
SOCIAL RISK MANAGEMENT: STAGES OF RISK MANAGEMENT

Социальный риск-менеджмент: этапы антирискового регулирования

Svitlana Berezina

ABSTRACT

This Paper presents the essence and content of developing and functioning of Social Risk Management stages. Proceeding from the system approach for development, the process of prevention and minimization of Social Risks consequences is divided into successive related stages, differing in their own purposefulness, methodology, and tools, namely into the following stages: Risk Identification and Analysis, Prediction and Assessment of Risk Situation, Selection of Risk Management model, Arrangement of Risk Management, Monitoring and Regulation, Evaluation of results.

АННОТАЦИЯ

В статье рассматриваются сущность и содержание этапов построения и функционирования социального риск-менеджмента. Исходя из системного принципа построения, процесс предупреждения и минимизации последствий наступления социальных рисков разделен на последовательные взаимосвязанные этапы, отличающиеся своей целеустремленностью, методологическим и инструментальным наполнением, а именно на такие этапы: выявление и анализ риска, прогноз и оценка рисков ситуации, выбор модели управления риском, организация антирискового управления, мониторинг и регулирование, оценка результатов.

Keywords: Social Risks, Social Risk Management, Risk Management stages

Ключевые слова: социальные риски, риск-менеджмент, этапы антирискового управления

INTRODUCTION

The phenomenon of Social Risk is the subject being researched in various branches of scientific knowledge: in Philosophy, Sociology, Psychology, Economics, Law. The interdisciplinary approach pushes back the research limit, which, on the one hand, leads to some dissociation in definition, and on the other, allows to explore the phenomenon in all its manifestations and correlations. Risks are considered as facts or events, the probable or foreseen occurrence of which will lead or may lead to

negative consequences. The risk always presupposes the probability of possible losses as a result of various transformations in all spheres of social life: economic, political, and social ones.

The transience and unpredictability of social changes that are caused by the nature of dynamic processes in modern society lead to the rapid reproduction of risks, development of "general risk society" [3].

The variety and complexity of Social Risks require the development of effective approaches to manage them and the introduction of

modern approaches for Risk Management in this area. Pursuant thereto in order to prevent the occurrence and provide the minimization of negative effects of Social Risks, the issue of developing the concept of Social Risk Management with the development of relevant methodology and tools in the following directions becomes actual: namely the identification of Risk sources, assessment of possible consequences, identification of Risk areas, selection of management tools, arrangement of Risk Management process.

The subject of research is the Social Risk, which is associated with the occurrence in the society of the number of circumstances, problems that can imperil the human life and activities. The sources of Social Risks can be: environment (natural disasters, man-made disasters, environmental pollution, global warming, etc.); economy (unemployment, migration, inflation, corporate collapse, etc.); politics (coups, wars, rebellions, ethnic conflicts, terrorism, etc.); health (epidemic, drug addiction, alcohol addiction, AIDS, etc.); society (crime, violence, etc.).

The purpose of research is to define the content of main stages of Social Risk Management with the development of relevant methodological and tooling support. Pursuant thereto, the following tasks are set and being addressed:

- separation of organizational and economic stages of Risk Management process within the sphere of Social Risk Management;
- determination of content, methods, and tools for addressing problems at each stage of Social Risk Management.

In the scientific literature, the Social Risks are researched in the context of theoretical basis of Riskology by such foreign researchers as: K. Arrow, U. Beck, P. Bernstein, A. Giddens, R. Holzmann, N. Louman, F. Night, O. Renn, P. Slovik, E. Utkin, A. Shopenko, O. Yanytskyi.

Among the national scientists who studied various aspects of social sphere development, including the methodology of Social Risk Ma-

agement, the following can be mentioned: V. Antoniuk, V. Blyzniuk, N. Boretska, O. Vlasniuk, V. Gorbulin, E. Libanova, V. Nadruga, G. Nazarova, V. Novikov, O. Novikov and others.

Currently, scientists have achieved meaningful results in studying the fundamental basis of Social Risks phenomenon, where special attention is paid to the system of arrangement and development of Risks at different levels of society, as well as approaches for their minimization. However, while acknowledging scientific contributions of the above-mentioned authors, it should be mentioned that the problems of Social Risk Management are still not completely explored. We also mention that the system of Social Risks is not constant; it changes under the influence of external factors (unfavorable social, economic, and political changes, etc.) and conditions of human vital activity. This stipulates the requirement for development and implementation of theoretical, methodological and practical approaches to assess and develop the leading edge policy for their prediction and minimization.

