

Environmental and social responsibility management in international entrepreneurship in EU countries

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Abstract. The research developed a specific mechanism of analysis that connected the fundamental developments of the classics of economics with the real economic processes of today. This approach made it possible to create more flexible evaluation tools as well as to calculate the level of social security based on statistical data and, as a result, to understand and explain the main trends in social security. An analysis of the fundamental foundations of the functioning of the economic system was carried out, and the main factors in the formation of the country's economic income were indicated. It is explained how these factors operate in the modern global business environment and lead to an increase in problems in the social sphere. The necessary and permissible level of investment to maintain social balance in society was noted, with an indicator of 4% of GDP. It has been proven that Iceland has guaranteed social development at a level of 271%, which is the highest indicator among European countries. Statistical data for EU countries were analysed, and the calculation of indicators made it possible to assess the state of social assistance in geographical regions of Europe.

1 Introduction

The modern economic system is constantly developing and changing, relying on entrepreneurship as one of the main sources of wealth accumulation in the country. Profit orientation stimulates the expansion of entrepreneurial activity, which, in turn, can go beyond the borders of the national economy. The implementation of full liberalization of trade relations allows enterprises to develop their activities, including the social sphere of society. However, the risk of implementing entrepreneurial ideas in the social sphere can be reduced thanks to state funding [1].

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At the international level, the activation of social protection is caused by the need to implement the concept of sustainable development. This concept is aimed at ensuring the further development of the planet's population and the preservation of resources for future generations. Governments and private businesses have accepted the requirement to implement the concept of sustainable development, as international financial flows have been redistributed in favor of green technologies, information and communication links and social guarantees.

Analyzing the economic situation, it can be noted that the development of the country is related to labor and the system of redistribution of the annual product created. However, it is important to note that the category of profit is exclusively financial, not economic. This means that the profit of the enterprise is determined mainly by financial indicators, such as income, expenses, investments and taxation. However, this financial approach does not take into account the broader economic picture, including social and environmental aspects. In this regard, social protection is implemented mainly through financing provided by state budgets. Changing the system of redistribution of national income is usually carried out through the system of tax burden. In different countries, this system can promote or inhibit the development of the social sphere. For example, there are countries with a socially oriented economy where social protection is a high priority (for example, the Scandinavian countries), as well as countries with a more entrepreneurial approach (for example, the USA). They allocate significant financial resources to social protection to guarantee a basic level of social security.

The purpose of the study is to assess the relationship between social protection and the sustainable development of international entrepreneurship. In accordance with the goal, the following hypotheses were put forward:

1. The purpose of entrepreneurship is to make a profit, which creates contradictions regarding social welfare expenditures, which in the context of sustainable development, enterprises may be able to achieve success not only through profit maximization, but also through the implementation of environmentally appropriate and socially responsible practices.

2. The level of social security depends not only on the economic development of the national economy, which is based on the model of implementation of free entrepreneurship, but also on ensuring sustainable development.

2 Literature Review

The modern economic system develops at the expense of entrepreneurship, and it is the main source of accumulation of the country's wealth, because it is focused on a single result - making a profit [2]. The expansion of the level of obtaining the level of profit takes the enterprise beyond the borders of the national economy, and the complete liberalization of trade relations allows it to develop its activities in the social sphere of society. At the same time, in the social sphere, the level of risk of implementing an entrepreneurial idea becomes minimal and guaranteed due to the guarantee of appropriate state funding [3]. On an international scale, the need to activate social protection by countries is due to the transfer of the world economic system to the implementation of the concept of sustainable development in order to guarantee the further development of the population of our planet and the preservation of its resources for future generations [4]. Governments of countries and private business accepted this requirement and began to implement it [5]. This is due to the fact that international financial flows have been redistributed in favor of the development of so-called green and information and communication technologies [6], which are implemented in the model of digitalization and social guarantees. These directions determine the areas of priority interest of entrepreneurship.

