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"MONEY FOLLOWS THE PERSON" MECHANISM IN THE CONTEXT OF CHANGING APPROACHES TO STATE FUNDING OF NON-GOVERNMENTAL ORGANIZATIONS IN UKRAINE

ABSTRACT

Introduction. This article summarizes the arguments and counter-arguments within the scientific discussion on the mechanisms of formation and distribution of state funding of non-governmental organizations in Ukraine.

The main aim of the study is to justify the need to introduce the "money follows the person" mechanism in the context of changing approaches to state funding of non-governmental organizations in Ukraine.

Systematizing information from various sources and approaches to solving the problem of distribution of state funding of non-governmental organizations in world practice has shown that this problem needs further thorough research, especially in the context of developing new approaches to increase the efficiency of the State Budget funds and promote such funding.

The topicality of solving this scientific problem is that the effectiveness of the distribution of state funding of non-governmental organizations influences not only the budget of non-governmental organizations but also the solution of important social and economic problems that the state delegates to these organizations.

In the article, the study of the introduction of the "Money follows the person" mechanism was carried out in the following logical sequence: the disclosure of the peculiarities of state funding of non-governmental organizations in Ukraine at the expense of the State budget; highlighting the main models of interaction between the state and civil sectors that exist in the world; generalization of the basic principles of state funding of non-governmental organizations and substantiation on their basis of the need to introduce the "Money follows the person" mechanism for this type of funding; substantiation of the choice of organizations dealing with physical culture and sports as the most suitable for the pilot introduction of the mechanism among Ukrainian non-governmental organizations; coverage of the peculiarities of the introduction of this mechanism.

Methodology. The methodological tools of the study were economic and statistical methods (system, comparative, grouping), graphical, abstract and logical method, including analogy and comparison, induction and deduction, scientific abstraction, etc., the time from 2006 to 2019 was chosen as the study period. The object of the study is the processes of formation and distribution of state funding between non-governmental organizations of Ukraine, namely sports organizations, because they are the most suitable for the pilot implementation of the "Money follows the person" mechanism for the distribution of state funding between non-governmental organizations that are eligible for it.

Results. The article presents the results of an empirical analysis of the formation of budgets of non-governmental organizations of Ukraine in general and in particular public organizations dealing with physical culture and sports at the expense of the State Budget of Ukraine, which showed insufficiency, unevenness, subjectivity and discrimination in the process of distribution of state funding between non-governmental organizations eligible for such funding. The study empirically confirms and theoretically proves the need to change approaches to this process and justifies, in this context, the need for the introduction of the "Money follows the person" mechanism.

The results of the study can be useful for non-governmental organizations in Ukraine, state and local authorities, as well as directly for consumers of services provided by non-governmental organizations.

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Keywords: NGOs; civil society; state funding; «money follows the person»; «money follows the sportsman».

Introduction

The functioning of non-governmental organizations is beneficial for the state, as it delegates part of its powers to them. Accordingly, it is important for the state that the activities of these institutions be effective and efficient, which significantly depends on the financial resources at their disposal. The state cannot influence the financial condition of all civil society institutions, the financial literacy of their representatives, the activity of individuals and legal entities in their support, and so on. Therefore, in order to increase the level of financial capacity of civil society organizations, it should use those tools that are directly available to the state. In our opinion, one of such tools is state funding, which still needs a complete reset and revision, which is possible by improving the efficiency of state management in this area through the use of innovative approaches to changing the mechanism of state funding of non-governmental organizations.

Analysis of recent sources and publications

A significant contribution to the study of the mechanisms of formation and distribution of state funding for the benefit of non-governmental organizations was made by scholars directly involved in the development of civil society and the financing of its institutions.

Thus, Hadzi-Miseva K., Sapliссon F. note that funding is one of the key elements of support that the government can provide to CSOs to strengthen partnerships with civil society and promote the development of its organizations. With this in mind, the whole aspect of government funding for CSOs is part of the effort to conceptualize, improve and organize the relationship between the government and CSOs (Hadzi-Miseva K., Sapliссon F., 2010).

Jalali R. in her article shows how legislative practices of democratic states serve to reduce foreign influence. Issue characteristics are also shown to determine state response to externalization, blocking transnational ties in "high politics" areas such as minority claims. Finally, within state imposed restrictions, religious rather than secular organizations remain dominant transnational actors in India. The study contributes evidence to suggest that contrary to

the arguments of world polity theory and many transnational social movement scholars, states continue to remain powerful actors limiting transnationalization (Jalali, 2008).

Recognizing the contribution of the above-mentioned scientists, we believe that the state funding of NGOs requires a more detailed analysis, especially in the context of changing approaches to its distribution to increase the efficiency of the State Budget and promote the goals of such funding.