The approaches of theoretical research, namely theoretical generalization, comparison, analogy, classification, and others were applied in order to achieve the purpose of the research and implement the tasks set.

RESULTS OF THE RESEARCH

Separation of arrangement and economic stages of Risk Management within the Social Risk Management

The problem of Social Risk Management is one of the most pressing problems for modern society. Solving the problem of efficient Risk Management depends largely on availability of Social Risk Management system. Very keen definition of Risk Management is given by P. Bernstein, whereby it is aimed to maximize the number of circumstances that are subject to control, as well as to minimize the parameters the cause-and-effect link between which is

implicit and is impossible to control. [4]

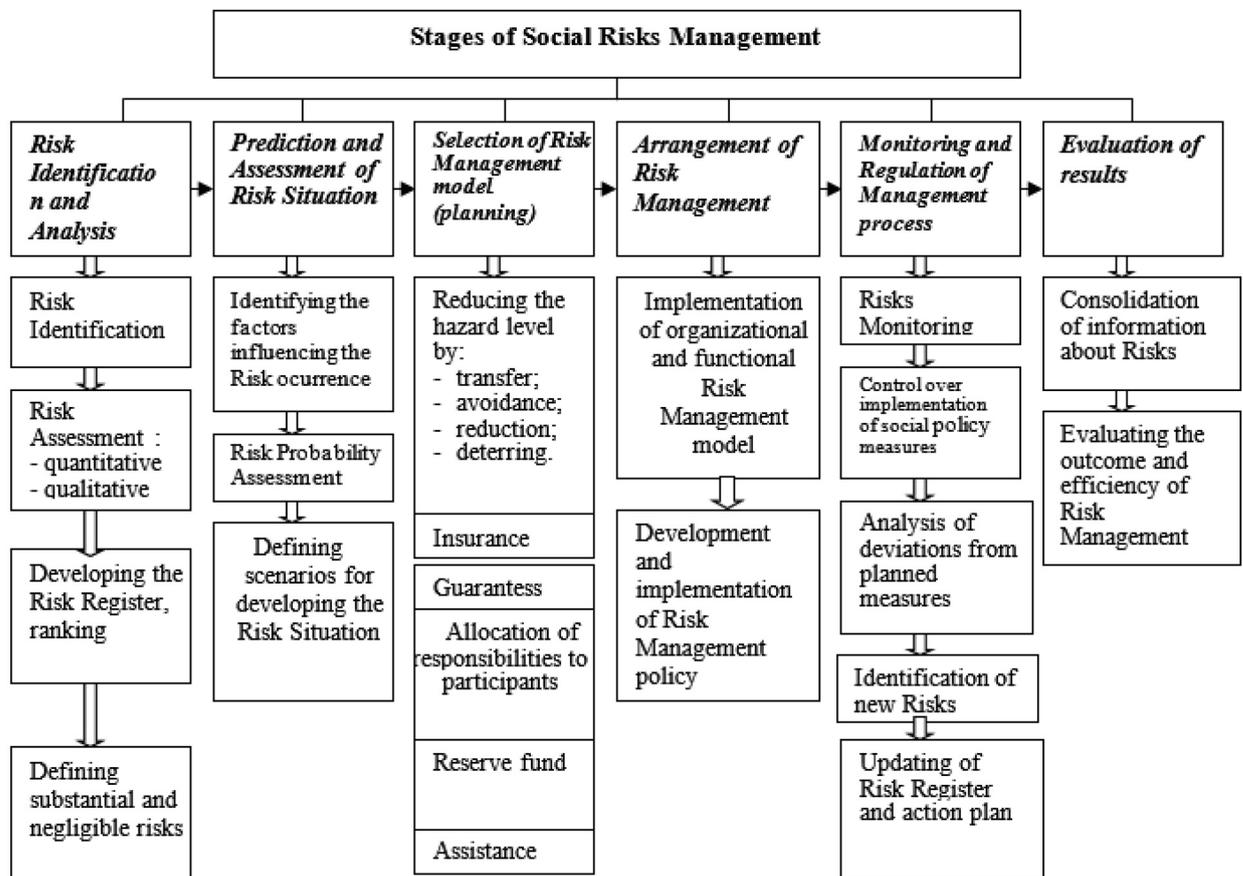
If Social Risks are viewed through the possibility of their prediction, it should be mentioned that there are generally two groups of Social Risk factors: predictable ones, i.e. the effects of which can be expected, assessed, they are sufficiently studied in science, and manageable and unpredictable ones, which could not be identified at a priori stage of Risk analysis; some may occur for the first time; this group of Risks is most difficult to manage. Although, the Risk Management process is a complex and multi-level procedure, it can be conventionally divided into a number of stages, which are selected according to peculiarities of Risk Management measures sequence. The selection of relevant stages should be considered as condi-

