

THE DEVELOPMENT OF PHYSICAL EDUCATION IN THE CIS COUNTRIES

N.S. Lustov¹

*Master of Economic Sciences, Karaganda State Technical University, Karaganda,
Kazakhstan.*

Received 19 March 2020; Revised 20 April 2020; Accepted 22 April 2020

ABSTRACT

The aim of the study is to analyze current state of and identify the prospects for the development of the economic relations system in physical education and sports of the CIS countries. In recent years, economic relations in the field of sports and related industry of the CIS witnessed significant changes. Today, the sports industry of the CIS countries is booming and has huge investment potential. While situation in the professional sport improves every year, physical education for all segments of the population remains at an extremely low level. First of all, this applies to sparsely populated cities and rural settlements, where sports clubs and sports grounds are often lacking. The present study considers functioning of the sports industry in the contexts of mixed and transitional socioeconomic systems, identifies today's contradictions in the economy of physical education and sports in the CIS countries. It also studies the role of government in developing the sphere of physical education and sports, the main factors contributing the sports industry growth in the CIS, as well as a set of restrictions which has not become a limitation for the sports sector of the CIS countries. Based on the results of the study, a conclusion is drawn.

Keywords: Physical education, Sport, Investment in sports, Sports industry, Economy of physical education and sports, Public administration.

INTRODUCTION

For a long time, sport and economy were viewed as two separate industries, even in the West. It was believed that sport is a hobby, a leisure time, and it has nothing to do with the economy, profession or trade. Today, everything has changed radically.

In recent years, economic relations in the field of sports and sports industry of the CIS have undergone significant changes: the macroeconomic environment has been radically transformed, property relations in the system of sports organizations and their infrastructure have been qualitatively changed, and the activity of many sports clubs, teams and federations has been put to the market basis, whereas the processes of radical transformation in sports are far from over, much remains to be done to bring the domestic sports industry to the leading positions in the world.

Stressing the urgency of the problem of maintaining the health of the population, V. Ostropilov in his article "Development of a healthy economy to

¹ Correspondence to: N.S. Lustov, Master of Economic Sciences, Karaganda State Technical University, Karaganda, Kazakhstan, E-mail: lustov@list.ru

improve the quality of life” recognizes health as a resource of the economy and provides data on state losses: due to temporary disability - 0.3% of GDP, due to premature death - 17% of GDP (Ostropilov, 2012). Legal and medico-social issues of this problem are solved in accordance with the main directions of the state social policy in the field of protecting the health of citizens, the development of medicine and the health care system. In order to ensure sustainable socio-economic development, the Government of the Russian Federation (2017) has identified the priority of state policy - the preservation and strengthening of public health through the formation of a healthy lifestyle and increasing the availability and quality of medical care.

Samutin K. A. in his article “public health as an integral element of the state economic policy” notes that “the relationship between the health of the country's population, on the one hand, and economic growth, on the other, is recognized by both the medical and economic sciences. Improving the health of the population due to the prolongation of working capacity leads to an increase in the supply of labor, an increase in labor productivity, and, accordingly, an increase in the economic development indicators of both individual regions and the country as a whole” (Samutin, 2012). Thus, the relationship and interdependence of the indicators of the economy and the state of health are traced, the last of which provides intangible benefits and satisfies the most important needs of the population. In the definition given by WHO experts, health is presented as an integral state of human well-being, including physical, mental, social and spiritual, including moral, health as constituent elements. Health care contributes to the reproduction of labor resources (reducing morbidity and mortality, improving physical and mental health, increasing life expectancy). In turn, labor productivity in sectors of the economy depends on public health.

Despite the noticeable intensification of the actions of federal and regional authorities aimed at improving the efficiency of the healthcare system, the efforts undertaken did not lead to overcoming all the problems. In recent decades, the rising cost of health care has become an acute health issue for all countries of the world. Thus, in the Russian Federation, annual expenses for financing health care activities increased from 1933.1 billion rubles in 2011 to 2532.7 billion rubles in 2014, an increase of 31.0% (an average of 9.7% annually). Increases in overall health care spending are promoted by factors such as an aging population, accompanied by increased levels of chronic morbidity and disability, the emergence of new treatments and technologies, and new expensive medicines. According to statistics for the last 5 years in Russia, the population growth in the country amounted to 2.2%, while the able-bodied population decreased by 1.9% and 15.5% more diseases were registered.

Rest is one of the essential conditions for maintaining and strengthening health, maintaining high ability to work. Full-fledged relaxation is an integral feature of a healthy lifestyle and is ensured by the rational organization of free time, as well as rehabilitation measures (Tsekhla & Tsekhla, 2014). Recently, there has been a significant increase in the share of such events in the structure of services to the population from 9.9% in 2010 to 12.1% in 2015. And this can be regarded as a favorable trend in health care, since it depends on the organization of leisure activities of the population moral and psychological climate in society, its cultural level, physical and moral health. The choice of the appropriate mode and forms of rest is determined by various factors, in particular, working conditions,

age, etc. If we prioritize the organization and content of rest, then, first of all, it is necessary to determine such forms of leisure that are shared with cultural values and the development of spirituality.

