

РОЗДІЛ 7. ДЕМОГРАФІЯ, ЕКОНОМІКА ПРАЦІ,
СОЦІАЛЬНА ЕКОНОМІКА І ПОЛІТИКАACTUAL PROBLEMS OF SOCIAL INFRASTRUCTURE
DEVELOPMENT IN TERMS OF INVESTMENT CONDITIONS
IN BLACK SEA REGION OF UKRAINEАКТУАЛЬНІ ПРОБЛЕМИ ІНВЕСТИЦІЙНИХ УМОВ РОЗВИТКУ СОЦІАЛЬНОЇ
ІНФРАСТРУКТУРИ У ПРИЧОРНОМОРСЬКОМУ РЕГІОНІ УКРАЇНИ

The social infrastructure status largely determines accessibility and quality of public services, provided on this resource base, quality of life and meeting population's needs in social services. In the article the actual problems of investment into social infrastructure in the Black Sea region of Ukraine are analyzed. The current state of social facilities, its slow modernization, and accumulation of obsolete and outdated assets reduce the effectiveness of the social sector in Ukraine, as well as in the Black Sea region, and cannot provide qualitative and opportune services to the population. The main tendencies and characteristics of social infrastructure investment in the Black Sea region during 2001-2014 are specified; the role of public investment in the development of education, health, housing, culture and sport activity, trade, hotels and restaurants are investigated; the dynamics of the social facilities implemented are reviewed; the features of the investment structures by source of funding are examined. The empirical base of the study is statistics of investments and fixed assets of the State Statistics Service of Ukraine.

Key words: social infrastructure, Black Sea region of Ukraine, investment, fixed assets, capital assets, health and educational institutions

Рівень розвитку соціальної інфраструктури має вагомий вплив на доступність і якість державних послуг, що надаються на їх ресурсній базі, якість життя і задоволення потреб населення у соціальних послугах. У статті аналізуються актуальні проблеми забезпечення інвестиційними ресурсами соціальної інфраструктури в Чорноморському регіоні України. Сучасний стан об'єктів соціальної сфери, їх повільна модернізація та нагромадження морально і фізично застарілих фондів, знижують ефективність діяльності соціальних галузей як в Україні в цілому, так і у Причорноморському регіоні, і не дозволяють якісно і своєчасно надавати послуги населенню за місцем проживання. У статті виявлено основні тенденції та особливості інвестиційної діяльності у галузях соціальної інфраструктури в Україні, та, зокрема, у Причорноморському регіоні у 2001–2014 роках; досліджено роль державних інвестицій у розвитку освіти, охорони здоров'я, житлового будівництва у сфері культури та спорту,

діяльності готелів та ресторанів; динаміку обсягів введення в дію соціальних об'єктів; визначено особливості структури інвестицій за джерелами фінансування. Емпіричну основу дослідження склали матеріали зі статистики інвестицій та основних засобів Державної служби статистики України.

Ключові слова: інвестиції, Причорноморський регіон, основні засоби соціальної інфраструктури, капітальні активи, охорона здоров'я, освітні установи.

Состояние социальной инфраструктуры во многом определяет доступность и качество государственных услуг, предоставляемых на ее ресурсной базе, качество жизни и удовлетворения потребностей населения в социальных услугах. В статье анализируются актуальные проблемы инвестиций в социальную инфраструктуру в Черноморском регионе Украины. Современное состояние объектов социальной сферы, их медленная модернизация, накопление морально и физически устаревших фондов отрицательно влияют на эффективность деятельности социальных отраслей, как в Украине, так и в Причерноморском регионе, и не позволяют качественно и своевременно оказывать услуги населению по месту жительства. В статье выявлены основные тенденции и особенности инвестиционной деятельности в отраслях социальной инфраструктуры в Причерноморском регионе Украины в 2001–2014 годах; исследована роль государственных инвестиций в развитии образования, здравоохранения, жилищного строительства, в сфере культуры и спорта, деятельности гостиниц и ресторанов; динамика объемов ввода в действие социальных объектов; определены особенности структуры инвестиций по источникам финансирования. Эмпирическую основу исследования составили материалы по статистике инвестиций и основных средств Государственной службы статистики Украины.

