Social Responsibility of the Legitimate Sports Organizations in China: An Examination of the Chinese Athletic Association

Run-zhi LIU
Beijing Sport University, Haidian District, Beijing, China
59682624@qq.com

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Abstract. Sports organizations in China are similar to the non-profit organizations in the western countries, which will be an important governance body of the society. However, until recently, there has been very little discussion or examination of the status of the legitimate sports organizations in China in undertaking social responsibilities within the literatures. This paper, therefore, adopts expert interview method and takes the Chinese Athletic Association (CAA) as an example, firstly examines the status of the legitimate sports organizations in China in undertaking social responsibilities at legal, public welfare, moral and economical angles. Secondly, it discusses the dilemma of the legitimate sports organizations in carrying out activities and, finally, proposes some suggestions for the future development of laws and regulations on sports organizations in China.

Introduction

Stakeholder theory serves as the foundation for discussing social responsibility. Corporate social responsibility is an increasingly pervasive phenomenon on the European and North American economic and political landscape [1]. It is clear that a considerable number of sport organizations have embraced the principles and practices of corporate social responsibility [2], while the corresponding research in the responsibilities undertook by the legitimate sports organizations in China has received minimal attention. The purpose of this essay is to discuss the responsibility of the legitimate sports organizations in China and their status of undertaking responsibility by explicating its historical reasons and current situation, taking the Chinese Athletic Association (CAA) as an example, so as to give some suggestions for the reform of Chinese sports organizations and to help Chinese sports career develop scientifically and harmoniously.

1. The Chinese Athletic Association

The CAA, founded in Beijing in 1954, is a non-governmental organization, and also a national sports governing association for the sport of athletics in China recognized by the China Olympic Committee. Under the CAA there are six committees, namely the press committee, the scientific training committee, the competition committee, the marathon committee, the youth committee and the equipment committee. Moreover, CAA has a secretariat, which is a permanent working body in the China Athletics Administrative Center (CAAC) under the General Administration of Sport of China (GAS). The chairman of CAA is ministerial leadership. CAA aims to unite with workers and enthusiasts in athletics, guide and promote the development of Chinese athletics; to implement the nationwide fitness program and the Olympic Glory Program; to enhance friendship with athletic associations in the rest of the world; and to cement the close relations and cooperation with the International Association of Athletics Federations (IAAF) and Asian Athletics Association [3].

2. The Responsibilities of the Legitimate Sports Organizations in China

The legitimate sports organizations in China refer to those registered in the Ministry of Civil Affairs or Civil Affairs Department above the county level. To understand the responsibility situation of the legitimate sports organizations in China, the bottom line and the pressing question to ask is: What does social responsibility mean in the realm of sports organizations? There is a vast
amount of literatures on social sports responsibility, while only within the past decade has social sports responsibility begun to receive scholarly attention from sport management perspective [4,5,6]. The responsibilities of China’s sports organizations have not been the focus of great attention and examination until now. According to the current literatures, Xie Hongwei says that sports organizations, as an effective supplement to market failure and government failure, and the express body of the public interest, should take the responsibility at moral, legal and public levels due to the nature of their self-discipline and external discipline [7]. In a similar manner, the responsibility of the sports organizations in charge of Olympic sports is identified as project population, mass participation, elites training and competition management [8]. Du Chongxin thinks that the professional sports organizations should undertake economical accountability, legal accountability, ethic accountability and philanthropy [9]. Others find that besides the four kinds of responsibilities, professional sports organizations should take charge of cultural communication and sustainable development of the society [10]. Without a doubt, the literatures contribute much to the future research of sport management. Meanwhile, this research situation signals that further analysis and examination is still needed in this field to make sports organizations paly its role as an important agent of social change.

