

Financing of Sports and Physical Education Organizations in the Volgograd Region

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ABSTRACT

The relevance of the work is due to the fact that today one of the priority tasks of social policy in Russia is to increase the average life expectancy of citizens by improving health care institutions, sports, physical education, and much more. The quality of life of citizens directly depends on the level of implementation of measures in this area. This issue is particularly relevant in the regional context: in the most remote regions of the Federation, the problem of developing social institutions is particularly acute. The purpose of this work is to examine the dynamics of funding for sports non-profit organizations in the Volgograd region. The tasks of the work include the study of the main groups of sources of financial resources formation and the development of recommendations for optimizing this process. The methodology of the work includes structural and statistical analysis, as well as synthesis of the results obtained. The paper substantiates the importance of the development of sports institutions for the formation of civil society in the regions, and also describes the factors that slow down the development of such institutions.

Keywords: *financing, non-profit organizations, sport, physical culture, social policy, civil society*

1. INTRODUCTION

The quality of life of citizens, conditions of social services, life expectancy, demographic situation, and many other factors directly depend on the nature of social policy implemented in the region. The state's strategic development goals include a number of measures to optimize social policy, change the structure of funding for socially significant projects and socially-oriented non-profit organizations. In this regard, an urgent task in terms of improving the mechanisms for implementing social policy is to consider the dynamics of financing in the relevant areas in order to identify the main channels for receiving funds, draw conclusions about the adequacy of capital and other resources, and identify priority areas for improving this area.

Organizations that carry out activities in the field of sports and physical culture are most often non-profit – they include, in particular, sports sections, clubs, and circles dedicated to specific sports and the general physical development of participants [8]. Non-profit organizations are entities whose main goal is not to maximize profit, but to solve socially important tasks [20] in the field of culture, education, sports, health care, etc. Non-profit organizations can carry out business activities that bring profit only if they meet the last General purpose of the organization's functioning (for example, for educational institutions, such activities may consist of providing paid

services for in-depth study of certain subject areas) [6]. An organization that performs socially useful activities may be recognized as socially-oriented on the basis of existing legislation (in particular, on the basis of Federal law No. 7-FZ «On non-profit organizations») and other legal acts. Such authors as V.T. Voronina [3], E.V. Likhacheva [9], Yu.M. Miryushchenko [11], E.B. Chernobrovkina [15], S.P. Sazonov and A.S. Dmitriev [5; 13] were engaged in research on issues related to the financing of sports organizations. However, the rapid transformation of social policy implemented in the regions necessitates permanent updating of data.

2. METHODOLOGY

The methodology of the work includes analysis of scientific periodicals on the research topic, statistical analysis based on official statistics and calculations of the authors, as well as synthesis of the results obtained in order to develop a unified approach to assessing the sufficiency of funding for sports and physical education organizations in the Volgograd region.

3. RESULTS

Creating a favorable social environment to stimulate the development of civil society institutions is one of the main tasks of national development today. The quality of the

implemented social policy directly or indirectly affects the indicators of life expectancy of citizens, indices of "population aging", the quality of educational, educational, medical and other services provided. The idea of the individual as a set of high physical, intellectual, moral and other qualities is currently a priority in the formation of civil society institutions, i.e. a self-regulating and self-governing society. Physical training of individuals in this model plays a very important role since in the long term this process forms the basis of a healthy civil society [4].

The formation of a high-quality institutional environment always begins with the willingness of all or most citizens to participate in the creation of public goods. The main obstacle at this stage of development is the «free-rider problem», which is expressed in the unwillingness of an individual to participate in the creation of public goods. Sports and physical education organizations have a significant positive impact on the consolidation of actors' efforts within a single common goal. This is due to the specifics of sports activities and features of personal qualities, which can be considered as signs for which members of organizations are united in teams [12].

The powers of regional and local authorities in the field of support for physical culture and sports are spelled out in General terms in the text of Federal law No. 329-FZ «On physical culture and sports in the Russian Federation». According to the law, the authorities' powers operate in several directions:

1. Organizing and conducting sports and physical culture events at the regional and local levels;
2. Approval of the procedure for forming professional sports teams;

3. Establishing the procedure for conducting competitions in various sports.

Of course, for the full development of sports and physical education, it is necessary to constantly increase funding. Today, one of the most effective ways of state financing of sports organizations is project financing.

According to official statistics, in 2019, there were 2,522 socially-oriented non – profit organizations operating in the Volgograd region, 320 of them operating in the field of sports and physical culture (12.7% of the total number of organizations) [18]. According to the Ministry of sports of the Russian Federation, in 2019, there were 75 sports schools in the Volgograd region, which were attended by a total of 37,715 people [17]. Sports and physical education organizations, as well as other entities of the non-profit sector of the economy, have a number of restrictions related to their business activities, operations on the securities market, and other ways and forms of attracting financial resources. This is due to the nature of their activities. In this regard, there is a need to consider sources of funding for the activities of sports and physical education organizations.

The main authority regulating the activities of sports organizations in the region is the Committee of physical culture and sports of the Volgograd region (hereinafter referred to as the Committee of sports). Departmental budget funds are allocated according to the main items of expenditure in order to implement the most effective cost model as soon as possible. Table 1 below shows the four-year trend in the amount of grants and subventions provided by the sports Committee to non-profit organizations engaged in the relevant activities.

