

Chapter 28

Legal, Ethical, and Integrity Issues in Sports Industry: The Russian Experience

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ABSTRACT

This chapter focuses on the issues of the sports industry. Since sport, in addition to its other aspects, is a fast-growing industry, the chapter considers the importance of sports industry for the sector as a whole. The chapter shows the basic elements of sports industry structure, together with the peculiarities of Russian sports industry legal support in general and in some particular directions. The authors give definitions of “sports industry,” “sports product,” “sports entertainment product,” “professional sports,” “professional athlete,” “sports ethics,” and “sports integrity.” Being a good basis for sports business development, the legislation of the Russian Federation in the sphere of legal services for business and commercial activities within the sports industry takes into account sports-specific features and its principal functions enabling professional sports sector to provide benefits to economy and society. However, there is still space for further development.

INTRODUCTION

Besides its other features, sport is a fast-growing industry. Professional sports sector is more similar to the show business industry than to the sports segment as it is, which implies the existence of particular business interests (Ponkin & Ponkina, 2014a). Nowadays, the specified professional sports industry is characterized by significant scales and their growth trend. At the same time, there is a process of convergence between sports industry and entertainment industry. To a large extent, it depends on the continuing commercialization and internationalization within the sports industry (Shevchenko & Ponkin, 2014).

The financial capacity of the sports industry is very high. According to some estimates, only in 2010 the income of the world's sports industry amounted to 121.4 billion U.S. dollars. This financial strength largely determines the existence, activity, and prosperity of the entire sports sector.

Besides public administration, the sports sector is supervised by self-government authorities, which include extra-legal regulatory norms *lex sportiva*, and by private commercial corporate governance (focused on those sports aspects which refer to sports entertaining show-business events and corresponding activity, sport product manufacturing and distribution, the functioning of sports infrastructure and entire industry), which includes *lex mercatoria* norms. The peculiarities of interaction between the two legislative policies are of considerable interest to sports law science and encourage interest in sports industry.

Government's responsibilities for sports industry legal services also include promotion of such corporate governance which would encourage efficient and steady development of sports industry in general. In addition, when exercising public administration within the sector, the government should firstly take into account the sports specific character which exists even in the conditions of growing commercial interests and still has a significant impact on the activity of sports individuals and their interference. Secondly, the government should consider its own interests and society's sports involvement. In this way, in spite of growing sports commercialization and professionalization, the sports sector performs certain social functions, and the government is obliged to maintain and support the fulfillment of these functions, minimize possible negative effects, and maximize positive effects of sports industry activity for the economy as a whole.

This work contains a broad description of sports regulatory and legal support in the Russian Federation and draws special attention to the legal support of certain fields of activities within the sports industry.

Definitions of Key Terms

- **Sports Industry (The Industry of Sport):** Social relations and business sector oriented to gain profit from the turnover of sports entertainment product by using individual and collective human interest in sports competitiveness in general and in entertainment and leisure activities (with uncertainty and aesthetics elements) in particular;
- **Sports Product:** An integral concept, including:
 - Sports entertainment product;
 - Sports product on the market of intellectual property items in sports sector, sports services (e.g., an opportunity to use sports facilities), sports goods (sports clothes and footwear, souvenir products, sports equipment);
 - Financial sports product;
 - Professional athletes' sports labor product;

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