

Strategic Management Approaches in the System of State Regulation of Recreational Business: Experience of Eastern European Countries

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ABSTRACT

The article considers the issues of improving the system of state regulation of the recreational business as one of the significant areas of socio-economic development of the state. The relevance of the study is due to the growing role of the recreational sector in the structure of the national economy, the need to form effective mechanisms of state management, ensure a competitive environment and sustainable development of entrepreneurial activity. The purpose of the study is to substantiate strategic management approaches in the system of state regulation of the recreational business based on the study of the experience of Eastern European countries. The methodological basis of the study is a systematic and comprehensive approach, methods of comparative analysis, generalization of scientific approaches and assessment of instruments of state influence on the development of the recreational sector. The study analyzes legislative and economic mechanisms of regulation aimed at limiting monopolistic manifestations, supporting competition and increasing the efficiency of the functioning of recreational business entities. The scientific significance of the study lies in identifying the features of the formation of models of state regulation of the recreational sector in Eastern European countries and determining the directions of their adaptation to ensure sustainable socio-economic development. The practical significance of the study is reflected in the possibility of using the proposed management approaches when developing recreational business strategies in countries with developing economies.

KEYWORDS

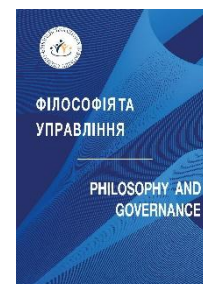
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Стратегічні управлінські підходи в системі державного регулювання рекреаційного бізнесу: досвід країн Східної Європи

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СТАТТЯ	АНОТАЦІЯ
Дослідницька DOI: 10.70651/3041-248X/2026.5.07 Отримана: 30.03.2026 р. Прийнята: 03.05.2026 р. Опублікована: 07.05.2026 р. Авторське право © 2026 автора  Цей твір ліцензовано на умовах Ліцензії Creative Commons «Із Зазначенням Авторства – Некомерційна 4.0 Міжнародна» (CC BY-NC 4.0). 	У статті розглядаються питання вдосконалення системи державного регулювання рекреаційного бізнесу як одного із значних напрямів соціально-економічного розвитку держави. Актуальність дослідження зумовлена зростаючою роллю рекреаційної сфери у структурі національної економіки, необхідністю формування ефективних механізмів державного управління, забезпечення конкурентного середовища та сталого розвитку підприємницької діяльності. Метою дослідження є обґрунтування стратегічних управлінських підходів у системі державного регулювання рекреаційного бізнесу на основі вивчення досвіду країн Східної Європи. Методологічну основу дослідження складають системний та комплексний підходи, методи порівняльного аналізу, узагальнення наукових підходів та оцінки інструментів державного впливу на розвиток рекреаційної сфери. В рамках дослідження аналізуються законодавчі та економічні механізми регулювання, спрямовані на обмеження монополістичних проявів, підтримку конкуренції та підвищення ефективності функціонування суб'єктів рекреаційного бізнесу. Наукова значущість дослідження полягає у виявленні особливостей формування моделей державного регулювання рекреаційної сфери у країнах Східної Європи та визначенні напрямів їх адаптації для забезпечення сталого соціально-економічного розвитку. Практична значущість дослідження відбивається у можливості використання запропонованих управлінських підходів при розробці стратегій рекреаційного бізнесу в державах з економікою, що розвивається. КЛЮЧОВІ СЛОВА стратегія, управлінські підходи, державне регулювання, рекреаційних бізнес, індустрія, Східна Європа

1. Introduction

The economic development of the state is largely determined by the effectiveness of the management system. Evaluation of the effectiveness of public administration is one of the determining areas of research on the effectiveness of the functioning of the public sector, especially in the context of managing socio-economic processes. The success of the implementation of state policy is evidenced by the level of development of competitive relations in the economy, since they reflect the quality of the institutional and regulatory conditions created by the state. At the same time, it is advisable to assess the final effect of managerial decisions by long-term macroeconomic indicators, primarily by the dynamics of economic growth, which characterizes the ability of state policy to ensure sustainable socio-economic development of the country.