However, it is important to note that entrepreneurship development and profit growth must be accompanied by social responsibility [7]. Businesses need to take into account the impact of their activities on society and the environment and take measures to ensure sustainable development [8]. Social responsibility of business, including participation in programs of social protection and preservation of natural resources, becomes a necessary element of a successful and efficient economic system [9].

In the context of sustainable development, this social responsibility of business becomes especially important. The concept of sustainable development involves meeting the needs of the present generation while preserving the ability of future generations to meet their needs and live in a healthy and sustainable environment [10]. Thus, enterprises must consider not only their financial results, but also the social and environmental consequences of their activities.

In the context of entrepreneurship and the economic system, sustainable development requires that enterprises not only achieve profit, but also consider the social and environmental consequences of their activities [11]. This means that businesses must implement sustainable production practices, reduce negative environmental impact, use resources efficiently, and promote social well-being [12]. National governments also play an important role in promoting sustainable development. They can establish legislation and regulatory policies that encourage businesses to adopt sustainable practices [13, 14]. For example, they can set environmental safety standards, offer financial incentives for sustainable production, and promote the development of innovative technologies that contribute to sustainable development.

In general, sustainable development includes a balance between economic, social and environmental aspects. By considering these aspects, businesses can create long-term sustainability, contribute to the well-being of society and preserve the environment for future generations.

3 Theoretical frameworks

The analysis of the study was preceded by systematic analytical reviews. Deduction and induction methods are used in the theoretical aspects of the research. The method of deduction made it possible to identify the priority directions of the development of international entrepreneurship based on general features and principles and to outline the main problems of the social sphere. The method of deduction made it possible to use the classic fundamental works of economists, which provided a deep understanding of the main reasons for the exacerbation of problems in social security. As part of the research, statistical data from Eurostat were used, in particular, total annual expenditures on social protection, net annual expenditures on social protection, annual social protection benefits per European resident. These data were used to conduct a quantitative analysis of indicators reflecting the fulfillment of obligations by countries of sustainable development in the social aspect. In addition, the share of net annual expenditures on social protection in the annual total expenditures on social protection was calculated, which made it possible to more specifically characterize the general trends of the EC in social assistance in terms of national economies.

The transition to sustainable development in the context of international entrepreneurship involves combining economic growth with conservation of natural resources, reduction of emissions and negative impact on the environment, as well as considering social aspects, such as ensuring decent working conditions, developing communities and taking into account the needs of society. Businesses must actively work on innovation, green technologies and social responsibility to promote sustainable development and improve the quality of life [15].

The term "sustainable development" is defined by the UN commission as the development of society that meets the needs of the present without losing the ability of future generations to meet their needs [10]. However, the satisfaction of human needs leads to the action of the mechanism of extended needs satisfaction [16]. Its essence is explained by the continuous development of needs, which become the driving force of the economic and spiritual progress of mankind, which, in turn, stimulates the emergence of new and new needs. Therefore, from the point of view of needs, entrepreneurship satisfies its own need - making a profit, which is possible only through satisfying the needs of consumers, therefore it expands the circle of activity, going beyond its area of origin (national economy). In this sense, the development of entrepreneurship is limited and it is reoriented to the so-called internal development. In particular, entrepreneurship begins to widen its scope of activity and new spheres of social production appear.

Thus, a separate sphere appeared - the sphere of services. The service sector should also develop according to the law of satisfaction of needs, and at the same time, in addition to development, it should generate income for entrepreneurs, because entrepreneurship is the basis of the modern economy.

The financial and resource basis of social work within the country is manifested in the allocation of expenditures for the social sphere. Accordingly, the level of these expenses depends on the level of development of the country's economy. In other words, the higher the level of the country's GDP, the higher the budget expenditures for social work of the socially vulnerable population in the country. The method of calculating GDP involves the use of methods, including the method of calculating GDP by income and by expenses. Theoretically, the difference between these indicators should indicate the annual level of profit in the national economy. However, macroeconomics determines that $\text{GDP by expenditure} = \text{GDP by income}$.

Therefore, $\text{GDP by expenses} - \text{GDP by income} = 0$. And therefore the profit within the country is equal to zero [17]. Thus, budget expenditures in the social sphere should not depend on the level of economic development of the country, but should meet the general needs of socially vulnerable population groups.