In this context, the results of the scientific works of Reinhard S., Irvin C. V. and Ballou J. are useful for our investigation. Reinhard S. highlights the history of the Money Follows the Person demonstration program, and offers three lessons that can be learned from the initiative (Reinhard S., 2012).

Irvin C. V., Ballou J. presented the fourth report of the "Money Follows the Person" Demonstration provides an early assessment of the balance of home and community-based care services and institutional long-term care systems in states before the Money Follows the Person was implemented (Irvin C. V., Ballou J., 2010).

The aim of the article

The purpose of the article is to substantiate the need to introduce "Money Follows the Person" mechanism in the context of changing approaches to state funding of non-governmental organizations in Ukraine.

Methodology and research methods

In the process of conducting a study aimed at substantiating the "money follows the person" mechanism in the context of changing approaches to state funding of non-governmental organizations in Ukraine, several general and special research methods were used. They were economic and statistical methods, namely: systemic, comparative, grouping (to assess the current state, features, trends in state funding of non-governmental organizations, coverage of related issues, graphic (for visual presentation of research results), abstract and logical method, in particular, the analogy and comparison, induction and deduction, scientific abstraction (to justify the need to introduce the "Money follows the Person" mechanism), etc.

The study is based on data from the State Statistics Service of Ukraine, as well as other publicly available sources. The study covers the period from 2006 to 2019 and is relevant for non-governmental organizations in Ukraine, public authorities, and local governments.

The main material of the study

The right of NGOs to receive funding from the State Budget of Ukraine is provided by the Budget Code of Ukraine. Thus, according to Article 87, NGOs dealing with youth and children, physical culture and sports; public associations of persons with disabilities and veterans; public associations of national and patriotic education have this right (Verkhovna Rada of Ukraine, 2010).

The Regulation of the Cabinet of Ministers establishes the Procedure for holding a competition to determine programs, projects, and activities of CSIs financed by the State Budget of Ukraine (Cabinet of Ministers of Ukraine, 2011).

In particular, revenues of public organizations from the State Budget of Ukraine increased significantly (Fig. 1) and the total funding of public organizations from all sources increased significantly. However, the share of revenues from this source in the structure of revenues of Ukrainian public organizations was not stable, as it fluctuated within [4,43: 8,05], and the share of the State Budget of Ukraine expenditures, which was aimed at supporting NGO activities and fluctuated within [0,036: 0,097], i.e. It differed significantly from year to year, but this share did not even reach one-tenth of a percent. This situation is considered negative, because the allocation of small amounts of resources issued from the State Budget of Ukraine to support NGOs while declaring public support for the civil society (National strategy..., 2016), leads to manipulation of public awareness (for comparison: in Hungary, the share of expenditures on the public sector is almost 5%) (Hadzi-Miseva K., Sapliison F., 2010).

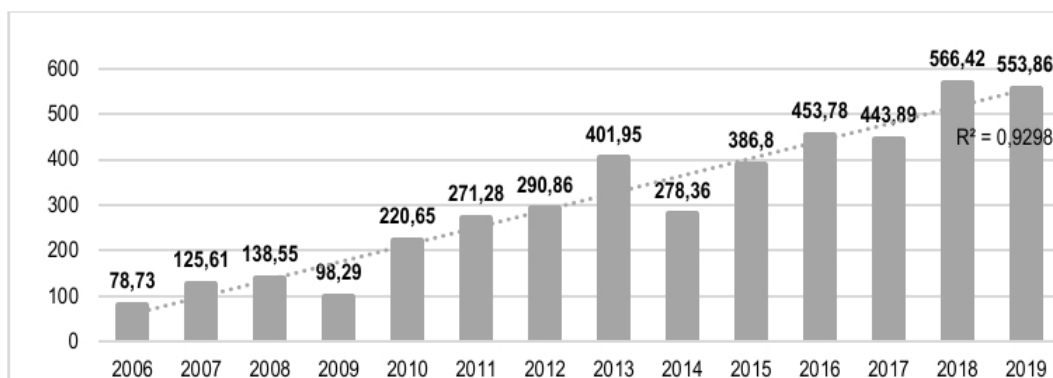


Fig. 1. The revenues of Ukrainian public organizations from the State Budget of Ukraine, UAH million*

*Source: based on data from the State Statistics Service.

Fig. 1. The revenues of Ukrainian public organizations from the State Budget of Ukraine, UAH million*

*Source: based on data from the State Statistics Service.

Another problem related to state funding of CSOs is to identify its discriminatory nature (for those types of activities of NGOs that are not eligible for this funding) and the possible effect of subjective factors in determining the projects and organizations that receive it. After all, the choice of projects or individual organizations that receive funding from the state budget is made by ordinary people who can show subjectivity.

Therefore, today, although there is a mechanism for financing NGOs from the state

budget, it is necessary to develop new ways of their financial support, including at the expense of the state.

