

Analysis of Chinese Sport Industry under the Framework of Global Governance

Hanyu Huang

Abstract Sporting industry is no longer a brand new notion for the world. It has a history of more than 250 years. This concept dates back to the 1750s when the noblemen in Britain started a jockey club. Owing to the well social effect, the mechanism resulted from the corporate governance and the related rules and regulations it had adopted, the developing mode was soon followed by other enterprises, which is so-called the origin of the sporting industry. In a modern era when globalization and multi-polarization serve as the mainstream, the interaction between countries and the influence of sub-national actors, like non-governmental organization, multinational company, interest group have all been put on the front stage. In addition, the border between countries is starting to fade away, followed by the emergence of new issues, like drug, global crime, epidemics. The world is gradually stepping in an era called “global governance”, characterized by the cooperation between individual and system, public and private institution and the sport industry also follows up this big trend in terms of huge public-private investments, geometrically expanding professionalism, advanced management culture applied activities as well as in the mega events connected. China, a new emerging power, has already focused much on sport industry considering the opening of 2008 Beijing Olympics, the successful bidding for 2022 Beijing Winter Olympics, the development of professional leagues like CBA (Chinese basketball association), CSL (Chinese Super League), and the ever increasing sport-related enterprises. However, we cannot ignore that problems still exist. So this paper aims at making an analysis of Chinese sport industry under the framework of global governance in four aspects: sports sponsorship, sport media, professional sport and major sports

Hanyu Huang (✉)
Student of University of International Business and Economics,
Beijing, China
email: 1045354651@qq.com

event.

Sport Sponsorship

Sport sponsorship plays an important role in balancing the sport event and enterprises, contributing to the well development of both sides. For the sport event, sponsorship provides the sport operator with abundant fund. According to the manager of Wukesong Culture and Sports Centre, the famous stadium for Olympic basketball game, about 80% of its income comes from the sponsorship (Guo Jinjiao, June 2015). For the enterprises, sport sponsorship is essential for company's marketing strategy because it is a great chance for brand and product promotion.

Under the global governance framework, public and private sector should be combined to improve the situation of sponsorship. On one hand, the public sector, like the government should draft specific regulation to ensure the right order of sponsorship. In addition, state owned enterprise, dominant in the Chinese national economy should support much for major sport event. On the other hand, the private sector, like non-public economic organizations should build a long-term partner relationship with sport organizations.

Nevertheless, when it comes to the reality, problems are quite apparent. Firstly, due to the faultiness of legal system, sponsorship is not well protected by laws. There are no specific laws to define the boundary of sport sponsorship and to preserve interests between sponsors and sport event (Zhang Daqing, June 2008). Secondly, state-owned enterprises are not acting as a stable basis for sponsorship, which is contradicting with its main role in the national economy (Xu Yonggang, Wang Yanli, April, 2004). Thirdly, Not only enterprises but also sporting organizations only pursue short-term benefits. According to a survey in Shanghai, in terms of sponsor time, 63.8 percent of enterprises surveyed are less than 5 years. When it comes to the understanding of relationship between sponsor objects and aimed market, 80.9 percent of enterprises concentrate on real consumers rather than potential consumers, indicating a lacking of stability and sustainability in sponsorship (Liu Wendong, April 2004).

So measures should be taken to improve sport sponsorship. Firstly, special legislation is needed to regulate the sponsorship. Under the new law, the definition of sport sponsorship and relevant rights should be clear. Also, related responsibility and specific prohibitions should be set. In order to better carry out the new law, a support system is necessary. On one side, regulation about strengthening self-discipline of both sponsors and sport event should be introduced to direct sponsorship at a practical level. On the other side, administrative supervision is advised to preserve the charitable sponsorship

(Xiang Huiying, 2011). Secondly, a backbone team of sponsorship should be established. It would be highly appreciated if Chinese enterprises, especially state-owned enterprise, can set up specialized sponsorship institution to provide a stable budget for sport sponsorship (Xu Yonggang, Wang Yanli, April, 2004). Thirdly, enterprises should have a good market position based on their characteristics, power and strategic target. Instead of pursuing blindly for short-term sensational profits, enterprises should make a detailed and specific plan to sponsor (Shi Fangfang & Chang Desheng, May 2005).

Sport Media

The sport has an irreplaceable effect in enriching public's spare time and contributing to citizen's health. However, the sport itself has a limited effect if not combining with the media. As an illustration, the number of audiences present in a football game like CSL is no more than 50,000. However through TV broadcasting, millions of people can watch it, not to mention the adding number caused by the further spread by Internet and other media. Sport, as a special social cultural phenomenon has its unique charming power compared with other cultural forms and it is capable of creating sensational effect in very few minutes, which accords with the time effectiveness of the media. So in order to earn the biggest economic growth, the best way is to tie sport and media together.

