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THE EFFECT OF SANATORIUM AND RESORT SPHERE ON SOCIO-ECONOMIC DEVELOPMENT OF THE REGION

The paper defines approaches to the classification of sanatorium and resort establishments. Theoretical basis to determine the relativity of being of the concept of "economic benefit" is generalized. Scientifically substantiated approach to the interpretation of the definition of "socio-economic effect" is offered. The significance of sanatorium and resort sphere of socio-economic development of the region is defined. The directions of the influence of the socio-economic effect of the sanatorium and resort sphere are indicated. The tendencies of changes in the level of population employment in the sanatorium and resort sphere are characterized. The place of consumers' expenses of sanatorium and resort services in the assessment of the economic impact of sanatorium and resort sphere on the region development are determined. The priorities of activation of the sanatorium and resort spheres of the region are outlined.

Keywords: sanatorium and resort sphere, region, economic effect, socio-economic effect, employment level.

Problem statement. The sanatorium and resort sphere of services has a great significance for socio-economic development of the regions in Ukraine, since its condition is interrelated with economic processes which happen at the local, regional and national levels. Formation of an adequate socially oriented recreational sphere for the market conditions is conditioned by the need for further development of national and regional policies in the sanatorium and resort sphere in order to increase the availability and quality of medical care provided in accordance with national health programs, the creation of a system of treatment and rest considering the impact of the deterioration of the demographic situation in Ukraine, the search for a resource to increase the demand for resort services and the formation of a recreational offer for the development of the concept for the main destination of the resorts – providing disease prevention and rehabilitation of the population.

The lack of a consensus opinion regarding the solution of the problems of the functioning of the sanatorium and resort sphere and its importance in socio-economic development of the region actualizes the research problem.

Research analysis. Features and factors of the development of sanatorium and resort spheres were reflected in the works by Bahrov N.V., Beznosiuk V.D., Berezhna I.V., Vasylichak S.V., Velhosh N.Z., Halachenko O.O., Hudz' P.V., Drachiova O.L., Pokolodna M.M., and others. However, the changing nature of trends in the present, decentralization policy and the strengthening of the influence of sanatorium and resort sphere on the social and economic development in the regions necessitates further investigation.

The **aim** of the investigation is to determine the impact of the sanatorium and resort sphere on the social and economic development of the regions, and separation of factors and their assessment.

Presentation of basic material of the research. By definition of N.O. Vedmid', the sanatorium and resort sphere is a collection of all types of practical and economic activity aimed at organization and provision of treatment, medical rehabilitation and prevention of diseases using natural therapeutic resources¹.

¹ Ведмідь, Н.І. (2013). *Санаторно-курортний комплекс: сервісне управління: монографія*. Київ: КНТЕУ, 42.

According to the Law of Ukraine "On Resorts", sanatorium and resort establishments are classified according to two criteria: according to the specialization and the nature of natural medical resources¹. By the nature of natural resources, there are local resorts with common natural resources, and state-owned resorts, which have especially valuable and unique natural therapeutic resources. According to the medical profile, specialized resorts are allocated for the treatment of specific diseases, in particular children's, cardiology, pulmonary, gynecological, for the treatment of citizens who suffered from the Chernobyl disaster, for the treatment of patients with tuberculosis², etc. In order to determine the impact of the sanatorium and resort sphere on the socio-economic development of the region and it is expedient to explore the essence of such economic categories as "economic effect" and "social effect."

In the economic encyclopedia of S.V. Mochernyi the economic effect is a useful result of economic activity measured as the difference between cash income from such activity and cash expenses for its implementation³. The economic effect is a quantitative and qualitative characteristic of the influence of elements of the economic system on the performance of its functioning. Unlike technical, technological and other non-economic effects, the economic effect is predominantly in the form of cash and is a monetary income. Therefore, in a certain sense, the concept of "economic effect" and "monetary income" are identical. Depending on the nature of the impact of individual elements on the performance of the functioning of the economic system, there is a positive, plus (with the sign "+", "plus-effect"), negative, minus (with the sign "-", "minus-effect", or, as it is often called a – defect) and a zero effect.

