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ORIGINAL ARTICLE

Developing Professional Sports Business in Iran: A Legal Framework

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EXTENDED A B S T R A C T

Introduction

The development of Sports business requires not only strategic economic management but also a particular emphasis on establishing and reinforcing robust legal infrastructures. While many foundational elements exist within the national business environment, certain aspects demand enhanced attention and systematic management to effectively foster growth and sustainability. This study aims to propose a qualitative model for the development of professional sports business in Iran from a legal perspective. It focuses on identifying the most influential legal dimensions, highlighting overlooked aspects, examining driving factors, and predicting the anticipated outcomes of adopting a legal-centric approach to sports business development.

Methodology

This study employs a qualitative research design rooted in Grounded Theory methodology, specifically utilizing Glaser's approach for data analysis. Data collection focused on obtaining rich, detailed insights from a carefully selected sample of experts and practitioners, ensuring relevance and depth. The participants comprised university faculty members specializing in marketing, law, and business, preferably with practical experience. Additionally, executives and marketing specialists from prominent football-related organizations-including the League Organization, the sport federation, and league clubs-were included. Sampling employed a purposive strategy combined with snowball sampling to identify participants with the requisite expertise and experience. Interviews were conducted in depth, lasting 60-90 minutes, and continued until the researchers determined that theoretical saturation and data adequacy were achieved. To ensure the rigor and trustworthiness of the study, the four fundamental criteria of Grounded Theory-fit, relevance, workability, and modifiability-were systematically applied.

Findings

The analysis of data revealed 33 distinct categories that collectively play a central role in the development of the professional sports business in Iran from a legal perspective. The core category, which encapsulates the research's primary focus, is identified as the “development of professional sports business in Iran with a legal approach.” This core category serves as the nexus of the proposed model, influenced by other categories while providing feedback to them, yet maintaining a predominantly one-way relationship with these influencing factors.

The contextual conditions, representing the broad environmental and foundational elements that shape the sports business landscape. These include the scientific, cultural, and legal groundwork necessary to sustain growth, the close interaction between internal and external factors impacting the sports sector, and the societal recognition of the potential economic and social benefits of sports. These conditions are comprehensive and exert a dual linkage, affecting both the sports infrastructure and the associated legal frameworks, thereby influencing all other categories within the model. The causal conditions-root causes that directly drive the development of the core category-were identified as three key elements: (1) the legal regulation of contracts, which ensures clarity and enforceability of agreements among stakeholders; (2) compliance with international law, which facilitates integration with global sports systems and adherence to international standards; and (3) the establishment of a comprehensive system for sports and club management, which promotes professional governance and operational efficiency.

Covariant factors-those associated with the causal conditions but not primary drivers-include compliance with domestic regulations, respect for intellectual property rights, adherence to antitrust laws, privatization efforts, and the consideration of public interest within sports activities. These factors contribute to shaping the environment in which the core development process occurs.

Intervening or mediating factors represent conditions that influence the outcomes of the development process. These include challenges such as the lack of payments for broadcasting rights, the growing significance of media and endorsements, merit-based recruitment practices, the dominance of state control over sports, latent marketing opportunities, economic constraints, and various political, social, and cultural issues that may impede progress. Contingency or moderating factors serve as intermediaries affecting the relationship between causes and the core development process, as well as between the core process and its outcomes. These include the effectiveness of legal agencies, the establishment of standardized sports clubs, the presence of sponsors, adherence to ethical principles, the creation of unions representing sports stakeholders, the implementation of systemic communication models within the sports ecosystem, and the employment of scientifically qualified managers in legal, economic, and club management domains.

Finally, the outcomes represent the culmination of the model and reflect the anticipated benefits and changes resulting from the legal development of professional sports business. Expert opinions suggest key results such as the consistent implementation and observance of legal frameworks, recognition of sports as a significant industry, strict adherence to the rule of law, tax exemptions designed to incentivize growth, and the positive impact of a healthy economy on the contribution of sports to the national gross domestic product (GDP).

Discussion and Conclusion

Policymakers are encouraged to adopt this legal-based model within national sports planning agendas. A thorough review and revision of existing sports legislation is crucial to identify and remove regulatory barriers that hinder business growth and investment. Managers and administrators in the sports industry should focus attention on the 33 core categories identified in this research, prioritizing initiatives that promote financial transparency, contractual clarity, and ethical governance.

Furthermore, the government is urged to support ongoing privatization efforts to enhance industry efficiency, innovation, and competitiveness. Privatization, when coupled with strong legal oversight, can enable sports organizations to operate more dynamically and respond effectively to market demands. One of the urgent legislative initiatives recommended by this study is the formal regulation and enforcement of broadcasting rights payments. Ensuring that media rights holders receive appropriate compensation is vital to the financial sustainability of professional sports and can serve as a critical revenue stream for clubs and leagues. Additionally, the Ministry of Sports should establish a structured model for club and business development that incorporates legal, economic, and managerial best practices. This would provide a systematic pathway for clubs to professionalize their operations and engage more effectively with sponsors, fans, and international partners. Sports administrators are encouraged to implement both short-term and long-term strategies that align with the proposed legal framework to achieve practical outcomes. Short-term measures could include enhancing contract management and intellectual property protection, while long-term efforts may focus on fostering a culture of compliance and continuous legal reform. Finally, enforcement of national intellectual property and copyright laws, aligned with international standards, is crucial to protecting sports brands, media content, and merchandise. This legal protection will help nurture a thriving and legally sound sports business environment that attracts investment and supports sustainable growth.

KEY WORDS

Agency Relationship, Antitrust Law, Intellectual Property, International Regulations, Sports Agency.

