## European Proceedings of Social and Behavioural Sciences EpSBS

www.europeanproceedings.com

e-ISSN: 2357-1330

DOI: 10.15405/epsbs.2021.05.186

## **ISCKMC 2020**

International Scientific Congress «KNOWLEDGE, MAN AND CIVILIZATION»

# STATE AND PROSPECTS OF SPORTS MANAGEMENT DEVELOPMENT IN RUSSIA

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#### **Abstract**

There are about 5 thousand sports organizations in Russia, and more than 3 million people are constantly engaged in sport activities. Sports and physical culture are most developed in such Federal districts of the Russian Federation as the Central and Volga regions. In Russia, there is a change in the structure of sports and physical culture management, its constituent elements and the relationships between them, from a system of full state care to a commercial, highly risky business. In this regard the commercial component had a fairly negative impact on the state of sports and physical culture since the most financially secured structures simply buy up the most promising personnel, which leads to the expected results, the entertainment and competition are lost. Domestic Championships almost do not have their own audience, and the sport does not get additional investment from sponsors. The commercial side of sports and physical education is actively developing in the country. Moreover, the impetus for the accelerated transfer of state powers to private structures and the development of commercial sports, especially in the sport of records, was the accusation of the Russian Federation in 2015 of using administrative resources in the preparation of athletes participating in international competitions. It is well known that athletes, winning competitions, perform not only sporting but also a political mission, demonstrating the abilities of the nation. Hence, there is a close connection between politics and sports.

2357-1330  $\ @$  2021 Published by European Publisher.

Keywords: The sport of records, management, country image

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#### 1. Introduction

In the Russian Federation, interest in sports, health and fitness movement is constantly growing, the structure of its management and the organization forms of sports institutions are being transformed.

In Soviet times the entire sports system was built on the state basis. In Russia, for a long time, sport was considered as a spectacle, not as a business. The sports industry covered exclusively the sporting goods market.

However, the development of market relations is beginning to move forward in the sports sector, which is already positioned as a complex relationship within the framework of sports events, management of sports organizations, providing sports and health services to the population, funding and sponsorship providing, training in the field of sports and physical culture, research organization, sports psychology and pharmacology.

The transformation of Russian sports was carried out in 3 stages: during the collapse of the country, Soviet / Russian "stars" (athletes and coaches) were lured to foreign clubs; in the second stage, domestic private sports clubs and public associations were created, foreign players and coaches were acquired that could attract the public, state corporations invested in foreign football, basketball and other clubs to gain experience in self-financing; the third stage was marked by the exit of the state from direct sports management and the creation of modern sports management (Giovanni, 2017).

#### 2. Problem Statement

The main problem in Russia is an acute shortage of professional sports managers, including during major sports competitions and the theoretical and methodological basis for their training, a significant shift in management towards the financial rather than sports side of the functioning of organizations.

Combined, the accumulated problems have clearly to be addressed and overcome.

#### 3. Research Questions

Currently according to the Ministry of Sport of the Russian Federation, the situation in sports and physical culture in the country is characterized by the following indicators (table 01).

Table 1. State of sport and physical culture in the Russian Federation in 2019

Territorial Subject of the Russian Federation	i 	Number of sports facilities			es	Number of sports facilities per 100 000 population	Workforce capacity, people	total number of trainees/ percentage of trainees (3-79 years old)	Number of trainees in clubs, including according to the place of residence
			plate						
	Tot al	Stadiu m	sportin g facilit	Gymnasiu m	Swimmi ng pool				
Central Federal District	85835	418	43099	17434	1 642	235.8	119 566	1548898 3	435400 4

eISSN: 2357-1330

Northwestern Federal District	27332	118	10974	6 617	794	211.2	40818	5330828	156738 7
Southern Federal district	33572	239	17280	7237	480	220.1	40312	6918326	140686 8
North Caucasian Federal District	14918	103	7833	4139	197	162.6	24442	4070766	617040
Volga Federal District	72141	368	32704	16717	1377	264.4	68680	1194823 0	205583 1
Ural Federal District	29726	129	12213	7571	615	258.5	41762	5047461	953336
Siberian Federal District	41678	232	18204	9457	621	260.6	44856	6703515	131610 5
Far Eastern Federal District	17556	123	7654	4987	289	228.4	21971	3031880	417281
The Russian Federation	322758	1730	14996 1	74159	6015	236.9	40240 6	58539988	126878 52

Currently, Federal authorities in the field of physical culture and sports are engaged in methodological, protectionist, partially material support, local and regional authorities organize training, competitions, training camps, provide: planning and implementation of relevant sports processes, centralized funding, accreditation of individual sports, licensing of sports education, awarding, etc. Territorial governing bodies prepare a sports reserve, create a scientific and educational base for training sports personnel.

