ORGANIZATIONAL AND MANAGERIAL SYSTEM
OF DEVELOPMENT OF SPORTS AND HEALTH ACTIVITIES
IN UKRAINE: CURRENT STATE AND NATIONAL PECULIARITIES

Konstantin Bogatyrev¹, Inna Irtyshcheva², Serhii Romanenko³, Iryna Korniienko⁴

Abstract. The subject of the study is the process of assessing the current state and national characteristics of organizational and managerial system of development of sports and recreational activities in the transformation of the national economy. Methodology. General scientific methods used in the study, in particular: theoretical generalization; methods of positive and normative analysis and statistical analysis. The purpose of the research is the process of assessing the current state and national characteristics of the organizational and management system of development of sports and recreational activities. The conclusion of the study. The main legislative and regulatory documents regulating sports and health activities in Ukraine are defined, including the Constitution of Ukraine, the Civil Code of Ukraine, the Law of Ukraine "On Physical Culture and Sports" and the Law of Ukraine "The Fundamentals of Legislation of Ukraine on Health Protection". Legislation of Ukraine aimed at regulating the state policy of sport and health and divides it into separate spheres: health (health care) and sport (physical education and sports), according to which the state policy of both spheres, created on the principles of efficiency and humanity orientation, equal access and health, modern orientation, yet must understand the combination of sport and sphere in achieving the main goal – "preservation and restoration of physiological and psychological functions, optimal labor and social activity with maximum biological possibilities of individual life." It is established that in Ukraine the medical sphere may be financed from different sources: state and local budgets, insurance and charity funds, other financial sources not prohibited by law. Analysis has shown that in Ukraine the level of budget expenditures on health care does not exceed 3% of GDP, while according to the World Health Organization, a necessary condition for the effective functioning of the medical sector is the level of budget expenditures on health care from 6% to 8%, determined by the amount of GDP. It is analyzed that in 2015 in Ukraine there was an actual decrease in the level of health care in % (from 3.6% to 3.0%). If to take into account the parallel reduction of state expenditures as a whole for the studied period, it is possible to state a decrease in the level of efficiency of expenditures on health care in the structure of the reduction of total state budget expenditures. The analysis showed that in the structure of central government spending (including transfers) for 2015–2020, the share of spending on health care (as a percentage of GDP from 3.2% to 2.5%, and as a percentage of the state budget from 11.0% to 9.6%) decreased, the share of spending on spiritual and physical development remained virtually the same, and the share of spending on economic activity, security, the judiciary and defense increased. It has been proven that in parallel with the centralized method of providing a package of basic medical services in Ukraine, the "additional subsidy for the maintenance of health care and educational institutions" has been significantly reduced. Not all communities were ready for this change, and new low-income communities and those that could not cover all the necessary costs of development, health care, physical education and sports were ready for this change and enjoy the need to find new opportunities for funding sports and health.

Key words: sports and health activities, financing, national characteristics, World Health Organization.

JEL Classification: G18, H30, H51, H61, I10
1. Introduction

In today's world, sports and recreation are becoming a priority for many countries. More and more often the health care system is considered in close connection with sports activities. In addition to the personal responsibility of each person, the state is also responsible for their health, and, more precisely, the development of the sports and recreational sphere is one of the main priorities of state policy. The health of not only the current population, but also of future generations of the population is ensured at the state level, which can be ensured through the system of development of sports and recreational activities. After all, the three main components of ensuring each person's health are adherence to a regime, maintenance of activity through physical exercise and control of health indicators.

The inseparable combination of sport and health is due to modern living conditions, urbanization, the rapid development of scientific and technological progress and digital technology. Most human activities are becoming so automated that physical activity is significantly reduced. And with the COVID-19 pandemic, distance learning and work, online shopping, social networking and Internet chatting have become widespread. People began to spend more time at home, which further reduced physical activity, and increased the vulnerability of the human body to various diseases. Thus, the health risks to the nation have increased.