Depending on the method of measurement, the gross (total, integral) effect, conditionally net (quasi-net) effect, and net effect are distinguished. The gross (general, integral) economic effect is considered to be gross income of the firm (or other entity of the economy) as the amount of gross revenue from the sale of products or services. The conditionally net effect is the gross income minus operating costs (depreciation, materials, wages). The net effect is the conditionally pure effect minus taxes and expenses equal to them⁴. The notion of "conventionally net economic effect" is almost identical to the notion of "conventionally net gross profit", and the notion of "net effect" is identical to the notion of "net profit".

The economic effect as an economic consequence, as well as the economic effect as income, exists in form of cash as a change of certain monetary income or cash expenses. In combination with the economic effect, it is necessary to distinguish the social effect. It also has social origin, and in certain degree, it is genetically and functionally mutually related to the economic one. Scientist S.V. Mochernyi indicates that "the social effect is a quantitative and qualitative characteristic of the influence of a certain element of the economic system on the effectiveness of the functioning of the social system (sphere) of society." When it comes to the fact that a certain element of the economic system has a greater social effect than another element of the same system, it means a different measure of its influence on the development of the social conditions of human life. In contrast to the economic effect, the effect of social order only in its certain part acquires the monetary form of existence. Preferably, in their main part, these effects cannot be accumulated neither in the producers' monetary incomes nor in the monetary expenses of consumers, that is, they have a non-economic form of existence that can be reflected in such special parameters and indicators as the amount of free time, spiritual health of the nation, the standard of living of the population, etc.

¹ Закон про курорти 2000 (Верховна Рада України). Офіційний сайт Верховної Ради України <<http://zakon5.rada.gov.ua/laws/show/2026-14>> (2018, червень, 09).

² Там само.

³ Мочерний, С.В.: відповідальний редактор (2000). *Економічна енциклопедія: у трьох томах*. Київ: Академія, 1, 26.

⁴ Покропивний, С.Ф.: редакція (2002). *Економіка підприємства. Підручник*. Київ: КНЕУ, 43.

That's why, according to the author, the "socio-economic effect of impact of sanatorium and resort sphere" is the level of impact of economic and social indicators of sanatorium and resort sphere for the balanced development of the region or country".

The sphere of sanatorium and resort services is of particular importance for the regional economy due to the formation of a significant value of added value and revenues to the local budgets. According to the research, the direct contribution of the resort and recreation sphere into the formation of GDP in European countries differentiates in the range from 0.4% to 9.5%, in Ukraine it does not exceed 1.0%, although in an optimistic scenario, by 2026, combined with indirect (1.8%) and induced (0, 7%) will amount to 3.8% of GDP¹. Logically, there is a need to improve the development of the sphere of sanatorium and resort services and to take effective measures at the state and regional levels in the conditions of decentralization of state authorities to provide the appropriate level of individual health resorts that would meet modern needs and requirements of consumers. As market realities dictate the format of the present and for health services, sanatorium and resort enterprises should offer those services that are inquired, not the ones they want to provide.

The socio-economic effect from the development of the sanatorium and resort sphere in the region is manifested, above all, in qualitative parameters: increased employment, improvement of the physical state of consumers of sanatorium and resort services, as well as in stimulating the economic development of the regions by increasing revenues to local budgets, investments, etc.².

The characteristic feature of the sphere of sanatorium and resort services is also a significant influence on its conjuncture of socio-cultural and psychological factors, resulting in the so-called non-economic changes in the dynamics and structure of demand. Socio-cultural factors (fashion, image, mood, consumer expectations) are manifested through subjective perception of people about the feasibility of the use of sanatorium and resort services in a certain amount at a certain resort. For example, it is known that individual clients, depending on the advice of friends and acquaintances, tend to consume resort services on the seaside or in mountainous areas, while in fact they need sanatorium treatment in very different places. Psychological factors – the expediency or inappropriateness of treatment – are manifested through the subjective perception of the efficiency of consumption of health services in general (understanding of the resort service as a good that has value and price).

