



Sports Governance Observer 2015 report

The legitimacy crisis in international sports governance

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- 1) Introduction
- 2) **Study**
- 3) SGO + scores



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Legitimacy of ISFs is under threat

- Output legitimacy (produce desired outcomes)
 - Failure to deal with increasing number of governance challenges
 - Doping, match-fixing, transnational criminal activities, human trafficking, failure to comply with (economic) laws, unsustainable events
- Procedural legitimacy (internal workings conform to generally accepted procedures)
 - Lack of participation internal stakeholders
 - Corruption (unfair, opaque procedures)
- Structural legitimacy (being the right organisations for the job)
 - Legitimacy of regulatory monopoly under threat
 - Alternative structures are sought by athletes (cf. speed skating) and clubs (cf. football)

Danger

- Legitimation efforts by ISFs are often not sustainable
 - Self-legitimation: “autonomy of sport”
 - Horizontal legitimation: engage in partnerships with political actors such as EU, UN
 - (insufficient) governance reforms
- ISFs may face disempowerment
 - Danger: failures to address governance challenges

Solution: improve institutional design (1)

- Screening and selection mechanisms
 - Sort out good agents from bad ones by screening on professional and integrity criteria
 - Only four federations (11%) have a nominations committee that performs such checks
- Monitoring and reporting requirements
 - When agents know that they are being monitored, they are motivated to perform their task better
 - The majority of ISFs do not report to the general public/ stakeholders
 - The majority of federations report to their member federations, but the quality of reporting is lacking
- Administrative procedures
 - By defining steps agents must follow when conducting their tasks, their actions are controlled *a priori*.
 - Weak conflict of interest rules, ethics codes, event hosting decision procedures, quorums, athlete representation

Solution: improve institutional design (2)

- Institutional checks
 - By installing a body or mechanism that controls and holds veto power over agents' actions, the likelihood of unethical behaviour decreases
 - Lack of robust ethics committees and internal audit committees
- Elections
 - The threat of being replaced by a challenger in case of undesired behaviour incentivizes agents to perform their tasks better
 - Term limits decrease concentration of power and apathetic voters, and they facilitate diversity and the replacement of bad agents
 - While the majority of ISFs have decent election procedures in place, they generally lack term limits

Conclusion

- International sports governance is experiencing a legitimacy crisis
- ISFs risk disempowerment
- Enhancing their internal governance structures is in ISFs' best interest

Conclusion

Origins

- ✓ AGGIS project produced checklist

What is it?

- ✓ Benchmarking tool for good governance
- ✓ 36 indicators, 4 dimensions of good governance
- ✓ Comprehensive scoring system + SGO index

The scoring scale



Goal

- ✓ Informing and stimulating debate
- ✓ Exercising pressure

Study on the basis of the SGO data (2)

- Screening
 - ✓ **Four** federations (11%) have **nominations committee** that performs integrity and professional checks.
 - ✓ **12** federations (35%) publish **externally audited annual financial reports**.
- Monitoring
 - ✓ **None** of the federations publish **reports on remuneration**, including per diem payments and bonuses, of its board members and senior officials.
 - ✓ **Six** (17%) federations have clear **conflict of interest rules**. Seven (20%) federations do not have conflict of interest rules.
- Administration
 - ✓ In **none** of the federations, **the selection of host candidates for major events** takes place according to a transparent and objective process, in which bidding dossiers are reviewed independently and assigned a score on the basis of pre-established criteria.
- Institutional
 - ✓ **12** federations (34%) do not have an **ethics committee** in place. Five federations (14%) have independent ethics committee with the power to initiate proceedings on its own initiative.
 - ✓ **Six** federations (17%) have an **internal audit committee** that has a clearly defined role and has the authority to oversee the internal audit and assesses the quality of the internal control system
- Elections
 - ✓ **11** federations (31%) have some form of **limitation of terms** for elected leaders in place.