



IMPROVING CYBERSPORT FINANCING IN PHYSICAL EDUCATION AND SPORTS INSTITUTIONS

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ABSTRACT

The article presents the results of research on improving the financing of e-sports in physical culture and sports institutions in the framework of ongoing reforms in the development of physical culture and sports in the Republic of Uzbekistan. A system of relevant conclusions and recommendations has been developed.

KEYWORDS: *financing, sports, physical education and sports institutions, e-sports, e-sports financing, digital economy, income.*

INTRODUCTION

In his Address to the Oliy Majlis, President of the Republic of Uzbekistan Sh.M.Mirziyoev called 2020 the “Year of Science, Enlightenment and Development of Digital Economy”. It is necessary and necessary to continue the work we have begun to shape the economy and bring it to a new, modern level, to acquire digital knowledge and modern information technologies. [1]

Today, it is becoming an objective necessity to ensure the full implementation of the deep structural reforms launched in Uzbekistan to shape the digital economy, the introduction of digitalization processes in all spheres and sectors of society and its effective use.

“Although our country has risen by 8 places in 2019 according to the International Information and Communication Technologies Development Index, we are still far behind. It is true that most ministries, departments and enterprises are far from digital technologies”. [2]

Undoubtedly, in order to overcome these problems, the government is carrying out large-scale reforms, and the reforms in the transition of the national economy to the digital economy over the past few years have created a solid regulatory framework, which is reflected in:

✓ Decree of the President of the Republic of Uzbekistan dated February 19, 2018 No PF-5349 "On measures to further improve the field of information technology and communications";

✓ Resolution of the President of the Republic of Uzbekistan dated July 3, 2018 No PP-3832 "On measures to develop the digital economy in the Republic of Uzbekistan";

✓ Resolution of the President of the Republic of Uzbekistan dated September 2, 2018 No

PP-3927 "On the establishment of the Fund for Support of Digital Economy Development" Digital Trust";

✓ Resolution of the President of the Republic of Uzbekistan dated November 21, 2018 No PP-4022 "On measures to further modernize the digital infrastructure for the development of the digital economy";

✓ Resolution of the President of the Republic of Uzbekistan dated April 28, 2020 No PP-4699 "On measures for the widespread introduction of the digital economy and e-government."

“Of course, we know very well that building a digital economy requires the necessary infrastructure, a lot of money and manpower. But no matter how hard it is, if we don’t start this work today, when will we start?! It will be too late tomorrow. Therefore, the active transition to the digital economy will be one of our priorities for the next 5 years”. [3]

It is known that according to the rapid development trends of the world economy today, digitization processes are actively entering the sports sector, as well as in all industries and sectors, and today it is difficult to imagine the activities and future development of the industry without digital technologies. But digital technologies are used today not only in direct sports processes and all related activities and processes, but on the basis of digital technologies today a new type of sport has emerged and it is cybersport.

MAIN PART

Based on the research conducted, it should be noted that the interpretation of e-sports in different sources is not the same, for example, in some sources e-sports is called computer sports, in others, e-sports. In this regard, the essence of cybersport, based on the



analysis of its theoretical foundations, he was offered the following author's approach: "Cybersport is a competition based on games created on the basis of computer programs, either collectively or individually".

Today, this sport is officially recognized in many countries around the world, and just as other sports have a direct positive impact on the development of the economy, e-sports have a direct positive impact on the development of many sectors of the economy.

These include economic efficiency, an increase in new jobs, an increase in the number of service companies, especially in the retail sector and the development of advertising, and more.

It should be noted that today a lot of research and practical analysis on the development of e-sports in the near future and its economic and social effectiveness is carried out by experts of reputable and world-renowned companies. They include, " Pricewaterhouse-Coopers (PwC), Goldman Sachs, SuperData, PayPal, NielsenSports and others. For example, according to an analysis by PwC, in 2018 the global cybersport market will reach 775 million. Estimated in U.S. dollars, 95% of the profits from the sport came from 10 countries around the world, with the top three coming from Japan, China and the UK. Also, according to analytical forecasts, by 2023 the average annual growth of this sport will be 18.3%, and the total market volume in 2023 will reach 1.8 billion. It is projected to reach the US dollar. [4]

According to an analysis by Goldman Sachs, the size of the e-sports market in 2022 will reach 1.1 billion. It could exceed US \$ 3 billion in 2022. Growth to \$ 276 million and its audience. predicted to form a person. [5]

According to analytical studies by SuperData and PayPal, Russia is one of the leading countries in the European region in terms of the market size of cybersport and the volume of participants, and in 2018-2019. The market size is 45 million. USD and the number of participants is 10 mln. formed a person. [6]

According to other analysts, between 80 million and 90 million participants were registered for the World League of Legends in the fall of 2020. The total number of players, participants and enthusiasts on a global scale is estimated at 500 million to 600 million. In terms of their age, they are mostly young people. According to the analysis, 50% of the players in Europe were in the age group of 18 to 34 years. In Russia, for example, 47% of all players are under the age of 24. [7] According to experts, under pandemic conditions, their number has increased to 75%. It is known that the pandemic situation has negatively affected the level of development of many sports in the world. But it has

been acknowledged by experts that the situation has had no effect on cybersport. In turn, this was influenced by many factors, for example, in the United States, according to sports channel experts, due to the lack of sporting events, various cyber sports competitions are regularly shown.

