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## Cluster approach in ensuring the development of the sports industry in Ukraine

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**Abstract.** The purpose of the research. There is a substantiation of a cluster approach to ensuring the development of a sports industry in Ukraine. Methodology. Investigated general scientific methods, in particular: theoretical generalization - to determine theoretical bases and tendencies of content and components of the principles, cluster approach in providing the development of the Sports industry; system approach - for generalization of properties and conditions for the formation of clusters and techno-parks; methods of positive and normative analysis - for the development of recommendations and conclusions. Results. The article considers the experience of implementing a cluster approach to the organization of the economy on the example of leading countries. It is determined that the most effective in building a system of economic governance is a cluster. The advantage of this approach is the ability to concentrate the efforts of economic entities in creating added value, creating new conditions for the development of traditional and new sectors of the economy. Global experience in the development of the cluster approach shows the positive dynamics taking place in certain sectors. This development will be exacerbated by the intensification of competition between large organizations and small and medium-sized businesses, on the one hand, scientific discoveries on the other. In order to develop a cluster model of economic organization in the construction of public policy, the mechanisms of stimulating innovation, job creation, the level of infrastructure development, tax benefits are taken into account. Therefore, the introduction of a cluster approach in the practice of public administration is an urgent issue in the process of forming the state Ukrainian policy, focused on economic growth and sustainable development in the long run. Definitely, a sports cluster is a network structure with vertical and horizontal connections between organizations of the sports industry (main) and service industries (sporting goods, inventory, equipment, etc.) and infrastructure services. It should be noted that the state does not initiate the creation of a cluster, but creates conditions for the development of the cluster ("rules of the game") through tax, budget, credit policy, customs, the creation of research centers, sports

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infrastructure. Prospects for further research. Investigation of the principles of a cluster approach to ensuring the development of the sports industry in Ukraine give grounds for further improvement of the tools for the development of the sports industry and why will be devoted to further exploration of the author.

*Keywords:* sports industry, sports industry organizations, state policy, cluster, cluster model, sports policy, physical activity.

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## Кластерний підхід у забезпеченні розвитку спортивної індустрії в Україні

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**Анотація.** Метою статті  $\epsilon$  обґрунтування кластерного підходу до забезпечення розвитку спортивної індустрії в Україні. Методологія. У досліджені застосовані загальнонаукові методи, зокрема: теоретичне узагальнення – для визначення теоретичних основ і тенденцій змісту й складових принципів, кластерного підходу у забезпеченні розвитку індустрії спорту; системного підходу – для узагальнення властивостей та умов формування кластерів і технопарків; методи позитивного і нормативного аналізу – для вироблення рекомендацій та висновків. Результати. У статті розглянуто досвід впровадження кластерного підходу організації економіки на прикладі держав-лідерів. Визначено, що найбільш ефективним підходом у побудові системи економічного управління державою  $\epsilon$  кластерний. Перевагою такого підходу є можливість концентрації зусиль економічних суб'єктів у створенні доданої цінності, формування нових умов для розвитку традиційних і нових секторів економіки. Світовий досвід розвитку кластерного підходу свідчить про позитивну динаміку, що відбувається у певних секторах. Такому розвитку сприяє загострення конкуренції між крупними організаціями та середнім і малим бізнесом, з одного боку, науковими відкриттями, з іншого. З метою розвитку кластерної моделі організації економіки у побудові державної політики враховуються механізми стимулювання інновацій, створення робочих місць, рівень розвитку інфраструктури, податкові пільги тощо. Перспективи подальших досліджень. Дослідження принципів кластерного підходу щодо забезпеченні розвитку спортивної індустрії в Україні дають підстави до подальшого удосконалення інструментів розвитку спортивної індустрії і чому буде присвячено подальші розвідки автора.

**Ключові слова:** спортивна індустрія, організації спортивної індустрії, державна політика, кластер, кластерна модель, спортивна політика, фізична активність.

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1. **Introduction.** Globalization, informatization and decentralization of economic processes puts difficult challenges to the governments of different countries to build actual state management systems. This leads to the formation of new targeted installations and mechanisms not only in current activities, but also in strategic management of development of sectors and sectors of economics. enterprises and organizations. In modern environmental conditions, economic entities independently form their assets, innovations. introduce innovative technologies in the production process. For enterprises most Ukrainian organizations there is a high degree of depreciation of fixed assets, resource laws, low quality products and services, low wage, lack of highly skilled specialists, insufficient funding and the ability to investment attract resources, the imperfection of legislation, which generally adversely affects their competitiveness., and, accordingly, on persistent long-term development.

Perhaps not all of these signs of transformations, but most of them are characteristic of organizations of the sports industry, which perform a social function form a social consciousness of a healthy lifestyle. In order to increase business activity, such models of economic growth and development are introduced as: free economic zones, technoparks, technopolis, parks, clusters. The industrial main models objective of these is the concentration of resources, including risky capital, which provides financing of innovative technologies, optimization of the chain "Development - production realization". Important has a cluster approach to the development of the sports industry. This approach allows to provide balanced development of the economy, to stimulate the relationship between various economic entities, synchronize the introduction of changes, to increase the competitiveness of organizations and provide production of a qualitative product.