Based on the literatures, this paper defines the responsibilities of the legitimate sports organizations in China as at a given period the requirements or expectations of the society for the legitimate sports organizations at the aspects of law, economy, morality and public benefits, and the responses of the legitimate sports organizations to the requirements or expectations. Legal responsibility refers to work within existing legal frameworks of the state. Economic responsibility is to improve its profits abilities on the condition that the activities conducted are not for profit purposes, and meanwhile to accept the financial audit from the supervisory authorities. Moral responsibility is to conduct activities in strict accordance with the charter of the organization without prejudice to the interests of stakeholders and the public, maintain fairness, justice, respect and protect the moral rights of stakeholders, to ensure the intention and desire of donors and to enhance the sense of belonging of members of the organization. Public responsibility is to ensure the healthy operation of organizational activities and participate in social charity.

3. Stakeholder Theory

As we can see responsibility cannot be discussed without considering into the discussion the notion of stakeholder theory [11]. The stakeholder theory is a theory of organizational management and business ethics that addresses morals and values in managing an organization [12]. Stakeholder theory identifies why corporations devote to the interests of stakeholders as well as their immediate corporate interests [13]. From this perspective, sports organizations should see the import of values and relationships with stakeholders as a critical part of their ongoing success and consider the interests of all stakeholders including investors, suppliers, consumers, employees, the community. Sports organizations play an important role as a vehicle for practicing responsibility. For example, in 2005, the FIFA became one of the first sport organizations to create an internal corporate social responsibility unit, and soon thereafter committed a significant percentage of their revenues to related corporate social responsibility programs. In terms of the stakeholder theory, the stakeholders of the legitimate sports organizations include their members, donors, public, media, cities, communities, sponsors and governments.

4. The Status of Social Responsibility Undertaken by the Legitimate Sports Organizations

4.1 Legal responsibility

The ninth Article of the Regulation on Registration and Administration of Social Organizations (Regulation) requires that candidate social organizations must be investigated and approved by a professional leading unit (Pinyin: yewu zhuguan danwei), and applicants must make preliminary application to the registration and management agency. That is to say, to become established, social
organizations must be approved by the authorized department and registered in a Civil Affairs Department following the registration procedure set out in the regulations.

The CAA is the only national social organization for athletics with independent corporate capacity, which is responsible for promoting the development of Chinese athletics. The Regulation on Registration and Administration of Social Organizations has rigid requirements about what to do and what not to do for the CAA. There are some other social organizations that specialize in laws and regulations, such as Welfare Donations Law of the People's Republic of China, Measures for the Registration of the Branches of Social Organizations and Representative Offices, Measures for the Administration of Income Tax Collection of Public Institutions, Social Organizations and Private Non Enterprise Units, Interim Measures for Banning Illegal Non-Governmental Organizations. Moreover, there are some norms relating to social organizations, such as the terms about public benefit and relief donation tax exemption in the Provisional Regulations on Enterprise Income Tax, the terms about property in the Property Law of the People's Republic of China, the terms about industry association in the Law of the People's Republic on Lawyers and the Law of the People's Republic on Certified Public Accountants. While these laws and regulations have some defects: firstly, they lack of authority because most of them are administrative laws and regulations, departmental rules and regulations and local government rules. Secondly, they lack of pertinence and maneuverability. For example, the fourth Article of the Regulation on Registration and Administration of Social Organizations requires that organizations must observe the constitution, state laws, regulations and state policy; must not oppose the basic principles of the constitution, harm the unity, security or ethnic harmony of the state, or interests of the state and society, or the lawful interests of other organizations or citizens, or offend social morality [14]. As we can see this Article keeps the same supervision and management on different social organizations, which lacks of maneuverability. Thirdly, the substantial law is vacant. Most of laws are procedural laws rather than substantial ones, which has no systematic specification of the civil association, including the organizing, financial management, revenue, donation, volunteers, activity recognition, evaluation and supervision of the social organizations. Thus, the legal responsibility of the legitimate sports organizations lies in the legality of its activities. As the leader of the CAA claims:

The GAS is a unit under the State Council and governs directly the CAAC. As an institutional unit of the GAS, the CAAC share the same staff with the CAA. The departments of the CAAC are accordance with the six committees of the CAA, which are adjusted per 4 years and absorb many associations of the society. Actually many members of the committees are not units or groups, for example, Mao Wenhai from Beijing long-distance running club is the deputy director of the scientific training committee.

