

Concept

Derived from the Greek verb *'kubernân'* ('to steer a ship'), 'governance', a term widely used today, has no universal definition and has come to mean different things in different contexts. In its purest form, however, it 'describes the structures and decision-making processes that allow a state, organisation or group of people to conduct affairs'.¹ Good governance [implies](#) that policies and procedures are in place to ensure an organisation is well run. Beyond rules and regulations, good governance is about an organisation's ethical culture. Along these lines, good governance in the sporting context can be understood as 'the framework and culture within which a sports body sets policy, delivers its strategic objectives, engages with stakeholders, monitors performance, evaluates and manages risk and reports to its constituents on its activities and progress including the delivery of effective, sustainable and proportionate sports policy and regulation'.²

Scholars identify [various principles](#) at the heart of good governance in sport. Henry and Lee,³ for instance, suggest those of **transparency** (clarity in procedures and decision-making, particularly in resource allocation, which implies the greatest possible openness to public scrutiny of the organisation's internal arrangements); **accountability** (to financial investors and other investors, including 'emotional' ones, such as supporters); **democracy** (access to representation in decision-making for those who make up the organisation's internal constituencies); **responsibility** (for the sustainable development of the organisation and the sport, and stewardship of their resources and those of the community served); **equity** (in treatment of constituencies, notably gender equity); **effectiveness** (establishing and monitoring of measures of effectiveness with measurable and attainable targets); and **efficiency** (the achievement of such goals with the most efficient use of resources possible).

How sport is governed in Europe

It is not possible to define a single model of governance in European sport.⁴ Sport is characterised by a variety of structures which enjoy different types of legal status and levels of autonomy in Member States.⁵ In addition, differences exist across disciplines. That said, many European sports are organised on a hierarchical pyramid model, whereby sports clubs are affiliated to national federations, which are themselves members of European and international federations (IFs). While these organisations all bear some responsibilities as regards the regulation of their sport in their sphere of competence, they are however subordinate to the organisations above them.⁶ Put differently, the stance adopted by a sport's governing body influences decisions taken in any organisation operating under that body's umbrella.⁷

International federations (and all subordinate bodies and actors) are themselves subject to the rules and policies of other international bodies entrusted with special tasks, including the World Anti-Doping Agency ([WADA](#)); the Court of Arbitration for Sport ([CAS](#)); and the International Olympic Committee ([IOC](#)). For

Specialised international sports bodies

Created in 1984, the CAS aims to facilitate the settlement of sports-related disputes through arbitration or mediation. These disputes, which can be submitted by any individual or legal entity with capacity to act, may be of a commercial nature (e.g. a sponsorship contract), or of a disciplinary nature following a decision by a sports organisation (e.g. a doping case). Arbitral awards have the same enforceability as judgements of ordinary courts.

Set up in 1999, WADA is composed of representatives of, and funded equally by, sports stakeholders and national governments. One of its main tasks is monitoring signatories' implementation of and compliance with the [World Anti-Doping Code](#), including international federations; the IOC and national Olympic Committees; and national anti-doping organisations.

instance, international federations that are part of the Olympic movement⁸ must ensure that their statutes, practice and activities are in conformity with the [Olympic charter](#), a document comparable to a 'constitution', codifying the fundamental principles of [Olympism](#) and the rules and bye-laws adopted by the IOC.

Historically, sports organisations have enjoyed considerable autonomy (see box below) in running and regulating sport. This autonomy, strongly defended by sports authorities as a [means](#) to safeguard the values inherent to sport from external influences, is however increasingly challenged by interventions from the courts, national governments and regulators, and commercial interests, as well as from the EU.

'Autonomy of sport'

'Autonomy of sport' refers, among other things, to the possibility, within the limits of the law, for sports bodies to establish, amend and interpret sporting rules freely, without undue external influence; choose their leaders democratically, without external interference; secure adequate funds from public or other sources, without disproportionate obligations; and use these financial resources to achieve objectives and pursue activities chosen without severe external constraints.⁹

Reference to sporting autonomy can be found in the Olympic Charter, as well as in the statutes of many sports organisations. There is also recognition of the principle in documents issued by intergovernmental organisations on sport-related topics, such as the United Nations [resolution](#) on 'Sport as a means to promote education, health, development and peace', and the Council of Europe's [European Sport Charter](#). The autonomy of sports governing structures is acknowledged in the European Council [Declaration](#) on the specific characteristics of sport (Nice, 2000), as well as in key EU documents such as the 2007 [White Paper on Sport](#), and the Union work plan for sport for the periods [2011-2014](#) and [2014-2017](#). The Commission's [communication](#) on 'Developing the European dimension in sport' makes autonomy conditional on good governance.

