusions:

1) exclusively state funding for the development of sectors of the social sphere has not confirmed high socio-economic efficiency, one of the reasons for the deterioration of indicators taken into account when assessing human capital;

2) education and healthcare have become areas of growth for private financing in the social sphere, since the main elements of human capital are formed here: educational capital and health capital, and the interests of the state, population and private business in obtaining a socio-economic effect coincide as much as possible;

3) in social infrastructure, the priority of financing on the basis of public-private partnership belongs to public utilities, where the potential of private business has not yet been fully realized and there is an active search for ways to combine basic forms of financing the social sphere.

The development of financial support for the social sphere involves a change when the ratio of forms of ownership in sources of financial resources changes: from predominantly state to predominantly private. The composition and structure of financing entities are changing. The composition is expanding to include banks, insurance and other financial organizations, and the share of entities from the sphere of corporate finance and household finance is increasing in the structure.

The development of financial methods in the social sphere involves a radical transformation through changes in the composition and structure of financing entities and the use of fundamentally new financial instruments. A fundamental change in a financial instrument is understood as its transition to a state corresponding to the target setting of the method within which the instrument "works."

In every branch of the social sphere, incl. and in infrastructure, the development of financial methods and instruments has its own specifics.

An important direction in increasing the efficiency of use of financial resources is the decentralization of budget financing and increasing the role of regional and municipal budgets in financing the education sector. The general concept of transforming education financing methods is the transition to targeted, targeted, personalized financing. The implementation of this direction in the field of budget financing of education is reduced to the need to develop the implementation of the following financial methods and tools.

1. The method of regulatory financing, the main instruments of which are standards that reflect the structural and quantitative link to the needs of the educational institution.

2. The method of program-targeted financing, which should facilitate the concentration of financial resources on the most significant areas allocated to individual programs.

3. Method of financing using government and valuable financial obligations. The main tools are differentiated standards that reflect the nature of educational programs and the level of training of applicants, shown in state tests.

4. The method of using block transfers provides for the allocation of a consolidated subsidy to finance education with the definition of general conditions for spending the funds provided.

5. Methods of state educational loans and subsidies.

A citizen who decides to receive paid educational services, but does not have sufficient funds to pay for them, receives a long-term loan from the bank, which is reimbursed with interest from his future income.

Lending can be carried out with the participation of the state through the mechanism of providing guarantees for such loans or using budget funds for lending. Currently, the direct participation of the state in the financing of higher education through lending to citizens is at the stage of analysis and development of methods and tools.

The form of corporate financing is represented in education by the following methods: corporate financing, financing by national and international non-governmental funds, self-financing of educational institutions, etc.

One of the urgent tasks in the development of this form of financing is to attract funds from organizations to train specialists for them, which can be carried out through direct financial support from organizations of higher educational institutions, as well as through a system of on-the-job training for employees. Attracting funds from organizations allows not only to provide universities with additional financial resources, but also to build a more effective model of scholarships for the training of future specialists from extra-budgetary sources that stimulate the quality of education. In corporate finance, the development of financial methods must occur through the transformation of episodic sponsorship into organized methods; forming the target capital of educational institutions.

Lending is widely used as part of the forms of financial support for education in developed countries. In our country, educational lending is a transformation of consumer lending. The fundamental differences from a consumer loan are the long-term attraction of borrowed money, the distribution of the credit burden over time, which makes it possible to repay the loan not only by the family, but also by the student himself. regulatory financing, the main instruments of which are standards reflecting a structural and quantitative link to the needs of an educational institution.

Improving the forms and methods of financial support for the social sector is possible in the following areas:

in the state form of financing - maintaining state financial regulation and financial support for the industry through a balance of direct and indirect subsidies;

use of state and municipal guarantees and loans; provision of tax benefits.

It can also be noted that tax incentives stimulate the entry of private business into the industry. Today, within the framework of concessions, the mechanism for collecting VAT requires improvement, since in the case of transferring to the concessionaire the responsibilities of local authorities to provide services to the population, contradictions arise.

VAT is not collected from the authorities, but it will be charged from the concessionaire, which worsens its position and increases the cost of services for the consumer. In this regard, it is inappropriate, in our opinion, to exempt the investor from paying VAT for the period of implementation of the concession agreement. Otherwise, there should be a procedure for refunding VAT against other taxes or from the budget (in case the private sector issues VAT invoices directly to the authorities). In terms of income tax, it is possible to provide a tax holiday for the concessionaire for the first 5 years. The financing process in the social sphere is characterized by the diversity of participants and the breadth of their goals (expected effects). Financial resources invested in the social sphere bring both general and local effects, since each financing entity can be part of one or more target groups.

In accordance with the target groups, the following types of target effectiveness are identified: social effectactivity, budget efficiency, consumer efficiency (for the consumer of social services), commercial efficiency (for the organization acting as the object of financing, for the owner of financial resources, for an institutional or private investor

For example, the evaluation of healthcare projects is considered from the point of view of economic and target effectiveness.

Targeted medical effectiveness is the degree to which goals are achieved in the field of prevention, diagnosis, treatment and rehabilitation. Target public (social) efficiency - assessment of improvement in the health of the population.

Cost-effectiveness - direct and indirect benefits from the costs of healthcare projects. The assessment of the target efficiency of the use of financial resources in the field of education is carried out using indicators that include criteria for the availability of education services; level of resource provision; quality of education services. In this case, it is necessary to evaluate each of these criteria from the standpoint of economic efficiency.

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