

Study on the Development Path of Sports Industry Policy in China

Li Zhang¹, Ruhao Zhang¹, Hao Zhang^{2*}

¹Department of Physical Education, China University of Mining and Technology, Beijing 100083, P.R. China

²Department of Physical Education, Beijing University of Posts and Telecommunications, Beijing, 100876, P.R. China

*Corresponding Author.

Abstract:

China's economic and social development has promoted the continuous improvement of people's living standards, and people have paid more and more attention to their health. Coupled with the support of relevant national policies, the sports industry has ushered in the spring of development. In this paper, by using the methods of literature review, comparative study, summary and induction, the development history of China's sports industry was analyzed and compared with that of other countries. According to the current development situation of China's sports industry, the development history of China's sports industry and the future development path of China's sports industry were analyzed from the perspective of policies, markets and characteristics of different regions.

Keywords: Sports, Sports industry, Industrial policies, Sports industry market, Development path.

I. INTRODUCTION

On October 25, 2021, the State Sports General Administration announced the "*14th Five-Year Plan for the Development of Sports*", which pointed out that significant progress had been made in the high-quality development of China's sports industry. The supply of sports industry can basically meet the people's growing material and cultural needs and develop in a diversified direction, basically forming a new pattern of development with consumption leading, innovation driving, active subject and better structure.

In the *14th Five-Year Plan for Sports Development*, further instructions have been given on the development goals of the sports industry in the future, and it is also proposed to build a modern sports industry system, forming a new pattern of sports industry with fitness and leisure industry, competition and performance industry as the leader, and high-end manufacturing industry and modern service industry developing together.

Obviously, the sports industry has great development potential in China. In this paper, according to the current situation of China's sports industry development, combined with the sports industry policy formulated by the state, a new path for the development of China's sports industry is sought.

II. THE DEVELOPMENT HISTORY OF SPORTS INDUSTRY IN CHINA

In 1992, China established the socialist market economic system, and in June of the same year, the CPC Central Committee and the State Council issued the *Decision on Accelerating the Development of the Tertiary Industry*. In 1993, the *Basic Ideas for the Development Plan of China's Tertiary Industry* was issued, which pointed out "to gradually establish a cultural and sports service system with reasonable layout, complete categories, facing the masses and meeting the demand". This was the first time that the national policy documents explicitly proposed the establishment of a sports service system and the excessive commercialization of competitive sports, which marked the beginning of China's sports industry.

In 2008, Chinese athletes won 51 gold medals during the Beijing Olympic Games held in China, and our country put forward the slogan "National Fitness", which greatly promoted the spread and popularization of related competitive sports in China. In addition, at the Beijing Olympics and Paralympics commendation meeting, the national leaders clearly put forward "to develop the sports industry and guide more social forces to develop sports". With the successful hosting of Beijing 2008 Olympic Games, the country has also realized the great potential of the sports industry in China and started to formulate relevant policies and regulations in detail to support and guide the development of China's sports industry.

Although the sports industry in China started late, it developed rapidly. By 2021, the total size of China's sports industry had reached 5 trillion yuan, with the added value accounting for 2% of the GDP. The total size of residents' sports consumption exceeded 2.8 trillion yuan, with more than 8 million employees.

III. THE DEVELOPMENT STATUS OF SPORTS INDUSTRY IN CHINA

Sports is inextricably linked with many industries as a major industry category, and will involve all aspects of people's lives as the tertiary industry. With the development of social economy and the change of social division of labor, sports industry has gradually become an independent industry, which plays its unique advantages in China's economic development. With the development of economy, people's demand for sports activities is also increasing. Although China's sports industry has experienced rapid development in the past 20 years, the sports industry system has not yet matured, mainly reflected in three aspects: unbalanced regional development of the sports industry, low market share of sports products and nonstandard market system of the sports industry.

