Topical issues of improving the financial system of sports educational institutions

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Abstract

Purpose: Improving the financial system of sports educational institutions

Methods: analysis of scientific and methodological literature, pedagogical observation, pedagogical testing, and mathematical statistical methods.

Results: In Uzbekistan, sports educational institutions utilize funds from the state budget, local and central government funds, the private sector, and donor organizations. Government financial support in this area serves as a crucial factor in fostering national sports success. In addition, these institutions have access to funding opportunities such as savings, grants, and sponsorships. To reduce financial challenges, it is essential to develop self-financing mechanisms. Although this is a relatively new approach, in the past two years, initiatives have been launched, and mutually beneficial cooperation between private businesses and the state has begun to take shape. For instance, a total of 9 public-private partnership (PPP) projects were successfully implemented in the Andijan, Bukhara, Namangan, Fergana regions, and Tashkent city. As a result, investments worth 46 billion UZS were attracted from the private sector for the development of sports infrastructure, and more than 100 new jobs were created. This has led to nearly 10% of the average annual budget allocated to sports, or approximately 30% of the projected 2025 funding, being absorbed through private investment under the national programs for the development of Uzbekistan's social and production infrastructure.Therefore, private investments attracted into the sector are accelerating efforts to create favorable and necessary conditions for sports. It is now important to prioritize the implementation of such projects in other regions of the republic as well.

Conlcusion: Improving the financial system of sports educational institutions is currently one of the most urgent tasks in the development of the social sector of the economy. By increasing the efficiency of financing educational institutions, it becomes possible to train highly qualified specialists, cultivate competitive professionals in the field of sports, and develop infrastructure that meets international standards. To ensure the transparency and efficiency of financial processes, it is necessary to introduce management mechanisms based on the principles of a market economy.

Keywords: sports educational institutions, financial system, public-private partnership, material and technical base, private sector, innovative technologies, international experience, financial stability.

Introduction

Sports educational institutions play an important role in the development of the sports sector of every country. In the Republic of Uzbekistan, the development of science, the conduct of scientific research in all fields, and the implementation of scientific results into practice are currently considered priority areas of state policy. In particular, the Presidential Decree No. PF-6097 dated October 29, 2020, "On the Approval of the Concept for the Development of Science until 2030," emphasizes ensuring the implementation and monitoring of tasks in various areas. Furthermore, measures outlined in the Presidential Decree No. PQ-5279 dated November 5, 2021, "On Measures to Further Improve the Quality of Forming a Reserve of Athletes in Olympic and Paralympic Sports through the Fundamental Improvement of the Sports Education System," as well as Decree No. PQ-268 dated June 6, 2022, "On Measures for Organizing the Activities of State Sports Educational Institutions on a Completely New Systemic Basis," and Cabinet of Ministers Resolution No. 122 dated March 4, 2020, "On Measures to Further Improve the System of Selecting Athletes for National Teams in Sports," are all aimed at supporting the development of this field.

A number of scholars have conducted research on improving the financial system of sports educational institutions. For instance, A. Asefi and A. Nosrati (2020), K.I. Elmoze-Osterlund, E.B. Iversen (2020), N.I. Heredia, M. Fernandez, E. Duran, K.P. Kohl, V. Ranjit, N. Van Den, and A.E. Berg (2020) have carried out significant studies in the field of sports management. J. Jones, T. Hen, M. Kanters, and M. Bocarro (2020) support the application of public-private partnerships in the development of the financial systems of sports educational institutions. A.A. Mustafina, G.N. Kaigorodova -Pirkova, K.G. D. R. Aliakina, and G.R. Bagautdinova (2018) emphasize the development of new management models for the effective governance of the financial systems of such institutions. Sh.I. Khasanov (Uzbekistan) has conducted scientific work focused on ensuring the financial stability of sports educational in-

stitutions in Uzbekistan. G. Prepheter (2020) places special emphasis on the use of innovative financial technologies in improving the financial systems of these institutions. The current global economic and social conditions demand the modernization of the financial management and systems of sports educational institutions in accordance with modern requirements. With the growing importance and popularization of sports, the demand for and financial expenditures on it have also increased significantly. Therefore, the renewal and improvement of the financial systems of sports educational institutions is a vital issue today.