State regulation is a set of measures implemented by public authorities in order to protect the interests of consumers, prevent and limit the manifestations of monopoly behavior of business entities, as well as provide conditions for the effective functioning of the competitive environment. Measures of state regulation are usually divided into legislative and economic. Legislative measures include limiting market concentration, controlling economic concentration and merger processes, prohibiting anti-competitive agreements, market division, price collusion, and other practices that restrict competition. Economic measures include indirect regulatory instruments, such as taxation of products and profits, as well as direct methods of influence, which involve the establishment of marginal levels of prices and profits.

In recent years, the recreational sphere has occupied an increasingly significant place in the structure of the national economy of most countries, acting as an important element of socio-economic development. Having formed in the Western countries as an industry, in the countries of Eastern Europe it is actively developing in the format of entrepreneurial relations. The expansion of the scale of recreational activities necessitates its systematization, improvement of state control mechanisms, as well as increasing the effectiveness of state regulation aimed at ensuring the sustainable functioning and development of this area.

2. Literature Review

The implementation of state control of various spheres of activity is implemented in most countries of the world [4; 10; 12; 15]. From time to time, certain business and economic areas require purposeful state regulation, which is described in several works [2; 7; 14; 19]. The basic principles of business process management have been scientifically substantiated [8; 11; 20; 25]. However, the processes of relationships in the recreational business have been studied only fragmentarily. In our previous publications [21–25], the general system of functioning of the recreational industry, the art of forming an effective management team and human resource management in organizations in this field of activity were highlighted. This study focuses on determining the content of recreational business and the system of state regulation used in Eastern European countries.

3. Problem Statement

The purpose of the study is to substantiate strategic managerial approaches in the system of state regulation of the recreational business based on studying the experience of Eastern European countries.

4. Methods and Materials

The methodological basis of the study is a systematic and integrated approach to studying the processes of state regulation and development of the recreational sphere. Within the framework of the study, methods of analysis and synthesis of scientific approaches to assessing the effectiveness of public administration, comparative analysis of mechanisms for regulating the competitive environment, as well as the study of regulatory and economic instruments of the state's influence on the activities of business entities are used. The study is based on the consideration of the relationship between the quality of state regulation, the development of competitive relations and the dynamics of socio-economic development. Particular attention is paid to the analysis of direct and indirect methods of state

influence, as well as to the assessment of their role in ensuring the sustainable functioning of the recreational sphere as an element of the national economy.

5. Results and Discussion

The development of the recreational industry in Eastern Europe confirms that its successful functioning is based on the integrated use of natural resource potential, historical and cultural values and modern mechanisms for managing the tourism industry. The priority areas of state policy in Poland, the Czech Republic, Slovakia, Bulgaria, Hungary and Romania were the renewal of resort and health infrastructure, the development of protected areas, support for ecological and medical tourism, as well as the restoration of cultural heritage sites that form the tourist attractiveness of the territories. A significant source of funding for these transformations is the programs of the European Union, which ensure the modernization of the transport network, the improvement of tourist services and the increase in the recognition of regional tourist destinations. Thanks to this approach, the recreational sector has become one of the drivers of economic growth, ensuring the expansion of employment, an increase in revenues to local budgets, the intensification of entrepreneurial activity and the strengthening of the competitive positions of the countries of the region in the international tourism market.

Entrepreneurial activity in the recreational sphere of Eastern European countries is developing in the conditions of constant adaptation to the needs of both the national and world tourism market. One of the characteristic features of the functioning of the industry is the widespread use of models of cooperation between the public and private sectors, as well as the active introduction of digital tools in management, marketing and interaction with consumers. In an effort to strengthen their market positions, business entities are expanding the range of tourist and recreational services, integrating health, nature-oriented, rural and cultural-educational programs into single comprehensive offers. One of the key areas of development remains the modernization of accommodation facilities, improvement of service standards, automation of booking processes and the use of digital channels to promote tourist products. Along with positive trends, enterprises in the industry are forced to respond to several external risks, including uneven tourist flows throughout the year, increased competition, the need to comply with international requirements for the quality of services and the principles of sustainable development, as well as the impact of economic instability and geopolitical factors. Under these conditions, competitiveness is ensured primarily through innovative management solutions, digital transformation, greening of activities and continuous improvement of business models.