Ключевые слова: социальная инфраструктура, Причерноморский регион, инвестиции, основные средства, капитальные активы, здравоохранение и образовательные учреждения.

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Introduction. Degree of social and economic progress in society, quality of life and meeting population's needs in social services are largely determined by the status of social infrastructure, accessibility and quality of services provided on this resource base. The construction of the Social Welfare State was proclaimed in

Ukraine, and hence it is necessary to modernize education, health care, and culture. This can only be possible through the growth in social infrastructure investments.

Destructive economic and social processes resulted in the decay of the social infrastructure and despite a number of initiated and implemented reforms,

the financing of social needs on a residual basis still remains. Slow modernization and accumulation of obsolete and outdated assets reduce the effectiveness of the social sector and cannot support the provision of quality timely services to the population. The current situation in social infrastructure investment is caused by the lack of financial, material and technical resources and the absence of an effective mechanism for the formation and distribution of public funds. This deplorable situation with scarcity of internal resources is exacerbated by the intervention of external factors of economic and military nature. Russian military aggression and annexation of the Crimea lead to massive losses and destruction of social infrastructure, to reduce spending on the social sector over the outflow of resources on defense. Annexation of the Crimea caused damage to defense capabilities of Ukraine, considerable loss of assets in food processing, shipbuilding, chemical, wine, transport industries, has led to the loss of a third of the national tourist and recreational potential; affects negative the socio-economic development of the peninsula and the Sevastopol city. Additional investment funds should be raised to create conditions for the steady development of social infrastructure. The study of the causes of social infrastructure degradation is required to reveal the terms of investment in social infrastructure.

Recent research and publications. Scientific studies on social infrastructure investment conditions highlights general issues of social sphere functioning and its specific aspects. E. Libanova and O. Makarova analyze the problems of social investment in terms of human development [1]. V. Novikov researches the issue of financial support of social sphere in the con-

text of budget policy improvement and development of non-budget investment forms of social infrastructure [2, 3]. The innovation and investment processes in the social domain and the problems of budgeting for social standards are investigated by N. Dieieva [3, 4]. Modelling of influence of intergovernmental transfers on social infrastructure financing was suggested by V. Semenov [5]. L. Lohacheva explores the possibilities of diversification of investment resources in social infrastructure [6]. The application of public-private partnerships for the social investment in Ukraine and abroad is studied by I. Zapatrina [7]. B. Akitoby, R. Hemming, G. Schwartz examines trends in public investment and possibilities of investment in social infrastructure through public-private partnerships [8]. A. Kirilenko and B. Malyniak consider budget investments in social infrastructure as an effective tool of state regulation of social and economic development and redistribution [9]. N. Vynnychenko analyses the investment of social services through local development budgets [10].

However, the critical state of social infrastructure requires more research on causes of insufficient funding and a detailed study of the state, features and trends of social sphere investment for the development of effective measures to attract investment resources.

This article aims to determine trends and features of social infrastructure investment in the Black Sea region of Ukraine during the period of 2001-2014.

Results of research. Each component of social infrastructure (health care, education, public services and public utilities, culture and art, physical education and sports, trade and catering, etc.) has its

Table 1

The main macroeconomic indicators of the investment process during 1996-2014, in current prices, billion UAH¹

Indicator	1996	1998	2000	2002	2004	2006	2008	2010	2011	2012	2013	2014 ²
GDP	81.5	102.6	173.0	225.8	346.2	544.2	948.1	1094.6	1316.6	1408.9	1454.9	1586.7
Investments in capital assets	12.6	14.0	23.6	37.1	75.7	125.3	233.1	150.7	209.1	285.1 ¹	257.1 ¹	212.1 ¹
including:												
Investments in capital assets of social infrastructure	3.9	4.0	5.9	9.1	19.5	37.6	74.7	52.8	67	76.8 ¹	73.8 ¹	57.9 ¹
Share of Investments in capital assets in GDP,%	15.4	13.6	13.7	16.4	21.9	23.0	24.6	13.8	15.8	20.2	17.1	13.5
Share of investment in capital assets of social infrastructure in GDP,%	4.8	3.9	3.4	4.0	5.6	6.9	7.9	4.8	5.1	5.5	4.9	3.7

¹ Investments in tangible assets.