It is worth noting that in European countries, the mechanisms of state funding of CSOs largely depend on the model of interaction between the state and the civil society. Accordingly, we consider four main models of such interaction (Fig. 2).

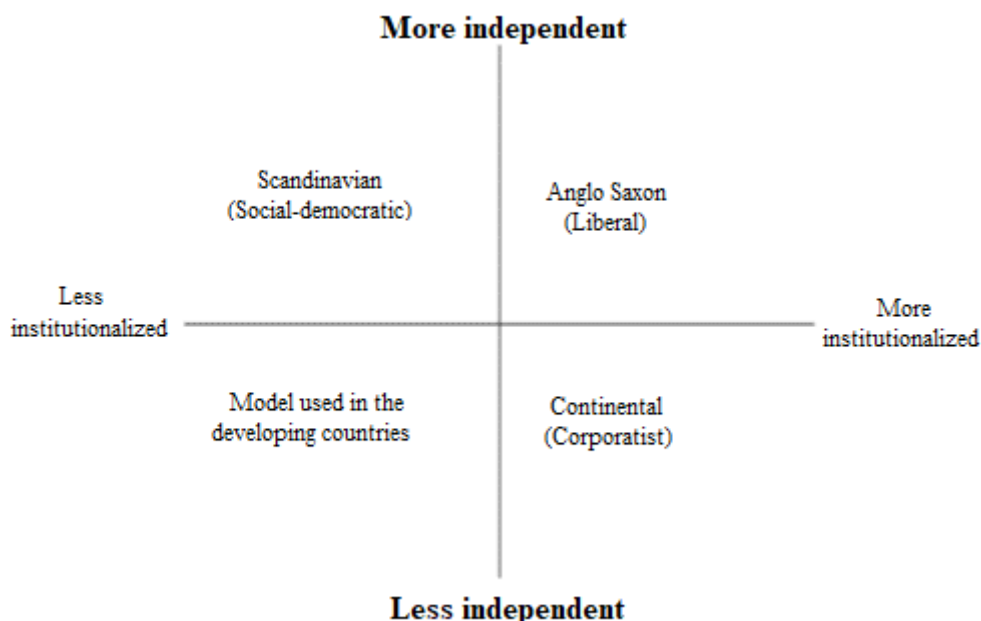


Fig. 2. Basic models of interaction between the state and the civil sector *

*Source: (European Center for Non-Commercial Law, 2010).

Figure 2 shows one of the approaches to defining the models of interaction between the state and the civil sector, which is used in Europe and is considered one of the most suitable for the characteristics of the distribution of state funding in Europe for CSOs. The proposed approach is designed to assess the role of these organizations in cooperation with the state in accordance with such parameters as the level of independence and the level of institutionalization (the availability of opportunities to solve certain problems and perform the functions assigned to CSOs).

Thus, the Ukrainian Independent Center for Political Studies considers the features of state support for CSOs in different countries, including France, Great Britain, Ireland, Hungary, Croatia (these are the countries that represent the models described above) (Hadzi-Miseva K., Sapliison F., 2010). Table 2 presents a comparative description of approaches to the organization of state funding in each of the countries that represent a particular model of interaction between the state and the civil sector.

Table 2. The comparison of approaches to the organization of state funding in France, Great Britain, Hungary, and Croatia*

Feature of comparison	France (corporatist model)	Great Britain (liberal model)	Hungary (social-democratic model)	Croatia (Mediterranean model)
The body that regulates state funding	Central administration, ministries or local authorities (if this function is delegated by the centre)	Ministries; subsidiary state organizations and bodies that are not subordinated to ministries	Department of Public Relations under the Office of the Prime Minister (since 1998) the parliament, the government, ministries and funds within ministries	Government Office for Cooperation with NGOs (until 2003 the only one); National Foundation for Civil Society Development in Croatia (European Foundation Centre)

Documents regulating state funding of CSOs	A series of circulars issued by the Prime Minister	Compact «Financing and Public Procurement: Code of Best Business Practice»	Strategy for the support and development of the non-profit sector (2003)	Code of best business practice, norms and criteria for providing financial support to programs and projects of public associations (2007)
Principles of funding		<ul style="list-style-type: none"> – focus on results; – simplicity and proportionality; – consistency and coordination; – timeliness; – openness and accountability; – discussion and dialogue; – spirit of cooperation 		<ul style="list-style-type: none"> – clear delineation by the authorities of priority areas of funding; – determining the conditions of the criteria and the procedure for providing financial assistance
Existence of the national fund for the development of civil society or another specialized body	has not been established	The Internet portal dedicated to CSO grant support	The Department of Public Relations under the Office of the Prime Minister (since 1998)	Established in 2003
Features of funding	For operational or program activities and events	Reimbursement of expenditures ("basic funding")	For operational or program activities and events only	Both to provide institutional support and to conduct program activities and events

*Source: compiled by the author on the basis of (Hadzi-Miseva K., Sapliison F., 2010).