State of sports governance

A statement of good governance principles to guide sports bodies in the governance of their sport was produced at Europe's [first conference](#) on the governance of sport, organised in 2001 by the FIA (governing body for world motorsport) and the EOC (European Olympic Committees). One argument made by sports authorities to support the initiative was that applying the proposed principles would help not only to strengthen sports organisations to the benefit of their stakeholders (clubs, athletes, sportspeople), but also to prevent outside intervention in sporting affairs. The [realisation](#) that good governance was an essential prerequisite for the sports movement to justify and claim its autonomy was also behind the drafting of the IOC's [Basic Universal Principles](#) of Good Governance of the Olympic and Sports Movement (2009), later incorporated in the IOC's [Code of Ethics](#), which forms an integral part of the Olympic Charter. The [Olympic Agenda 2020](#), launched in December 2014, further promotes acceptance of and compliance with these basic principles by all organisations belonging to the Olympic Movement, while giving them responsibility for running regular self-evaluation in this regard.

A [report](#) released in October 2015, which looks more closely at the governance structures of all 35 Olympic international federations and proposes a practical benchmarking tool based on a number of indicators ('[Sports Governance Observer](#)'), seems however to [indicate](#) that the good governance principles introduced by the IOC remain to be properly taken on board. The report finds that most international federations fail to comply with basic standards for **accountability**, **transparency** and **democracy**. It notes in particular the absence of term limits on elected officials (involving a risk of concentration of power); of integrity checks of their leaders; of effective internal control mechanisms such as

independent ethics committees; and a lack of public information on accounts and activities, including on remuneration of board members and senior officials. It also appears that none of the federations examined select host candidates for major sporting events through a transparent and objective process involving an independent review of the submitted dossiers. Overall, the study suggests that the institutional design of international sports federations is generally flawed, as their constituents cannot monitor and sanction decision-making body members.

The Sports Governance Observer was developed based on the results of the [AGGIS](#) project ('Action for Good Governance in International Sport'), carried out in 2012 and 2013 with an EU grant. Within this framework, project partners conducted a [survey](#) into the governance standards of the international sports federations, which had already provided evidence on the lack of accountability arrangements in sport governing bodies. The survey also touched upon the issues of **athlete participation**, which is mostly institutionalised, but generally does not entail access to decision-making; and **gender equality**, where data indicate a preponderance of male officials among the executive body members. Findings from a broader American study on women in sports governance (see box) confirm that equity is far from being achieved.

Some [consider](#) that governance practices in international sports governing bodies have not kept pace with evolutions in sport, notably the huge commercial growth of the sector and the increasing financial stakes concerned, which, as recent high-profile cases¹⁰ demonstrate, can create fertile ground for corrupt practices. On the basis of their research, experts involved in the development of the Sports Governance Observer [conclude](#) that such ethical scandals may be 'institutionally induced'.

Why good governance in sport matters

Sport is played and viewed by billions of people across the world. In addition to improving public health through physical activity, it plays social, educational and cultural functions. Sport also conveys important [values](#) such as team spirit, solidarity, respect for others and fair-play, and teaches the importance of rules. In a 2011 [report](#), the non-governmental organisation [Transparency International](#) argued that bad governance compromises the positive influence of sport, especially on young people, in spreading such values. Along the same lines, experts [consider](#) that sport as a public good requires responsible and transparent management. They also warn that, since the growing commercialisation of sport has amplified the socioeconomic impacts of the rules issued by sports bodies, poor governance could have substantial negative repercussions on wider society.