tional, since in real life they are often implemented simultaneously, but not consistently, one after another. The essence of each stage should be analyzed in order to have a more complete understanding of special nature of the mentioned procedure. (Fig. 1)

The requirement to select the following stages is established after analyzing the Social Risk Management Process:

1. Risk Identification and Analysis;
2. Prediction and Assessment of Risk Situation;
3. Selection of Risk Management model (planning);
4. Arrangement of Risk Management;
5. Monitoring and Regulation;
6. Evaluation of results.

Figure 1. Social Risk Management stages



Source: source is developed by the author

APPROACHES AND TOOLS PER RISK MANAGEMENT STAGES *RISK IDENTIFICATION AND ANALYSIS*

At the first stage of the Risk Regulation, the Risk occurrence is analyzed, which involves the identification of Risks (separating the risks, causes for occurrence, identifying the hazards and the threats for their realization), quantifying them, developing the Risk Register, ranking according to priority and probability of occurrence, which results in defining substantial and negligible risks. The main purpose of such analysis is to develop a scientifically substantiated system that will provide their acceptable level [6].

This stage is very important, since its implementation is required in order to understand the special nature of the researched Risk situation. Risks Identification and Analysis involves their identification, understanding of special features of each of them, determined by their nature and other features, the peculiarities of their implementation, including the study of the extent of the economic loss, as well as the change of risks in time, the degree of interrelation between them, and the research of factors affecting them. Without this research, it is impossible to efficiently and purposefully implement the Risk Management process. Thus, the implementation of the required procedures at this stage allows to obtain qualitative information on probability of Risk occurrence and its consequences, as well as to provide quantitative assessments of risk, its parameters, the extent of economic loss, and other indicators required for making decisions regarding Risk Management. Actually, this stage provides the information basis and support for the entire Risk Management process.

When identifying the risks, it is necessary to take into account the fact that the effect of Social Risks is also increased by the Risks having non-social nature, which include:

- unfavorable social, economic, and political changes;

- instability of current legislation, fluctuations in market conditions;
- limited or insufficient information on dynamics of macroeconomic changes, the degree of economics shadowing, etc.

As a part of Risk Identification and Analysis, the management subject should establish and address the number of issues:

- sources of uncertainty and risk;
- manifestations of situation and negative consequences as a result of Risk realization;
- information sources;
- quantitative risk assessment approach;
- interdependence of various risks.

The information sources for identifying the Risks may be the external and internal data with regard to the management subject, which are based on expert, social, individual, and group approaches for identifying risks, among which are the following: brainstorming, check lists, preliminary analysis of hazards, hazard research, Delphi method, SWOT-analysis. Brainstorming serves as an operating approach for addressing the problem through the boost of creative activity, during which the discussants are offered to express as many variants of the solution as possible, including the most incredible ones. Then, from the total number of ideas expressed, the most successful are chosen, which can be applied in real life. The structured interviews enable to identify the risks through interviewing the experts according to the pre-arranged scheme. The Delphi method is based on combination of expert assessments that can provide analysis of occurrence rate, simulation of sequences, and/or Risk assessment. Risks Identification through the use of check lists involves the use of premeditated (based on past experience, preliminary assessment) list of Risks or threats. The preliminary analysis of hazards is the set of techniques for hazard identification and analysis of occurrence rate used at an early stage of design in order to identify the hazards and assess their criticality. It is also possible to apply inductive approach, which is