Accordingly, the question arises - how the annual product of the country is formed in order to distribute it among the population of this country. The answer was given by Smith [18] in the work *An Inquiry into the Nature and Causes of the Wealth of Nations*). Although labor productivity is not a decisive factor. However, the number of useful and productive workers everywhere depends on the amount of capital spent on creating jobs and the particular way it is used [18]. That is, the key factor of social security in the country is the employment of the population. Another factor is the order in which the product of a country is naturally distributed among different classes and groups of people in society.

To date, the generally recognized position on sustainable development is an approach that emphasizes the relationship to natural resources and the environment. This means that each generation must use natural resources wisely, preserving them for future generations and reducing consumption to a level that can be restored and supported by nature [19]. The development of the economy should be aimed at meeting the needs of people under conditions of balanced use of ecosystem services, considering the need to preserve natural resources. The main goal is to ensure social justice, equal opportunities for all people and reduce inequalities. This means that national governments must consider the needs and interests of all social groups, including marginalized sections of the population. Fulfilling the principle of social justice requires considering the needs of the most vulnerable groups, developing social programs and mechanisms aimed at ensuring social support and inclusion.

Thus, the social policy of sustainable development is determined by reducing the level of consumption of resources, primarily energy [20]. This is manifested in the closure of power plants that use coal and gas. No one considers the problems of the mechanism of distribution of the country's annual generated product at the fundamental level, which is why the problems of worsening social tension and poverty on a global scale accumulate. For the global economy, money is available and there is enough of it for everyone. However, their use is problematic, because they are on accounts and in the form of securities for which the condition applies: Money \rightarrow Securities \rightarrow Money'.

Accordingly, everyone tries to spend less than they earn, and this difference is directed to the purchase of securities in order to receive future dividends. Thus, money is withdrawn from the commodity market and transferred to the secondary securities market. This narrows the scope of providing social guarantees, and in periods of worsening economic situation (crisis), the level of unemployment increases. This adds to the reason indicated by Smith [18], as the provision of jobs. So, on the surface of the economic phenomenon, the aggravation of the social sphere depends on the lack of work and the level of wages.

Governments of countries physically understand such a fundamental problem and seek help in solving it from bankers [21]. The latter explain the way out of the situation due to the reduction of production costs and the development of innovations [22]. But when costs are reduced, incomes will increase again and part of them will be transferred to tied capital without the possibility of creating jobs. Thus, in 2017, there were 192 million unemployed people worldwide [23], and in 2020, this figure already amounted to 400 million people, which was equal to 5.26% of the world population [24]. In fact, every 20th person in the world is unemployed. The system closed again on the classics of political economy: Money \rightarrow Commodity \rightarrow Money'.

Economic innovations were widely used in different countries in different versions (at the level of a city, region or agricultural enterprise) [25]. The results of such innovations in the management system are quite revealing, but at the country level they ended with court decisions in favor of central banks. That is, central banks through the judicial system block the function of money circulation, which they are completely unable to control.

4 Results

The modern transition of the world financial system to the world electronic currency SVDS (digital money of the central bank) is a manifestation of complete control of money circulation at the global level and against the background of the current financial system of fiat money (only 8% of the world currency has a physical form, and the rest is often nothing secured, in fact numbers in computer and information technologies and printed in any quantities) and the reduction of interest rates to the zero level [26]. At zero interest rates, banks lost profits. Another confirmation of the lack of profit in the real economy and its manifestation in the financial system.

Based on the report on social protection in the world in 2020-22 [27], a general description of this process is given. Yes, Europe is characterized by the greatest efforts to implement social protection. According to the indicator of social assistance, Europe exceeds the world level. But in the cross-section of European countries, such a regional distribution is uneven (Table 1, Table 2). Northern and Western European countries dominate. In addition, the greatest attention in social security is paid to children and families with minor children (Table 1).

Table 1. Nature of social assistance by individual population groups, 2022 [27].