It is new-generation sports entrepreneurs and managers who will be in charge of solving difficult problems of raising the effectiveness of physical education and sports at all levels. Needless to say, only highly qualified well-trained specialists in the field of physical education and sports can modernize current system of economic relations in sports, and qualitatively improve its functioning. It is impossible to prepare such specialists without modern knowledge, primarily knowledge of the economy of sports and entrepreneurship, since these are the domains that determine the prosperity of the sports business and sport in general (Mansurova, 2015).

Research methods: special analysis; system analysis; methods of statistics.

The research management is as follows:

- 1) Identifying the problems and contradictions that arise in the economy of physical education and sports during the market system formation;
- 2) Justifying the ways to improve economic relations in the field of physical education and sports.

In the context of mixed economic systems inherent in developed countries, economic interests of all consumers of sports services are relatively balanced. Local government bodies provide all-round assistance to private sports and recreation organizations, providing them with targeted assistance on contractual terms (Imas & Ye, 2013).

In societies characterized by transitional socioeconomic systems (this applies to the CIS countries), at first glance, the economy of physical education and sports is quite civilized. Similar to Western Europe, for example, it unites three sectors of management: governmental, societal and private one. Nevertheless, this external similarity hides specific economic relations, determined by the specifics of transition systems, including economic instability, alternative nature of economic development, functioning of special transitional economic forms, special nature of contradictions in the transitional economy, historicity of the transition economy, etc. (Kolov & Yu, 2004).

The sport as an independent industry, more precisely the domain of the national economy in the CIS, is just on the formation stage. Therefore, it is necessary to put in place a statistical accounting of the volume of the industry by its selected components. Without this recording, analysis of the industry formation and development will be insufficient, thereby complicating methodological approaches and creating difficulties in the combination of public administration and corporate management in this field (Orlov, 2011).

Prospects of the sports industry of the CIS countries largely depend on the development of public-private partnerships and small and medium businesses in this industry.

We can identify the main factors contributing to sports development in the CIS:

- 1) Investors' search for new promising projects for further investment.

- 2) A wholly owned sports team provides an opportunity to expand business contacts, access some closed business communities and, as a result, conclude new contracts in various industries.
- 3) The possibility of entering the global market.
- 4) Creating a positive image and increasing the number of clients.
- 5) Government pays special attention to sports and creates favorable regimes for the creation of new sports projects (Savelyieva, 2017).

Sport can be called an important sector of the economy for most countries, including Russia. A considerable number of labors is involved in this area. So, according to the Ministry of Sports of the Russian Federation, in 2016 the number of people employed in this industry amounted to 361 741 people (Mansurova, 2015).

In Russia and abroad, a large number of organizations of all forms of ownership are formed, conducting their activities on a commercial basis. These include sports and health clubs and associations - massage parlors, fitness clubs and so on. So, by 2016, 5355 fitness clubs were built in Russia, 2,951 sports institutions in the form of small enterprises, 7,522 sports clubs of general education organizations, 4,252 sports clubs of general education organizations, and 1,647 sports clubs of general education organizations (Obozhina, 2017). Abroad, the fitness industry is actively developing. So, the European market in 2015 became the world leader, overtaking the American, and amounted to 23.3 billion euros (Popova, 2017).

Do not forget about professional sports - these are professional clubs, leagues and federations that operate on the basis of self-financing and which receive income through advertising, selling the rights to television and radio broadcasts to national and international communication corporations.

Work is ongoing to improve new models of sports management and its financing. There is a trend of commercialization and professionalization. It should be noted that the formation and development of the economic model of Russian sports is based on the experience of countries such as the United States and Canada, where the commercial-constant approach is leading. It is based on the desire to get maximum profit. In this case, sports activity and its results are considered as a means of generating income. The owners of teams are increasingly becoming the largest transnational corporations or the largest businessmen. So, the owner of the Russian club Zenit is Gazprombank (RamazanovSh, 2018).

Sport has now become an opportunity for making money, however, in the face of fierce competition. Consequently, there is a need not only for highly qualified athletes and coaches, but also for high-class economists, managers.

The abovementioned factors attract many investors to the sports industry of the CIS, which contributes to its further development. Nevertheless, in addition to factors contributing to the development of a particular sports area, there is a set of restrictions that have not become a limitation for the sports in the CIS:

- 1) Lack of professional managers who can effectively organize a company's activities in the sports industry.
- 2) The need for more funding.
- 3) Great risk in economic crises.