Table 1. Methodology for Risk mapping based on two approaches

<i>Descriptive approach</i>	<i>Quantitative approach (ranking)</i>
<p>Probability:</p> <ul style="list-style-type: none"> - almost impossible; - possible; - probable; - quite probable 	<p>Probability:</p> <ol style="list-style-type: none"> 1. - the lowest; 2. - low; 3. - average; 4. - high; 5. - the highest.
<p>Degree of consequences</p> <ul style="list-style-type: none"> - insignificant; - moderate; - significant; - high. 	<p>Degree of consequences</p> <ol style="list-style-type: none"> 1. - the lowest; 2. - low; 3. - average; 4. - high; 5. - the highest.

Source: The source is developed by the author based on [15]

based on the question "what happens if ...?"

The first stage of the analysis also involves the implementation of procedures for developing the Risk Register, their ranking based on quantitative and qualitative comparisons. The latter represent the level of hazard (Risk level) accepted in a given society in order to identify the most substantial Risks and negligible ones. For this end, the simple and obvious but efficient tool, i.e. the Risks mapping, can be given. The Risk map is a graphical and textual representation of the limited number of Risks presented in a rectangular table in which one axis indicates the strength of Risk effect or significance, and the other axis indicates the probability or frequency of its occurrence [17].

The risk features can be measured by one of the approaches: either descriptive (using dictionary meters such as "strong", "weak") or quantitative, ranked (using the score approach with meters: from 1 to 5). These approaches are used to develop the Risk profile, which includes the assessment of probabilities and degree of event occurrence consequences (Table 1)

The use of the suggested approach is rather efficient in assessing Social Risks, as it can give good results for selection and assessment of the main types of events the occurrence of which should be compensated by relevant state programs: old age, disability; illness or child-birth; accident at work, occupational disease; unemployment; impoverishment; misery; losses (moral and physical) due to natural disaster or catastrophe [6].

PREDICTION AND ASSESSMENT OF RISK SITUATION

The second stage of Risk Management involves identifying the factors influencing the Risk occurrence, performing the Risk Probability Assessment and defining the scenarios for developing the Risk Situation.

Given that, any Risk, including social ones, has two components: the probability of occurrence and the extent of the damage caused [7], then, the determination of the unfavorable

event probability involves the Risk Assessment, that is, determination of its probability, extent of damage, and prevention of possible consequences.

In the study of Social Risk, the damage caused (or damage inflicted) has a number of components that are determined by human consideration as [1]:

- biologic being (medical and biologic harm to people's life and health);
- personality (non-pecuniary damage);
- an individual with certain economic interests i.e. the subject of economic relations (financial damage).

The extent of the damage caused is related to the assessment of possible social and economic losses for a member of society. The social losses are considered as indicators of mortality or consequences limiting the human vital activities, which leads to complete or partial loss of self-service, study, work, move, etc. [18]. Social indicators provide the opportunity to assess the level of social protection of population. The economic indicators of damage caused are the expenses of an individual, a family, and a society for reimbursement of the events consequences caused by the Social Risk. The assessment of economic losses extent allows comparing the levels and the significance of Risk, to determine the extent and limits of insurance coverage, the amount of compensation and the need to prevent possible harm from unfavorable events.

The extent of average Risk is determined by the basic formula (1), therefore, the essence of all stages of Risk analysis in different types of social sphere do not differ significantly. [19, p. 10]

$$R = \sum_{i=1}^n g_{ij}(V)P_jP_i(j, z_j)X_i$$

Where:

P_i is the probability of obtaining the extent of losses as a result of occurrence of i-type unfavorable event;

P_j is the probability of occurrence of j-type unfavorable event;

X_i is the amount of loss (usually in value terms, but in case of occurrence of some Social Risks it can be expressed in terms of physical indicators);

R is the quantitative risk measure (is expressed in the same indicators as losses);

n is the number of possible options of loss in case of occurrence of any unfavorable event (including losses equal to zero);

g_{ij}(V) is the probability of selecting situation by object with the probability of occurrence of unfavorable event P_j and the Law of distribution of loss P_i(j, z_j), which depends on accepted protective measures z_j.