- Literature review. The effectiveness of the cluster model was first empirically provoked by A. Marshal (1993) that the productivity of organization and the results of its activities depend on the location and geographical proximity of economic agents. The concept of "cluster" in its modern sense was introduced by M. Porter (2018) for analyzing the structure and efficiency of economic relations in the sectors of economics and organizations. In domestic economic science, a cluster approach to optimization and efficiency of economic systems of different levels is littered, the directions of regional cluster policy, taking into account the general development strategy, focuses on issues of development of industrial, agricultural, tourist clusters, including such scientists as O. Dasses, are substantiated, M. Kropivko, A. Chun (2019), etc. However, the use of a cluster approach to the development of sports industry organizations requires additional studies.
- 3. Methods. Investigated general scientific methods, particular: in theoretical generalization - to determine theoretical bases and tendencies of content and components of the principles, cluster approach in providing the development of the Sports industry; system approach - for generalization of properties and conditions formation of clusters for the and technoparks; Methods of positive and normative analysis - for the development of recommendations and conclusions.

- 4. Research objectives. Substantiation of a cluster approach to ensuring the development of a sports industry in Ukraine.
- 5. Results and discussions. The organizations of the sports industry are increasingly subject to external factors, such as state funding conditions and opportunities for attracting investment resources, instability of the normative and legal field, restraining of entrepreneurship development, corporate interests that do not take into account the interests of longterm development of the state. In such circumstances, the mechanism for the development of economic entities of this sphere should be rebuilt in accordance with the principles of mobility, adaptability, optimization of budget plans and technologies, creating conditions for attracting investment, sponsorship other means for the development of the sports industry.

The experience of development of state leaders indicates that the most effective approach to building a system of economic management of the state is cluster. The advantage of this approach is the possibility of concentrating efforts of economic entities in creating value added, the formation of new conditions for the development of traditional and new sectors of the economy.

The world experience in the development of cluster approach a indicates a positive dynamics that occurs in development sectors. This certain contributes to the aggravation competition between large organizations and middle and small businesses, on the one hand, scientific discoveries, on the other. In order to develop a cluster in building state policy, mechanisms for innovation, stimulating job infrastructure development, tax breaks, etc.

are taken into account. Therefore, the introduction of a cluster approach to the practice of state management is a topical issue in the process of forming a state Ukrainian policy oriented for economic growth and sustainable development in the long run.

At the present stage of the cluster is considered as an independent economic system, an integrated structure that significantly affects the development of the economy as a whole.

In developed countries (Germany, France, the USA, etc.), a target cluster policy is carried out in order to provide efficient tools and mechanisms economic entities. Chilean wine, Bavarian cars, Silicon Valley in the United States, Sugar cane in Brazil - are examples of clusters. which are accounted thousands. More than 2 thousand clusters operate on the territory of the EU. In the United States, at the end of 2019, 57% of the working capacity of the country was involved in clusters, and their share in GDP was 61%. The Cluster Development Programs have more than 75 countries (White Paper On Sport, 2019 And Europe 2020 Strategy, 2019). Compared to the world in Ukraine there are still a clear legal framework for the formation of cluster policy.

It should be noted that the cluster model of economic development (since 1970) is associated with the processes of disintegration of vertical and integrated organizations, the main factors of which has become an increase in complexity in the production of products. In these conditions, the concentration of production sites in the framework of one organization has ceased to be effective. Alternative - cooperation of independent manufacturers on a mutually beneficial basis, that is, creating a cluster. M. Porter gives the next

definition of the cluster - this is a group of geographically interconnected organizations that operate in a certain area and complemented friend (*Porter M.*, 2018). The definition of the cluster reflects the essence as an economical and geographical unit.

The European classification of clusters distinguishes 38 clusters (sports products, entertainment, education, tourism, biotechnology, IT technology, power engineering, etc.). Note that the cluster covers various geographical units (such as one city / region and country / country). The quantitative composition of the cluster has a difference.

Measures to activate and develop a cluster are called "cluster initiative". Cluster initiative - a set of measures, programs, projects aimed at the development of the cluster.

The European practice of implementation of cluster politics has developed certain methods (forms) of state support for the development of clusters:

- Direct financing (subversions, plows);
- preferential taxation (taxes, customs duties);
- targeted subsidies for scientific research and introduction of innovations;
  - creation of venture (risk) funds;
  - Search and attraction of investors, etc.

Sports clusters are close to the definition of potential clusters, in which significant prerequisites for the formation of the cluster occurs around the baseline sectors.

Under the sports cluster is an informal association of sectoral and related organizations based on cooperative, cooperative and competitive relations, which are characterized by the possibility of mutual enhancement of competitive advantages due to the achievement of a

synergistic effect. In this case, the sports cluster is formed with a clearly defined single center (cluster kernel), powerful cooperation and co-ops and combines small and medium organizations. Such an approach to the formation of the concept of cluster" "sports is characterized independence and economic interest in the creation, and secondly, the presence of innovative bases of functioning. That is, a sports cluster is a network structure with vertical and horizontal ties, which includes public administration, science, public, business community, which are concentrated around the nucleus (center) of competitive activities.