Country /region	Vulnerable populations receiving assistance, %	Children aged 0-14 and families with children who receive social assistance in cash, %
World	28,9	26,4
Europe and Central Asia	64,4	47,9
Eastern Europe	64,2	96,7
Northern Europe	79,2	99,9
Southern Europe	45,4	87,2
Western Europe	95,8	100
Northern, Southern and Western Europe	75,1	96,2

The level of social protection coverage in the countries of Northern, Southern and Western Europe is quite high and reaches more than 90% of the population. Only for the categories of the population unemployed and employees who received work-related injuries at the level of 67.1% and 80%, and only a quarter of the population of these regions does not receive social assistance, and in fact, due to their work, social assistance is implemented for 75% of the population of these regions. For the countries of Eastern Europe, only the elderly and persons with severe forms of disability receive a high level of social assistance (Table 2).

Table 2. Level of social protection coverage by population groups, 2022 [27].

Country /region Population groups covered by social protection, %	World	Europe and Central Asia	Eastern Europe	Northern, Southern and Western Europe
The population is covered by social protection	46,9	83,9	84,6	90,4
Children	26,4	82,3	96,7	96,2
Mothers with newborn children	44,9	83,6	81,4	99,4
Persons with severe forms of disability	33,5	86,0	100,0	95,6
Workers who were injured during production	35,4	75,5	80,0	78,8
Unemployed	18,6	51,3	67,1	61,2
Elderly persons	77,5	96,7	95,2	97,4
Share of the population receiving social assistance	28,9	64,4	61,2	75,1

Spending on social protection in the world reaches 12.9% of GDP. However, high-income countries spend an average of 16.4%, twice as much as upper-middle-income countries (who spend 8%), and six times as much as lower-middle-income countries (2, 5%), and 15 times more than low-income countries (1.1%) poorer countries In order to guarantee at least a basic level of social security through the established national minimum level of social protection, lower-middle-income countries need to invest annually an additional 362.9 billion dollars. the USA, and countries with an income level above the average - an additional 750.8 billion dollars. USA, which is equivalent to 5.1% and 3.1% of GDP, respectively, for the two groups of countries. Low-income countries need to invest an additional \$77.9 billion. USA, i.e. 15.9% of their GDP.

Let’s conduct an alternative assessment of social assistance in European countries (Table 3).

Table 3. Social assistance of the national economies of the EU by the factor of social expenditures, 2022 [28].

Country	Annual total expenses for social protection million euros	Net annual expenditures on social protection, million euros	Annual social security benefit, euro per inhabitant	Share of net annual expenditures on social protection from annual total expenditures on social protection, %
Iceland	5 777,87	89466,14	15 664,09	271,1049
Malta	2 623,13	2556,48	5 047,73	192,4316
Luxembourg	15 648,97	14165,1	24 439,13	156,1709
Cyprus	5 283,37	5021,18	5 811,91	110,0038
Estonia	5 277,43	5106,95	3 902,84	73,95342
Latvia	5 256,90	5069,03	2 727,09	51,87639
Slovenia	12 245,26	12002,13	5 730,82	46,80031
Lithuania	9 705,15	9472,91	3 398,55	35,01801
Albania	1 846,05	81317,14	639,76	34,65562
Croatia	12 177,43	11979,4	2 956,24	24,27639
Ireland	57 862,72	54738,6	11 213,33	19,3792
Norway	99 272,22	173502,8	18 138,25	18,27122
Slovakia	18 299,07	18240,97	3 268,57	17,86195
Finland	75 890,77	67587,14	13 506,55	17,79736
Denmark	102 452,59	87642,71	16 876,66	16,47265
Bulgaria	11 518,96	11513,41	1 616,66	14,03477
Austria	129 401,17	116967,7	14 201,62	10,97488
Hungary	25 234,24	24843,13	2 538,35	10,05915
Sweden	140 776,36	124971,3	13 343,13	9,478246
Portugal	55 137,41	51563,33	5 141,90	9,32561
Greece	48 655,24	44414,37	4 497,68	9,243979
Czechia	47 397,76	47239,37	4 306,99	9,086906
Belgium	150 247,29	139870,9	12 446,24	8,283837
Netherlands	261 159,00	218218,1	13 395,52	5,129258
Romania	39 058,83	38768,25	1 940,93	4,969248
Poland	124 768,86	113392,9	3 237,34	2,59467
Spain	335 785,12	313448	6 980,01	2,078713
Italy	570 102,00	496408,1	9 275,87	1,627054
France	880 774,39	831592	12 042,62	1,367276
Germany	1 123 485,89	1023410	12 970,48	1,154485