Table 2 clearly shows the differences in the mechanisms of state funding of NGOs in different countries depending on the model of interaction between the state and the non-profit sector. However, it should be emphasized that, regardless of the model used by a particular country, the principles of state funding of CSOs, according to which state funds are distributed, are generally accepted in Europe. Such principles include (European Foundation Centre):

- transparency. It provides for the openness of the entire funding process and the availability of information about it;

- equal treatment of all competitors. The state treats all applicants for state funding with respect and objectivity;
- free and fair competition. The selection of the organization to receive funding is based on fair competition. Accordingly, those organizations that use it most effectively in the process of achieving the goals of this funding are financed at the expense of the state;
- reporting. CSOs that receive funding submit reports on their activities and the use of funds received;
- autonomy. CSOs are characterized by autonomy, i.e. they have certain opportunities

for self-financing, so state funding is their opportunity, not their right.

The world has developed a large number of mechanisms by which individuals can decide which NGOs the state should direct funding to support. The most common methods are the participation of individuals in providing recommendations to the authorities, the participation of CSO representatives in the work of specialized commissions, voting on CSO projects submitted to the competition, and applying for state financial support, interest philanthropy, etc.

In Ukraine, citizens also have the opportunity to use certain mechanisms for participation in the distribution of budget funds. For example, they can submit draft participation budgets from their public associations or vote for the projects that have received the most approval.

Recently, the "money follows the person" system has been actively developing in world practice. It is new in content and emerged only a few decades ago in the field of social security in the United States as the Medicaid Program to support the health of very low-income people (Reinhard C. S., 2012). The state proposed this programme so that health care recipients living in long-term care facilities could return to communities, enjoy more affordable long-term care services, and receive the necessary support. This programme provides long-term accommodation in communities of health care recipients, regardless of the level of care needed and their needs for health services (Irvin C. V., Ballou J., 2010).

In Ukraine, this system is already in place. In particular, it is used in certain areas or by individual self-government bodies. A striking example of this is the introduction of a system of "money follows the patient" in the medical field. According to this system, the level of funding for primary care facilities depends on how many patients have chosen family doctors (TSN, 2018). Another example of the functioning of such a mechanism is the system of "money follows the person", on the basis of which the rehabilitation of children with disabilities due to cerebral palsy is more effectively financed.

In our opinion, the system "money follows the client" is one of the most effective mechanisms for the use of funds from the State Budget of Ukraine to support CSIs, which are entitled to such funding.

The introduction of the "money follows the client" mechanism (we believe that the term "client" should be used, as NGOs are providers of specific services) allows to ensure a positive effect for the state, in particular, and the population and the civil society in general.

The benefit for the state from the introduction of such a mechanism is that it will allow not only to allocate funds of the State Budget of Ukraine through a transparent procedure, which will adhere to the principle of objectivity and improve the image of a democratic state but also really increase the efficiency of state funds and carry out constant monitoring of the received resources.

The "money follows the client" mechanism helps to increase tax discipline among citizens, as it is important for them to understand where and for what purpose their funds as of taxpayers are directed, and direct participation of citizens in the distribution of the funds of the State Budget of Ukraine by choosing an organization according to their preferences gives them such an opportunity.

However, it should be emphasized that the introduction of such a mechanism gives the population a sense of self-importance and helps to increase the level of their financial literacy, as this process will obviously be accompanied by information support and promotion among citizens. Accordingly, the processes of distribution of public funds will attract their attention more and more.

Let us consider the greatest benefits that the population will receive. Firstly, expanding the circle of recipients will allow CSOs to significantly increase the level of financial capacity, and thus – to improve their material and technical condition and increase the level of their services. As a result, the population will also be able to receive better services. In addition, those organizations that receive more funding will be able to reduce or eliminate membership fees (for those organizations that use them).

As for CSOs in general, the "money follows the client" mechanism becomes an opportunity for every organization that is active to receive financial resources from the state for its activities. On the one hand, not every organization will be able to receive a significant amount of funding, because it will depend on the commitment of the population to its activities, and on the other – this mechanism will help create a competitive environment among CSOs, from which the one

that provides services with a higher level of quality, openness, efficiency and shows greater social responsibility will receive more funding. Thus, this mechanism will contribute to the development and institutionalization of the civil society itself, which, accordingly, affects the development of democracy in the state.