Some regions are characterized by a high level of training and professional athletes. In Smolensk, the regional center of the Smolensk region, there is the Smolensk state Academy of physical culture, sports and tourism, among its graduates there are more than 16,000 specialists, more than 600 masters of sports, including masters of international class in 40 Olympic sports. In 2016 Smolensk students won 9 awards, including 3 of the highest order, at the last summer Olympics in Rio de Janeiro. Indicators of the situation in sports and physical culture in the region are presented in table 02.

Table 2. State of sport and physical culture in the Smolensk region

Year		Number of sports facilities				Workforce capacity, people	Number of trainees (3–79 years old)	Number of trainees in clubs, including according to the place of residence	Number of trainees assigned to a special	Trained rated sportsmen
	Total	Stadium	Plate sports facilities	Gymnasium	Swimming pool				- medical group	
2017	2593	24	1217	909	56	2638	282597	60724	3542	28203
2019	2648	24	1285	917	60	2576	334594	99765	3464	12519

From the system of state management of sports and physical culture in the form of public organizations were allocated all-Russian sports federations -commercial sports (leagues) and non-profit, now there are 114 of them in total.

Federations are engaged in the development and promotion of their sports, participate in the preparation of sports teams in the framework of a unified calendar of interregional, all-Russian and international physical culture and sports events, have the right to cover the games of the regular season of the country, receive income from the sale of broadcasting rights, from creating comfortable conditions at

stadiums, advertising, sponsorship and licensing activities, introduce ticket programs, conduct sports lotteries and sweepstakes. Moreover, an important source of leagues funding is funding from international federations. Federations enter into contracts to acquire the status of official suppliers of products and services, and clubs are required to purchase and use these products, as well as the Federation has the status of an official informant of the championship (Aznabayev & Madyarova, 2018).

Sports clubs are public associations that are created for one or more sports. In Russia, there are amateur sports clubs and commercial clubs. For the first clubs, sources of funding are membership fees or funding by the management of the educational institution, for the second - the sale of broadcasting rights, paraphernalia, advertising revenue, from sponsors and other activities.

Dmitriev and Romannikov (2010) distinguish the following specialization in the world football clubs:

- 1. Closed-type (Asia-Pacific continent), where the departure of players is almost impossible.
- 2. Producers (Latin America), upbringing of a player up to 18 and selling him.
- 3. Speculators (Eastern and Western Europe, including Russia), buying young players, resale to leading Western clubs.
- 4. Consumers (England, Spain, Italy) buy players from consumers, speculators, and producers.
- 5. Aging leagues (USA, Qatar, UAE), buying aging stars from consumers (Elmazi, 2018).

In our country, only sponsors of state-owned companies that invest huge funds in clubs compete. But in the world, the activity of clubs is effective, where an important source of income is a transfer of an athlete from one team to another on mutually beneficial terms. The formed transfer market gives an incentive to the athlete to work most intensively for his team, which in the future gives him the right to get a more profitable contract. During the playing period for the team, he signs a personal contract, which specifies the term, salary, bonuses, and responsibilities of the parties.

Athletes are divided into "stars", "planets", "satellites", "asteroids", "dwarfs" and "aging stars". The price of an athlete in the transfer market depends on which group they fall into. Also, there is a well-established scouting system for finding the most promising players, even at the stage of junior competitions, as the audience attends the games to see the work of the "stars".

The loss of the championship on the world sports field reflects image decline of the country. The decline in competition in the 1990s after the sporting failure of the Russian Federation led to a rise in sports commercialization on the international stage, which is especially evident in the example of the Olympic movement. But in recent years, with the return of Russia, as one of the leaders of the world sports space, active work began to eliminate a competitor, or rather, there is a struggle for the distribution of the finances of the world sports pie.

New sports were added to the Olympic list (Curling, beach volleyball, etc.), and the rules of judging (figure skating) were changed. Since November 2015, athletes of the all-Russian athletics Federation were excluded from participation in competitions under the authority of the International Association of Athletics Federations (IAAF). In the same year, Russia was charged with an "institutional conspiracy" by the head of the WADA independent commission, Richard McLaren, where it was alleged that the Ministry of Sports of the Russian Federation, the Federal Centre for Training National Teams and the Federal Security Service were involved in the "doping program" in Russian sports (Domenko, 2018).

To protect domestic sports, the Russian team was immediately re-branded, presented as an integral part of the sports business, where not countries but athletes, clubs and federations compete to achieve maximum benefits and success. Russian athletes were allowed to compete under a neutral flag, but if they won, the state paid them all the promised bonuses.

However, on 09.12.2019, the WADA Executive Committee deprived the Russian Anti-Doping Agency (RUSADA) of compliance with the World Anti-Doping Code. This situation leads to the disqualification of Russian athletes for 4 years from participation in major international competitions, including the Olympic games (Kelarev et al., 2019).