There is evidence that sport organisations also have a concrete interest in ensuring good governance. It can, in particular, help [secure](#) sustainability for the organisation and its activities, strengthening its structure, enhancing efficiency in spending resources, and improving effectiveness in reaching objectives. Governance failures, by contrast, can put

Women in sports governance

A [report](#) from August 2016, investigating the number of women in leadership roles within the IOC and international sports federations showed that women remain seriously underrepresented in top positions across international sport. At the time of the survey, 5.7 % of international federation presidents, 12.2 % of vice presidents, and 13.1 % of executive committee members were women. Nine of the 35 international federations had women in leadership roles greater than 22 %. Three IFs had no women leaders at all. As regards the IOC, women made up 24.4 % of members. The report stressed the sharp contrast between this lack of female representation in decision-making roles and the rising female representation among Olympic athletes (estimated at 45 % for the Rio 2016 Games).

their continuity at risk. Sports organisations [rely](#) on the public, not only fans, but also taxpayers and public authorities. As shown in a 2011 [study](#) on sports funding in the EU, carried out for the European Commission, sport receives significant financial support from public authorities. In addition to allocating subsidies to certain programmes and/or specific projects, the public sector contributes to the funding of the sport sector by building and maintaining infrastructure/facilities for the sport clubs, at both elite professional and grassroots¹¹ levels. Hosting sporting events (see box) also mobilises public money (building of stadiums, investments in public transport infrastructures, security). In the absence of good governance, the question arises whether the public and policy-makers are willing to invest in sport and to host major events. Public authorities increasingly tend to link their support to minimum standards of good governance. The [case](#) of the English Football Association, urged by the [government](#) to overhaul its governance model, or risk losing public funding, is one such example. A new [Governance Code](#) for sport in the United Kingdom, to which any sports organisation seeking public funding will have to adhere, will come into effect in 2017. Similar steps have been taken in Belgium, where Flemish sports federations will soon receive subsidies not only based on their membership figures, but also on observance of good governance principles. As regards events hosting, a recent [survey](#) conducted by the public affairs company Burson-Marsteller shows that governance issues represent a major concern for host cities when they decide to bid for a sport event. Finally, poor governance could potentially have an effect on private [sponsors](#). All in all, essential sources of funding for the development of sport are therefore at stake.

Major sporting events – what is at stake

Organising tournaments is a core mission of international sport organisations, and the commercial exploitation of these events represents an important source of income, which is for the most part redistributed. The IOC, for instance, distributes [90 %](#) of its revenue to organisations throughout the Olympic Movement. FIFA, which derives [90 %](#) of its revenue from the sale of television, marketing, hospitality and licensing rights for the FIFA World Cup, [invests](#) the vast majority of its income in football and football development. Cities and states for their part have various motivations for bidding to host such major sport events, the main reason being the expected economic stimulus and impact (attracting capital and tourists, both in the short and the long term; catalysing infrastructure development). Research [shows](#), however, that in most cases, the expected economic benefits do not materialise. At the same time, staging large sports events such as the Olympic Games represents an [ever-more expensive](#) undertaking for the host. In particular, costs hit [record highs](#) for the 2014 Winter Olympic Games in Sochi, Russia. In recent years, several European cities [dropped](#) their bids to host the 2022 Winter Olympics due to lack of public support. [Hamburg's](#) bid to host the 2024 Olympics was rejected by the public in November 2015. Key [factors](#) behind this trend include, inter alia, concerns over costs; doubts over benefits and legacy; and a feeling that money invested in the Games would be better spent on population needs. Opponents of the Games also pinpointed a lack of transparency on the part of the IOC. The corruption cases involving other sports organisations were also [said](#) to have had an influence on the public. Observers [warn](#) that the future of the Olympic Games is at threat.

On another note, having effective governance structures in place is also likely to minimise disputes or challenges both from within a sport or outside. A case in point is the involvement of athletes in sports governance. As things now stand, [athletes' representatives](#) warn that if athletes continue to be excluded from the governance and decision-making processes of their sport, they may increasingly resort to the law and industrial action to ensure that their voice and interests are taken into account.

EU action for good governance in sport

EU competence

Since the entry into force of the Lisbon Treaty in December 2009, the European Union has supporting competence in the field of sport ([Article 6](#) of the Treaty on the Functioning of the EU – TFEU), which means that it can carry out actions to support, coordinate or supplement measures taken by its Member States. The EU has no legislative power in sports matters. [Article 165](#) TFEU explicitly rules out any harmonisation of the laws and regulations of the Member States. Policy tools at the EU's disposal are limited to incentive measures and recommendations.