4.2 Public responsibility

There are a number of factors that influence the public responsibility of the legitimate sports organizations, such as charity resources, requirement of society, operational ability, laws and regulations. The public responsibility truly comes from the requirements of laws and regulations. For example, the third Article of the Welfare Donations Law of the People's Republic of China says: The public welfare undertakings stated in this Law refer to the following non-profit activities: Activities carried out by social bodies and individuals to provide disaster relief, aid the poor, and give support and assistance to the physically disabled; educational, scientific, cultural, public health, and sports undertakings; construction of environmental protection facilities and public utilities in society; other public and welfare undertakings in society aiming to promote social development. As the carrier of sports industry, public responsibility is the duties of the sports organizations. Kleinmann posits that multi-functional organizations such as the CAA are compelled to operate and communicate in socially responsible ways that protect the interests of key stakeholders [15]. Survey shows that the main charity resources of the CAA come from government funds. Although there are some donations from the sponsor, there are usually business requirements. Though CAA carries out some charity programs in some cities, it cannot meet the requirement of the remote countryside. Thus there are great differences between the responsibilities specified by the laws and regulations and those undertook actually by the sports organizations. According to the leader of the CAA,
For the CAA, the public responsibility is to absorb more people to participate in athletics rather than other sports and promote the development of Chinese athletics. For example, 44% people take regular exercise in Jiangsu Province in China, among whom 80% take walking and running as main exercise. The main charity activities taken by the CAA are to take part in poverty alleviation plan, such as donating equipment to the poverty schools and training bases, building Track and Field Center Hope Primary School. Moreover, charity has become the important sports culture in the booming marathon competitions.

Charitable resources are closely related with the country’s economic development. Only the organizations that concern the people's livelihood have ability to carry charity when the economy is not bad. For example, the CAA was in economy trouble between 1997-2002, when there was no money for competitions and rewards. Until now, the operating expenses are provided by the state, and the staff fee self-raised by the CAA itself. The members of athletic associations at provincial and municipal levels don’t hand in any membership dues. With the sound development of athletics, the CAA is getting better.

4.3 Moral responsibility

Among the factors influencing the moral responsibility, stakeholders, laws and regulations are the main bodies of moral rights. The rigid moral obligatory from laws and regulations has no compromise. That donations should be made in observation of relevant laws, rules, and regulations; and must not transgress social morality, or impair public interests and other legitimate rights and interests of citizens from the sixth Article of the Welfare Donations Law of the People's Republic of China and social organizations must not offend social morality from the fourth Article in the first chapter of the Regulation are normative requirements on the moral responsibility, which lets the moral rights of the state will rise to the legal norms and become “non-violation” requirements, i.e., the moral obligations of the sports organizations carrying out activities are regulated in a social will in favor of the state.

Owing to the resources of operating expenses, characteristics of national governing, administrative background of human resource of the CAA, the moral rights claim from the GAS, IOC and IAAF are in a dominant position. The moral obligation to the sponsors binds with commercial interests. And the requirements for athletics from the general are met limitedly. If the legitimate sports organizations are to remain their missions and objectives to support the development of mass sports in accordance with their charters, organizations such as the CAA must make choices in their efforts to achieve instrumental goals and address stakeholder claims. According to the leader of the CAA,

The moral responsibility of the CAA is to operate according to the constitution, finish the tasks given by the GAS, COC and IAAF in accordance with the regulations of the GAS and the related international organizations, and complete the accountabilities from the society. Stakeholders will give some conditions when donating; for example, the state will require the CAA to promote the development of athletics, to improve sports level, and to implement the nationwide fitness program. The sponsors will not give any sponsorship if the CAA cannot meet their needs.