In May 2020 State Duma Chairman of the Committee on Physical Culture, Sport, Tourism and Youth Affairs stressed that the state will leave the sphere of professional sports, strengthening its work in the branches of youth and mass sports.

Moreover, in the context of the pandemic, it was agreed to suspend the Championships of professional leagues in football, hockey, and basketball with clubs and team coaches, despite large commercial losses and image risks. But the state focused on the social sphere, on the work of sports schools, budget organizations, and the training of national team athletes.

Until 2012, it was forbidden to privatize state-owned sports facilities in the Russian Federation. However, the Federal Law "On the State Corporation "Russian Technologies" was adopted, which allows, through the transformation of federal sports facilities into joint-stock companies with 100% state ownership and their transfer to this corporation, to carry out privatization while maintaining the purpose of sports facilities.

As part of the possible mass privatization of state and municipal sports facilities in the Russian Federation, there is something worth fighting for table 3.

**Table 3.** Sports facilities in 2018 in the Russian Federation

Name		Including for the preparation and					
of the sports facility							
	Total	Federal	Regional	Municipal	Another	conducting of competitions	
1. Total number of sports facilities	287445	11214	36456	217251	22524	77701	
the stadium (1500 seats and more)	1764	106	138	1344	176	1130	
-plate sport facilities	147798	3372	17752	119863	6 813	38071	
including football fields	22652	537	1855	19399	859	7393	
-gymnasiums	73288	4048	9285	54167	5788	25731	
- indoor sport facilities with synthetic ice	732	33	196	320	183	523	
-maneges	479	70	94	177	138	308	
- bike tracks, velodromes	51	1	22	24	4	21	
-swimming pools	5855	405	699	3260	1 491	1865	
-skiing lodges	2824	219	244	2073	288	1087	
- biathlon complexes	70	7	23	29	11	40	
- facilities for shooting sports	6500	725	644	4591	540	1665	
- rowing clubs and channels	134	17	34	68	15	71	
-other	47950	2211	7 325	31337	7077	7132	
2. Urban							
and reactionary facilities for physical exercise	24460	281	1266	20459	2454	X	

eISSN: 2357-1330

and sport						
3. Total number of facilities	211005	11405	27722	227710	24079	77722
and objects	311905	11495	37722	237710	24978	77723

## 4. Purpose of the Study

Assess the state of physical culture and sports in the Russian Federation and make recommendations for the development of sports management.

#### 5. Research Methods

The methodological basis of the work is a competency-based approach, a system approach, terminological approach, comprehensive communication and development, analysis and synthesis, induction and deduction.

### 6. Findings

In the context of the commercial part development of sports and physical culture, there is an increasing need for educating professional managers in the field of the sports industry able to make decisions, be responsible, competently manage investments, and attract sponsorship.

It is necessary to create mutually beneficial conditions for the relationship between the manager representing the federation, league, club or athlete and business (when creating a "sports competition" product that would meet the expectations of the sponsor/business partner: advertising that increases awareness of the company and the flow of customers, and also attracts partners in a commercial environment and tax remissions from regional authorities and local governments in the framework of mutual public-private partnership), as well as between a manager and an athlete (Guta, 2019).

The performance quality of a sports manager depends on the selection of team members. In the work of a sports manager are used: planning – projects within existing resources, prospects, sales markets, organization – supply and formation of optimal training and team composition, motivation – material and moral encouragement, stimulation to increase the intensity of work, control and accounting – implementation of the plan for providing sports services, coordination - ensuring interaction within the sports organization and with consumers of sports services, creating a stable communication in the management system.

#### 7. Conclusion

First of all, in our opinion, the urgent tasks to improve sports management in the country have become:

1. changing the parasitic psychology of federations and clubs, providing incomeearning opportunities;

- 2. the state and state corporations must fully take over the financing and guardianship of children and youth sports. This will encourage sponsors to further promote young athletes to professional sports, rather than buying young foreign legionnaires to train them for European clubs;
- 3. to reduce the use of foreign coaches and athletes, training their own, responsible for the result that raises the prestige of the country;
- 4. to strengthen the work on training sports managers, to provide them with the necessary theoretical and methodological base, internships in leading clubs and federations, including foreign Russian state-owned companies;
- 5. creation of a linear staff management system in professional sports: organization of professional personnel staff for the training and protection of the rights of each athlete of the Federation, competing in international championships (lawyers, coaches, financiers, psychologists, medical staff);
- 6. turning competitions and national championships into a spectacular event, broadcasting on TV channels, raising the prestige of domestic sports, especially regional ones;
- 7. stop the practice of representing several regions at competitions by an athlete, which increases his income, but reduces the pride of his countrymen.

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