State control over the conduct of recreational business in Eastern European countries is based on a combination of legal regulation, licensing of certain types of activities, quality control of services and compliance with environmental requirements. One of the priority areas of state policy in the field of recreation and tourism is the creation of safe conditions for recreation, rational use of natural resources and preservation of historical and cultural heritage. Particular attention is paid to compliance with the requirements of sanitary, environmental and construction legislation, which determines the proper level of quality of tourist infrastructure. In the countries of the European Union, the legal regulation of the industry is formed in accordance with uniform European approaches, which cover consumer protection, environmental protection, the development of sustainable tourism and ensuring fair competition in the market of tourist services. Along with regulatory mechanisms, the state uses economic incentives, including strategic planning for the development of territories, financing of infrastructure projects, grant support, and tax incentives for business entities. The combination of administrative and financial mechanisms creates prerequisites for improving the quality of the recreational product, intensifying investment activities and ensuring the long-term sustainability of the development of the recreational industry.

When assessing the effectiveness of state regulation of the recreational business based on the experience of Eastern European countries, two main methodological approaches can be used – direct and indirect. Evaluation of effectiveness using a direct approach involves an analysis of the relationship between the volume of state support aimed at the development and regulation of recreational activities and the actual results of the industry. At the same time, the application of this approach is complicated by difficulties in determining and quantifying the final consequences of state influence. First of all, it concerns the assessment of changes in the competitive environment of the recreational market, which are formed under the influence of a complex of interrelated economic, institutional and managerial

factors. The use of macroeconomic indicators, such as gross domestic product or economic growth rates, as a criterion for the effectiveness of economic growth, does not allow to fully assess the effectiveness of state regulation, since their dynamics are determined not only by the state of the recreational business, but also by the impact of investment activity, macroeconomic conditions, consumer demand and other factors. In this case, an indirect approach based on the analysis of the relationship between the instruments of state regulation and indicators of the development of recreational business in Eastern Europe is considered more promising. To implement this approach, methods of statistical analysis are widely used [6; 9; 16], including the calculation of correlation coefficients, covariance and other indicators that allow assessing the level of influence of state regulation on the development of the competitive environment and the efficiency of the recreational business. This approach provides a more comprehensive and objective assessment of the effectiveness of state regulation of the recreational business, which reflects the high practical significance in the development of state policy measures in Eastern Europe.

The analysis of the current stage of state regulation of the recreational business in the countries of Eastern Europe shows the effectiveness of state policy and is determined by several patterns. Firstly, the results of state regulation of the recreational business are characterized by the cyclical nature of development, due to changes in the macroeconomic situation, investment activity, tourist demand and institutional environment. Secondly, the strategic priorities of state policy in the countries of Eastern Europe significantly affect the development of the recreational business, determining the directions of modernization of tourist infrastructure, increasing the investment attractiveness of territories and rational use of recreational potential. At the same time, state regulation can perform both a stimulating function, creating favorable conditions for the development of recreational business with the help of financial, organizational and regulatory support, and a function that limits the introduction of environmental, administrative and legal requirements aimed at ensuring the sustainable use of natural and cultural recreational resources. Based on the experience of Eastern European countries, the effectiveness of the development of recreational business largely depends on the balance of state policy, which ensures a combination of economic interests, social significance of the industry and the principles of sustainable development.

Of particular scientific interest are the studies [5; 13], devoted to the identification of patterns and assessment of the parameters of development of socio-economic systems. Transformation processes as a natural stage of evolution, which involves a qualitative change in the structure, mechanisms of functioning and principles of system development, are the most highlighted. As for the recreational business, in the countries of Eastern Europe, transformation processes are considered as a controlled phenomenon, since the direction and intensity of transformations are largely determined by the effectiveness of state regulation and strategic priorities for the development of the industry. The effective functioning of the recreational business in Eastern European countries largely depends on consistent government policy, since in the absence of proper regulatory influence, the industry becomes more vulnerable to economic downturns, fluctuations in tourist flows, environmental threats and geopolitical instability. The cumulative impact of these factors can restrain investment activity, weaken the market positions of business entities and negatively affect the competitiveness of the recreational sector. In this regard, the key task of public administration is to create institutional, economic and organizational prerequisites for sustainable modernization of the recreational sector, which will contribute to its long-term development, increase adaptability to modern challenges and strengthen the effectiveness of functioning.