Thus, the small and mainly island countries of the EU are most provided with social assistance. The socially oriented countries of Scandinavia and Austria are significantly oriented towards social assistance and this is not surprising - the very system of redistribution of national income is most oriented towards the social sphere due to tax pressure on entrepreneurship. Therefore, against such a strong background, targeted social benefits have a low level compared to other highly developed countries of the community. Poland, Spain, Italy, France and Germany have the lowest rates of social assistance among the countries of the European Union, which do not exceed 2.5%. This situation is explained by the fact that the largest migration flows of refugees flow through these countries. Starting with African refugees, Arab streams pass through them, as well as Ukrainians seeking asylum as a result of the military conflict [29]. That is why Poland is also included in this group of countries.

International economic and social cooperation is a necessary condition for sustainable economic and social progress of the international community [30].

Therefore, such aspects are reflected in the UN Charter (Chapter 9). In particular, it is noted the need to ensure equal access to resources and opportunities, to create conditions for a dignified life for all people, including ensuring human rights and social justice. The UN calls for cooperation in the field of protecting natural resources, combating climate change, preventing pollution and supporting environmentally sustainable practices. All this is aimed at improving the standard of living of the population and ensuring full employment for all. The practice of international social cooperation is not so equal. Thus, the representative of the Ministry of Social Protection and Labor of Lithuania [31], notes that the country's government cannot conclude an agreement in the pension sphere with the USA. After all, during the years 2012-2019, 13,000 Lithuanians left for the USA, so that each country (Lithuania and the USA) paid a pension proportionally to the length of service of the Lithuanians. However, in 2017, the United States rejected negotiations on this issue, because very few people have settled in Lithuania. As for Ukraine, cooperation in the field of information policy, culture and sports is wide enough. Thus, the Council of Europe concluded 20 international treaties, the UN - 17, and with UNESCO – 10 and 3 with the EU [32].

Such a legal settlement continued in the form of real assistance to Ukraine during the war. Since the beginning of the war, EU member states have accepted more than 8 million. Ukrainian refugees and more than 4 million people received temporary protection, and European schools ensured the continuation of Ukrainian children's education. Since the beginning of the war, the total European aid amounted to 53 billion euros. Of these, 70 billion euros were directly directed to the needs of Ukrainian refugees.

The creation of the European Civil Protection Pool in the EU for the development of European cooperation in the field of civil protection became an effective mechanism for responding to extraordinary challenges in the world. Its purpose is a quick, coordinated and effective European response to man-made disasters and natural hazards. It brings together resources from 25 EU member states and member states. The resource base of the pool is formed from 25 European countries contributing more than 100 resources. Its activities are not limited to the territory of Europe (Table 4).

Table 4. Emergency Regulation of the European Civil Protection Pool [38-40].

Occasion	Validity period	Effect
Explosion in Lebanon	August 2020	Urban search and rescue teams from the Czech Republic, France, Germany, Poland and the Netherlands, as well as a technical support team from Finland. Other medical personnel and experts in the chemical, biological, radiological and nuclear fields have been deployed, as well as to provide urgently needed medical equipment and materials.
COVID -19	April 2020	2 emergency medical teams from Norway and Romania have been sent to northern Italy to help Italian medical staff fighting the pandemic.
	June 2020	An Italian emergency medical aid team was sent to Armenia
Forest fires in Greece	July 2021	A French fire brigade has been deployed
Floods in Belgium	July 2021	Deployed French rescuers with equipment in Liège
Haiti - 7.2 magnitude earthquake and Tropical Storm Grace	August 2021	Sweden team that provided technical assistance and support. Luxembourg provided 2 certified emergency contact members and Norway sent certified doctors and health experts
Floods in Pakistan	End of June	The French water purification module in Dadu produced 629,000 liters of clean water
	Beginning November 2022	Belgian water treatment module in Bhiriya (Sindh province) and Kot Diji produced 100,000 liters of clean water