Table 1. Urgent Issues and Justifying Mechanisms for Improving the Financial System of Sports Educational Institutions

№	Urgent Issue	Justifying Mechanism	Note
1	Diversification of financial resources	Effective cooperation between the public and private sectors	It is necessary to attract private sector investments into sports education and ensure government support for such initiatives.
2	Introduction of innovative financial technologies	Platforms and "Sports Bonds"	Using new financial technologies to attract funding and increase the efficiency of the sports education system.
3	Attraction of private investments	Public-private partnerships to attract private sector involvement	Introducing various models of cooperation to attract funds from the private sector.
4	Modernization of sports infrastructure	Expanded financial resources, government support, and loans	Creating additional financial resources to improve the physical and financial infrastructure of sports institutions.
5	Improvement of management efficiency	Modern management technologies and new financial management models	Efficient management of financial resources in the sports education system through new management systems and mechanisms.
6	Mobilization of additional funds to enhance the quality of education	Innovative grants, international financial assistance, and government programs	Securing additional financial means to improve the quality of education.
7	Increasing the competitiveness of sports education	Collaboration with sponsors and brands, international sports organizations	Developing competitive sports education systems and promoting them on an international scale.
8	Ensuring the sustainability of the sports education system	Continuous monitoring and strategies to ensure financial stability	Introducing long-term monitoring and strategic approaches to ensure the sustainability of the sports education system.

Results and discussion

The private sector can also provide significant support to sports institutions through investments. The activities of sports educational institutions should meet not only national but also international standards and requirements. (See Figure 1).

For financial management to be effective, first and foremost, it is crucial to conduct an economic analysis of sports educational institutions and monitor their financial activities. Proper budgeting and the targeted use of funds ensure the growth of organizations. Currently, several issues are observed in the financial management of sports educational institutions in Uzbekistan. These include:

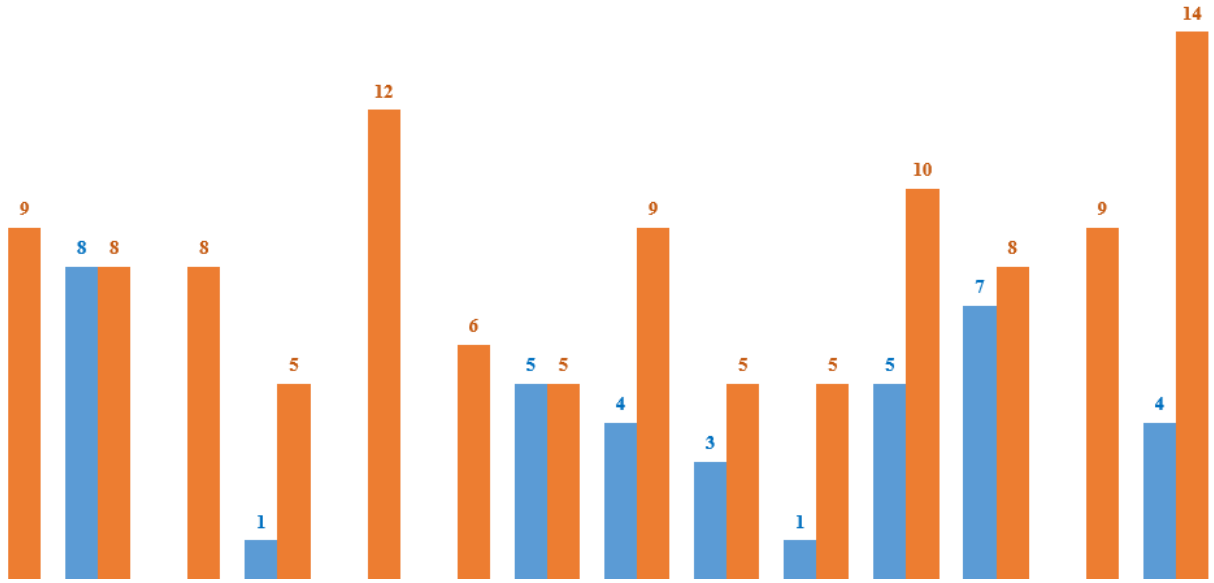
Debts and Financial Obligations – Certain sports institutions, particularly many sports schools, face challenges related to debts incurred in the process of financing their operations. This limits their financial capacity and leads to a decrease in efficiency.