In the context of the COVID-19 pandemic, more and more people are talking not only about the need for vaccination, but also about the need for physical activity and sports. 'After all, people with a strong immune system are much more likely to have an easy course of COVID-19 if they get the coronavirus. Here's the bottom line: Sports can help fight the coronavirus. The World Health Organization usually recommends endurance sports for 150, or better, 300 minutes a week. During the pandemic, the organization did not publish any separate recommendations. Sports are necessary to prevent cardiovascular disease, diabetes, high blood pressure, cancer or depression' (Europe and the world, 2021).

2. Legislative and normative regulation of sports and recreational activities in Ukraine

Among the main legislative acts regulating the sports and health sphere in Ukraine are the Constitution of Ukraine (Constitution of Ukraine, Information of the Verkhovna Rada of Ukraine (VRU), 1996; Civil Code of Ukraine, 2003; Law of Ukraine, 1994; Law of Ukraine "Fundamentals of Legislation of Ukraine on Health Care", 1993). The enumerated legal acts regulate the basic provisions of sports and recreational activities (Table 1).

Legislation of Ukraine is aimed at regulating the state policy of sport and health and divides it into separate spheres: health (health care) and sport (physical education and sports), according to which the state policy of both spheres is built on the principles of priority and guarantee, humanistic orientation, equal access and security, modern orientation, which once again proves the importance of combining the fields of sport and health to achieve the main goal – "preservation

Table 1
The main provisions of the state policy of regulation of sports and recreational activities in Ukraine

<table>
<thead>
<tr>
<th>Name of the legal document</th>
<th>Provisions, categories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constitution of Ukraine</td>
<td>&quot;The state must protect human life. Everyone has the right to protect his life and health and the life and health of others against unlawful infringements&quot;. &quot;Human life and health, honor and dignity, integrity and security are recognized as the highest social value&quot;</td>
</tr>
<tr>
<td>The Civil Code of Ukraine</td>
<td>&quot;Personal intangible benefits protected by civil law are health, life; honor, dignity, and business reputation; name (rank); authorship; freedom of literary, artistic, scientific, and technical creativity, as well as other benefits protected by civil law&quot;</td>
</tr>
<tr>
<td>Law &quot;Fundamentals of the legislation of Ukraine on health care&quot;</td>
<td>Health is 'a state of complete physical, mental, and social well-being, not merely the absence of disease or infirmity'. Health care is 'a system of measures implemented by state and local government bodies, their officials, health care institutions, physical persons – entrepreneurs, registered in the prescribed manner and licensed to engage in entrepreneurial activity by medical practitioners, medical and pharmaceutical workers, public associations and citizens in order to preserve and restore physiological and psychological functions, optimal efficiency and social activity of a person at the maximum biologically possible individual life expectancy&quot;.</td>
</tr>
<tr>
<td>Law of Ukraine &quot;On Physical Culture and Sports&quot;</td>
<td>Sport is &quot;the activity of actors of physical culture and sport, aimed at identifying and uniformly comparing the achievements of people in physical, intellectual and other training through sports competitions and appropriate training for them&quot;. Sports activities are &quot;activities carried out by subjects of physical culture and sport in order to develop sports&quot;. Physical education and recreational activities are &quot;activities carried out by subjects of physical culture and sport for the development of physical culture&quot;.</td>
</tr>
</tbody>
</table>

and restoration of physiological and psychological functions, optimum efficiency and social activity with the maximum biologically possible individual life" (Law of Ukraine "Fundamentals of the legislation of Ukraine on health care", 1993).

In addition to the principles listed above, public health policy is based on the principles of comprehensiveness, diversity and decentralization.

The state policy of the sports sphere (physical culture and sports), in addition to the above principles common to the sphere of rehabilitation, is supplemented by the principles of patriotism and spirituality, safety, and continuity.

To realize the rights and interests of citizens in the sphere of sports and health activities in Ukraine operates a branched network of institutions (subjects) of health, physical culture and sports.

Health care subjects include "health care institutions and individuals – entrepreneurs engaged in economic activities aimed at maintaining and restoring physiological and psychological functions, optimum performance and social activity of a person, which are registered and licensed in the manner prescribed by law" (Law of Ukraine (draft) "On Health Care Facilities and Medical Care", 2014).