4.4 Economical responsibility

The economical responsibility of legitimate sports organizations is given by the relevant regulations. The 31th Article of Regulation stipulates that social organizations shall submit the work report of the previous year to the professional leading unit before March 31 of each year, and to the registration administrative agency before May 31, after accepting the preliminary examination and approval of the professional leading unit, to accept the annual inspection. Survey shows that the GAS has an audit department led by the GAS and the National Audit Office of People’s Republic of China. And the audit department conducts finance inspection on the associations by random rather than annually as regulated. The National Audit Office also makes non-scheduled finance examination of the associations and of their leaders. It is easy to see that the audit from the government is not conducted according to the Regulations. The characteristics of virtual property of sports organizations and the state serving as the main virtual economy body make the regulations change flexibly and reasonably. Such stakeholders as donors investigate the organizations relying on the assessment from the professional leading units and the registration authorities due to limited
supervision authorities. As we all know that the sports organizations and the professional leading units are founded under the system of “two organizations of the same staff” (Pinyin: yitao banzi, liangkuai paizi). Thus, the supervision of sports organization is conducted by the government. According to the leader of the CAA,

All the money of the CAA is unified financial management and can be spent as long as the expenditure is not illegal. The Audit Department of the GAS conducts finance inspections on the administer centers and institutional units by random rather than annually as regulated because there are more than 50 administer centers and institutional units. And the National Audit Office makes random inspection on the financial situation of each leader when they leave their posts.

5. Dilemma of the Legitimate Sports Organizations in Undertaking Responsibilities

Excessive social responsibility: Dual management system makes the organizations become the government’s “pocket of things”. The fact that organizations are controlled by the government decides the only thing that sports organizations can do is to help other than trouble the government. The isomorphic mode makes the departments (Pinyin: banshi jigou) of sports organizations become the departments (Pinyin: zhineng bumen) or institutions (Pinyin: shiye danwei) of the government. The legitimate sports organizations are actually formal ones or pseudo ones, which fulfill the duties and responsibilities of the government and become an extension of the government agencies. In this sense, these sports organizations fulfill excessively the social responsibilities.

Lack of social responsibilities: With the institutional reform of government in line with the administrating trend of “small government and big society” (pinyin: xiao zhengfu, da shehui), the sports institutions should follow the trend. During the reform process, on the one hand, under the mode of state-run sports system, in that the government is the mainstay of the reform while the government departments are the immediate beneficiary, decentralized periphery means benefits missing. On the other hand, with sports organizations is subsidiary to the strong government institutions, the impetus for further reform of the sports organizations is inadequate. The national sports associations play an indispensable role in promoting the development of competitive sport, while they still lack of responsibilities specified in the charters of the associations in carrying out mass sports activities to thoroughly promote the nationwide fitness campaign.

Conclusions

Under the circumstances of transforming the governmental sports administrative function, it is the internal need for sports organizations to undertake social responsibility so as to promote its healthy, consecutive and rapid development. The requirements and expectations from the stakeholders often influence sports organizations to undertake responsibilities. The legal responsibilities specified in the laws and regulations are the must-to-do duties. The responsibilities at legal, public welfare, moral and economical levels conducted by the legitimate sports organizations are deemed to the reflection of the will of the state administrating the society rather than the actual need of the society because of the imperfect regulations. The legitimate sports organizations, as the extension of the government administration system, have a stronger ability in undertaking responsibilities. While they lack of responsibilities in some fields and take excessive responsibilities in other fields. Thus, the current administrative mechanism should be reformed and improved, and hierarchical laws and regulations are practicable and accessible. Meanwhile the legitimate sports organizations should establish internal self-discipline mechanism and effective social supervision mechanism.

References