Based on the results of the study, the following conclusions can be drawn.

The sports business helps to satisfy social needs such as the desire for physical activity, longevity, health, communication and entertainment. Many people take this opportunity to restore their labor and emotional potential, gain new knowledge regarding a healthy lifestyle and just have a good time. In this context, the sports business is an important component of the reproduction of skilled labor.

The state at the expense of the sports business receives certain benefits:

- Reduced government funding for a variety of physical education and sports programs at the federal and local levels;
- Socially important areas of entrepreneurship are developing, with the help of which the population is being improved and new jobs are created;
- There is a tendency to less alcohol and tobacco;
- Tax payments to budgets of all levels are growing.

Summing up, it can be noted that physical culture and sport play an important role in the country's economy, ensuring an increase in the well-being of society and improving the quality of life of people, significantly prolonging the working age of a person, thereby increasing his life expectancy.

As for economic relations in the field of sports, satisfying demand, manufacturers of sports goods and services create an offer, that is, the number of products that they intend to sell to consumers at the prevailing market price. The volumes of supply and demand of goods in the markets are determined in accordance with the laws of supply and demand, as well as their interaction.

Today, the sports industry of the CIS countries is booming and has huge investment potentials. While in the professional sport the situation improves every year, development of physical education for all segments of the population remains at an extremely low level. First of all, this applies to sparsely populated cities and rural settlements, which often lack sports clubs and sports grounds.

If we consider sports in the long-term perspective, then it can be of interest for businessmen not only in terms of increasing prestige, but also as a source of income.

A special role in developing the sports industry is assigned to small and medium businesses. Many sports do not immediately give a return on their investments, but in the future this kind of sport can become very popular, prestigious and profitable for both the government and investors.

State should perform one of the main roles in stimulating and financing sports projects, as well as assisting in training highly qualified relevant personnel.

In the current socio-economic conditions of the development of Russia, an important component of ensuring the social security of the state is strengthening the health of the nation, improving the quality of life of the population. Reducing the average length of stay in treatment with good quality of service is not only of great medical and social, but also economic importance, it allows to reduce the loss of society due to diseases, to increase the volume of GDP. The use of health-saving technologies, as well as the development of sanatorium and health services, the

field of physical education, sports and recreation will contribute to strengthening physical and moral health, increasing the economic potential of the country.

In this regard, the prospects for the development of the sports industry as a full-fledged sector of the economy for the CIS countries seem quite optimistic. However, this will require significant efforts from the government and businesses and will take years.

REFERENCES

- Imas & Ye, V. (2013). Problems of development of economy of physical education and sports in the conditions of emerging market/Ye.V. Imas, Yu.P. Michuda. *Science and Sport: Modern Trends 1*: 48-56.
- Kolov & Yu, N. (2004). Problems of the Theory of Transitional Economy/Yu.N. Kolov. *Bulletin of Tomsk State University* 283: 141-148.
- Mansurova, G.I. (2015). The role and importance of physical education and sports in economy/G.I. Mansurova, A.P. Mansurov. *Bulletin of UISTU* 4: 59-61.
- Mansurova, G.I. (2015). The role and importance of physical culture and sport in the economy/Mansurova G.I., Mansurov A.P. *Bulletin of the Ulyanovsk State Technical University* 4: 59-61.
- Obozhina, D.A. (2017). Management of a sports organization. Ministry of Education and Science of the Russian Federation. - M.: Publishing house Ural. University, 20.
- Order of the Government of the Russian Federation (2008) No. 1662-r (as amended on February 10, 2017) "On the Concept of Long-Term Socio-Economic Development of the Russian Federation for the Period Until 2020".
- Orlov, A.V. (2011). Sport in the global dimension/A.V. Orlov, K.V. Volozhanin. *Vestnik Sportivnoy Nauki 1*: 48-51.
- Ostropilov, V.V. (2012). Development of the health economy to improve the quality of life. Economic and social changes: Facts, trends, forecast. 5: 33-47.
- Popova, A.O. (2017). The economic component of the services industry of physical education and sports in Russia and abroad/A.O. Popova, L.A. Ivanova, A.Yu.Aleksin. *Olym Plus. The humanitarian version*. 1: 80-84.
- Samutin, K.A. (2012). Public health as an integral element of the state economic policy. *Russian Entrepreneurship* 13(11): 131-136.
- RamazanovSh, M. (2018). A comparative analysis of sports development management models by the example of the football industry: world experience and Russian features. *Management* 1: 12-14.
- Savelyieva, O.V. (2017). Prospects for the development of sports industry/O.V. Savelyieva, Ye.S. Popova. *Olym Plus 1*: 51-55.
- Tsekhla, S. & Tsekhla, M.A. (2014). Organization of recreation and leisure activities in the implementation of recreational activities. *Bulletin ORELGIET* 1(27): 142-147.