Depending on the market situation in the sphere of resort services, the economic behavior of recreation facilities is also formed. Sanatorium and resort establishments can use their own infrastructure in full or in part, provide all possible services or a certain amount of them, raise or lower prices, offer marketing solutions (promotions, discounts), etc. As research shows, in the competition, first of all, those institutions win that offer unique services of high competitiveness (good quality at economically justified price) as well as introduce innovations in the field of service.

The influence of the sphere of sanatorium and resort services on the socio-economic development of the region is carried out through three effects:

– the direct effect, i.e. the income of sanatorium and resort establishments, travel agencies, catering establishments, historical and cultural objects and other enterprises of the tourism industry, as well as the income of shops for purchases made by consumers of sanatorium and resort services;

– indirect effect, i.e. the income of construction organizations, banks, food suppliers, received by them from the sale of products and services that provide a comfortable stay of vacationers in sanatorium and resort institutions;

¹ Галаченко, О.О. (2017). Стратегічне управління санаторно-курортними закладами в регіонах як складова національної економічної безпеки. *Збірник наукових праць Формування ринкових відносин в Україні*, 4 (191), 84-88.

² Мозговий О.М. (2009). *Фондовий ринок. Навчальний посібник*. Київ: КНЕУ, 47.

– induced effect, i.e. the income of other local residents in the form of wages, dividends, rent and other types of payments received from the sales of products and services¹.

In addition, in the framework of such a general positive effect on the development of society, which forms the sphere of sanatorium and resort services, is the development of regional infrastructure, increase the welfare of the population by creating new jobs, development of the related industries.

The results of the study of the dynamics of the employed population in Ukraine in all sectors of the economy and the sanatorium and resort sphere and particularly in certain regions are shown in Table 1. The analysis of these indicators in dynamics shows that the number of employed in sanatorium and resort sphere decreases in all sectors of the economy. The greatest rates of decrease in the number of employed in the sanatorium and resort sphere from the above regions are monitored in Zaporizhia (0.8 thousand people), Lviv (4.0 thousand people) and Odesa (1.0 thousand people) regions. However, it should be noted that for the analyzed period, the growth of the number of employed population per one establishment of sanatorium and resort sphere in both Ukraine and the studied regions has been observed. This is primarily due to the decrease in the number of sanatorium and resort establishments and the expansion of the activity and the development of some popular, competitive health-improving facilities in the market of sanatorium and resort services.

The level of employment of the region's population in the sanatorium and resort sphere is closely tied to the characteristics of consumption of the sanatorium-resort product. After all, the expenses of the recreant, as a rule, exceed the normal cost of living in a permanent place of residence. This is due to the increased costs of transport, accommodation, food, as well as cultural and business events. Part of the increased expenses is connected to the factor of prestige of consumption.

The specificity of the consumption of a sanatorium and resort product is also that the marginal usefulness of the product from the point of view of the client himself and the citizen of the region (country), where he arrived, and from the point of view of the market is different. This feature stems from the objective fact that the scope of these services is interconnected with the so-called external effects, the characteristic boundary of which is that the production, formation, sale and consumption of sanatorium and spa services objectively give rise to both additional costs and additional benefits.

The third feature of the consumption of the sanatorium and resort product is related to the property of the inseparability of its production place from the sale. After all, for the consumption of a sanatorium-resort product as a whole, or individual services, the consumer must be present at the places of formation of the package or its individual services. This feature causes the multiplier effect of the emergence of demand for transport services, accommodation, food, hospitality systems in general, the creation of the necessary conditions for treatment, entertainment, education, meeting the need for new experiences, and the presence of an environmentally sound environment, security, etc.

That is why, the consumption of a sanatorium and resort product by the recreant is accompanied by the emergence of three groups of costs:

The assessment of the economic impact of the sanatorium and resort sphere is based on the expenses of consumers of sanatorium and resort services, which, in their turn, are classified into three groups:

– direct expenses, i.e. the expenses incurred by consumers of sanatorium and resort services for the purchase of goods and payment for services in the institutions of the sanatorium and resort industry, shops, cafés, and restaurants;

¹ Чумаченко, М.Г.: редакція (2003). *Економічний аналіз: Навчальний посібник*. Київ: КНЕУ, 78.