Limited Extra-Budgetary Funding – The additional funds attracted to sports institutions beyond the state budget are minimal or entirely absent. This situation calls for expanding opportunities to finance these institutions through private capital.

Underdeveloped Reporting and Monitoring Systems – In order to reliably assess the financial condition of sports institutions, it is necessary to expand and enhance reporting and monitoring systems. Sports educational institutions should dedicate their activities to effectively training future athletes and coaches, developing cooperation with sports organizations, and studying both the theoretical and practical aspects of sports.This, in turn, will contribute to the introduction of global sports innovations and advancements, support the development of international sports, and strengthen solidarity among people. (See Table 1).

Today, across the globe, one of the top priorities in improving the financial systems of sports educational institutions is the implementation of policies aimed at ensuring financial independence and stability. This is because attracting new sources of income and utilizing them efficiently remains a significant challenge

Fig 1. Distribution of open and indoor swimming pools under the ministry of sports of the Republic of Uzbekistan by regions

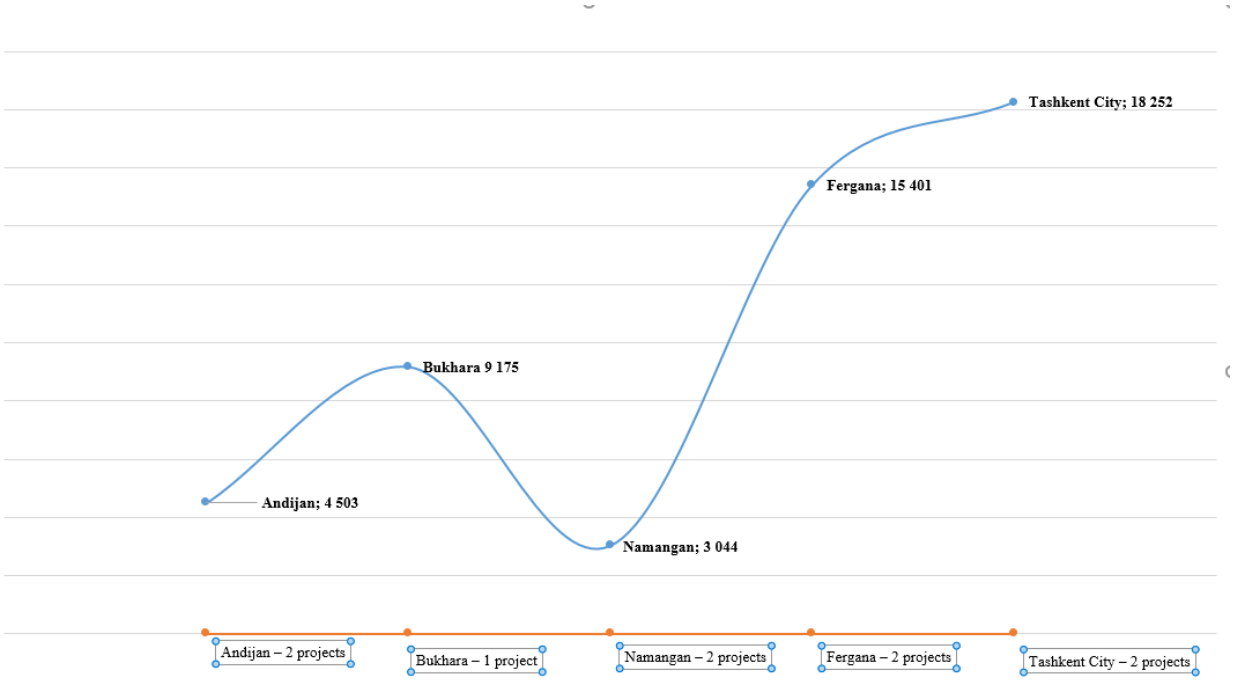


*Note: **Regions (X-axis, from left to right):** Republic of Karakalpakstan, Andijan region, Bukhara region, Jizzakh region, Kashkadarya region, Navoi region, Namangan region, Samarkand region, Surkhandarya region, Syrdarya region, Tashkent region, Fergana region, Khorezm region, Tashkent city, **Legend (below the chart):** Blue: **Open swimming pools**, Orange: **Indoor swimming pools***