Given the benefits that the "money follows the client" mechanism can provide for the state, the population, and the civil society, we believe that it should be used in Ukraine. However, before applying it to all types of CSOs eligible for funding from the State Budget of Ukraine (listed earlier), this mechanism needs to be tested on a single type of NGO. In our opinion, the most suitable for the initial use of the "money follows to the client" mechanism among the NGOs of our state are NGOs dealing with physical culture and sports. This choice is due to the influence of certain factors, including:

- funding provided by the Budget Code of Ukraine for such organizations (Verkhovna Rada of Ukraine, 2010);

- the obligation of the state enshrined in the Constitution of Ukraine to take care of the development of physical culture and sports and ensure sanitary and epidemiological well-being (Verkhovna Rada of Ukraine, 1996);
- approval of the State Target Social Program for the Development of Physical Culture and Sports for the period up to 2020 (Cabinet of Ministers of Ukraine, 2017);
- ease of registration of membership of this type of public organization;
- experience of legislative initiative in this field.

In addition to the above factors, another one has a significant impact, namely: the funding of sports NGOs is allocated annually from the State Budget of Ukraine, but the procedure for their allocation is not characterized by complete transparency, and therefore the goals of such funding are not always achieved.

The dynamics of the volume of state funding of public organizations dealing with physical culture and sports in Ukraine is shown in Figure 3.

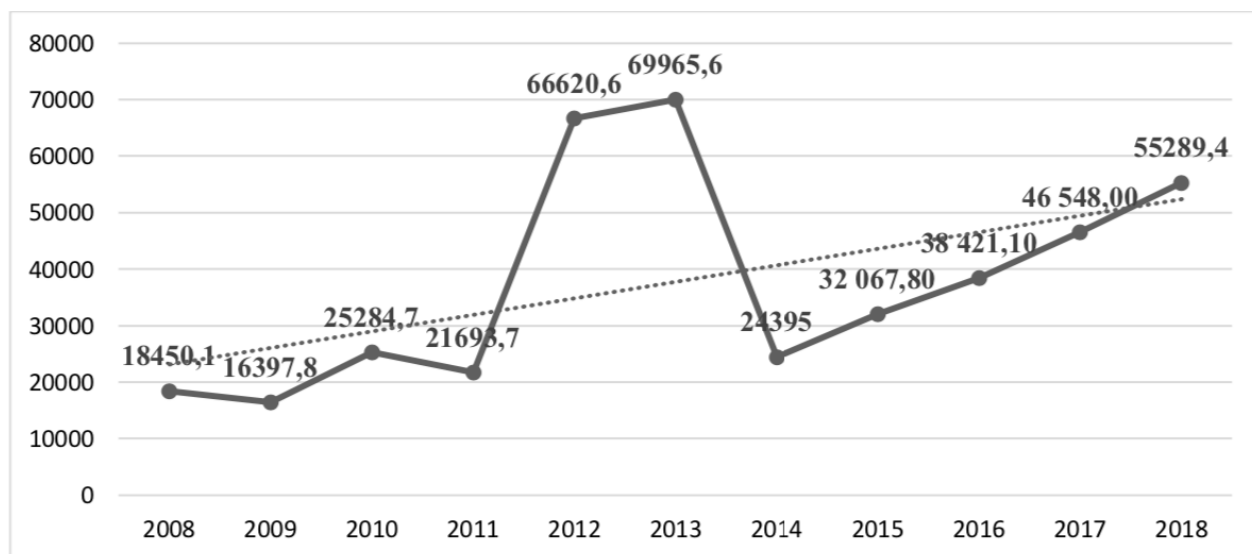


Fig. 3. The dynamics of the volume of state funding of public organizations dealing with physical culture and sports in Ukraine from 2008 to 2018, UAH thousand*

*Source: compiled by the author based on the Laws of Ukraine "On the State Budget of Ukraine" for the relevant years (Verkhovna Rada of Ukraine, n. d.).

Figure 3 shows that the activities of the public organizations dealing with physical culture and sports in the study period were constantly funded. Moreover, it should be noted that funding from 2008 to 2018 increased significantly, namely from UAH 18,450.1 thousand in 2008 to UAH 66,289.4 thousand in 2018, i.e. in absolute terms it

amounted to UAH 47,839.3 thousand, and in relative terms – 259.29%. For comparison, it should be noted that the State Budget of Ukraine expenditures increased by 291.65%. Thus, it can be argued that there is a relative proportionality of expenditures to support the public organizations dealing with physical culture and

sports and general expenditures of the State Budget of Ukraine.

It is also worth paying attention to the dynamics of funding: so, until 2011 there was no definite trend in the funding of public organizations, which indicates a lack of a clear position of the authorities on the role of the public organizations dealing with physical culture and sports in the development of physical culture and sports in our country. There was a sharp increase in funding for these organizations in 2012, due to UEFA Euro 2012, in which public organizations also took an active part in organizing and conducting information and volunteer support, countering calls for a boycott, public monitoring of the state of preparation, etc.).