Forest fires in Portugal and Albania	June-July 2022	Greece provided a Canadair firefighting plane to extinguish the fire on the island. Sazan (Albania near the coast of Vlora municipality). Subsequently, he was sent to Portugal in the area of Castelo Branco
Madagascar - Cyclone Batsirai	February 2022	French water purification module in Mananjari. German water purification module. Polish emergency medical care team of 15 doctors, nurses and paramedics. Module in Nosy Varica.
Floods in Italy	May 2023	Provision of high capacity pumping equipment from Austria, Bulgaria, Germany, Poland, Romania, Slovakia, Slovenia and France. The EU Copernicus satellite system also urgently provided a map of the affected areas
Undermining Kakhovskaya HPP in Ukraine	June 2023	Germany allocated 5,000 mobile water filters and 56 generators to Ukraine. 20 water tanks and 10 pumps for pumping out contaminated water arrived from Austria. Lithuania and Germany provided equipment for the construction of shelters, including tents, beds and blankets

Therefore, international economic and social cooperation formed an effective tool for operational regulation in the form of the European Civil Protection Pool. Its resource base is formed by all EU countries through the redistribution of the tax burden on entrepreneurship and charitable private assistance. However, they are based on standardized and certified powerful equipment of various profiles and high power.

Let's evaluate sustainable development in the social sphere of EU households at the expense of technical parameters of electricity consumption according to indicators - total consumption of household electricity, final energy use by households for cooking per capita and final energy use by households for heating water. Regarding cooking, the dependence of electricity use is quite stable and has a clear linear trend. In general, the average costs for EU countries are 0.1% of the consumed electricity (Fig. 1). At the same time, the discrepancy is not significant (Fig. 2).

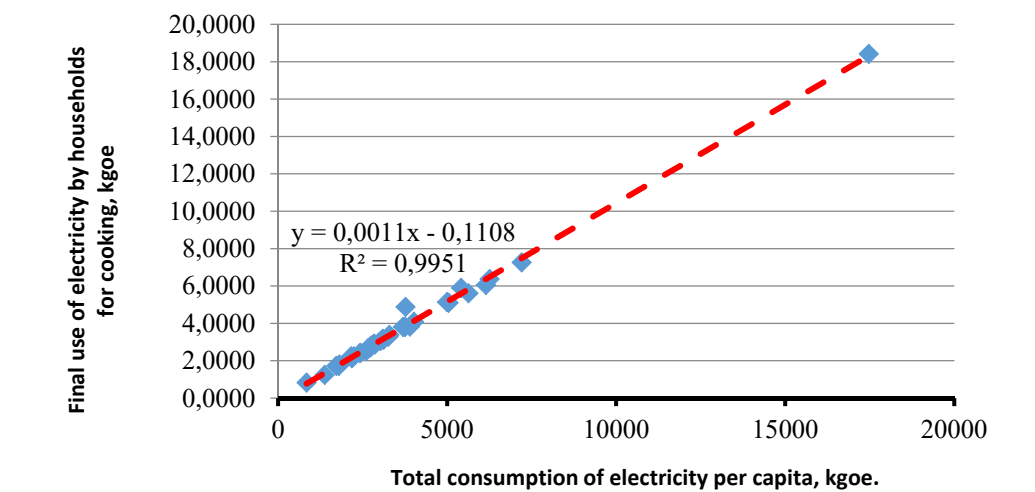


Fig. 1. Dependence of electricity use for cooking on domestic use by households in EU countries, 2022 [28].

