

Creation of an independent body for the control of the governance of sporting organisations worldwide¹

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Over the last fifteen years, associations and organisations have encountered profound changes in their operating conditions and funding thanks to the considerable increase in revenues from television rights and sponsorship from local performances such as lucrative cups or world championships and / or the organisation of international circuits². That is the reason why these hybrid organisations must combine the logic of associations and the logic of business to ensure their development. All this is done at the cost of a compromise of identity management (Bayle, 2007). These nongovernmental organisations (NGOs), which are in a quasi monopoly historically, are not directly subject to a regulatory or public stock market (except for the financial review system of organisations). The situation of the international federations (IFs) is not unique; there is the same type of structure in NGOs (Futurible, 2001; Queinnec et Igallens, 2004) Comité International de la Croix-Rouge³.

Although an NGO is non-profit and of "public interest", its functioning is totally private and derives from a democratic system. Contrary to a company where the financial result is essential and where the interest of shareholders plays a major role, non-profit international organisations are not primarily designed for profit making. This does not rule out the need for developing resources and for a balanced budget for the development of the media coverage of a sport and its expansion into new countries or continents. In addition, these organisations must strive to avoid dishonest dealings (personal enrichment, secret funding ...) which are strongly in contradiction with the humanistic values they seek to promote.

The governance of the IOC, the National Olympic Committees (NOCs), the national and International Federations is nevertheless often at fault (as well as other large organisations). At the beginning of the 21st century, the doubt which was cast on the functioning of the International Olympic Committee (Rosaries, 2002), the Fédération Internationale de Volley-Ball, the FIFA, and other IFs illustrate this fact. Since 2000, major changes in governance methods have sometimes been adopted or envisaged, e.g. the IOC (Chappelet Chantelat in Bayle, 2007).

What did the IOC do about governance?

Indeed, under the leadership of its former President Juan Antonio Samaranch, after the IOC 2000 report, the major international sports associations followed some recommendations. But this still remained marginal. As a proof, at the IOC Congress in Copenhagen on October 5, 2009, only two

recommendations concerning good governance in the world of sport were produced i.e. Recommendations 41 and 42. They read:

"The legitimacy and autonomy of the Olympic Movement depends on upholding the highest standards of ethical behavior and good governance. All members of the Olympic Movement should adopt, as their minimum standard, the Basic Universal Principles of Good Governance of the Olympic Movement, as proposed by the IOC. All members of the Olympic Movement must always demonstrate integrity, accountability and transparency, as well as the highest level of management skills; and they must ensure that at all times their legal status is both fully consistent with their activities and responsibilities and wholly compliant with the laws of the land (applicable laws)". Recommendation 41

"All members of the Olympic Movement should keep annual accounts in accordance with acknowledged standards of accounting; ensure they have an independent audit or verification of their accounts; adopt rules, norms and practices under which those who cannot comply with good governance may lose financial support or be sanctioned; adopt and implement a code of ethics based on the principles and rules of the IOC Code of Ethics; and always seek to protect and promote the interests of the athletes they represent." Recommendation 42

Unfortunately, the text of these recommendations is always conditional and is only an encouragement to follow the approach, just like the "rules of conduct for the IFs" in the Code of Ethics (2009) of the IOC. Several researchers have made proposals to the IOC in order to improve its governance control structures - Chappelet in 1991 and 2006, Arcioni in 2007 and 2009, and also in the proposed creation of the "Lausanne Conventions", by Professor Chappelet in a lecture in front of the Panathlon Club in Lausanne in 2010.

What are the risks incurred by the IOC?

A number of risks must be considered by the IOC, such as the procedures for selecting a host city for the Olympic Games (national policies, ...) and their controls, the application of measurable criteria for maintaining a sport instead of another at the Olympic Games, the conflict between "old" and "fun" sports, the "gigantism of the Olympics", the necessity to set up a jurisdiction hierarchy within the IFs and have access to the CAS (e.g. FILA during the OG in 2008), the definition of rules for the redistribution of the Olympic revenues, controls in the implementation of development plans (e.g. in the International Judo Federation, there are no milestones), "competition" between the IOC and the IFs about the development of Sport (recognition of states/countries for the creation of NOCs and National Sporting Federations), the use of the Olympic receipts (IFs or NOCs) for diverted aims (arms trade), etc.