The network of institutions in the field of physical education and sports is very extensive and is aimed at meeting the cultural, sports and recreational needs of various segments of the population.

Thus, all institutions with an extensive network of physical culture and sports either directly carry out sports and recreational activities or contribute to their development and promote sports and healthy lifestyles. Subjects in the sphere of physical culture and sports ensure the development of various types of sports, the formation of appropriate sports and health skills in the population, creating appropriate conditions for healthy physical development and health improvement, physical activity and physical fitness, healthy recreation and healthy lifestyles in general.

Any sport – professional or amateur (home) requires serious attention and medical support. The flow of injured "amateur sports" is growing – statistics show that the injury rate among people doing sports "for health" is now higher than in professional sports. The growing interest in healthy lifestyles is certainly a positive factor, but playing sports without proper training and supervision is often accompanied by injuries. Injuries that used to be common to professional athletes are becoming more common among amateurs.

Thus, all citizens should be able to receive medical consultation and professional medical assistance, which is guaranteed by the state in every civilized country. In Ukraine the following types of services are provided free of charge: emergency medical care, primary, secondary and tertiary care, palliative care.

As in every civilized state, in Ukraine the state recognizes the right of citizens to health care and provides opportunities to engage in physical activity and sports, but every citizen must take care of his or her health, not harming others and ensuring a healthy life for posterity. Reasonable balanced physical activity and preventive check-ups with doctors are ways to maintain the health and well-being of the population, and an additional means, especially in conditions of the COVID-19 pandemic, is to follow the vaccination schedule.

The world practice of health care financing has different examples and conceptual approaches to the construction, in particular, the most popular is the budgetary approach, which is most clearly implemented in Great Britain, and in which 50-90% of health care financing comes from state and/or local budgets.

The importance of each citizen's personal responsibility for his or her health and physical activity is exacerbated by the disappointing data on the financial provision of the health care system in Ukraine.

3. The current state of financing of sports and recreational activities in Ukraine

The share of financing of the health care system in Ukraine from the state and local budgets is the largest, but the growth rate of health care costs is much lower than the corresponding characteristics of changes in the prices of medicines, professional equipment, and services, which worsens the situation with the free health care services (Dmitryk, 2018).

According to the World Health Organization (WHO), a necessary condition for the effective functioning of the medical sector is that the level of budget expenditures on health care should be between 6% and 8%, determined by the GDP (Gorbunova, 2017). Attempts have been made to set the minimum value for expenses from the state budget at 5%. According to the Law "On State Financial Guarantees of Medical Care": "the volume of funds from the State Budget of Ukraine allocated for implementation of the medical guarantee program is determined annually in the Law of Ukraine on the State Budget of Ukraine as a share of the gross domestic product (percentage) not less than 5 percent of the gross domestic product of Ukraine. Expenses on the program of medical guarantees are protected items of budget expenditures" (Law of Ukraine "On State Financial Guarantees of Medical Care", 2022). However, actual compliance with this limit has not been achieved. According to the draft State Budget of Ukraine for 2022, it is now possible to get as close as possible to the minimum level of health care expenditures, which are envisaged "taking into account the continuation of the health care reform and amount in the consolidated budget (state and local budgets
(4.2% of GDP) 224 billion UAH. State budget expenditures (including transfers) on health care amount to 192.5 billion UAH (+ 31.1 billion UAH by 2021). In the structure of total state budget expenditures this is 13.1% (Yermolychev, 2021).

As already noted, in recent years the growth of state budget expenditures on health care has been slower than the growth of prices. Between 2015 and 2020, per capita health care expenditures grew by 20%.

Between 2015 and 2020, Ukraine saw a real decline in health care expenditures as a % of GDP from 3.6% to 3.0%. If to take into account the parallel reduction of public expenditures as a whole for the studied period, it is possible to state the decrease of the priority level of health care expenditures in the structure of the decreasing total state budget expenditures.

2015–2016 can be considered a turning point in the trends of Ukraine's fiscal policy. Before that, during 2014–2016 in our country due to successful state programs of financial consolidation and macroeconomic balance the trend of quasi-fiscal deficit and the previous economic crisis was successfully overcome, as well as the level of public debt was reduced.

