



*Routledge Research in Sport Business and Management*

# **GOVERNANCE, REGULATION AND MANAGEMENT OF GLOBAL SPORT ORGANISATIONS**

Emmanuel Bayle



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# Governance, Regulation and Management of Global Sport Organisations

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This book is a bold and ambitious analysis of the challenges facing global sport in the 21st century and how those challenges can be met through good governance, management and regulation.

Connecting the political and managerial dimensions of sport, from international governing bodies such as the International Olympic Committee through to national governing bodies, leagues and professional sport organisations, the book offers a new way of thinking about the trajectory of contemporary sport. Adopting an innovative multi-level approach – across macro, meso and micro levels – the book explores the key challenges currently facing sport, including the rapid emergence of new sports such as MMA and adventure sports; the arrival of new actors in the international sport ecosystem, such as the Gulf states and private equity investment; the growth of new technologies, such as AI; and socio-political and developmental issues such as integrity, sustainability, demographic change and sport-for-development. It considers the interaction of actors at different levels, from states to athletes and across the public and private sectors, and explores different models of sport around the world, including the dominant European and North American models. Its findings support the argument that current and future international sports governance and regulation require a more complex and nuanced method of analysis.

Offering a new vision for global sport, this is essential reading for advanced students, researchers, policymakers or practitioners working in sport management, governance or policy, or with a general interest in strategy, governance or public policy.

**Emmanuel Bayle** is Professor of sports management in the Institute of Sport Sciences at the University of Lausanne, Switzerland. He has published widely on sport management, CSR and non-profit management and is a specialist in the governance, management and performance of Olympic organisations and national sport systems. He is currently leading a new Swiss National Research Fund project on performance management and measurement in international sport federations.

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Emmanuel Bayle



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# Introduction

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Some astute manoeuvring by FIFA president Gianni Infantino has enabled Saudi Arabia to be the only candidate to host the 2034 Men's Football World Cup. Handing its flagship competition to Saudi Arabia on a plate, even though the country plainly contravenes FIFA's human rights policy, drawn up in 2017 in conjunction with NGOs, has gained Infantino a powerful financial and political ally (Bayle, 2023). It is perhaps no coincidence that Aramco, Saudi Arabia's state oil company, is reportedly about to sign an historic sponsorship deal with FIFA worth up to \$100 million a year until 2034. FIFA had already signalled its increasingly close relationship with the desert kingdom by choosing Riyadh to host the 2023 Club World Cup. The Club World Cup, due to be expanded in 2025 into a larger (32 teams) and more lucrative format, together with a new, bi-annual mini tournament called the 'FIFA World Series' (involving four national teams from four confederations), is part of FIFA's strategy to become world football's richest federation. UEFA currently holds this crown thanks to its Euro and Nations League tournaments for national sides and, most importantly, its Champion's League club competition. Despite ever-growing revenues from its World Cup (\$7.6 billion for the 2019–2023 cycle and \$11 billion forecast for the 2023–2026 cycle; FIFA, 2022), FIFA wants to increase its income and reduce its reliance on this one event. It is also looking to fulfil the interests of the world's biggest clubs, including those controlled by Saudi Arabia (Newcastle United, Al-Hilal, Al-Nassr), and to attract investment from new markets (China, United States, India, Indonesia, Gulf States, etc.). Expanding the World Cup finals from 32 teams to 48 teams as of 2026 and inserting a larger, four-yearly Club World Cup into an already packed calendar are signs of football's continuing globalisation. Infantino's financial objective for FIFA is to further develop football's worldwide presence and to increase the sums FIFA redistributes to its 211 member associations and thereby to secure his position as FIFA president until 2031.

## 1.1 Saudi Sportswashing

What are the strategic objectives of FIFA's new ally, Saudi Arabia? In line with its 'Vision 2030' plan, launched in 2016, Saudi Arabia has spent the last two



years turning itself into a global hub for sport and entertainment, focusing on ten sports and major events. It is a lightning-fast strategy, thoroughly disruptive and totally unprecedented in terms of the hundreds of billions of dollars already invested. Video games and esports, which are extremely popular among young people, especially in Asia, are another core element of Saudi Arabia's policy. It aims to assert its power on the Western world's home turf, to entertain and control its youth, to diversify its economy through tourism and to gain diplomatic influence and an international reputation through sport. But Saudi Arabia's rulers also use sport to divert attention from its human rights record, including its use of imprisonment and capital punishment to silence political opponents and critics, the terrible conditions it inflicts on millions of migrant workers and the killing of Ethiopian migrants at the Saudi–Yemen border (reported by Human Rights Watch<sup>1</sup>).