But the greatest risks to be considered for the IOC in the coming months are:

- The use of the "anti-corruption" image to create a "World Anti-Corruption Agency" WACA as Dick

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² As an example, one of the most lucrative was the Football World Cup in 2006 which generated a turnover of 557 million Euros and a profit of 155 million Euros. The FIFA has the ownership rights for the organization of this event. The FIFA has a turnover of 553 million Euros and a profit of 184 million Euros. Source JF. Bourg 2008.

³ The credibility in the actions of the CICR and its legitimacy are regularly questioned: payment of rights of way in Africa, moral values of some members, functioning of the Headquarters...

Pound proposed in 2009, which would mean: "Sport Management = Corruption!"

- The creation of a supervisory body in the UN Watch (the athletes' rights);
- The ownership of the control rights by another organisation (financial interests);
- The pressure of the media (the same as in 1998-1999, before the IOC Report 2000);
- The new body would own a large international medium (eg: consumers' rights, that is to say, athletes);
- Contrary to WADA and to the CAS, the new body would have no direct connection with the world of sport;
- Etc.

But the biggest risk lies in the slowness of the IOC to change, that is to say, to react and quickly create an independent control body.

What are the arguments to create an independent body for the control of the good functioning and the governance of sport worldwide?

In fact, it would not be a supervisory body in the strict sense of the term, but rather an independent organisation working in the world of sport, to help everyone involved in sport to improve their governance structures and move towards full transparency.

Currently, unlike the business world, there is a gap in the law. No official authority exists nowadays. Moreover, since the removal of OATH (Olympic Advocates Together Honorability), there is no "athletes' union" any longer and it is not the mission of the CAS to remedy the situation. Conversely, the UN-Watch is interested in it (e.g. its involvement during the Beijing Olympics in 2008).

Moreover, the gigantism of the sport system and the involvement of certain states or totalitarian or Southern countries in national sports systems, the control of sporting environments by some mafia organisations (e.g.: the National Sporting Federations of FILA from former USSR countries, money laundering, the organisation of online betting, etc..) require important control of governance in the world of sport.

This independent body would be responsible for assisting members of the Olympic family to improve their structures, and all players involved in amateur and professional sports at international and national levels. This body would have to set up a control system of governance in order to reach a good governance standard in sport.

How should this organisation be called?

The body could be called the "World Sport Governance Agency" (WSGA). This non-governmental organisation would support the Olympic Charter, the principles of good governance and ethics within the Olympic family and the world of professional and amateur sports alike!

Its logo and slogans could be the following:



- Monitoring the Sporting World
- Promoting Ethics and Good Governance

This body should have the full support of the IOC and that of all the international federations, as the CAS and also WADA did at their creation. It is in the interest of all, because it is a way for the IOC to secure the governance compliance" of NOCs. As to the IFs, the same guarantee applies to the National Sporting Federations. The approach is identical concerning the organisers of major sporting events.

What would the mission of the WSGA consist in?

After a start up period assisted by the IOC, the WSGA should become independent and neutral by obtaining legal and financial independence. As a result, it would, become the recognised body for the audit and certification of "good governance" (the standard must be defined) in the world of sport. It would help all sports bodies wishing to improve their governance. It would have the following objectives:

- To help the members of the Olympic family to improve their structures (empirical perspectives: alignment of the structures of the different players in the sporting world and also to strive for "good governance")
- Not to be caught up with a competitor, that is to say not to let others dictate the rules of "good governance in sport 'and to remain master of one's fate (the fate of global sport),
- Not to leave any "gap" i.e. to anticipate in order to avoid any gap in the law or any regulatory body not to be equated with corruption, money laundering etc. !

Just like in the economic world (e.g. The corporate governance rules were dictated by the Sarbanes-Oxley Law in the United States), the WSGA would order one to two internal audits per year depending on the size of sporting organisations, and also an external audit performed by the certified auditors of the WSGA. The "assessment system" (audit or evaluation system) would be based on the "universal principles of the good governance in the Olympic Movement and in sport ". It would also be based on the first draft document published on February 1st 2008 and on the assessment system of governance for sporting organisations by Arcioni (2007). The integration of the two systems including additional indicators according to the size of the organisation and to the summer and winter sports would take the autonomy of the Olympic movement into account.

The assessment system of governance would measure the five levels of organisational governance: 1. Management (professionalism, independence regarding funding and management), 2. Governance (identity, values, flexibility and configuration of internal power) 3. Regulation (control, communication and imputability), 4. Alignment (partnerships, reputation and jurisdiction) 5. Metagovernance (metajurisdiction, social and economic, conservation and management of resources for the development, strengthening of the major social groups and means implemented).

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