There are three common ways to assess the probability of unfavorable events occurrence, which include:

- 1) the statistical way, which is based on the analysis of the statistical data on similar events that occurred on similar objects at given territory;
- 2) the analytical way, which involves the study of the cause-and-effect links in territorial and production system, which allows to assess the probability of Risk occurrence as a complex phenomenon;
- 3) the expert way, i.e. the assessment of probability of unfavorable events occurrence through the analysis of expert surveys results.

In assessing the probability of unfavorable events occurrence, it is possible to apply comprehensive approach, which involves the use of several approaches at once.

It should be noted that in order to obtain a more qualitative and accurate assessment of probability of unfavorable events occurrence,

all approaches should be used simultaneously by comparing the obtained data to each of them.

In real life, the indicator of the damage caused obtained after calculations is not just taken as the basis for further implementation of required protective measures, but the maximum acceptable extent of loss and the maximum allowed probability of its causing.

The development of prediction scenarios in order to select an appropriate standardized set of tools for minimizing certain Social Risks is essential for real life [6]. The prediction of Social Risk occurrence is based on assumptions that outline the changes in external and internal environment regarding the management object (risk), the implementation of which as a whole develops the scenarios of the events progression. The scenario approach involves the process of developing descriptive models of what might happen in the future. It can be applied in order to identify the Risks by considering possible scenarios and investigating their possible consequences. Scenarios groups that represent, for example, "best chance", "worst case" and "expected case" can be used to analyze the possible consequences and their probability for each scenario as a form of sensitivity analysis in conducting the Risk Analysis. The scenario approach does not allow predicting the probability of such changes, but can consider the consequences and promote the management subject to develop the benefits and flexibility required in order to adapt to predicted changes. This approach allows considering a number of possible future situations and has advantages over the traditional approach based on predictions of varying degrees of duration, in which the continuation of past trends is foreseen. This is important for situations where there is lack of real-time information, based on which the prediction can be made or in which the Risks are addressed in more distant future. However, this advantage has a relevant weakness: some scenarios may be unrealistic at high degree of uncertainty.

As a result of performed analysis of Social Risks and their assessment, it is possible to proceed to the development of Risk Management strategy, namely defining the system of approaches that can prevent, eliminate, or minimize the negative consequences of Risk Situation, which represent the next stage of Risk Management. It should be noted that depending on opportunities in Risk Management, the following approaches can be defined: the relevant system of adaptation to Risk and its consequences is developed if it is established that it is impossible to influence the Risks (the Risk is unmanageable). If the Risks are poorly manageable and manageable, then the criteria are established and the required Management method is determined.

SELECTION OF RISK MANAGEMENT MODEL (PLANNING)

The selection of Risk Management approaches is designed to develop policy in the area of Protection against risk and uncertainty. The requirement for such selection procedure is related to different performance of Risk Management approaches, as well as different extent of resources required for their implementation. The criteria for approach selection may be different, i.e. they may be financial and economic, i.e. they address the problem in terms of costs and benefits; technical, which reflects technological opportunities for reducing the Risk; social, the essence of which is to reduce the Risk to an accepted level.

There are many Risk Management models in the world. But not all of them can be used in Social Risks Management. The analysis reveals that the following models meet the Social Risk Management requirements:

- diversification by contractors;
- deposit (retention);
- lending;
- avoidance;

- reduction;
- guaranteeing;
- social, medical, retirement, property insurance, etc.;
- social security system;
- system of state reserve;
- Risk optimization models.

There are no regular approaches for selecting the Risk Management model. Therefore, in each particular case, the selection is carried out by approaches of generalization, comparison, analogy, etc., proceeding from type of Risk, its scope, assessment of possible losses, availability of resources, etc.

Due to the fact that Social Risk is a specific and important management object having diverse manifestations in society, the selection of approach should be based on relevant criteria [9].

Notable examples of Social Risks such as the old age and unemployment can be considered as a reason for loss of earning capacity and decrease in the level of personal income for citizens; the childbirth and disability as a source of additional costs regarding the level of personal expenses established in society (for providing childcare and medication buying respectively), which require compensation, etc. Although, certain events in a person's life are physiologically considered positive: old age (like longevity of person), childbirth, but as for economic consideration, these events incur additional financial costs and completely fall into the category of Social Risk [13]. Thereupon, the assessment of economic foundations of social sphere should be based on the analysis of processes taking place in the field of Social Risk Management. We believe that the Risk Management approaches that are specific to Risk Management can also be applied in order to manage the Social Risk.