It should be noted that the state does not initiate the creation of a cluster, but creates conditions for its development ("rules of the game") with the help of tax, budget, credit, customs politics, creation of research centers, sports infrastructure, etc. In the formation of a cluster approach to the development of the sports industry, we distinguish the principle - close relationship and interaction between the authorities, science, public and business.

Thus, the cluster approach to sports organizations will allow you to coordinate the sports policy of the state. Critically important conditions for implementation of a cluster approach in the are: sports industry development "bottom" clusters, analysis of conditions of small and medium-sized sports organizations, definition of trends and prospects of their development (O. DATSIJ, Kropyvko and Chupis, 2019). Developed in recent decades, innovative models of economic development are focused on creating special conditions of functioning of certain entities. Table 1 shows the principles and conditions for the formation of clusters and technoparks.

Table 1. – Properties, signs and conditions for the formation of clusters and

technoparks

| Research                 | Cluster                                     | Technopark                          |
|--------------------------|---|-------------------------------------|
| Object                   | Concentration of profile organizations,     | objects of innovation               |
|                          | suppliers, specialized personnel,           | infrastructure, which operates      |
|                          | infrastructure, universities, research      | in a separate complex or            |
|                          |   | territory                           |
| Placing                  | Region / Several Municipal Formations       | One Building / Territory            |
| Sectoral focusing        | +   | -                                   |
| Homogeneity of           | Different composition (small and medium     | homogeneous warehouse               |
| participants (residents) | business, large business, universities,     | (startups, small and medium         |
|                          | research institutes, innovative             | organizations)                      |
|                          | infrastructure, sports federations,         |                                     |
|                          | associations, agencies, etc.)               |                                     |
| The minimum number       | is required by a critical mass of 80-100    | no                                  |
| of participants          | participants                                |                                     |
| Purpose of the           | Increasing the competitiveness of           | Development of new businesses       |
| Managing Organization    | organizations - participants of the cluster | (in the interests of the university |
|                          |   | or region / city)                   |
| The result of the        | A stream of new joint projects between      | A stream of new projects            |
| operating organization's | cluster participants                        | related to the formation of new     |
| management               |   | organizations                       |

Source: author's own developments.

The effectiveness of the cluster model of the organization of the sports industry will ensure the following requirements:

- 1. The existence of a cluster as a subject (should be an organization that represents a cluster (cluster core)).
- 2. The presence of a cluster initiative (must be a cluster development strategy).
- 3. Development of measures to increase the competitiveness of the cluster projects, resource provision programs (infrastructure, equipment, goods, services, staff) and product promotion technologies on the market (marketing, logistics).

In order to develop stimulating policies, mechanisms and tools for the development of a sports cluster, we distinguish the following directions:

- 1. Stimulating international cooperation.
- 2. Applying marketing support system.
  - 3. Assessment of the development of

a sports cluster.

- 4. Use of modern cluster development practices in the process of forming the industry 4.0 (digital economy, NBIC technologies, artificial intelligence, etc.).
  - 5. Financing innovation.
- 6. Involvement of all participants in the activities of sports clusters in the process of improving their development.

The marked directions will allow to move on discussion on the best practices for the development of sports organizations in the practice of real formation and development of a sports cluster. The grounds for creating a sports cluster are as follows: Scientific **Sports** Institute: educational institutions (universities, sports schools, etc.); Small and medium organizations; sports state support; regulatory provision (about the creation and functioning of the sports cluster); Public-Private Partnership.

Thus, the development of a cluster approach to the organization of the sports

industry contributes to effective interaction between various sports organizations, the search for new partners, the possibility of innovation, improving the competitiveness of sports organizations and the quality of sports products (goods, services). Effective cluster policy reduces various barriers, promotes more active investment, obtaining equal access to information, knowledge, organizations interaction between themselves, research centers and, thus, the quality of the functioning of the sports cluster.

The cluster development center is created for the implementation of cluster policies. The main purpose of which is to create conditions for the formation and development of regional (local) clusters, assistance in coordinating projects of participants in these clusters, increasing the competitiveness of small and medium-sized organizations.

### 6. Conclusions.

The concept of "cluster" has sufficiently secured in the scientific

literature and has a spread in practice the construction of economic relations in developed countries (this is reflected in the level of legislation). However, the lack of clear scientific and legal processing in the legislation of Ukraine the essence and signs of the cluster creates a slow interpretation of this concept. relevance of the formation of cluster policy is based on more effective interaction of public-private partnership and engagement in this process. Clusterization of the sports industry will form a comprehensive view of the state sports policy in the context of regional development, to increase its productivity, competitiveness efficiency and businesses, to expand the possibility for development, optimize innovation to interaction between different economic entities - the state, science, public, business and improve the quality Life of the population, to form a strong social and human capital.

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