According to the experience of the countries of Eastern Europe, it is advisable to turn to the analysis of existing theoretical and methodological approaches [3; 17; 18], used to identify the stages of cyclical development of socio-economic systems. The practice of these studies shows that the determination of the stages of cyclical development that affect the functioning of the recreational business is mainly based on the use of statistical data sets and methods of quantitative analysis. Among the most well-known theoretical approaches, the Samuelson-Hicks model stands out [1], which is traditionally used to study cyclical processes by analyzing the relationship between the value of the accelerator and the dynamics of consumption. However, the possibilities of using this model in the study of recreational business, as the experience of Eastern European countries shows, are limited, because its development is aimed at the functioning of the market in a theoretically perfect economic environment and does not take into account the influence of institutional, infrastructural, environmental and regional factors. Therefore, the recreational business requires the use of complex

methodological approaches that combine statistical methods, econometric modeling and assessment of specific factors that determine the development of the recreational industry in modern conditions.

The choice of instruments of state regulation and the determination of strategic directions of development should be carried out taking into account the current stage of the life cycle of the socio-economic system within which the recreational business operates in the countries of Eastern Europe. The effectiveness of state policy in this area largely depends on the timely adaptation of management mechanisms to changes in the conditions of economic development, the dynamics of tourist demand and the peculiarities of the functioning of the recreational industry. This necessitates the development and application of scientifically based methods for identifying the stage of cyclical development, which allow you to objectively assess the current state of the recreational business. Determining the appropriate stage of development creates the basis for choosing the most effective instruments of state regulation, forming strategic priorities and making managerial decisions aimed at ensuring sustainable development, increasing the competitiveness of the recreational business and rational use of the recreational potential of Eastern European countries.

In accordance with the concept of the life cycle of the recreational business in the countries of Eastern Europe, it is advisable to establish a relationship between the change in the indicators that characterize the implementation of state policy and the dynamics of functional and resulting indicators of the development of the recreational industry. This approach allows you to determine the current stage of cyclical development of the recreational business and assess the effectiveness of the applied instruments of state regulation. To do this, it is necessary to disclose the content of each stage of the life cycle and justify the criteria for its identification.

The stage of recovery is characterized by the fact that the growth rate of indicators reflecting the functional component of the state regulation of the recreational business exceeds the growth rate of the resulting indicators. This indicates the intensification of state policy, the expansion of the scale of application of regulatory instruments and an increase in the intensity of support for the industry. The economic system does not yet have time to fully adapt to the measures being implemented, as a result of which positive results of the development of the recreational business manifests itself with a certain time lag.

The stage of stability occurs under the conditions of relative stabilization of state policy, when the further increase in the scale of regulatory influence becomes less intense. At the same time, the indicators characterizing the results of the development of the recreational business continue to demonstrate positive dynamics, reflecting the accumulated effect of previously implemented measures of state regulation. This stage indicates the achievement of sustainable functioning of the industry and the implementation of strategic goals of state policy.

The stage of high efficiency is characterized by a decrease in the intensity of the use of state regulation instruments while maintaining high growth rates of the resulting indicators of the recreational business. This situation indicates the high efficiency of previously adopted management decisions that ensure the sustainable development of the recreational industry. The duration of this stage is determined by the quality of state policy, the level of institutional development and the ability of the industry to maintain achieved competitive advantages without significantly strengthening the regulatory influence.

The stage of decline is characterized by a gradual reduction in the scale of state regulation of the recreational business and a decrease in the efficiency of the industry. At the same time, the rate of decrease in functional indicators is lower than the rate of deterioration of the resulting indicators, since the measures of state support implemented in previous periods continue to have a certain positive impact. However, their effect is gradually weakening, which leads to a decrease in the rate of development of the recreational business.

The crisis stage is a transitional stage of cyclical development, when state policy begins to intensify in the form of the introduction of new tools for regulating and supporting the recreational business. Despite the increase in functional indicators, the resulting indicators continue to demonstrate negative dynamics due to the inertial nature of economic processes and accumulated structural problems of the recreational business to a new stage of growth.

Thus, based on the experience of Eastern European countries, the identification of the stages of cyclical development of the recreational business should be carried out on the basis of a comprehensive assessment of the relationship between the indicators of state regulation and the results of the functioning of the industry. The allocation of five consecutive stages of the life cycle (Fig. 1) makes it

possible to objectively assess the current state of the recreational industry, forecast the directions of its further development and form effective mechanisms of state policy that ensure the sustainable development of the recreational business.