In the most economically developed countries of the world, in the most critical moments, support for NGOs that can mitigate the effects of the crisis is increasing. However, figure 3 shows that in Ukraine the aggravation of the political and economic crisis caused by the beginning of the military conflict in the east of the country resulted in a significant reduction in financial support for public organizations dealing with physical culture and sports. Nevertheless, since 2015, the volume of funding for these public organizations has been constantly increasing, and the relative growth rates from 2015 to 2018 were within [18.78: 31.45].

In our country, there is a practice of supporting individual public organizations from the state budget (under certain articles), but it has not become widespread. In particular, from 2008 to 2018, only two public organizations were financed from the State Budget of Ukraine. However, funding volumes and their dynamics were not characterized by consistency. Only "Dynamo" received constant support at the expense of the state budget during the studied period. The peak of funding, as in the case of state funding of the public organizations dealing with physical culture and sports, falls on 2012, after which there was a sharp decrease in such funding with its gradual increase. Accordingly, during the studied period the financing of the Dynamo association increased by 32.08%. However, the trend line is downward, which confirms the existence of a general negative trend in the funding of this public organization.

The financial support of the Kolos Association was characterized by a constant reduction of

funding with its subsequent termination starting in 2016.

It should be clarified that although both public organizations have the same activity goals, which is to organize and conduct work on the development of physical culture and sports, their activities are aimed at different groups: "Dynamo" targets law enforcement officers and servicemen, and "Kolos" targets the rural population.

Given all the above, we can conclude that the political support for the activities of public organizations is very sensitive to national policy. Thus, funding for sports activities increased during UEFA Euro 2012, but with the onset of the economic and political crisis, it decreased sharply. As for the last few years, before the emergence and exacerbation of the military conflict in eastern Ukraine, related to the activities of national funding for "Dynamo", which offers collective physical culture and sports of employees and military services of the Presidential Administration, the Ministry of Internal Affairs of Ukraine, the State Department of Corrections of Ukraine, the State Emergency Service, Security Service of Ukraine, the State Border Guard Service of Ukraine, the State Service for Special Communication and Information Protection of Ukraine, Prosecutor General's Office of Ukraine, the State Customs Service of Ukraine, the Anti-monopoly Committee of Ukraine, State Security Administration, Tax militia of the State fiscal service of Ukraine, etc. At the same time, the funding of the activities of the Kolos association is suspended, which indicates the lack of priority to support the development of sports among the rural population in state policy.

Moreover, in 2018, UAH 21.66 million was allocated to support the Dynamo Association from the State Budget of Ukraine, and UAH 55.29 million to support all other sports clubs. It should be emphasized that such distribution of budget funds is not only disproportionate but also contradicts the basic European principles of state funding of CSOs. After all, it is carried out on non-transparent terms, does not ensure equality in relation to applicants for funding, and does not stimulate healthy competition between public organizations.

Taking into account the above, we will analyse the state funding of the public organizations dealing with physical culture and sports in the use of the "money follows the client" mechanism.

Since we are talking about sports and sports organizations, it is necessary to specify the name of the mechanism as "money follows the sportsman"

The main idea of the "money follows the sportsman" mechanism is that every citizen who joins the activities of the public organizations dealing with physical culture and sports had an impact on the distribution of state funding. In other words, the relevant public organizations must be funded not on the basis of a decision of the relevant bodies or a meeting of the tender commission (its activities may not be completely objective), but on the basis of an objective count of the number of members of public organizations. Of course, the introduction of the "money follows the sportsman" mechanism without making changes to the procedure for registration and accounting of members of public organizations can lead to numerous cases of abuse by public organizations, which can formally increase the number of their members. Therefore, we believe that the implementation of this mechanism requires the following:

1. Clearly record the membership in the organization of athletes involved in its activities.

2. Confirm membership in the activities of the public organizations dealing with physical culture and sports of a citizen who has an impact on the distribution of state funding, based on the identification number of a private individual (or other data that replace it if the person is not provided with an individual taxpayer identification number).

3. To expand the right to receive state funding also for the public organizations dealing with physical culture and sports, which do not have the all-Ukrainian status (currently only all-Ukrainian public organizations dealing with physical culture and sports have the right to receive funding from the State Budget of Ukraine).

As a result of such changes, it will be possible to: first, show the real situation with membership in the public organizations dealing with physical culture and sports; secondly, to avoid possible manipulations on their part regarding the submission of false data on membership in the activities of these organizations in order to obtain funding from the State Budget of Ukraine. moreover, in our opinion, every citizen must have an impact on the distribution of state funding for only one public organization dealing with physical

culture and sports. Accordingly, funding will be available to public organizations in which membership has been confirmed on the basis of an identification number and it was the first (priority) one. If a person wants to change the public organization in favour of which the State Budget of Ukraine will direct funds for its membership, they would just need to specify their identification number in the online office of another public organization (technical support of the mechanism is written below), as it happens, for example when the patient chooses a primary care physician.