The Risk Management approaches themselves are quite diverse. This is due to the ambiguity of the Risk concept and the presence of a large number of criteria for their classification.

Firstly, the Risk Management approaches can be grouped according to the stages of their development as follows:

- Pre-event Risk Management approaches consist in carrying out in advance the measures aimed at changing the essential parameters of Risk (probability of occurrence, extent of damage). This could include Risk Transformation approaches (Risk control, Risk control to stop losses), which are mainly related to prevention of Risk realization [19]. Usually, these methods are associated with carrying out the preventive measures. This could include the Risk Transformation approach that is the allocation of responsibilities to the participants.

- After-event Risk Management approaches that provide implementation of measures after the loss occurrence and are aimed at eliminating the consequences. These approaches consist of the financial sources generation that are used to cover the loss. Mostly, these are the Risk Financing approaches (Risk financing, Risk financing to pay for the losses) [19]. Thus, these two approaches of Risk Management can be combined into general "Compensation" approaches. These include insurance, guarantees, limitation, and generation of the reserve fund.

Secondly, the criteria for selecting the Social Risks Management approaches can be determined based on results of developing the Risk map at the previous stage [15]. Depending on where (in what part of ordinate) there is one or another Risk, it is possible to decide on application of relevant approach at acceptable level.

On the other hand, there are high Risks, which can not be reduced. But even if they can be partially reduced, this practically does not reduce the danger of consequences of their realization. Therefore, the best way to protect against them may be making efforts to avoid all probability of their occurrence at all. Avoiding risk is a set of measures that enable to completely avoid the effects of the unfavorable events. An example of applying this Risk Management approach at personal level is the conscious refusal of a per-

son from parachute jumps, given the danger of this occupation.

In cases where the probability of Risk realization is rather high, the Risk reduction approaches should be applied, which is measures aimed at mitigating the unfavorable consequences. This procedure provides that the Risk object assumes the risks on its own and is responsible for them, so it is sometimes called Risk taking by oneself. The essence of this approach consists in implementation of preventive measures aimed to reduce the probability of unfavorable event occurrence. Examples of specific measures aimed to reduce the probability of loss occurrence include the employment of guards, drivers' training considering safety requirements, standardization of products and services, the use of non-combustible materials in construction, performing training, the use of posters warning on chemical hazards, vaccination, etc.

Despite all the efforts to reduce the Risk, some losses generally still occur. The approach of reducing the loss extent can be applied for these Risks. Its essence is to perform the preventive measures aimed to reduce the extent of possible losses. Examples of preventive measures aimed to reduce the extent of possible losses may be the installation of fire or intrusion protection, the use of non-combustible materials in construction, etc. The application of this approach is justified in cases where the extent of possible loss is large.

In case of low probability but with expected losses, the Risk Transfer approach can be applied, that is performing of measures allowing the transfer of responsibility for reducing the Risk and loss to another subject. This includes insurance, as well as various kinds of financial guarantees, sureties, etc. In this regard, it is important to note that losses minimization and risk reduction are not the same things. For example, the insurance that provides compensation for damage does not in any way reduce the probability of risk realization.

The Risk deterring does not always mean renouncing from any action. For example, the Company may generate the reserve fund, self-insurance funds, or risk funds, from which the compensation will be made in case of unfavorable events occurrence.

The Social insurance can be given as example of Risk Allocation approach that is the allocation of probable damage over space (among all members of society) and over time. The Social insurance is a set of special closed reallocated relations between all citizens of the country on generating the special purpose Social insurance funds through making contributions, intended to finance the measures to cover losses that arose as a result of Social Risk realization. The Social insurance system provides the equivalence of financial relations between the provider and the recipient of social assistance, since the part of earnings is returned from the Social insurance funds to the citizens who previously contributed them [13]. That is, the old-age pensioner through the Social insurance mechanism receives in the form of a pension a part of his/her earnings deducted from him/her during the entire period of his/her employment.

ARRANGEMENT OF RISK MANAGEMENT

This stage provides arrangements to carry out solutions taken at the previous stage regarding implementation of certain Risk Management measures.