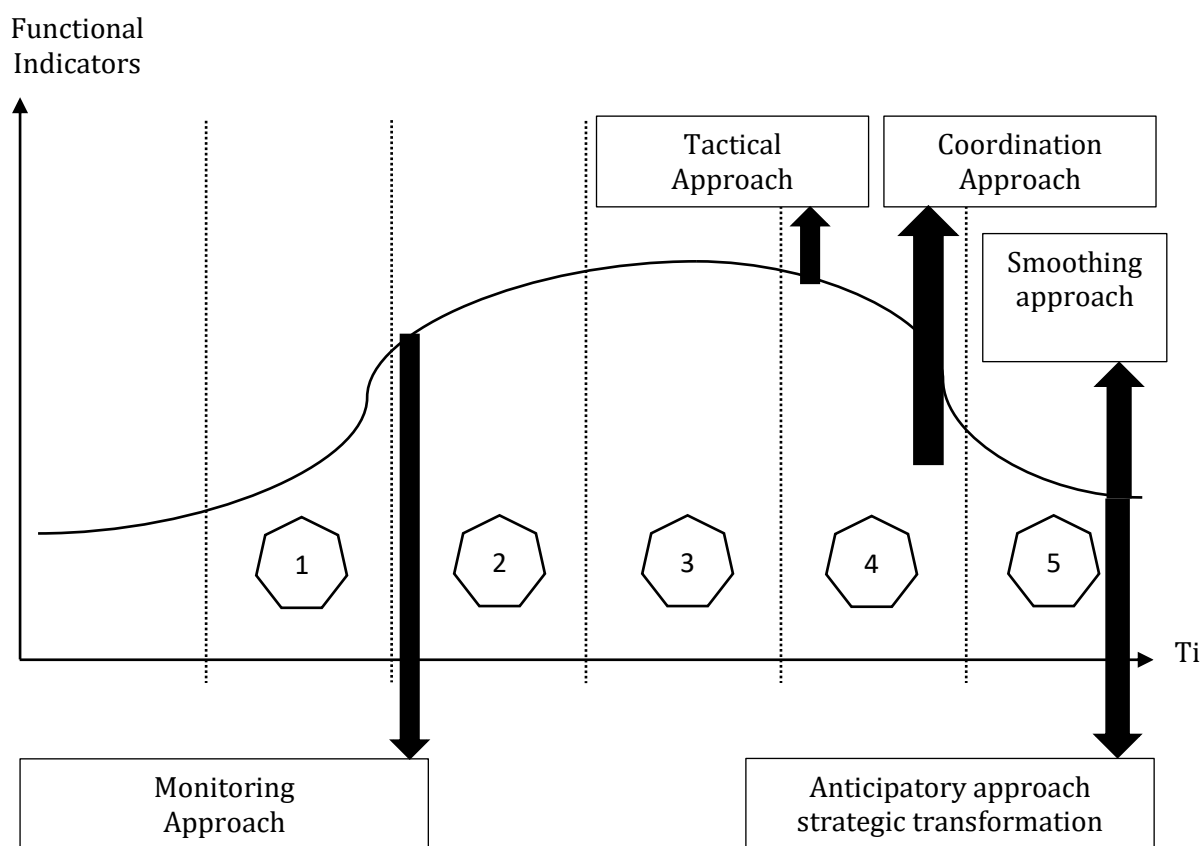


Figure 1. Graphical reflection of the cyclical implementation of the system of state regulation of the recreational business and the application of strategic management approaches

Source: Compiled by the author

As shown in Fig. 1, each stage of development of the economic system can be corresponded to a certain stage of cyclical development of the recreational business. The proposed classification includes five successive stages: 1 – rise, 2 – stability, 3 – high efficiency, 4 – recession, and 5 – crisis. The allocation of these stages allows you to determine the current state of the recreational business, assess the effectiveness of the implemented state policy, and timely adjust the applicable regulatory mechanisms. This approach creates a methodological basis for monitoring the development of the recreational industry and forecasting the further dynamics of the industry.

Taking into account the cyclical implementation of the system of state regulation of the recreational business in the countries of Eastern Europe, the key task is to ensure the longest possible functioning of the industry at the stages of growth, stability and high efficiency. This involves the use of a set of economic, organizational and institutional tools aimed at stimulating investment activity, increasing the competitiveness of the recreational business, developing tourism infrastructure and improving the quality of services. State regulation should be focused on minimizing the negative consequences of the stages of recession and crisis by reducing their duration and reducing the scale of impact on the recreational business. The introduction of these measures will create prerequisites for strengthening the stability of the recreational sector, increasing the ability to effectively respond to modern economic, environmental and social challenges, and will also provide the basis for long-term socio-economic growth.