### **1.2 A System That Is Difficult to Change**

Will the rest of the football industry take the bait offered by FIFA's alliance with Saudi Arabia? The answer is yes, as long as the petrodollars keep flowing. Especially as the 2022 World Cup in Qatar did not give rise to large-scale Western boycotts, which would have caused problems for FIFA and the host nation. Overall, players, national federations (NFs), states, sponsors, the media and fans went along with the event, making it a worldwide success, watched by five billion people. Qatar's experience removed FIFA's inhibitions on contentious issues such as the exploitation of migrant construction workers (without compensating victims and their families, as had been promised) and discrimination against women and the LGBTQIA+ community. The Swiss Fairness Commission may have ruled in June 2023 that Qatar was guilty of greenwashing, but its report did little to tarnish the event's overall 'success'. This situation has eased the way for Saudi Arabia's World Cup bid and sports strategy. Nevertheless, calls by NGOs (e.g., Sport & Rights Alliance) and a few players and NFs, notably in northern Europe, for a boycott against the Saudi bid could shake FIFA's alliance with Saudi Arabia right up to the FIFA Congress vote at the end of 2024. But these dissenting voices are unlikely to worry FIFA and Saudi Arabia unduly, given the seemingly universal passion for football and the global nature of the football business. Furthermore, FIFA has placated other countries by awarding the 2026 World Cup to the United States, Canada and Mexico and by dividing the 2030 World Cup between six countries on three continents.

### **1.3 An Unprecedented Strategy to Disrupt World Sport**

Since the 2000s, Saudi Arabia has invested (via its Public Investment Fund) colossal sums in the world's biggest sports, introducing radical innovations that have disrupted the economies of:

- Professional football: By investing huge sums to buy international stars (\$20 billion invested in the Saudi championship in 2023<sup>2</sup>) and by other influence strategies never-before used in football (buying Newcastle United in 2021, becoming title sponsor of Spain's LaLiga, becoming a main sponsor of the African Football League and the Confederation of African Football, bidding to host the 2035 Women's World Cup, appointing Lionel Messi as a tourism ambassador, requesting a place for a Saudi club in UEFA's Champion's League during the 2024–2025 season, etc.).
- Professional golf: By launching the LIV Golf circuit in 2022 to compete with America's powerful and very protectionist Professional Golfers' Association (PGA) circuit. Saudi Arabia's strategy turned out to be a trojan horse, that is, a way for LIV Golf to infiltrate the PGA, as it initially intended to stop in 2024 and merge with the PGA to create a new circuit run by a joint commercial company with a \$1 billion investment by Saudi Arabia, which will host the circuit's final.
- Adventure rallies: By signing a ten-year contract with the Dakar Rally to become the event's main partner and host territory, despite the risk of terrorist attacks.<sup>3</sup>
- Formula 1: By staging, since 2021, a spectacular, floodlit, urban grand prix on what is claimed to be the fastest circuit in motor-racing history.
- Professional tennis: By recruiting Raphael Nadal as an ambassador for the Saudi tennis federation, hosting the Masters Next Gen ATP Finals in 2023 (increasing the prize money by 43%, to \$2 million) and the Women's Masters from 2024 to 2026 (despite the WTA's ethical qualms), aiming to hold an ATP Masters 1000 tournament just before the Australian Open, which would disrupt players' preparations for the Australian tournament, and creating an exhibition tournament ('Six Kings Slam') offering twice as much prize money as a Grand Slam to ensure the presence of tennis's biggest stars. In the end, the Saudis signed a partnership with the ATP in March 2024, under which it will support several of the ATP's major tournaments. Saudi Arabia's Public Investment Fund has also announced a \$2 billion offer to merge the ATP and WTA Tours.
- Horse racing: By creating the Saudi Cup in 2020, the richest event in horse racing with a total prize money of \$20 million, including \$10 million for the winner.
- Professional cycling: By relaunching the Tour of Saudi Arabia in 2020 and announcing its readiness to invest €250 million (according to Reuters) in creating a closed cycling 'super league' by 2030 to revamp world cycling's business model, currently centred round the UCI World Tour.
- Winter Olympic sports: By staging the 2029 Asian Winter Games, even though it is a hot, desert country, and by building a futuristic city, called NEOM, at a cost of \$500 billion.
- MMA: By buying (in 2018) a stake in the powerful American entertainment group Endeavor, which has owned MMA's main circuit since 2016. In 2023, Saudi Arabia also bought shares in a competing American MMA circuit – the