The arrangement of Risk Management is usually based on the concept of active dynamic Risk Management [11], which involves systemic Risk Transformation in the process of purposeful influence on the conditions and environment, resources, subjects and objects, processes and the results of their operation with a view: on the one hand, to reflect the emerging threats; and on the other hand, to allocate effectively the resources for the prevention and minimization of negative consequences regarding Risks occurrence.

Table 2. Preliminary form presenting the set of measures regarding Social Risk Management

<i>Name and type of Risk</i>	<i>Risk Management measures</i>	<i>Measure implementation costs</i>	<i>Completion time</i>	<i>Executor</i>	<i>Expected result</i>

At this stage, the system of solutions implementation regarding economic crisis recovery is developed. Thereupon, specific executors are determined and the timing of each action is set. Executors must have the required and sufficient resources to implement the solution targeted against the risk. In regards of their qualifications, they must meet the complexity of tasks.

It makes sense to present arrangements in the form of a document shown in Table 2.

MONITORING AND REGULATION

Monitoring is usually considered as a process of continuous monitoring, accounting, collection, and analysis of information on the change of the management object in order to justify priorities, identify tasks, identify inconsistencies and restraining factors in implementing the Risk Management policy. Monitoring and Regulation stage provides feedback between current state of Risk Regulation and planned Risk Management measures. This includes observation, checking the compliance of the current state of Risk with the pre-selected Risk Management plan, identifying the causes of negative trends, estimating deviations from the plan. If in Monitoring process, the current level of Risk does not exceed the established

acceptable Risk threshold, the control function is completed. If the level of risk does not decrease to the established limits, then the analysis and evaluation of Risk level is repeated again and repeated until the acceptable level of Risk is ensured. If this does not happen, then the initial proposed solution is adjusted and Monitoring and Regulation process is repeated. This stage provides the flexibility and adaptability of Risk Management and also takes into account the dynamic nature of this process.

EVALUATION OF RESULTS

Taking into account the concept of acceptable Risk [12], the assessment of efficiency of Social Risk Management is to compare the initial Social Risk level defining the loss from the risk events realization, with its final level, which involves the losses after minimizing the Risk events, and with the costs of Risk Management.

Calculation of the effect obtained as a result of Risk Management system functioning, in general, can be represented as follows [8]:

$$E_{\text{absolute}} = V_{\text{actual}} - V_{\text{basic}} \quad (2)$$

where: V_{actual} is the actual value of indicator;
 V_{basic} is the basic value.

The efficiency of Risk Management measures is evaluated using the following formula [8]:

$$E_{\text{relative}} = V_{\text{actual}} / V_{\text{basic}} \quad (3)$$

The purpose for assessing the efficiency of measures taken is to adapt the Risk Management system to the changing environmental conditions and the set of risks affecting the population, the environment, and the society. This takes place due to the replacement of inefficient measures by more efficient ones within the allocated budget for the Risk Management program, as well as by changing the arrangement of the Risk Management system.

Thus, it may be concluded that the problem of Social Risk is more pressing than ever, the approaches to problem of Risk Management are changed, and new Risk Assessment approaches are developed. [18] The information received by the management subject during the Risk analysis provides all necessary data to select efficient measures on optimization of Risk effects. By identifying the areas of high Social Risk and its quantitative measurement, we can albeit to a limited extent, manage Risks or prevent them. This can significantly reduce the level of Risk and minimize its negative consequences.

CONCLUSIONS

The analysis of foreign and national scientific research in the field of Social Risk Management revealed the lack of integrated approach for the development of system for prevention and minimization of consequences of Social Risks occurrence based on modern concept of Risk Management. This stipulates the development of methodology and development of procedure (stages) algorithm regarding the Social Risk Management.

As a result of analyzing the Risk Management process in the social sphere, the requirement to distinguish the following steps is established:

1) Risk Identification and Analysis; 2) Prediction and Assessment of Risk Situation; 3) Selection of Risk Management model (planning); 4) Arrangement of Risk Management; 5) Monitoring and Regulation; 6) Evaluation of results.

It is shown that the efficiency of Social Risk Management system functioning based on modern approaches and Social Risk Management models is largely ensured by systematizing and sharing the process of preventing and minimizing the Social Risks effects on successive interrelated stages, differing in their own purposefulness, methodology, and tools.

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