In the strategic aspect, the system of state regulation of the recreational business in the countries of Eastern Europe is formed taking into account the current stage of cyclical development of the industry. The use of differentiated management approaches allows timely adaptation of state policy instruments to the constantly changing conditions of the recreational business, ensuring its sustainable development, increasing competitiveness and effective use of recreational potential.

The *stages of growth* and *stability* are characterized by favorable dynamics of the development of the recreational business, which indicates the effectiveness of the mechanisms of state regulation that are being implemented. At these stages, positive trends in the socio-economic development of certain territories are preserved, and the applied state policy instruments generally correspond to the set strategic goals. However, the preservation of the achieved results requires constant monitoring and timely adaptation of individual elements of the regulatory influence. In the absence of supportive measures, there is a risk that the recreational business will go into recession due to changes in the external economic environment, investment activity, or tourist demand. In this regard, continuous monitoring of the effectiveness of state policy becomes a priority, which provides for a systematic analysis of the results of regulation and the introduction of point adjustments to existing tactical measures without changing the overall development strategy. This approach is especially relevant for countries where regional differences in the level of development of recreational business necessitate flexible adaptation of management decisions to national and territorial characteristics. In terms of its content, this mechanism can be characterized as a *monitoring approach* focused on supporting the sustainable development of the recreational business through constant monitoring and minimal adjustment of the implemented state regulatory instruments.

The *stage of high efficiency* is characterized by achieving the maximum effectiveness of state regulation of the recreational business, when previously implemented measures ensure a steady growth of key indicators of this area and a high level of its competitiveness. However, it is at this stage that there is a need for strategic forecasting of further development, since the regularities of cyclical dynamics indicate a high probability of the next beginning of the recession stage. The difficulty is the uncertainty of the duration of the period of high efficiency, which depends on the quality of public administration, investment activity, the state of the tourist market and the influence of external factors. Under such conditions, the state policy in the field of recreational business development should combine support for the achieved level of functioning of the industry with proactive management decisions aimed at ensuring its long-term sustainability. Strategic forecasting, stimulation of innovations, renewal of recreational infrastructure and improvement of institutional mechanisms that contribute to maintaining high performance of the industry and minimizing the risks of crisis trends are of decisive importance in this process. Insufficient flexibility of public administration, untimely response to changes in the external environment, or the use of ineffective regulatory tools can accelerate the development of negative cyclical processes that worsen the conditions for the functioning of recreational entities.

At the stage of high efficiency, special attention should be paid to improving the tactical tools of state regulation of the recreational business, which provides for its constant adjustment and preparation for gradual transformation on the eve of the recession stage. The need for such an approach is due to the presence of a time lag between the implementation of state measures and their practical effect, which usually ranges from one to three years. It should be aimed at mitigating the negative consequences of a possible recession, reducing its duration and preventing the development of crisis phenomena in the recreational business. It is advisable to consider this mechanism as a *tactical approach* based on the preventive adaptation of state policy to the expected changes in cyclical development. However, the possibilities of such transformation are limited, since at the stage of high efficiency, the recreational business is not yet ready for the full-scale application of state regulation instruments characteristic of the recession stage.

The *stage of decline* in the development of the recreational business is characterized by a decrease in the effectiveness of state regulation and a gradual weakening of the effectiveness of the tools used to support the industry. If at the previous stage the high efficiency of state policy provided significant results with a relatively low intensity of regulatory influence, then in the conditions of recession the reaction of the recreational business to similar measures becomes less pronounced. The duration of this stage is largely determined by the quality of public administration and the timeliness of the decisions made. At the same time, the effectiveness of the implemented state policy depends on its compliance with the current needs of the development of the recreational business: the use of adequate tools allows for reducing the duration of the recession and minimizing the depth of crisis processes, while insufficiently substantiated measures can aggravate negative trends and increase the duration of crisis phenomena.