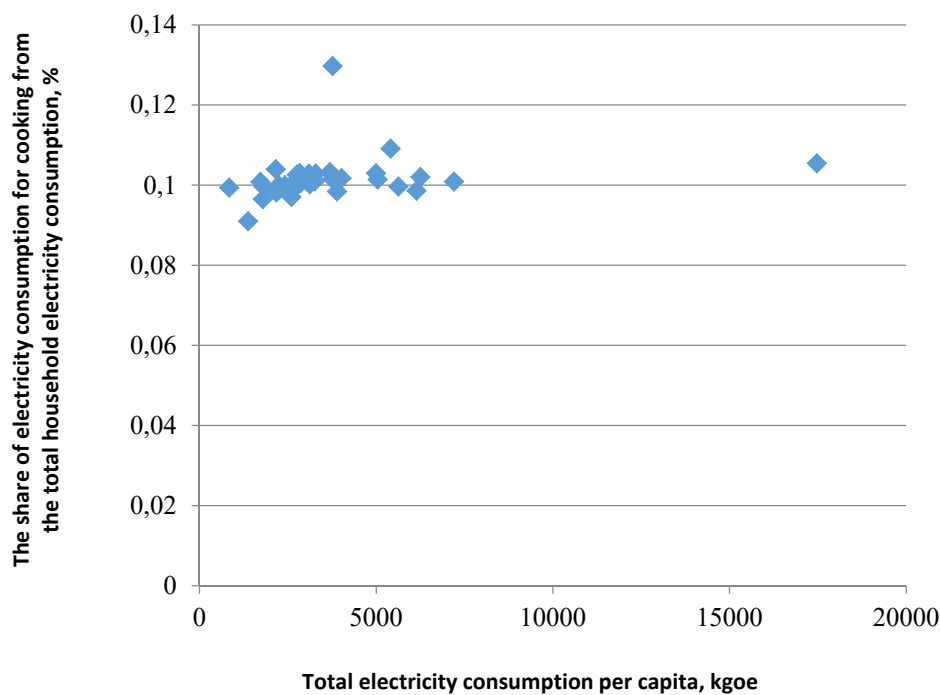


Fig. 2. Difference between the use of electricity for cooking and domestic use by households in EU countries, 2022 [28].

The use of electricity for water heating has wider differences and varies within 50-120 kg of oil equivalent per capita (Fig. 3). The total volume of electricity consumption per capita is within 2-4 thousand kg of oil equivalent per capita. Such a wide variety is explained by the geographical factor. In particular, the Scandinavian countries have costs, while the countries of the South have lower costs.

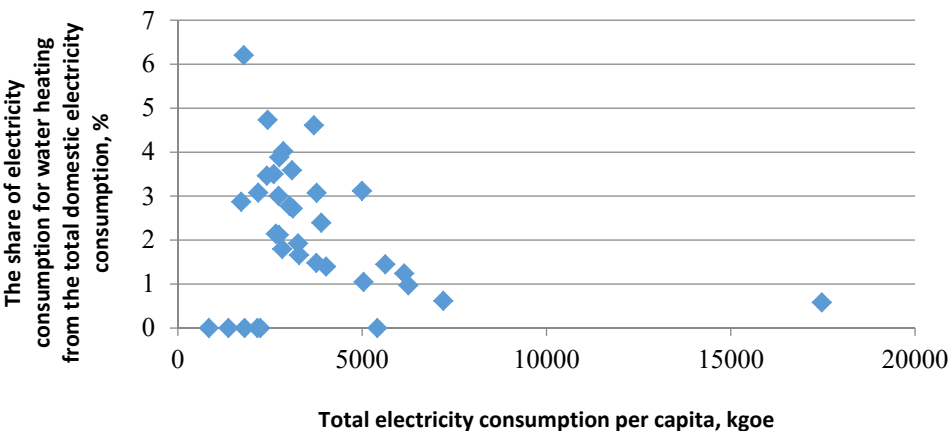


Fig. 3. Dependence of the use of electricity for water heating on domestic use by households in EU countries, 2022 [28].

Thus, while cooking for European households is generally stable, the use of electricity to heat water is determined by the country's geographic location. The average share of water consumption for heating in Europe reaches about 2.5% of household electricity consumption. In general, the average cost of electricity for cooking in EU countries is only 0.1% of the total electricity consumption. This can be considered a positive result, since the low impact on the energy system indicates the achievement of sustainable development in this area.