² Excluding the temporarily occupied territory of the Autonomous Republic of Crimea, Sevastopol and the zone of the antiterrorist operation.

¹ Statistical Yearbook of Ukraine. 2011. State Statistics Service of Ukraine. K. LLC "August Trade", 2012. 559 p. P. 30, 204; Statistical Yearbook of Ukraine. 2014. State Statistics Service of Ukraine. K., 2015. 552 p. P. 30, 193; author's calculations based on Statistical Bulletin Capital investment in Ukraine. 2014. K., 2015. P. 21-25.

own economic and organizational specifics, different jurisdictions and individual financial system support. Therefore, investment conditions of each of the social infrastructure branches have their own characteristics.

The analysis of investment in social infrastructure should start with macroeconomic-level indicators. The most common data characterizing the investment process is the volume of investments and its share in GDP (Table. 1).

Investments in capital assets in Ukraine's economy up to 2008 had a constant growth trend. The increase of investments in the economy and in the social infrastructure has been uneven and ranged from 5% to 56% in the previous year. These trends indicate the absence of balanced development strategy for social infrastructure. In 2009, due to the financial and economic crisis in the country all major macroeconomic

investment indicators fell sharply. In 2010-2011, the amounts of fixed capital investment in the economy and social infrastructure increased, but their share in GDP did not reach the level of 2007-2008. In 2013-2014 amount of investment, including investing in social infrastructure significantly, decreased over the political crisis and military conflict in eastern Ukraine and alleged annexation of the Crimea.

Total investment in social infrastructure from all sources up to 2008 increased steadily and in 2009 decreased by 43% owing to the general financial and economic crisis in the country (Table. 2). In 2010-2011, the investments significantly increased and some branches of social infrastructure (education, public service, culture and sports, hotels and restaurants) exceeded their levels in 2008. Investments in culture and sport increased more than in two times –

Table 2

Indices of investments in fixed capital (investment) in social infrastructure, 2001-2014, % of the previous year²

Economic activity	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Education	138.9	130.8	109.4	127.2	75.7	114.7	117.8	110.3	56.9	112.3	113.0	69.4	64.5	64.9
Primary education	-	-	142.1	113.2	144.9	158.9	92.8	137.6	38.6	151.2	162.5	-	-	-
Secondary education	-	-	132.2	149.2	60.5	141.3	130.8	102.1	47.7	133.3	116.2	-	-	-
Higher education	-	-	89.6	112.7	83.2	90	103.9	117.2	70.1	97.5	94.5	-	-	-
Other activities in education	-	-	-	-	-	-	228.5	118.1	137.3	34.8	100.5	-	-	-
Health and social work	116.1	112	171.6	122.6	73.3	124.3	117.5	113	49.3	129.2	108.3	124.9	71.9	43.9
Human health activities	-	-	173.8	119.6	0.0	123.4	118.7	113.6	49.4	131.2	108.2	-	-	-
Other community, social and personal service activities; culture and sport activity	136.4	104.1	153.3	136.5	69.1	138.3	125.9	102.5	81.6	98.0	172.0	60.0	-	-
Recreational, cultural and sports activities	192	84.5	191.3	137.8	71	150.2	125.8	106.7	82.5	81.0	178.5	67.7	141.3	31.8
Housing construction	101	111.6	125.8	117.9	108.9	127.5	131.4	88.1	45.6	145.4	87.3	117.1	104,1	83,5
Wholesale and retail trade; repair of vehicles and goods	154	151.3	154.8	142.2	118	134.9	130.8	109	51.7	74.8	128.2	114.6	92.8	79.3
Hotels and restaurants	123.4	90.2	143.8	132.9	113.7	83.1	145.3	96.1	72.1	105.1	139.3	118.8	85.8	103.1
Hotels	138.2	113.9	233.2	114.9	107.8	68.4	168.1	92.1	84.8	100.7	156.9	140.6	82.7	135.3

*capital assets investments, -no data.