Professional Fighters League. And in October 2023, Riyadh hosted a unique ‘Battle of the Baddest’ between WBC heavyweight boxing champion Tyson Fury and former MMA UFC champion Francis Ngannou.

- Esport and video games: By founding the Savvy Games Group, which spent an estimated \$38 billion in 2023 to buy stakes in video games and esports companies around the world.<sup>4</sup> When Riyadh hosted the Gamers8 tournament, considered the world’s largest esport festival, in 2023, Saudi Arabia tripled the prize pool to \$45 million, a similar sum to a tennis Grand Slam tournament. The IOC has chosen Saudi Arabia to host the first esports Olympic Games in 2025.
- Cricket: By positioning the Saudi Tourism Authority as a main sponsor of the powerful Indian Premier League (IPL) and by putting up \$5 billion to buy a 16% stake in the IPL’s holding company, which has an estimated worth of \$30 billion.<sup>5</sup> Indian cricket’s governing body, the Board of Control for Cricket in India, has, so far, turned down the Saudi offer.

The Saudis sometimes present their actions as a way of bolstering the international sport and Olympic movement and sometimes as a way of supporting the international sport movement’s adversary, that is, the commercial sport business. In addition to trying to take control of spectator sport’s greatest assets, they have left hanging the spectre of even greater disruption in the future if world sport and the Olympic movement’s leaders do not meet their demands. Nothing seems impossible given that tiny Qatar, with a population of just 2.6 million, of whom only 300,000 are citizens, managed to stage the 2022 Football World Cup on its own, at an unprecedented cost of \$200 billion (Bayle, 2022), and to shrug off Western concerns over corruption, sustainability and human rights.

### 1.4 Regulating International Sport

Saudi Arabia’s sports strategy, along with other strategies developed by China, Russia and Qatar on different bases,<sup>6</sup> is a sign that the West is losing its hyperdominance over both the governance of international sport and its major events and their business model. In an international context riven by crisis (environmental, economic, wars, etc.), Saudi Arabia’s policy raises the question of the (geo)political, economic and ethical regulation of international sport as it becomes dominated by sport business and an increasingly globalised and consolidated entertainment industry centred round a complex and financialised set of actors.

This book provides an overview of the governance, regulation and management of the international organisations that run the world’s main team and individual sports. Regulation is a term with several possible meanings. In general use, it refers to the formulation, application and interpretation of rules and norms to control an activity. In economics, it refers to attempts to achieve a permanent balance between the objectives of the actors in a system and the corrections needed to ensure the system functions ‘normally’. Such corrections are particularly necessary in free-market contexts, where the prime regulatory mechanisms are market forces and

competition, which national governments/supranational bodies (e.g., the European Union) may regulate to prevent abuses. In this book, I use regulation in a wider sense to describe the political, economic, legal and social functioning and adjustments used to maintain an (eco)system in balance (Commaille and Jobert, 2019). In the present case, these systems are the Olympic system (Chappelet, 1991, 2016) and each sport's international ecosystem. Regulation can be analysed on three levels. Macro-level analyses examine an (eco)system's interactions with its global environment (political, economic, social, technological, environmental). Meso-level analyses involve situating an organisation's actions and relations within a business sector (specific ecosystem for each sport) by examining them from a perspective economists call industrial economics and sociologists call organisational fields<sup>7</sup> (DiMaggio and Powell, 1983). Sport's specificities (e.g., monopoly position of some organisations, the fact that the parties involved in a sport competition are both rivals for victory and economic partners in producing the sporting spectacle) mean that great attention must be paid to this level of analysis and to the necessary regulatory principles and tools. Micro-level analyses focus on a specific actor (organisation or person, e.g., sports executive or star athlete) and their role in macro- and/or meso-level regulation.