The level of public debt in Ukraine decreased from 4.9% of GDP in 2014 to 1.8% of GDP in 2017. That is, in 2015–2016 in Ukraine, the trend of economic growth was restored and inflation decreased. These changes occurred mainly due to the IMF's Extended Funding Facility. However, IMF support was insufficient, as political instability, business imbalances, imperfect judicial, tax and customs reforms, and anti-corruption measures had a negative impact on the economic situation.

Ukraine's economy began to shrink even before the COVID-19 crisis. Ukraine's economic growth began to slow down in the second half of 2019. The strengthening of the national currency had a negative impact on Ukraine's trading conditions, and the global economic slowdown led to lower prices for key export items. At the same time, government spending declined, reflecting lower incomes and reduced spending on housing subsidies. Industrial production began to decline in response to lower demand and increased competition. Since January 2020, Ukraine's GDP began to fall (by 0.5% compared to January 2019). In anticipation of and in response to COVID-19 and related economic uncertainty, the Ukrainian government revised its macroeconomic forecast for 2020 downward, lowered expectations for GDP growth, raised inflation and unemployment forecasts, and suspended medium-term planning, limiting its time horizon to one year" (World Health Organization, 2020).

In April 2020, the Budget Code of Ukraine was amended (Table 2) to address the effects of the COVID-19 pandemic, which were aimed at stopping the decline in key macroeconomic characteristics.

Planned 2020 budget increases, including health care in the context of the need to overcome the crisis, were important to support economic, sports, and health recovery, but the effectiveness of these changes was marginal. As a result, expenditures on the National Health Service of Ukraine (NHSU) (+ UAH 15.8 billion or + 0.4% of GDP) and on the COVID-19 Anti-Covid Fund (+ UAH 64.7 billion or 1.6%) were increased (Law of Ukraine "On the State Budget for 2020", 2020).

Considering the priority of consolidated expenditures of the State Budget of Ukraine (Table 3), it should be noted that health care and physical development, being in the list of priority areas, do not withstand competition with expenditures on education and social protection.

In the period 2015–2020, there is a decrease in the levels of funding for healthcare, both as a percentage of GDP and as a percentage of the Consolidated Budget. Funding for education and social protection throughout the study period displaces health care expenditures in the structure of the State Budget expenditures of Ukraine, and since 2018, even expenditures for economic activities are ahead of health care expenditures.

As for State Budget expenditures on spiritual and physical development, they are in the category of priorities, second to almost all areas of priority spending, ahead only of expenditures on environmental protection.

Priority areas are also financed by central government spending, which, in turn, declined significantly in terms of health care spending in the years (2014–2015) after the crisis (Table 4).

Table 2

Amendments to the law "On the State Budget for 2020" (for April 2020)

<table>
<thead>
<tr>
<th>Thousand of hryvnias</th>
<th>% of GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial</td>
<td>Changed</td>
</tr>
<tr>
<td>Income</td>
<td>1095580446</td>
</tr>
<tr>
<td>Costs</td>
<td>1199231214</td>
</tr>
<tr>
<td>Borrowing</td>
<td>-7375047</td>
</tr>
<tr>
<td>Deficit</td>
<td>96275720</td>
</tr>
</tbody>
</table>

Source: Explanatory tables to the draft additional amendments to the Law on the State Budget for 2020 (Verkhovna Rada of Ukraine, 2020)
In the structure of central government spending (including transfers) for 2015–2020, the share of spending on health (as a percentage of GDP from 3.2% to 2.5%, and as a percentage of the state budget from 11.0% to 9.6%) decreased, the share of spending on spiritual and physical development did not change, but the share of spending on economic activity, security, judiciary and defense increased.

"In 2017, Ukraine began a major reform of health care financing, which included the centralization of the cost of purchasing basic medical services by a single national payer, the NSSU (including the cost of primary care from 2018 and the entire package, including specialized and emergency care, as well as from April 2020). This reform freed local governments from responsibility for funding basic services (except utilities and capital expenditures), allowing them to redirect funds from the health care system to other areas. To compensate, the central government significantly increased health care funding in nominal terms from 2018 to 2020. However, health care spending at the central level remained unchanged as a share of GDP (2.5%)" (World Health Organization, 2020).