² Statistical Yearbook of Ukraine. 2007. State Statistics Service of Ukraine. K. LLC "August Trade", 2008. 572 p. P. 204; Statistical Yearbook of Ukraine. 2012. State Statistics Service of Ukraine. K., 2013. 552 p. P. 30, 193; author's calculations based on Statistical Bulletin Capital investment in Ukraine. 2012. K., 2013. 552 p. P. 201, 206

from 3.32 bln UAH in 2010 to 6.8 bln UAH in 2011, which can be attributed to the preparation for the 2012 UEFA European Championship. In 2011, investments in socially important spheres, such as housing, health and social care were not renewed. The State Statistics Service stopped publishing data on investment in capital assets in 2012 while publishing the results of capital investment statistical observations in the system of indicators adapted to international standards. Currently, these indicators are incomparable with previous data and for some significantly differ from the published results in previous years. Therefore, the figures for 2012-2014 are shown for the information.

During eleven years the fluctuations of indices of capital assets investments in social infrastructure did not have clearly directed trends. This situation discloses the undefined strategy of social infrastructure development in the country and regions and the necessity to develop this in order to improve the quality and accessibility of social services.

An important issue is a limited investment and insufficiency of investment sources. In Ukraine investment activities are carried out by the following sources:

- investments of citizens, non-governmental enterprises, economic associations, unions, civic and religious organizations, and other entities, based on collective ownership;
- public investments made by authorities from the budget, off-budget funds and loan funds; state-owned enterprises and institutions from their own and loan funds;
- foreign investments by foreign citizens, legal persons and states;
- joint investments by individuals and legal entities of Ukraine and foreign states.

A detailed analysis of the investment sources is difficult to be made over the lack of published data on fixed assets investments by local budgets, enterprises and organizations funds and other resources by social infrastructure sectors.

The dynamics of investments financed by the state budget show that the share of the state budget investments in social infrastructure during 2001-2011 fluctuated slightly and increased to 6.4% in 2011.

Until 2008, investments in capital assets of social infrastructure grew from all sources of funding (including the state budget) have been growing. Total amount and share of the state budget investments in education, health care and social assistance, housing, hotels and restaurants has increased. At the same time, the share of the state budget investment in culture and sport, municipal and individual services has declined.

In 2009, investment in capital assets of social infrastructure from all sources decreased significantly: in education by 43% and in health and housing – by more than 50%. The amount and share of invest-

ments of the State budget in 2009 had a similar trend. Thus, investment in education declined by 1.7 times from 525.9 million UAH in 2008 to 311.7 million UAH in 2009. There was an especially reduced investment in higher education – by 2.8 times; investments in health care decreased by 2.5 times from 1000 million to 401.9 million UAH.

The level of investment activity in hotels and restaurants dropped off by 1.5 times - from 29.6 million in 2008 to 19.8 million in 2009. Investment in housing has reduced by more than 2 times from 658 million UAH in 2008 to 271.3 million UAH in 2009. The sharp decline of investment from the state budget was over the lack of budget resources under the financial crisis.

The increase of state budget investments was observed only in primary education (from 17.8 million UAH in 2008 to 20.9 million UAH in 2009); and in culture and sports, which nearly doubled, from 483 million UAH in 2008 to 901 million UAH in 2009. This was due to the sharp growth of investments in sport by almost 7 times, from 117 million UAH in 2008 to 787 million UAH in 2009. This trend continued and investment in sports reached 1.58 billion UAH in 2010 (68.6% of the total investments in sport) and 1.14 billion UAH in 2011 (23.3% of the total investments in sport). This is the result of expenditures by the State program to prepare to host the 2012 UEFA European Championship in Ukraine. The trends of 2010 were uncertain: investment in primary and secondary education increased slightly, while investment in higher education increased by 3.5 times to 282 million and was 47.2% of total investment in education. Such large fluctuations in the amount of investment show the weakness of the strategy of educational sector development. In 2010, investments in health care and social assistance, hotels and restaurants, residential construction increased, but did not exceed those in 2008. In 2011, public investment in social infrastructure and its share in total investment reached the maximum values for the previous 10 years (excluding housing investment and cultural activities and sport).