As for the extension of the right to receive funding for organizations that do not have all-Ukrainian status, it is necessary to do so in order to develop sports not only in large cities but also in small settlements. After all, often sports organizations that operate very effectively in one locality cannot be represented in other places (in particular, due to the exclusivity of the services they provide). In this case, even small (compared to all-Ukrainian organizations) revenues from the State Budget of Ukraine will be able to increase their financial capacity. At the same time, it will increase the level of institutionalization of this type of public organizations, which, seeking to use the opportunity to obtain additional funding, will compete with each other and try to provide better services.

In order to avoid the creation of public organizations only to obtain funding from the State Budget of Ukraine, it is advisable to propose that public organizations that apply for this funding be subject to the following requirements:

- work experience of more than one year as of January 1 of the year in which the funding is provided;
- at least 15 members;
- other sources of funding (at least one of the possible ones);
- a website and/or social networks page, which displays information that can confirm the actual existence of the organization and its activity;
- socially responsible activities in accordance with the main types of social interaction: no debt to the state, no debt to employees, activities to meet the interests of members/population, etc.

The implementation of such preventive measures will allow one to participate in the

distribution of State Budget of Ukraine funding only to those organizations that are active, promoting the development of physical health among the Ukrainian population.

In order to implement this mechanism and given the need to digitize economic relations, in our opinion, it is necessary to create an Internet portal that will facilitate this process. In particular, each organization applying for funding must be registered there and have an online profile.

Accordingly, each public organization indicates in its profile its code (Ukrainian state registry legal entity identifier), provides information on activities, provides a legal address, etc., and publishes the Charter and links to the active site/social networks page. This site will also provide information on membership in the activities of the public organization and indicate the identification numbers of its members. Thus, each organization that will be eligible for funding from the State Budget of Ukraine will receive a notification and will be able to confirm its desire to receive it or refuse it.

After receiving confirmation from all public organizations dealing with physical culture and sports about the desire to receive funding from the State Budget of Ukraine should determine the amount of funds to be transferred to the account of a particular organization, with the formula:

$$F_i = P \frac{i * F}{P}, \text{ where} \quad (1)$$

F_i – the amount of funding for i - a specific organization dealing with physical culture and sports, which it will receive from the State Budget of Ukraine;

F – the total amount of funding that will be distributed among all public organizations dealing with physical culture and sports;

P_i – the number of members of i - a specific organization dealing with physical culture and sports, which receives funding from the State Budget of Ukraine;

P – the total number of members of all public organizations dealing with physical culture and sports, among which the funding of the State Budget of Ukraine will be distributed.

Using the formula (1), each public organization dealing with physical culture and sports will be able to independently determine the amount of funding for which it can apply, as well as check the

correctness of the calculation of funding already provided.

Moreover, the created Internet portal will allow each citizen to check their membership in the activities of public organizations dealing with physical culture and sports and to get acquainted with the full list of organizations that apply for state funding. Besides, if desired, it will be possible to review the list of organizations supported by the State Budget of Ukraine and learn about the amount of such funding, which will help intensify public monitoring of the activities of such public organizations.

It seems obvious that the funds that will be received by public organizations dealing with physical culture and sports should be used to achieve their statutory goals. Therefore, each organization that receives funds from the State Budget of Ukraine must submit a report on their use to the State Fiscal Service of Ukraine and place it on the created website/portal.

The Accounting Chamber of Ukraine will control the use of funds from the State Budget of Ukraine. It should be clarified that the introduction of the mechanism "money follows the sportsman" will entail additional costs for the relevant ministry. However, it should be noted that under the current mechanism of allocation of funds of the public organizations for the audit of the project, funds were set aside, which should contribute not only to verify the expenditure of funds but also to the qualitative evaluation of individual projects (Together. European space, 2019).

Results of the study

The study of the peculiarities of state funding of public organizations in Ukraine indicated the lack of their comprehensive state support, despite the declaration by the authorities at all levels of promoting their development and the development of the civil society in general. Nominally, the volumes of such revenues increased (UAH 78.73 million in 2006, UAH 553.86 million in 2019), but their share in the structure of the State Budget of Ukraine expenditures was unstable (fluctuated within [0.036: 0.097]). Other problems related to state funding of public organizations in Ukraine are its discriminatory nature (not all organizations have equal access to funding), as well as the non-transparency of selection procedures for organizations and

projects in favour of which state funding is directed. Accordingly, it is necessary to look for ways to change approaches to state funding of public organizations based on generally accepted principles in Europe, namely: transparency; equal treatment of all competitors; free and fair competition; reporting, and autonomy.