5 Discussion

The problem of income inequality is a rather important topic in economic science, which has been studied since its inception and up to the present day. One of the ways to graphically display the redistribution of national wealth was proposed by Corrado Gini. He developed a model known as the "Gini coefficient", which made it possible to graphically reproduce the patterns of this redistribution [42]. Such models were used in statistical reporting, but now they must be calculated independently. It is worth noting that visibility of statistics for national economies is often lacking, and this may be understandable, since it is not always desirable to emphasize and incite the problem of inequality. The problem of poverty is recognized by all international institutions - the World Bank, the research center of the Paris School of Economics, the World Economic Forum [43].

The study [44] notes that the system of tax burden and wage growth does not significantly affect the social diversity of society. Within the framework of this study, a problem is presented in which the inviolability of the ownership structure is noted. This aspect has not been directly studied, but property determines the system of redistribution of income in society. Thus, the social responsibility of business becomes even more important in the context of this open issue [45]. Businesses must recognize that their actions and policies can have a major impact on income distribution and social justice. They must make responsible decisions and implement measures aimed at ensuring sustainable development and reducing social inequalities [46]. This may include participating in social protection programs, promoting the development of vulnerable populations, and conserving natural resources.

Considering these aspects, the social responsibility of business becomes a necessary element of a successful and efficient economic system [47]. Businesses must be aware not only of their financial results, but also of the social and environmental consequences of their activities [48]. They must take into account the impact of their actions on society, as well as implement sustainable production practices, use resources efficiently and promote social well-being. This contributes to achieving a balance between economic, social and environmental aspects, which is key to achieving sustainable development. In this context, one of the ways to assess sustainable development is to analyze the technical parameters of electricity consumption in households. We examine indicators such as total household electricity consumption, per capita energy use for cooking and water heating. According to the results of the analysis, it was found that the use of electricity for cooking has a stable trend and shows a clear linear dependence. This may indicate the introduction of more energy-efficient devices and technologies in EU households. However, for a more complete understanding of the situation and the development of sustainability in the social sphere of EU households, it is necessary to conduct additional research and analysis of other parameters of electricity consumption, such as lighting, electrical appliances and heating. Such an analysis will help to identify possible areas for further improvement of sustainable development and rational use of electricity in EU households.

6 Conclusions

The conducted fundamental economic analysis indicated that the development of the country's wealth lies in the plane of labour realization and the system of redistribution of the created annual product. And macroeconomic identities note that the category of profit is exclusively financial, not economic. This leads to the fact that social assistance is implemented only at the expense of financing, which at the present time is mainly state-budgetary. In addition, the change in the national income redistribution system is implemented through the tax burden system. Therefore, in different countries, this system contributes to the development of the social sphere to a greater or lesser extent, and different economic models operate: socially oriented countries (Scandinavia) and purely entrepreneurial countries (USA). Despite such existing models, social state work is mandatory in connection with the implementation of constitutional norms of human life.

European countries actively implement social security of the population in the global context. In general, more than 80% of the population of Europe is provided with social assistance. In general, governments allocate an average of 13% of GDP to social protection, and to guarantee a basic level of social security in modern conditions, significant financial investments are required. The main problem of the implementation of social protection is the growing gap between the rich and the poor. This problem has already been voiced by international institutions. However, the ways to solve it are not defined, and the financial system, due to the reduction of social security expenses, further aggravates the social situation of the population. The implementation of pandemic measures led to the widening of the social gap between population groups in all countries and resulted in mass protests. None of the scientists consider and study the fundamental economic basis of income distribution in society. Everything rests on the form of commodity exchange Money → Commodity → Money'. Thus, the way out of this growing gap lies in the introduction of total control over man. Testing of such systems is already taking place in various countries. And financial flows due to the printing of fiat money are directed to high-tech information corporations for the formation of a digital society and access to the minimum allowable digital financing (universal basic income) to meet life and social needs for survival at the minimum necessary standard of living in a digital society.

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