for state sports educational institutions, which represent the foundational level of training professional athletes. To address this issue, it is essential to develop internal financial policies within institutions, particularly mechanisms for generating income through voluntary funds and joint investments, as well as for developing sports infrastructure. In other words, cooperation with the private sector is increasingly becoming a necessity for sports educational institutions to meet the demands of the modern era.

Attracting investments from the private sector contributes significantly to improving the financial condition and infrastructure of sports

Fig 2. Regional Distribution of Public-Private Partnership Projects Implemented in the Field of Sports in 2023–2024



institutions, as well as promoting the development of sports. In particular, up to now in our country, the financing of 254 state sports schools—which form the foundation of sports development—has been solely dependent on local budget funds. This reliance makes it difficult to fully implement the annual calendar of mass sports and physical education events at the district and city levels, and limits the participation of students from sports schools in all available sports competitions. As a result, the effectiveness of state budget expenditures aimed at selecting the most talented young athletes across the republic, directing them to higher educational institutions, and preparing them as reserves for the national teams, is negatively affected. Therefore, developing cooperation with the private sector in the financing of sports educational institutions has become essential in our country. In particular, steps have been taken toward self-financing and the development of public-private partnership systems, especially in sports education institutions that have high-demand sports facilities. (See Figure 2).

The majority of these swimming pools measure 25x12 meters, and their average annual maintenance costs amount to 650–700 million UZS. Despite the high public demand for swimming pools, they are among the most expensive sports facilities to maintain. As a result, a significant portion of the funds allocated from the State Budget to the sector is directed toward the construction and maintenance of such facilities.

Based on this, it is essential to gradually transition such sports facilities to a self-financing model by increasing the quality and quantity of services provided, while also ensuring private sector participation. This approach would allow for cost savings from the State Budget allocated to this area. If at least 50% of the saved funds are redirected toward additional financing of sports competitions, it would give a significant boost to the identification of high-performing athletes and the strengthening of the national team reserve.

Another way to improve the financial system is to introduce innovative financing methods. For example, it is possible to raise funds from individuals and organizations interested in sports through social media platforms or to secure funding via sports-related online platforms. These types of financing methods are expected to be effective not only for sports educational institutions but also for the sports system as a whole. Such practices are widely used in many advanced foreign countries. In addition, sponsorship programs and businesses related to advertising can also help expand the financial resources of sports educational institutions. To make this work, institutions must collaborate with professional specialists in advertising and marketing to attract funding from various corporate companies. In general, cooperation with the state, private sector, and public organizations, along with the use of innovative systems, will contribute to improving the financial situation of sports educational institutions and increasing their competitiveness. A well-managed financial system is a crucial tool for further developing sports institutions and boosting youth interest in sports. To improve financial management and increase the efficiency of sports educational institutions, the following recommendations can be made:

Financial education – Enhancing knowledge in financial management, business, and investment for leaders and staff of sports educational institutions.

Additional funding sources – Attracting off-budget resources and involving the private sector as investors in sports education.

Financial monitoring and evaluation – Improving the monitoring system to timely check and analyze the financial status of sports institutions.

New financial strategies – Developing new financial strategies for sports educational institutions and ensuring the efficient allocation of resources.

Conclusion

At the same time, expanding public-private partnerships and implementing financial instruments based on modern technologies are essential factors for achieving the sustainability of sports educational institutions. International experience and scientific research show that in the financing process of sports education, innovative approaches, strategic planning, and the rational distribution of resources play a crucial role. These approaches aim to improve the performance of sports educational institutions, ensure economic stability, and strengthen the role of sports in social life, thereby creating a solid foundation for the development of society.

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Physical education and sport, Theory of physical education, Analyzing of sport competitions