Like developed and developing countries, the CIS countries are actively developing this sport, and one of its most actively developing countries is Russia. For example, "According to analytical data from the analytical agency NielsenSports, the number of participants and consumers of e-sports (watching broadcasts, attending events and participating in direct e-sports) amounted to 10 million, while in 2018 the total revenue will reach 12.7 million. USD and increased by 42% compared to 2017, and the average growth of this indicator until 2023 is expected to be 19.8% and total revenue 31.2% per year. [8]

At the same time, most experts predict that among all countries, China will have the highest share in the e-sports market in the near future, with the main priority, namely, competitiveness, observed in 2 areas:

first, the large number of young people in the population and the growing number of people interested in this sport;

secondly, the comprehensive support of the sport by the state, which is of particular importance with the adoption of various state programs aimed at the development of the industry. [9] For example, the construction of 14 cybersport facilities in Hangzhou, China by 2022 will cost \$ 2.22 billion. It is planned to invest in the amount of US dollars, and the main goal of these investments is to make China the world's e-sports capital.

It is also planned to hold the Asian Games in Hangzhou in 2022, and the winners of this event will be awarded medals. Tencent Holdings Limited has made a significant contribution to the development of e-sports in China due to the most favorable conditions created for the development of e-sports in the world. As a result, the company has developed the world-famous Honor of Kings game in 2018, which is expected to reach \$ 1.3 billion. The U.S. dollar brought in revenue. [10]

According to the analysis of the development of e-sports activities, its financial flows are similar to those of other sports and are based directly on commercial activities. All participants in it will have a certain amount of income. In particular, programmers who create sports games, entrepreneurs who organize sports competitions, candidates for participation in competitions, advertisers, companies engaged in television and radio broadcasting and other legal entities and individuals providing services (Table 1).



Table 1
Cybersport participants and their sources of income

Participants in cybersport	A source of revenue in cybersport
The creators of cybersport games	The influx of new players into the newly created games and the spread of the game as it became popular around the world
Competition organizers	- Ticket sales; - sale of the right to broadcast television and radio competitions; - agreements with sponsors.
Streaming platforms, TV channels and radio channels	- Advertising activities during the competition; - online broadcast of competitions.
Cyber sports teams	- Sponsorship of brands; - Prizes for winning competitions;
Cyber athletes	- Salaries from teams; - Shares from prizes;
Bookmakers	- Income from applicants' investments

It can be concluded that the financial flows of the organization and development of e-sports activities, like all other popular sports (football, hockey, tennis, etc.), have many opportunities to organize commercial activities independently, and direct state financial support for its development is mainly regulatory. - will be important in creating the legal framework. For example, according to the analysis of experts from Super Data, in 2016, the total revenue from e-sports amounted to 661 million. USD. Of these, the prize funds amounted to 78 mln. USD, bookmakers 59 mln. USD, amateur competitions 40 mln. \$ 34 million from ticket sales. \$ 19 million from the sale of sports-related souvenirs. U.S. dollar earnings were achieved. [11]

In turn, the prize fund of The International, held by Valve, the creator of Dota 2, one of the major international competitions in the world, in 2011 amounted to 1.6 billion. 20.7 billion in 2016 from the US dollar. Grew to the U.S. dollar. [12]

Given the growing popularity of e-sports in the world and the growing number of participants and participants in it, it should be noted that many experts are working for its recognition by international organizations. In particular, according to the expert of the Olympic Committee (IOC) in Paris T. Estangent, in 2024 e-sports may be included in the list of EOC. According to the expert, e-sports should become one of the most complete sports, and in this direction in France in 2024 it is planned to hold competitions in e-sports. [13]

It should be noted that in recent years in Uzbekistan, special attention is paid to this sport, and in order to support its development by the state, on February 15, 2017 by order No. 787 of the Ministry of Justice of the Republic of Uzbekistan was registered "Cybersport Association of Uzbekistan".

The ultimate goal of these events is to develop the e-sports community, to reveal many young talents, to actively involve them in this sport, and as a result to achieve Uzbekistan's participation

in international competitions and to introduce it to the world.

The Cybersport Association of Uzbekistan is a member of the Russian Computer Sports Federation - an all-Russian public organization, the Asian Federation of Electronic Sports (AESF) and the International Cyberport Federation (IESF).