In 2013-2015 investment activity, including investing in social infrastructure, decreased significantly over the urgency for strengthening Ukraine's national security and social and economic issues related to internal migration of large populations consequently to the military conflict in eastern Ukraine and alleged annexation of the Crimea. The total amount of capital investments decreased by 25% compared to 2013, the amount of investment in education was reduced by 35%; the investments in health and social protection declined by 60%; in art, culture and sport – by 70%; in residential construction – by 17%. There was a significant reduction in capital investment from the state budget: in health care – by 90%, in education – by 53%, in the arts, sport and culture – by 80%. Investments increased only in temporary accommodation by 30% compared to 2013 due to the increase

in capital investment into operation of hotels and other temporary accommodation.

Uncertain trends of social infrastructure investment demonstrate the necessity of developing long term investment strategy to ensure equal access for all citizens to quality social services, especially given the challenges and threats that Ukraine is facing.

From 2001 the dynamics of commissioning social infrastructure facilities (educational institutions, health, culture and arts facilities) had a negative or neutral trend, excluding dwellings that grew steadily until 2013. This trend was characteristic for areas of the Black Sea region (Table 3).

The number of officially endorsed secondary schools, kindergartens, hospitals and outpatient clinics varied from year to year and decreased significantly in 2013-2015 years. The commissioning of new pupil places in secondary schools fell by 12 times as compared to 2009, when the commissioning of schools was the lowest in 15 years. The commissioning outpatient clinics had different tendencies, especially in terms of regions, which related to the network expansion within health care system. The number of hospital beds declined, and since 2012 in any area of the Black Sea region have not introduced any bed.

Table 3

Commissioning social infrastructure facilities³

Social infrastructure facilities	2000	2005	2009	2010	2011	2012	2013	2014 ¹	2015 ¹
Residential buildings, thousand square m by 1000 persons	113	167	140	204	207	237	248	227	259
<i>AR of Crimea</i>	86	143	198	274	258	375	492	*	*
<i>Mykolaiv oblast</i>	78	101	72	112	101	102	104	90	145,0
<i>Odesa oblast</i>	108	188	226	269	334	324	267	373	265,2
<i>Kherson oblast</i>	105	144	69	167	124	163	177	113	106,1
<i>Sevastopol</i>	161	173	403	529	583	648	796	*	*
Secondary schools, pupil places	15392	10586	6064	7116	14648	8532	5564	2616	1256
<i>AR of Crimea</i>	–	1372	–	–	1198	–	100	*	*
<i>Mykolaiv oblast</i>	360	–	562	492	1303	117	–	–	–
<i>Odesa oblast</i>	602	1206	460	–	1830	1435	–	146	100
<i>Kherson oblast</i>	360	–	–	–	–	–	–	–	–
<i>Sevastopol</i>	–	–	500	–	–	–	–	*	*
Pre-schools, places	605	558	599	550	3120	2382	3900	1691	3415
<i>AR of Crimea</i>	–	–	–	–	45	150	–	*	*
<i>Mykolaiv oblast</i>	50	–	–	80	30	95	25	–	–
<i>Odesa oblast</i>	–	–	–	–	71	135	365	145	357
<i>Kherson oblast</i>	–	–	–	–	–	–	–	–	–
<i>Sevastopol</i>	–	–	–	–	–	–	–	*	*
Hospitals, beds	784	853	1007	1051	787	1082	910	207	442
<i>AR of Crimea</i>	–	–	2	–	17	–	–	*	*
<i>Mykolaiv oblast</i>	–	40	–	–	–	–	–	–	–
<i>Odesa oblast</i>	30	148	10	–	157	32	–	–	40
<i>Kherson oblast</i>	–	–	16	60	–	21	–	–	–
<i>Sevastopol</i>	–	–	–	–	19	–	–	*	*
Outpatient clinics, visits per shift	2283	4012	2736	5271	6440	4097	3763	3455	2944
<i>AR of Crimea</i>	–	–	–	–	–	–	25	*	–
<i>Mykolaiv oblast</i>	–	40	20	36	96	233	175	141	144
<i>Odesa oblast</i>	–	36	465	1042	–	185	25	206	714
<i>Kherson oblast</i>	–	100	50	90	95	300	100	31	167
<i>Sevastopol</i>	–	20	20	–	–	75	10	*	*
Clubs and houses of culture, places	1100	900	700	1250	*	*	1574	300	228
<i>AR of Crimea</i>	–	–	–	–	–	–	–	*	*
<i>Mykolaiv oblast</i>	–	–	–	–	–	–	–	–	–
<i>Odesa oblast</i>	–	–	–	400	–	–	–	–	–
<i>Kherson oblast</i>	–	100	–	–	–	–	–	–	–
<i>Sevastopol</i>	–	–	–	–	–	–	–	*	*