Table 1 Amounts of financial support for sports organizations from the regional budget [16]

| Type of transfer | 2015 | 2016 | 2017 | 2018 | 2018 in % to 2015 |
|------------------|----------|----------|----------|-----------|-------------------|
| Subsidies | 773042,3 | 643962,3 | 692689,4 | 1859542,9 | by 2,4 t. |
| Subventions | - | - | 1293,7 | 6756,4 | by 5,2 t.* |

*Since subventions were allocated by the Committee of physical culture and sports of the Volgograd region only in 2017 and 2018, the ratio of the indicator for 2018 to 2017 is given.

According to the data shown in table 1, the volume of subsidies and subventions provided by the sports Committee reached its maximum in 2018. Thus, the amount of subsidies to organizations that carry out activities in the field of physical culture and sports in 2018 increased by 2.4 times compared to 2014. Subventions have been provided by the sports Committee since 2017, and already in 2018, their volume has increased by 5.2 times compared to the previous period. Since 2016, there has been an upward trend in the amount of funding for sports and physical education organizations from the budget.

Budget financing is not the only way to attract capital for organizations implementing socially significant projects

[7]. Since 2006, Russia has a system of grant support for the implementation of promising projects of non-profit organizations, and since 2017, its main operator is the presidential grants Fund. Contests for grant support are held twice a year. The system for submitting applications for the grant competition exists in electronic form: this greatly simplifies such processes for organizations in cities located at a considerable distance from Moscow [1][2]. In 2018, 120 non-profit organizations in the Volgograd region won 2 presidential grant contests. In 2019, the number was 135. The table 2 below shows data on the amount of grant funding for projects of sports and fitness organizations in the Volgograd region in 2018-2019.

Table 2 Amount of grant funding by regional sports and fitness organizations [19]

| Indicator | 1 contest in 2018 | 2 contest in 2018 | 1 contest in 2019 | 2 contest in 2019 |
|----------------------------|-------------------|-------------------|-------------------|-------------------|
| Number of winning projects | 20 | 15 | 24 | 26 |
| Amount of grant funding | 16565,2 | 19306,8 | 11622,1 | 28371,2 |

According to table 2, in the second grant competition in 2019, regional organizations operating in the field of sports and physical culture managed to attract more than 28.3 million rubles of grant funds. It should be noted that the largest grant in the second competition was received by The Elena Isinbayeva Charitable Foundation – it amounted to about 9.87 million rubles. In second place was a grant raised by the public organization «Maria», specializing in the rehabilitation of drug addicts – its volume amounted to 3.86 million rubles. The top three were closed by the Volgograd branch of the all-Russian public organization «All-Russian society for water rescue» with a grant of 2.6 million rubles.

In addition to the above methods of financing, fundraising tools are becoming popular today, i.e., attracting donations from individuals and legal entities. fundraising is divided into project – based fundraising, in which the funds raised are targeted and serve to implement specific projects of a non – profit organization, and operational-funds that serve to repay the current obligations of the organization [13].

4. DISCUSSION

The development of the social and economic life of the population of Russian regions and municipalities depends not only on the implementation of state programs [10], but also on the initiative of society and public institutions. The decentralization of power that occurred during perestroika led to further improvement and implementation of the Federal structure of the state in Russia, especially in terms of the division of budgetary powers among regions and municipalities. Granting regional and municipal authorities a high level of independence in some cases led to conflicts of interests and opinions of representatives of different levels of government. This has significantly complicated the process of financing socially significant projects, as well as led to uncertainty in assessing their effectiveness and feasibility.

As a result of considering the specifics of financing regional non-profit organizations that carry out activities in the field of sports and physical culture, the authors formulated a number of conclusions:

1. Today, there is an upward trend in the volume of financing of sports organizations from budget funds – this allows them to receive guaranteed resources for further implementation of projects, repayment of current obligations, etc. often, budget funds are not enough, and for the full functioning of non-profit organizations have to turn to other sources of funding;
2. In conditions of insufficient budget funding and profit from the sale of goods, works and services for sports and physical education organizations, participation in

presidential grant competitions is a promising method of attracting financial resources. The peculiarity of this method of financing is its project orientation [1], i.e. the funds transferred to the organization are of a targeted nature and are intended for the implementation of a specific project [14];

3. Another promising way to raise capital is fundraising, in which sports and physical education organizations receive funds in the form of donations from individuals and legal entities. the Effectiveness of fundraising directly depends on the degree of public interest in the activities of a non-profit organization. Stimulating the development of sports and physical culture organizations is unthinkable without increasing the level of involvement of citizens in their activities. The need to increase the interest of citizens is not specific to sports and physical education institutions – this problem unites almost all subjects of the non-profit sector. In this regard, the organization of sports sections at schools and universities, the formation of sports infrastructure in the form of playgrounds, stadiums, etc. can be considered as tools for improving the effectiveness of implemented social policy. (the history of the «Tractor» stadium, located in the Traktorzavodsky district of Volgograd, is indicative – it fell into disrepair in the mid-2000s, and still stands idle waiting for the promised reconstruction). Only if a sufficiently close «feedback» is established will physical culture and sports activities in the Volgograd region be able to develop effectively.

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