In terms of global governance, the media is gradually becoming important, according to Mu Guancheng (September, 2006), "media can be regarded as the fourth participators followed by government, civil society and enterprise in the global governance." "Information sovereignty" should be the main focus of the government." It is through media that the public can better be involved in the process of so-called governance. In the sport field, government should regulate the media, ensuring the freedom of speech while preventing them from spreading news irresponsibly and speculating blindly. Sport media should not only improve the quality of broadcasting, stimulating its biggest profit, but also bear much more social responsibility. In addition, public should not act as the passive receptor of media, instead, they should participate actively in raising their opinions through media, fostering the improvement of sport event.

In the reality, some problems really occur as for the sport media. Firstly, government controls too strictly of the media, repressing their dynamics for broadcasting. CCTV 5 monopolizes the broadcasting rights of big sport event, like the Olympics, the Asian Games and the World Cup. Although the new policy has introduced market competition in broadcasting rights, the degree of marketization is low. Several new medium like Tencent, Letv, BosTV have

already won the broadcasting rights in some items, but competition between them needs to be regulated by a more fair market environment. Secondly, sport media itself is not effective. The news communication is intensified in CCTV5 and other sport channels while the other channels seldom broadcast sport news except for major big event like the Olympics. What's more, the sporting news' content are mainly focusing on popular sport, like basketball, football, some non-popular sport, like martial art or curling are marginalized, resulting in the differentiation in sport development (Deng Hao, October 2011). Also, the public is not willing to pay for sport broadcasting compared to foreign people, according to a survey by Analysys (2015). In addition, due to the lacking of knowledge in many sport events and low quality, public opinion is not effective to be a feedback for both media and sport event. Public tends to be quite aggressive in social media, creating a bad Internet environment. For example, Chinese are always disappointed for Chinese football's performance. It is common to see dirty words or personal remarks on many websites. This only reflects a bad morality of all web users and it has nothing to do with positive interaction from public. More harmful, some voice that apparently upsurge the Western sport culture while degrade the Chinese traditional sport are dominant in the Internet (Peng Gang, July 2011).

Several things are required to do to improve the sport media. Firstly, broadcasting rights should be further unleashed. Market competition can also be introduced in the mega sport event. Also, new medium should receive more policy support to release their unique dynamics. Media should concentrate much on new media to win the biggest profit in niche market. Secondly, the media should balance their reports on a wide range of sports, intending to reverse the differentiation. Besides, the media should spare no effort to improve the quality of the journalists by judging more from the operating mode of successful entities like NBA league, etc. Thirdly, the audience is encouraged to involve more in the interaction with medium. However, certain interaction should be regulated. An Internet law system should be built to purify the online environment. Also, the supervise system, like the "cybercop" should be functioned in filtering aggressive comments and in punishing web users who spread harmful information. Government, experts or other authorities should raise more mainstream comments to set a good example for the public (Peng Gang, July 2011).

Professional Sport

In 1994, Chinese football has first stepped into the road of professionalization, followed by table tennis, basketball, etc. In the process of professionalization, the athletic competitiveness has reached into a new level. China now has already

established a professional system in various sports. Professional leagues like CSL (Chinese Super League), CBA (Chinese Basketball Association), CVL (China Volleyball League) have reached a certain scale.

Professionalization should be a global trend in terms of global governance. Thanks to the sport organization, sports can be much more popular throughout the world. For instance, FIFA (Fédération Internationale de Football Association) plays a vital role in the football development. Through holding different levels of football game, athletes or teams in different countries can learn from each other in fierce competitions, greatly accelerating the professionalization. Even though those sub-national actors serve as an important power in global governance, they themselves are gradually becoming problematic. In 2015, when the FIFA's scandal about huge bribery becomes evident, its impartiality and authority is harshly questioned by the public. Basically, in order to reach an ideal governance in professional sports, those organizations should act independently rather than be controlled by the government. What's more, a complete supervise system is indispensable to ensure its objectivity.

However, in China, professionalization is not as highly developed as we expect. Several problems are highly concerned. Firstly, it is the under-developed system that is to blame for. The target of professional sports abroad is to provide the market with the high level sport entertainment products. But in China, the professional sport is not mature, instead, it is "special" designed for the Olympics. In China, the system where planned market applied is called "juguo" system. In a trend of market economy in the field of professional sports, "juguo" system is experiencing growing strains. Take football for example, it is generally acknowledged that the CFA (Chinese football association) has tightly controlled the Chinese football. CFA is nominally a non-governmental organization, however it is in fact an official department, the actual administration. The CSL's agenda and management are limited by a bureaucratic department featuring the low efficiency and unreasonable policy decision. CFA's direct getting involved in operating the whole market and distributing the allocation of the fund is adverse to the essence of the professionalization. Basically, it is the administration that is the biggest beneficiary and most of the clubs are actually under deficit. Secondly, the level of both athletes and league are serious detrimental for further development. While it is true that China has the world's most advancing level in some items like table tennis, still many items are far below the world's average level. This can either be accounted by a lacking of athletes supply or indifference in many non-popular sports.