Against the backdrop of decentralization processes in Ukraine's healthcare administration, a reform to centralize spending on the National Health Service of Ukraine's basic medical services package (covering spending on primary care starting in 2018 and the entire package of specialized and urgent care starting in 2020) was implemented in 2017. Through these reform measures, local governments have been able to relieve themselves of responsibility for the financial provision of basic health services (with the exception of utility payments and capital costs). This has also expanded the financial capacity of local communities by transferring financial resources for health care to other areas. As financial compensation for possible losses during the reform, "the central government has significantly increased funding for the health care system in nominal terms during 2018–2020. However,
central health care spending remained unchanged as a share of GDP (2.5%)" (World Health Organization, 2020).

Thus, from 2015 to 2020, the government of Ukraine tried to achieve financial equalization of healthcare opportunities at the level of different communities with different financial capacities and to provide citizens with a guaranteed level of medical services. However, the level of "basic" health care grants does not always cover the needs of communities. An additional source of financial support for community health was the "stabilization grant" (starting in 2015) and the "supplemental health and education grant" (starting in 2017), the total value of which exceeded the level of the "base" grants.

Financing is one of the main factors of sustainable development of any state. The welfare of the population depends on financial investments in any sphere of the national economy. The study of the current state of state financing of such spheres as health care, physical culture and sports is an important condition for their further development. The identification of promising sources of funding for physical culture and sports will ensure their further development (Melikh, Irtyshcheva & Bogatyrev, 2019).

However, in parallel with the introduction of a centralized method of providing a package of basic medical services in Ukraine, the "additional subsidy for health care and education" was significantly reduced. Not all newly formed communities have been ready for this change, as there are low-income communities that are unable to cover all the necessary expenses for development, health care, physical education and sports. Therefore, it is necessary to find new opportunities for funding sports and health.

4. Conclusions

The main legislative and regulatory documents regulating sports and health activities in Ukraine are defined, including the Constitution of Ukraine, the Civil Code of Ukraine, the Law of Ukraine "On Physical Culture and Sports" and the Law of Ukraine "The Fundamentals of Legislation of Ukraine on Health Protection". The legislation of Ukraine is aimed at regulating state policy in the field of sport and health and divides it into separate directions: Health (health) and sports (physical education and sports), according to which public policy of both spheres, created on the principles of efficiency and orientation to humanity, equal access and health, modern orientation, yet to be understood as a combination of sport and sphere on the way to achieving the main goal – "preservation and restoration of physiological and psychological functions, optimal labor and social activity with maximum biological possibilities of individual life".

It is established that in Ukraine the medical sphere may be financed from different sources: state and local budgets, insurance and charity funds, other financial sources not prohibited by law. Analysis has shown that in Ukraine the level of budget expenditures on health care does not exceed 3% of GDP, while according to the World Health Organization, a necessary condition for the effective functioning of the medical sector is the level of budget expenditures on health care from 6% to 8%, determined by the amount of GDP. It is analyzed that in 2015 in Ukraine there was an actual decrease in the level of health care in % (from 3.6% to 3.0%). If to consider the parallel reduction of state expenditures as a whole for the studied period, it is possible to state the decrease in the level of efficiency of health care expenditures in the structure of the reduction of total state budget expenditures.

The analysis showed that in the structure of central government spending (including transfers) for 2015–2020, the share of spending on health care (as a percentage of GDP from 3.2% to 2.5%, and as a percentage of the state budget from 11.0% to 9.6%) decreased, the share of spending on spiritual and physical development remained virtually the same, and the share of spending on economic activity, security, the judiciary and defense increased. It has been proven that in parallel with the centralized method of providing a package of basic medical services in Ukraine, the "additional subsidy for the maintenance of health care and educational institutions" has been significantly reduced. Not all communities were ready for this change, and new low-income and communities that could not cover all the necessary development, health, physical education, and sports costs were ready for this change and enjoy the need to find new opportunities for funding sports and health.

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