The EU has, however, the ability to intervene in sport regulation on the basis of its internal market powers. Indeed, as established in European Court of Justice case-law,¹² sport, when it constitutes an economic activity, is subject to EU law, including most prominently, internal market freedoms and competition rules. On this basis, the [Court](#) and the [European Commission](#) as the EU competition authority, have increasingly been called upon to handle disputes about rules set by sports organisations, brought before them by sports stakeholders, notably athletes.¹³ In certain cases, the rules at issue had to be modified in order to make them compatible with EU law.¹⁴

Concrete outcomes of EU sports policy

The promotion of good governance in sport is high on the EU sport policy agenda. It is among the top priorities of the European Union work plan for sport for the periods [2011-2014](#) and [2014-2017](#), and a specific EU [Expert Group](#) is dedicated to this issue. The group is made up of experts nominated by Member States, and supported and attended by the European Commission. Sport stakeholders can request observer status. So far, the Expert Group on Good governance has delivered various recommendations, including the [principles of good governance in sport](#); the [guiding principles](#) relating to democracy, human and labour rights, in particular in the context of the awarding of major sport events, which fed into specific [conclusions](#) adopted by the Council last May; and recommendations on [gender equality](#), notably in the sport decision-making process.

EU action to promote good governance also entails financial support to specific initiatives. Between 2011 and 2013, eight projects benefited from EU funding as [preparatory actions](#). These included, besides the AGGIS project mentioned above, which evolved into a benchmarking tool designed to enable national and international sports leaders to improve their federations' governance, an initiative tailored to the needs of grassroots sport organisations – the '[good governance in grassroots sport](#)' project. This project led to the development of specific [guidelines](#), providing, amongst others, guidance on how to identify dilemmas and fix potential poor governance incidents, as well as an online [tool](#) to evaluate the level of governance and leadership within an organisation.

Since 2014, funding for projects on good governance has been available under the sport strand of the [Erasmus+](#) programme, which has a budget of some [€265 million](#) over seven years. The focus is on initiatives that help promote the principles developed by the EU (see box). These include the [SIGGS](#) project managed by the [EOC EU Office](#), providing specific, tailor-made and practical advice to national Olympic committees and national sport federations on the implementation of good governance (based on a combination of the IOC's and EU's sets of principles). Another example is the project coordinated by [Supporters Direct Europe](#), '[Clubs and supporters for better governance in football](#)', focused on a training, education and exchange programme involving member-run football clubs and national supporters' organisations.

EU principles for good governance in sport

Presented to the EU Council in October 2013, this set of recommendations puts forward standards of good governance applicable to all organisations across the whole sport movement, which can embrace them on a voluntary basis. The EU encourages compliance with the agreed principles, particularly through the funding of awareness raising projects under Erasmus+. Monitoring and assessment activities are planned to ensure correct implementation. In the event of unsatisfactory application, the door is left open for stronger compliance measures, such as making EU funding conditional on respect of these principles. However, this approach is currently not on the agenda. When asked, in a recent parliamentary [question](#), whether good governance was embedded into the criteria for eligibility for EU funding, the Commission [replied](#) that those used for the implementation of Erasmus+ represented a sufficient safeguard.

Last September, in the context of the [European Week of Sport](#), the European Commission presented a declaration on good governance in European sport, and invited sport organisations to [pledge](#) their support and voluntarily commit to promote and, where appropriate, to implement, and follow-up basic principles of good governance in sport, including integrity, accountability, transparency, democracy, participation and inclusivity. So far, 32 federations and organisations¹⁵ have committed to this declaration.

European Parliament's new report

Good governance is one of the three pillars of the own-initiative [report](#) on 'An integrated approach to sport policy', due to be discussed in plenary in February 2017 (rapporteur: Hannu Takkula, ALDE, Finland). The text recalls that good governance must be a condition for the sports organisations' autonomy. It urges Member States to make public funding for sports subject to compliance with established and publicly available minimum governance, monitoring and reporting standards. While supporting the initiatives taken by sports organisations in this regard, the report requests them to put forward by 2018, and duly implement, concrete proposals to enhance their governance standards, and to publish the outcomes. The text stresses the importance of adequate monitoring in this respect. It also suggests that good governance should be a priority of the next multiannual EU work plan for sport, to be [negotiated](#) under the Maltese EU Council Presidency.