In order to improve professionalization, both management system and the professional level should be attached importance. Firstly, the number one

priority is to make a balance between marketization and “juguo” system. To be specific, China must find a path with Chinese characteristics, the road of reform and innovation, to improve the overall quality and efficiency of the sports club, to promote the brand of the league, to establish the standardized and orderly regulation system and to deepen the reform of sports system. Except for that, there is still one thing that should be taken into account independently, not all sporting event can be professionalized, such as the shooting, diving, weightlifting, judo, etc. because they are lacking of a stable basis for professionalization (Yu Guowei, July 2013). To continue to maintain the leading position in the Olympics, it is not wise to put it into the market and let it develop randomly. In that case, the “juguo” system should be adopted in certain events. Secondly, Chinese government should carry out national fitness program, providing a stable basis for professionalization. Cultivating athletes is not the only task for sports schools, instead, normal schools also have the responsibility to serve as a pipeline for the growing professional circuit. Also, scientific training method should be adopted to ensure a high rate of sport talents. Lastly, professional sport needs the support from government. Government should support the family of professional athletes because of the high cost and uncertainty of cultivation (Zeng Oyuan, 2015).

Major Sport Event

Major sport event is full of business opportunities. China benefited great from that. The successfully bidding and holding of the event either promote social economic environment or the country image. With the impressive growth in comprehensive national strength, China has the power and confidence to hold the highest level of sport event, like the 2008 Olympics, the 2015 World Athletics Championships, the 2022 Winter Olympics. According to the British media SPORTCAL, “China is the No1 in the number of sport events held.” Under the framework of global governance where several new topics emerge in the world’s economic and political order, the popularity of mega event is one of them. Rather than an official governmental meeting, major sport event is somewhat an “unofficial” way that people from all over the world interacts and have fun, greatly improving the overall welfare of human beings. This is related to the notion of “civil society”, an aggregate of non-governmental organizations and institutions that manifest interests and will of citizens (Dictionary.com.). Based on this contact, some value of the “civil society” has to be followed, like sustainability and humanism.

Yet many problems remain unsettled in China. Firstly, sustainability is not receiving well attention. Chinese government has been bidding blindly for the

qualification of the major sport event. They exaggerate the social impact for those events. To get the qualification, they devote resources at any cost without considering the long-term effect just to build a so-called “all-time record” for certain event (Dong Jie, May 2012). Even though a “great” event like 2008 Beijing Olympics is branded, the post-Olympics situation is not satisfactory. Several stadiums like the Bird Nest are reported to have operation difficulties. Several preferential policies for the preparation of 2008 Beijing Olympics stops instantly after the closing of the Olympics. Obviously, major sport event is turning into a “fast food”, not a long-term economic point. Secondly, humanism is also devastated in the whole process of major sport event. Sport event is intended to improve the welfare for citizens, but actually citizen’ interests are bad damaged. For the preparation of the event, citizens are bearing much burden for tax due to the ever-increasing expenditure of the government. In addition, the city traffic is becoming more crowded during the event. Furthermore, the price of goods tends to rise following the stronger consumption capacity. Last but not least, the surrounding environment is badly impacted by the overcrowded visitors.

The advice is listed as follows. Firstly, the government should think twice before bidding for a sport event. They should evaluate the social impact of a sport event objectively, accurately, comprehensively and scientifically rather than regard it as the panacea for all social issues. Secondly, the utility rate of stadiums should improve. Local government should make full use of existing stadiums. The new-built stadium should have a comprehensive function for different sport activities. After the closing of event, they can be used as an ideal place for citizen’ to exercise. Also it is suggested that the city can actively bidding for new event, avoiding idle resources. Besides, improving the management level of stadium and the specialized knowledge of personnel is able to enhance the utility rate. Thirdly, during the sport event, local government should guarantee the safety of a sport event while interfere the citizens’ life to a lowest extent. We should figure out a detailed plan about the human resources needed, controlling precisely for numbers of personnel, especially volunteers from university students. Truly, a great security system is necessary during the event but it should be “tight in inside and loose in outside” on the premise of a stable social order (Dong Jie, May 2012).

Conclusion

To Sum up, the Chinese sporting industry is at the historical turning point, which has experienced rapid growth in recent years. However, though the speed is impressive, the quality remains doubtful. Though the above analysis of the whole chain of the sporting industry, it is obviously seen that every step has

spaces for improvement. The improvement needs the effort from diverse entities including government officials, public, sporting industries, media, enterprises, according perfectly with the notion of “global governance”. In this process, it is wise to follow the principle of “global governance” in managing sport industry, to be specific, to rationalize the various relationships between each entity. In the future, I believe that sporting industry is the most dynamic sector in terms of economy. With the full potential of the local market, we have to have faith that the Chinese sporting industry will step into the orbit of professionalism and marketization and seize the opportunity to develop in the trend of globalization.

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