The Association is a public association responsible for the development of mass e-sports in Uzbekistan, and its main activities are as follows:

- Development of a program for the development of e-sports in the Republic of Uzbekistan and its submission to the competent authority in the field of physical culture and sports;

- Participation in the formation and implementation of a single national calendar of mass sports events, as well as the organization and conduct of championships, cups and other events in computer sports at the national and international levels in the prescribed manner;

- Assistance in the development of international sports relations of the Republic of Uzbekistan in computer sports, including the participation of the national team in official international competitions;

- Participate in the development of standards, requirements, conditions and procedures for awarding sports categories and titles in computer sports, cooperate in their inclusion in the sports classification of the Republic of Uzbekistan;

- Ensuring personnel policy - organization of the system of training of judges, their certification and control over their activities;

- selection and nomination of athletes, coaches and sports judges for the award of titles and qualifications, as well as cooperation with educational institutions on training and retraining, etc.

A number of events are being held in Uzbekistan as a practical manifestation of reforms in the development of e-sports. In particular, from July



21 to December 22, 2020, the Ministry of Physical Culture and Sports of the Republic of Uzbekistan held a number of online sports competitions, including "Online Walking", "Online Running", "Online Cycling Marathon" and "Online-chess" has a total prize fund of 100 million soums. [14]

CONCLUSION

Based on the research, the following conclusions can be drawn:

1. Digitalization processes are actively entering the field of sports, as well as all areas and sectors, and today it is difficult to imagine the activities and future development of the industry without digital technologies. But digital technologies are used today not only in direct sports processes and all related activities and processes, but on the basis of digital technologies today a new type of sport has emerged and it is cybersport.

According to the analysis of the development of e-sports activities, its financial flows are similar to those of other sports and are based directly on commercial activities. All participants in it will receive a certain amount of income, in particular, programmers who create sports games, entrepreneurs who organize sports competitions, applicants to participate in the competition, advertisers, companies engaged in television and radio broadcasting and other service legal entities and individuals. It can be concluded that the financial flows of the organization and development of cybersport activities are all popular (football, hockey, tennis, etc.).

2. The world's largest companies ("According to an independent study conducted by Pricewaterhouse-Coopers (PwC), Goldman Sachs, SuperData, PayPal, NielsenSports, etc.), e-sports today has developed as an independent industry and has a comprehensive market. is one of the promising areas, which has not only social but also economic interests at the national level, including:

- Establishment of new manufacturing and service companies;
- job creation and, in most cases, assistance in youth employment;
- Attracting foreign or domestic investment, ie increasing the attention of foreign investors as a result of the fact that Uzbekistan also has a place in the world, taking into account the trends in the development of this sport;
- increase in taxes and other revenues.

3. The main source of income in cybersport is the games created and their branding. That is, the creators and copyrights of the games are either individuals or legal entities. This is because on the basis of this computer game, various competitions are organized, held, sports teams are formed, and a series of other related processes are carried out.

In this regard, the President of the Republic of Uzbekistan Sh.M.Mirziyoev in his Address to the Oliy Majlis said: [15] In our opinion, the basis for the discovery of new talents in this area will be created and will bear fruit in the near future.

According to D. Djuraev, one of the experts who directly contributes to the development of e-sports in Uzbekistan: one of the opportunities for young people. There are no limits to this, but it is an activity that has the potential to develop and make a profit". [16]

It can be concluded from the analysis that today the reforms in the formation of the digital economy in our country are comprehensive and its effectiveness can be traced to changes in the socio-economic life of the country, including the growing development of e-sports in our country.

4. Kibersport activities are not yet regulated in terms of international law, and as a result there is no possibility of imposing penalties on violators. In our opinion, it is expedient to develop an international convention on the status of computer sports at the international level in cybersport. The adoption of this document will play an important role as the basis for the activities of e-sports legislation. Because the urgency of the adoption of this document at the international level is that cybersport unites athletes from many countries, and if each country adopts its own law, it can lead to many disagreements between countries. In addition to the legal aspects of the adoption of this document, e-sports,

Based on the research, it can be concluded that the main problems affecting the development of e-sports as an independent industry in developed and developing countries are the lack of regulatory framework and technical regulations, which are observed in the following:

- Lack of a unified system of control over machinery and equipment and detection of doping cases;
- Lack of development and implementation of mechanisms for resolving negotiations arising during the competition;
- Lack of a network system of regulation of labor relations;
- Lack of copyright protection mechanisms for creators in the field;
- Lack of sanctions / prohibition systems for athletes who violate the rules and regulations.
- Lack of procedures for doping control;
- Lack of rights and obligations of athletes;
- organization of relations with competition organizers, investors and sponsors;
- the system of contractual relations has not been improved, including the relationship between the player and the team, the relationship between the player team and the organizers of e-sports, including the transfer of players and the financial relationship



between them does not have a common form for all countries;

- Players' teams can also be teams from different countries of the world, in this regard, the legislation of other countries should be taken into account in the contracts concluded in the country where the team is formed;

- One of the important problems is the participation of minors in sports and they are different in most countries, for example, German law is different from US law, etc. [17]

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