3.1 Unbalanced Regional Development of Sports Industry

Specifically, the sports industry in developed cities and regions along the eastern coast has developed rapidly and maturely, while that in less developed areas in the west, especially in ethnic minority areas, has developed slowly^[1], which is closely related to the level of economic development in the eastern and western regions. In the coastal cities, people have a higher quality of life and a higher level of consumption, which means that compared with the western regions, the people in the eastern regions have more time and experience to enjoy life, pay more attention to their own health and are also willing to spend. In contrast,

the western region has relatively lagging economic development, weak awareness of the development of the sports industry, and imperfect related policy system. In addition, the eastern region has the infrastructure and advanced production level, which can enable people to have a better outdoor exercise environment and provide a guarantee for consumer groups to participate in sports activities. The advanced production level provides advanced productivity for the sports goods industry in the sports industry, which is why some sports goods production plants and headquarters will be located in the eastern coastal developed cities.

3.2 Low Market Share of Industrial Sports Products

In the product market of sports industry, the market share of relevant brands in China, especially sports goods and some high-tech products, is lower than those of other countries. Among sports apparel products, foreign brands have successfully occupied most of the market in China through marketing strategies such as the endorsement of international stars and the integration of high-tech and other marketing strategies, which in turn have produced brand effect, making it difficult for Chinese local brands to move forward in their development. In addition, Chinese local brands have failed to fully develop and utilize the Chinese market, for example, the naming and sponsorship of related sports events have not received the attention of local brands, which makes local brands in a disadvantageous position when competing for market share with other foreign brands.

3.3 Nonstandard Sports Industry Market System

Although the country realizes that the sports industry has a strong development potential and has formulated relevant policies to support and guide the development of the sports industry, the policies are only at the macro level. Therefore, the country needs to formulate relevant policies and regulations to implement how to support the sports industry, with specific analysis of specific issues. While supporting the development of the sports industry market, it is also necessary to supervise and manage the sports industry market, formulate market standards and improve relevant laws and regulations. Moreover, it is necessary for the relevant state departments to give clear regulations and clearly divide the market management authority, so as to make the law enforcement procedures more perfect and unified.

IV. INSPIRATION FROM THE DEVELOPMENT OF FOREIGN SPORTS INDUSTRY

With the vigorous development of China's economy and the introduction of a series of national sports industry policies, China's sports industry, such as fitness and leisure, competition performance, venue services, sports goods manufacturing and sales, has ushered in a good opportunity for development. In *Several Opinions of the State Council on Accelerating the Development of Sports Industry to Promote Sports Consumption*, it is proposed that the total scale of sports industry is expected to exceed 250,000 by 2025. However, compared with some developed countries where the sports industry has developed earlier and the sports industry system is relatively mature, China's sports industry still has some problems, such as small overall scale, weak development vitality and few industrial categories. Therefore, it is of profound

significance for the development of China's sports industry to learn from the development history and experience of other countries and compare the current situation of China's sports industry.

4.1 Learning from the Development Road of Russian Sports Industry

At the beginning of the founding of the People's Republic of China, the economic system, the educational system, the political system, etc. were all systems of the former Soviet Union, which had a profound influence on China. After the disintegration of the Soviet Union, Russia experienced economic collapse, social unrest, social stability and stable economic development, so it has many similarities with China's social development in some aspects. Thus, the history of Russia's sports industry changes has profound reference significance for the development of China's sports industry.

The Russian government has formulated macro basic policies for the sports industry starting from the general policies for the sports industry, which are mainly related to the taxation of the sports industry, the market management of the sports industry and the labor price of the sports industry ^[2]. In the early stage of Russia's economic transformation, a large amount of resources were invested in competitive sports in order to establish the image of a big country on the international stage. Despite the achievements, the development of mass sports was hindered. After the economic situation gradually stabilized, Russia began to formulate special sports industry policies, involving all aspects of the sports industry, such as the policy on sports industry investment, the requirements on sports asset management, the explicit provisions of competitive sports, and the special sports development plan. The detailed sports industry policy division and the medium and long-term sports development plan have enabled the Russian sports industry to have medium and long-term development goals, which are also beneficial to the evaluation of the achievement of relevant goals.

4.2 Learning from the Development Road of American Sports Industry

As a representative of western developed countries, the United States, despite its different economic system from China, has a mature sports industry system that has important reference value for the development of China's sports industry at this stage, especially its mature commercial sports system, which has a profound impact on China's commercial sports events.