Outlook

Questioned about the trends that could shape sports governance over the next 15 years, participants at a workshop on '[future sport governance scenarios](#)' organised by the Commission during the European week of sport anticipated that governments could take on a 'professionalised' approach to their investment in sports and require proof of effective and efficient use of funding by sports organisations. They might also contest the autonomy of sport governing bodies, spurred on by calls from society for transparency in decision-making, [considered](#) a major driver for change in today's governance system.

Increasingly focus is on a cooperation-based approach to good governance in sport. Partnership between public authorities and sports stakeholders in this regard is, for instance, at the core of a [resolution](#) adopted in November 2016 at the 14th Council of Europe Conference of Ministers responsible for sport; and of the joint [declaration of intent](#) on enhancing regular dialogue on topics of shared responsibilities regarding major sports events that was signed earlier this year by the Dutch Presidency of the EU Council, the IOC, the EOC, FIFA, and UEFA. On a global scale, the IOC has [announced](#) the launch, in early 2017, of an 'international sport integrity partnership', which could benefit from [assistance](#) from the Organisation for Economic Co-operation and Development (OECD).

Main references

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- Transparency International, [Global Corruption Report: Sport](#), 23 February 2016.

Endnotes

- ¹ World Economic Forum, [What do we mean by 'governance'?](#), 26 February 2016.
- ² EU expert group on good governance, [Recommendations on principles of good governance in sport](#), p.5.
- ³ Henry I. & Lee P. C., 'Governance and ethics in sport', *The Business of Sport Management*, Pearson Education, Harlow, 2004, p. 31.
- ⁴ European Commission, communication on [Developing the European dimension in sport](#), 2011, p.10.
- ⁵ These national differences have been highlighted, for instance, in a [2013 study](#) by the European think-tank Sport & Citizenship, which provides a comparative overview of the organisation of sport in 15 EU Member States.
- ⁶ Geeraert, A., *The EU in international sports governance. A principal-agent perspective on EU control of FIFA and UEFA*, Palgrave Mac Millan, London, 2016, p.52.
- ⁷ Hums M. and MacLean J., *Governance and policy in sport organizations*, 2004, p.69, quoted in Alm J. (Ed), [Action for good governance in international sports organisations](#), p.10.
- ⁸ The Olympic Movement is composed of the IOC, the International Sports Federations and the National Olympic Committees. It also encompasses all the organisations which recognise the IOC's authority, i.e. the Organising Committees for the Olympic Games, the athletes, judges and referees, associations and clubs, as well as all the IOC-recognised organisations and institutions.
- ⁹ Chappelet, J-L, [Autonomy of Sport in Europe](#), Council of Europe Publishing, Strasbourg, 2010, p.83.
- ¹⁰ These involved, respectively, world football's governing body [FIFA](#) (faced with allegations of bribery in the process of awarding the hosting of the 2018 and 2022 World Cups to Russia and Qatar; as well as accusations of long-standing financial wrongdoing by football officials) and the world governing body of athletics [IAAF](#) (accused of covering-up doping). Both organisations have introduced comprehensive packages of reforms in 2016. (For more details, see [FIFA's reform process](#); and [IAAF's governance structure reform](#)).
- ¹¹ Grassroots sport is defined as organised sport practised at local level by amateur sportspeople, and sport for all.
- ¹² The Court of Justice took this view for the first time in the [Walrave and Koch case](#) (1974).
- ¹³ Recent examples include the complaint lodged by two professional speed skaters against the International Skating Union (ISU)'s eligibility rules, under which athletes face severe penalties for participation in unauthorised skating events. The Commission [informed](#) the ISU of its preliminary view that such rules are in breach of EU antitrust rules.
- ¹⁴ The most frequently cited example is that of the *Bosman* ruling, which concerned the free movement of workers within the EU, and led to an overhaul of the rules governing the transfer of football players.
- ¹⁵ Data from November 2016.

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