* no data; – no commission facilities; ¹ excluding the temporarily occupied territory of the Autonomous Republic of Crimea and Sevastopol.

³ Statistical Yearbook of Ukraine. 2012. State Statistics Service of Ukraine. K., 2014. 552 p. P. 207

From 2000 the commissioning of pre-schools was extra low, excluding the years of 2008, 2011 and 2013 (Table 3). From 2001-2010, the average number of commissioning pupil's places was 650, which is insufficient in terms of the high workload in existing facilities (in 2010 the number of children exceeded the number of pupil places in pre-school by 8.4 thousand (68% of total)). In 2011-2015 significantly more pupil places were commissioned in pre-schools and reached 3900, but the number of pre-schools, where the number of children exceeds the number of seats, increased to 9.5 thousand (68.5% of total seats needed). In the Black Sea region the commissioning of pre-schools was extra low; in Kherson oblast and Sevastopol was not introduced any new pre-school during 15 years.

The number of commissioned dwellings in Ukraine and, in particular, the Black Sea region, grew steadily until 2009, when it decreased in 1.6 times as a consequence of the financial crisis in Ukraine. In rural areas the reduction was in 1.5 times of the previous level whereas in urban areas it was 2.3 times. The decline was significantly influenced by the decrease of commissioned housing erected by individual developers in 2.5 times [12]. During 2010-2012 the number of commissioned dwellings grew steadily.

The structure of capital investment in housing construction by funding sources changed significantly during the period of 2010-2012. (Table 4). Until 2009, private investors constructed their own apartments and houses and contributed about 60% of the total amount. Up to 10% of investments were made through housing mortgage loans from banks and other loans, 11-14% were funds of enterprises and organizations. The funds from public budget did not exceed 5% of housing investment. In 2010, the

amount and share of contribution by private investors (into own households) increased substantially and continued grow further.

The maintenance of existing housing and keeping it in good condition is important in the view of housing challenges in Ukraine. In 2014 the total area of the completely renovated dwelling was 815 thousand sq. m. (including 807 in urban areas and 8 in rural areas); the costs constituted 282.4 million UAH (278.2 million UAH in urban areas and 4.2 million UAH in rural areas). The cost of capital renovations and repairs was 346.6 UAH per sq. m.

Today, the State budget is almost the only source for housing capital renovation/repair. However, the limited funding resulted in the reduction of the works and deterioration of real estate technical conditions, i.e. accelerated aging and service outflow. In 2014 almost 5 million sq. m. of housing (109.5 thousand residents [14]) with high decay rate (dilapidated and wrecking) were in operation. Because of dilapidation and wrecking in 2014 significant area of housing was written-off (almost 335 thousand sq. m.).