First of all, the sports industry in the United States has a good mass base, and sports activities have been perfectly integrated with communities and schools. There are special sports events at different levels and in different regions, making the sports consumption of the American masses show the characteristics of living, which is an important factor for the sustainable development of the sports industry in the United States ^[3]. And the most prominent is the professional competition system in the United States. The mature professional sports in the United States have driven the development of the whole sports industry by using its high-level competitions, and formed a perfect sports industry chain, which gained TV broadcasting rights, sponsors and ticket revenue through related events. Through the global promotion, the professional league matches in the United States have not only attracted the attention of the American people, but also

spread its influence all over the world, which has also made the sponsors of related events well publicized and greatly increased their popularity. Relevant brands quickly enter the markets of other countries by means of sports star endorsements and other means, and occupy a large market share to obtain competitive advantages. Secondly, because the United States has a perfect operation mode of the sports industry, the government uses the market mechanism to coordinate the interest competition among clubs through policy guidance, and urges all professional leagues to realize the win-win benefits of the government, sports leagues and clubs on the basis of safeguarding the individual interests of the clubs. The commercial operation of sports events has also promoted the formulation and improvement of relevant laws and regulations. For example, the United States has constantly revised the *Contract Law*, *Copyright Act*, *Sports Broadcasting Act* and other laws and regulations to ensure and maintain the virtuous circle development of the sports industry.

4.3 Learning from the Development Road of Japanese Sports Industry

Japan, as one of the few developed countries in Asia, had a total output value of about us \$103.396 billion in the sports industry in 2012. According to the survey data of Japan's Ministry of Internal Affairs and Communications Statistics in 2016, there were 7,797,000 sports participants, accounting for 68.8% of Japan's total population^[4]. The high proportion of sports population also provides a huge consumer group for the development of Japan's sports industry. The development of Japanese sports industry also provides important reference value for Chinese sports industry.

In Japan, walking and long-distance running are continuously favored by Japanese residents. Among the ball games, small balls such as table tennis and badminton are more popular. Japan's enterprises, on the other hand, hold fast to the interests of the Japanese people and mass-produce outdoor and small ball sports products in relevant enterprises. The production and operation of these products are characterized by outdoor products and market segmentation, catering to the tastes of consumers. They have also produced some national brands in Japan, such as Yasushi, Mizuno and Butterfly, which have also gained good reputation in relevant fields. In addition, the Japanese government has also implemented many policies to support the sports industry, in order to expand domestic consumption demand and increase domestic sports industry income on the one hand, and set up a "Sports Industry Research Association" specially to study the development prospects of sports industry and the training of sports industry professionals on the other hand^[5].

V. THE PATH OF BENIGN DEVELOPMENT OF SPORTS INDUSTRY IN CHINA

Sports industry, as an important field to meet the people's growing needs for a better life, plays an important role in improving people's quality of life and happiness. It is necessary to scientifically plan the future development path of China's sports industry based on the current situation of China's sports industry and the development history of sports industry in other countries, and to explore a road that is in line with the development of China's sports industry through the cooperation of national policies, government management departments, relevant enterprises and consumers.

5.1 Utilizing Regional Advantages to Promote the Balanced Development of Sports Industry

The problem of unbalanced regional development of China's sports industry needs to be specifically analyzed according to specific regions. For the more developed areas along the eastern coast, centering on the central city, it will produce diffusion effect, realize the integrated development of regional sports industry, and thus obtain the industrial agglomeration effect. Through the flow of production factors in the region, it will form the optimal allocation of industrial factors, strengthen the links between urban industries, and share the production factors such as market, talents and technology in the sports industry, thus forming a joint cooperation and win-win industrial chain. While avoiding waste of resources, it can also prevent bad competition and monopoly among enterprises, and drive the related regional economies to develop together, thus generating economies of scale.

For the western region, the governments need to realize the regional advantages and characteristics of the region, establish a good policy mechanism, encourage and support the development of the sports industry from the macro policy, and strengthen the construction of relevant infrastructure, guide the western region to develop sports tourism and traditional sports of ethnic minorities, highlight the local characteristics and attract external investment. Or they can make use of the unique regional characteristics and folk customs of the western region to attract tourists and create distinctive products by building sports characteristic towns, which can not only make use of the sports industry to add vitality to the local economy, but also protect and promote the development of traditional sports of ethnic minorities in China.