In these conditions, it is of particular importance to improve the strategic tools of state regulation of the recreational business, which provides for constant monitoring of the stability of the industry, the development of a long-term strategy for its development and the preparation of mechanisms for a

proactive response to the deterioration of the economic situation. The priority task is to coordinate strategic and tactical measures of state policy aimed at mitigating the consequences of the recession, supporting recreational business entities and creating preconditions for further transition to the stage of sustainable growth. It is advisable to define such a mechanism of state regulation as *a coordination approach* that ensures the coordinated application of management tools and the formation of conditions for increasing the sustainability and competitiveness of the recreational business.

The stage of crisis in the implementation of the recreational business is characterized by minimal effectiveness of the instruments of state regulation, despite the strengthening of the activity of state policy and the application of measures of strategic transformation. This stage reflects the most difficult stage of cyclical development, in which the low effectiveness of the regulatory influence remains, and the reaction of the recreational business to the measures taken remains limited. The main task of state regulation is to reduce the duration of the crisis period, minimizing negative socio-economic consequences and creating conditions for the transition to a new stage of recovery. At the same time, the effectiveness of the anti-crisis policy is largely determined by the quality of management decisions made at the previous stages of high efficiency and recession: the correspondence of the applied tools to the needs of the development of the recreational business contributes to the accelerated recovery of the industry, while the insufficient effectiveness of state policy can lead to a protracted crisis.

At the stage of crisis, the complex application of strategic and tactical tools of state regulation of recreational business is of particular importance. Depending on the degree of preparedness of the public administration system, two complementary approaches can be used. The first is *the approach of anticipatory strategic transformation*, focused on improving the strategic mechanisms of state policy and the formation of new priorities for the sustainable development of the recreational business. The second is *the smoothing approach*, which involves the implementation of a set of supportive tactical measures aimed at reducing the depth of crisis phenomena and accelerating the recovery of the industry. The coordinated application of these approaches allows for increasing the effectiveness of state regulation, minimizing the consequences of the crisis and ensuring the formation of prerequisites for further sustainable development of the recreational business.

Thus, based on the experience of Eastern European countries, effective state regulation of the recreational business should be based on ensuring differentiation, which involves taking into account the stage of cyclical development of the industry and the level of elasticity of regulatory influence. In this case, the elasticity of state regulation should be understood as the degree of interconnection between changes in state policy instruments and the dynamics of the development of the recreational business, which is assessed both by the scale of changes (high or low elasticity) and by their direction (positive or negative). This method of organization allows you to adapt strategic and tactical measures of state regulation to the current state of the recreational business, minimize the duration of the stages of recession and crisis, as well as create conditions for the transition of the industry to sustainable development and increase its competitiveness.

6. Conclusions

The effectiveness of state regulation of the recreational business in the countries of Eastern Europe is determined by a set of interrelated external and internal factors that have a complex impact on the dynamics of the industry's development. The external determinants include national and international conditions for the functioning of the recreational business, including the state of the world tourism conjuncture, the level of integration of Eastern European countries into the international economic space, changes in consumer demand, investment processes, macroeconomic fluctuations and the impact of global socio-economic challenges. Internal factors are primarily related to the content, quality and consistency of the implementation of state policy in the field of recreational business, including the effectiveness of regulatory instruments, institutional security, strategic development priorities and the ability of state bodies to adapt to changing conditions.

The analysis allows us to conclude that the key internal determinant of the effectiveness of state regulation of the recreational business in the countries of Eastern Europe is the cyclical nature of the implementation of state policy. This cycle is determined both by the objective regularities of the development of economic systems and by the degree of completion of individual stages of the implementation of strategic directions of state regulation. In the process of development of the recreational business, state policy goes through successive stages, reflecting a change in the level of

effectiveness of regulatory influence: from the stages of recovery and stability to the stage of high efficiency, subsequent recession and crisis. Each of these stages requires the use of an appropriate set of strategic approaches and tactical instruments of state regulation.

It has been established that the effectiveness of state policy on recreational business in Eastern European countries depends not only on the volume and intensity of regulatory influence, but also on its compliance with the current stage of cyclical development of the industry. Untimely application of state regulation instruments or inconsistency of the content of state policy with the needs of the development of recreational business can lead to a decrease in the effectiveness of management, an increase in crisis manifestations and an increase in the duration of negative stages of development. At the same time, the use of a differentiated approach to state regulation, which takes into account the cyclical dynamics of the recreational business, allows for an increase in the stability of the industry, minimizes the duration of recessions and crises, as well as ensuring the transition of developing countries to higher levels of the recreational industry.

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