A study of the international practice of allocating state funding to CSIs for implementation in our country indicated the greatest suitability of such a method as "money follows the person". This method, in essence, involves a kind of providing for each person a certain share of the State Budget of Ukraine, which can be used to finance a particular organization. The introduction of such a method will bring numerous benefits both for the population (increase in financial literacy; opportunity to receive better services from CSOs; reduction or elimination of membership fees), CSOs (opportunity for each organization to receive state funding; formation of a competitive environment among CSOs) and for the state (distribution of funds of the State Budget of Ukraine according to a transparent procedure; ensuring compliance with the principle of objectivity; improving the image of a democratic state; improving the efficiency of distribution of public funds; the ability to monitor the resources provided; increasing tax discipline).

The most suitable for the pilot use of the "money follows the client" mechanism among the Ukrainian NGOs are public organizations dealing with physical culture and sports, which is due to the fact that the Budget Code of Ukraine provides for their funding; the obligation of the state to take care of the development of physical culture and sports and to ensure sanitary and epidemiological well-being is enshrined in the Criminal Code; registration of membership of this type of public organizations is relatively easy; available experience of legislative initiative in this field; significant funds are allocated annually from the State Budget of Ukraine to finance sport public organizations, but the procedure for their distribution is not characterized by complete transparency.

The introduction of the "money follows the sportsman" mechanism requires certain legislative and procedural changes. Such changes include a clear procedure of recording the membership in the organization; confirmation of membership using the individual identification number (or other data that replace it if the person is not provided with an individual identification code); expansion of the right to receive state funding also for the public organizations dealing with physical culture and sports which do not have an all-Ukrainian status.

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МЕХАНІЗМ «ГРОШІ ЙДУТЬ ЗА ЛЮДИНОЮ» В КОНТЕКСТІ ЗМІНИ ПІДХОДІВ ДО ДЕРЖАВНОГО ФІНАНСУВАННЯ ГРОМАДСЬКИХ ОРГАНІЗАЦІЙ В УКРАЇНІ

Анотація

Вступ. У статті узагальнено аргументи та контраргументи наукової дискусії щодо механізмів формування та розподілу державного фінансування неурядових організацій в Україні.

Метою дослідження є обґрунтування необхідності впровадження механізму «гроші ходять за людиною» в контексті зміни підходів до державного фінансування неурядових організацій в Україні.

Систематизація інформації з різних джерел та підходів до вирішення проблеми розподілу державного фінансування неурядових організацій у світовій практиці показала, що ця проблема потребує подальшого ґрунтовного дослідження, особливо в контексті розробки нових підходів до підвищення ефективності використання Державного бюджету. кошти та сприяти такому фінансуванню.

Актуальність вирішення цієї наукової проблеми полягає в тому, що ефективність розподілу державного фінансування неурядових організацій впливає не лише на бюджет неурядових організацій, а й на вирішення важливих соціально-економічних завдань, які держава делегує цим організаціям.

У статті дослідження впровадження механізму «Гроші ходять за людиною» здійснювалось у такій логічній послідовності: розкриття особливостей державного фінансування неурядових організацій в Україні за рахунок коштів Державного бюджету; висвітлення основних моделей взаємодії державного та громадянського секторів, які існують у світі; узагальнення основних принципів державного фінансування неурядових організацій та обґрунтування на їх основі необхідності запровадження механізму «Гроші ходять за людиною» для цього виду фінансування; обґрунтування вибору організацій, що займаються фізичною культурою і спортом, як найбільш придатних для пілотного впровадження механізму серед українських громадських організацій; висвітлення особливостей запровадження цього механізму.

Методологія. Методичним інструментарієм дослідження були економіко-статистичні методи (системний, порівняльний, груповий), графічний, абстрактно-логічний метод, включаючи аналогію та порівняння, індукцію та дедукцію, наукову абстракцію тощо, як час з 2006 по 2019 рр. період дослідження. Об'єктом дослідження є процеси формування та розподілу державного фінансування між неурядовими організаціями України, а саме спортивними організаціями, оскільки вони є найбільш придатними для пілотного впровадження механізму розподілу «Гроші ходять за людиною». державного фінансування між неурядовими організаціями, які мають на це право.

Результати. У статті наведено результати емпіричного аналізу формування бюджетів недержавних організацій України загалом та громадських організацій, що займаються фізичною культурою і спортом зокрема, за рахунок коштів Державного бюджету України, який засвідчив недостатність, нерівномірність, суб'єктивність та дискримінація у процесі розподілу державного фінансування між громадськими організаціями, які мають право на таке фінансування. Дослідження емпірично підтверджує та теоретично обґрунтовує необхідність зміни підходів до цього процесу та обґрунтовує у цьому контексті необхідність впровадження механізму «Гроші ходять за людиною».

Результати дослідження можуть бути корисними неурядовим організаціям України, органам державної влади та місцевого самоврядування, а також безпосередньо споживачам послуг, що надаються неурядовими організаціями.

Ключові слова: НУО; громадянське суспільство; державне фінансування; «гроші йдуть за людиною»; «гроші йдуть за спортсменом».

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