**The dynamics of employment in the branches of economy
and sanatorium and resort sphere***

The number of employed population	2011	2014	2015	2016	Dynamics of change from 2016 to 2011, +/-
In Ukraine in all branches of economy, thousands of persons	20834.1	19920.9	18097.9	17955.1	-2879.0
In sanatorium and resort sphere, thousands of persons	95.2	51.7	45.1	42.5	-52.7
On average, per one sanatorium and resort establishment, persons	21.7	37.3	24.2	24.7	+3.0
In Vinnytsia region, in all branches of the economy, thousands of persons	771.2	455.4	440.4	431.8	-339.4
In sanatorium and resort sphere of the region, thousands of persons	3.6	3.6	3.3	3.1	-0.5
On average, per one sanatorium and resort establishment, persons	128.1	144.0	137.5	155.0	+26.5
In Zaporizhia region, in all branches of the economy, thousands of persons	892.6	844.8	825.5	816.3	-76.3
In sanatorium and resort sphere of the region, thousands of persons	4.2	3.7	3.2	3.4	-0.8
On average, per one sanatorium and resort establishment, persons	14.2	22.1	21.5	22.8	+8.6
In Zaporizhia region, in all branches of the economy, thousands of persons	582.2	674.5	571.8	561.8	-20.4
In sanatorium and resort sphere of the region, thousands of persons	2.9	2.9	2.7	2.6	-0.3
On average, per one sanatorium and resort establishment, persons	48.2	59.1	60.0	76.5	+28.3
In Lviv region, in all branches of the economy, thousands of persons	1190.0	1135.4	1134.7	1134.9	-55.1
In sanatorium and resort sphere of the region, thousands of persons	9.0	7.3	5.7	5.0	-4.0
On average, per one sanatorium and resort establishment, persons	92.1	108.9	98.3	89.3	-2.8
In the Odesa region, in all branches of the economy, thousands of persons	1112.5	1081.9	1086.1	1073.1	-39.5
In sanatorium and resort sphere of the region, thousands of persons	6.9	6.1	5.9	5.9	-1.0
On average, per one sanatorium and resort establishment, persons	14.9	15.5	14.8	17.1	+2.2

*Source: built on the basis of¹

¹ Держстат України (2018). Офіційний сайт Державного комітету статистики України <<http://www.ukrstat.gov.ua>> (2018, червень, 09).

- indirect expenses, i.e. the expenses incurred in the further spheres of sale transactions and proceed from the direct expenses of the consumers of sanatorium and resort services;
- derived expenses are rising expenses of consumers of sanatorium and resort services which arise out of additional personal incomes generated by the direct expenses¹.

Inclusion of the recreants' cost into the economic potential of the region and its circulation causes multiplier effect. The concept of a multiplier is based on recognition of the fact that the sectors of the economy are interconnected. Thus, for the formation of a sanatorium-resort product, various purchases are required in other sectors of the economy, both primary and secondary products that are produced by other enterprises in the region. Therefore, the change in consumer demand for the product of sanatorium and resort establishments will affect not only the sanatorium and resort sphere, but also other spheres of the region's economy which will provide the creation of the final sanatorium and resort product.

It is expedient to attribute to the priorities of the intensification of the development of the sanatorium and resort sphere of the region the following: the growth of money flow in the region, the creation of new workplaces and growth of income of the population, reformation of the recreation structure which can be used by both, consumers of sanatorium and resort services and local population, the increase of tax payments in local budgets in the context of decentralization.

Conclusion. The establishment and development of the sanatorium and resort sphere in the region has a greater socio-economic effect than any other type of activity related to the provision of services. It is the social effect of the sanatorium and resort sphere that the author determines as the main and puts it in the first place. Sanatorium and resort sphere is aimed at meeting such important human needs as leisure and recreation, the development of a healthy nation. The healthy nation is the main wealth of the country. Since receiving sanatorium and resort services improves first of all, people's physical and psychological condition.

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