5.2 Changing the Concept of Industrial Development and Innovating the Diversified Development of Sports Industry

As the market demand of sports industry in our country is increasing day by day and the market supply cannot meet the market demand sometimes, foreign multinational companies occupy a large share of the sports product market in our country, which requires the government and relevant enterprises to establish a new development concept, fully understand the consumer demand and consumer preference in the sports industry market, and produce products that fully meet the consumer demand. In addition, the state should also introduce relevant policies to encourage enterprises to innovate and develop new technology products. Relevant enterprises also need to increase investment in scientific and technological innovation of products to meet the needs of the people for a better material life and establish the competitive advantage of products. Only in this way can the market share of local enterprises be expanded and the rapid development of enterprises be realized.

In addition, the national government needs to play the role of macro-control and fully learn from the development process of foreign sports industry, create various sports events, actively explore the coordinated development path between sports industry and medical, tourism, pension, fitness and other fields, promote industrial integration, and encourage diversified development of sports industry, analyze the sports industry market from the supply level, and create a new sports industry format that integrates leisure, entertainment, health, consumption, service and other factors.

5.3 Improving Relevant Laws and Regulations to Standardize the Sports Industry Market System

At present, China's sports industry has some problems, such as the uncoordinated development of the market and the economy, the backward development level of the sports industry compared with the economic development level, and the nonstandard market system. Therefore, first of all, the national government needs to be aware of these problems and seek a new direction for the development of the sports industry, for example, by improving the specific policies of the sports industry from the aspects of investment, science and technology, taxation, talents, etc., forming a long-term policy tracking and performance evaluation for the development of the sports industry, better mobilizing the enthusiasm of social forces to participate in the development of the sports industry, and using economic development to provide a good economic environment for the development of the sports industry, so that the development of the sports industry and economic development can complement each other.

Secondly, the state needs to attach importance to the construction of relevant laws, regulations and systems, establish industry standards in accordance with the regulations, regulate the market behavior of producers and consumers, and form a market coordination mechanism of supervision, evaluation and feedback, so as to enable the orderly development of the product market. All participants in the market need to define their own responsibilities, and the government needs to define its own position, changing from a power-based government to a functional government, so as to play a role in controlling the overall situation in the field of sports industry. Production departments should consciously abide by the *Sports Law* and other laws and regulations, avoid unhealthy competition, actively seek inter-industry cooperation and create a good sports market order. Consumers should consciously supervise the behavior of producers, reasonably safeguard their rights and interests according to law, and effectively mobilize social forces to participate in the development of sports industry.

VI. CONCLUSIONS

With China's economic and social progress, from the establishment of the socialist market economy system in 1992 to the vigorous development of China's sports industry, the sports industry has become an indispensable part of the country's economic and social development. Therefore, in the process of the development of China's sports industry, it is necessary to fully learn from the development process of other countries, combine with the development status of China's sports industry, take advantage of regional advantages, change the development concept, improve laws and regulations, and promote the sound and rapid development of China's sports industry.

REFERENCES

- [1] Li Chuanlei. Path Analysis of China's Sports Industry to Promote Economic Development under the "One Belt and One Way" Pattern//. Proceedings of 2019 9th International Conference on Information and Social Science (ICISS 2019), 2019:512-520.
- [2] Li Jun, Shao Xuemei, Wang Zipu, Yuan Yujie. Development feature of sports industry policy in Russia and its enlightenment to China. Journal of Shandong Institute of Physical Education and Sports, 2008(03):4-7.

- [3] Gao Qingyong, Peng Guoqiang, Cheng Xijie. Experience of American Sports Industry Development and Its Inspiration to China. *Sports Culture Guide*, 2019(09):84-90+109.
- [4] Japan's Ministry of Statistics. Basic Survey of Social Life in 2016 [EB/OL]. (July 14, 2016) [December 12, 2018].
- [5] Zheng Heming, Shang Zhiqiang, Xue Linfeng. Current Situation, Development Mode and Enlightenment of Sports Industry in Japan. *Journal of Capital University of Physical Education and Sports*, 2020,32(02):116-121+145.