In the context of social infrastructure one general challenge is the increasing load on the social infrastructure over growing number of consumers. The unsatisfactory state of financial and technical support for social sphere is complicated by the excessive load. As a result of the conflict in eastern Ukraine and the Crimea, more than 1 million of Ukrainians were forced to migrate; half of them are children, disabled and the elderly. Particularly, pressure on social infrastructure increased in Donetsk, Kharkiv, Luhansk, Kyiv, Zaporizhzhia and Dnipropetrovsk regions which received 82% of internally displaced persons. Both government and the population are facing critical problems related to health care provision (including

Table 4

Capital assets investment in housing construction by funding sources, 2006-2014⁴

Funding sources	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
from them:									
State budget funds	3.4	2.0	1.9	1.5	0.7	1.3	0.6	0.4	0.3
Local budget funds	1.5	1.1	1.1	1.5	0.5	0.6	-	-	-
Own funds of enterprises and organizations	11.4	12.5	14.8	14.3	7.7	8.8	-	-	-
Housing mortgages loans from banks and other loans	7.2	9.8	8.9	10.7	4.4	6.1	-	-	-
Households' funds for construction of their own housing	65.3	60.8	59.3	57.1	74.4	68.9	65.3	59.9	46.2
Other funds	11.2	13.9	14.0	15.0	12.3	14.3	-	-	-

- no data

⁴ Capital investment in Ukraine. 2011. Statistical Bulletin. Kyiv.State Statistics Committee, 2012. 44 p. P. 26-30; Capital investment in Ukraine for 2012. Statistical Bulletin. Kyiv. State Statistics Committee, 2013. P. 21-25; Regions of Ukraine.2015. Statistical publication Part II. Kyiv. State Statistics Service of Ukraine. 2015. P. 310-312

provision of free drugs), provision of preschool and school education; provision of shelter, etc.

This situation requires development of a strategy to overcome the crisis. With the limited state financial resources, it is necessary to attract private and foreign investors. The organizational and legal mechanisms of interaction between government, business and social institutions should be developed in order to attract corporate investment in the social sphere. These can include public-private partnership in large infrastructure projects; multi-channel financing mechanisms; use the opportunities of financial leasing and credit mechanisms, etc.

Social infrastructure is important for the progress of society and the State is responsible for supporting and growing it. Thus, due to the State's limited financial resources, it is necessary to update and improve the investment policy to increase cost efficiency and meet the needs of society. State and local government budgets do not have sufficient resources to invest in the social sector. A perspective solution to the investment problem in housing, culture and tourism, education and health care is to combine public and private sources for investment programs and projects.

Domestic and international experts emphasize the necessity to attract private capital for both developed and transition economies [6, 7, 8, 13]. Attracting long-term private capital is required to ensure the reliable and uninterrupted operation of infrastructure and provision of sufficient public services.

Conclusions. The article outlines the main trends and characteristics of investment in social infrastructure in Ukraine and the Black Sea region in the period of 2001-2014. The dynamics of capital asset investment in social infrastructure had no clear tendencies in oblasts of the Black Sea region and Ukraine as a whole. Decreased investments into the social sector, including investments from the state budget suggest absence of a consistent strategy both in developing and supporting social infrastructure and improvement of the quality and accessibility of social services. The main trends are:

The role of public investment in education and health has increased significantly over the period of 2001-2012 and accounts for almost 30% of total investments. In the Black Sea region and Ukraine as a whole the state budget investments were insignificant in housing construction, trade, hotels and restaurants.

The numbers of commissioned social facilities varied greatly but tended to decrease. The number of commissioned pre-schools was extremely low in the Black Sea region: in Kherson oblast and Sevastopol was not introduced any new pre-school during 15 years. The numbers of commissioned housing was increasing constantly but varied significantly per region and type of area (e.g. rural/urban).

In Ukraine, and in particular in oblasts of the Black Sea region, the specifics of the investment structure by source of construction financing is as follows: the

share of investment by private funds of residents in construction of stand-alone housing has increased; the share of investment by private funds of residents, housing mortgage loans from banks, and other loans for construction of private apartments decreased; the share of investment by the state and local budgets and enterprises and organizations decreased.

Accumulation outdated and physically decayed assets, reduction of capital assets growth rate adversely affect the effectiveness of social infrastructure sectors. Consequently, modernization is critical for social reforms, which requires considerable investments.

Considering limited state budget, a mechanism of stimulation of investment in social infrastructure should be developed, which uses regional features of the Black Sea region and attracts more private investment. Social infrastructure has an important role in accelerating socio-economic development, especially in tourist-recreational area, which is the Black Sea region, in the formation of labour potential and improving the population's standard of living.

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