Governance, that is, an organisation's institutional framework and decision-making mechanisms, plays a central role in regulation. Henry and Lee (2004) identified three types of governance: Systemic governance describes an organisation's efforts to control the various actors within its system; political governance involves an organisation's relations with public bodies; and organisational governance concerns an organisation's internal leadership, administration and control framework. Management is the process of implementing practical policies within the framework set by an organisation's governance and regulation (strategy, economic models, professionalisation, communication and marketing, social responsibility). Micro-level analyses of an organisation's management focus on the behaviours of individual executives and managers. The following discussion of the functioning of international sport organisations combines analyses on all three levels.

An international sport organisation is any entity involved directly in running supranational sports events and/or developing sport internationally. These organisations include the International Olympic Committee (IOC), international sport federations (IFs), continental sport federations, international competition circuit owners and organisers of international sports events. Sports media companies, sports equipment brands and sports marketing agencies are part of the sport and entertainment industry and are not, therefore, considered international sport organisations. Nevertheless, they are key stakeholders in international sport. Indeed, the strategies and investments of major subscription-based entertainment companies (e.g., Canal+, ESPN, Eurosport, BeIn Sports, etc.), streaming platforms (Apple TV, Amazon Prime Video, Netflix, Disney Plus, DAZN, etc.) and social media companies (Facebook, X, Instagram, YouTube, etc.) are severely disrupting the world of spectator sport and sports events. These companies also exert substantial



control (Mintzberg, 1986) over sport organisations, either directly (by buying stakes in them) or indirectly (via the resources they invest and their influence networks). Consequently, I examine how these organisations' strategies impact those of international sport organisations. The following chapters also cover national and local sport organisations, including professional clubs and sport events, as these organisations are increasingly internationalising their activities by recruiting foreign players, adopting international strategies for marketing their brands, tickets, media rights, sponsorship and players, selling shares to international investors and attracting foreign fans, who follow a club remotely via the Internet, social media and phone apps.

International sport organisations vary greatly in terms of their legal form (non-profit organisations versus commercial companies), their size (from 1,000 staff to just a few employees), their professionalisation, their renown and their reputation. In this book, I view them as institutions, that is, as living organisms which deploy adaptation and survival strategies in response to changes in their ecosystem and in society. In fact, even the most firmly established international sport organisations must continually protect their status by ensuring they remain in step with society. This view is in line with neo-institutional theory, which conceives an institution as a dynamic and changing social production whose boundaries move according to its stakeholder's interests, relationships (competition/partnership), conflicts and crises (Tournay, 2011).

## **1.5 Beyond the Contrast between the European and American Models of Sport**

Historically, two contrasting models have dominated world sport: the Olympic and federated model (IOC and IFs) and the commercial, for-profit model epitomised by North America's powerful professional leagues and certain international circuits (ATP/WTa in tennis, PGA/LPGA in golf, boxing promoters, UFC in MMA, Formula 1, etc.). These two models reflect the very different identities, motives and goals of the cultures in which they arose. Experts refer to the sport-federation/IOC-dominated model of sport as the European model<sup>8</sup> and to the model dominated by commercial interests as the North American model. In the European model, federations maintain organic ties and solidarity between high-performance sport (national teams) and grassroots sport (sport for all). However, they must also adapt to European Union law. For example, a European Court of Justice ruling on the European Super League, handed down on 21 December 2023, allowed for the possibility of organisations other than UEFA running competitions involving European football clubs, if they include a solidarity-like redistribution of the profits. This unitary model contrasts with the commercial/liberal but fragmented American model, in which there is a clear separation between professional sport and sport federations. These two models also differ fundamentally in their approach to money and business, as the European model is underlain by non-profit principles in which federations reinject any surpluses back into their sport, whereas the American model

sees sport as a vehicle for making money for shareholders, independently of growing grassroots sport.

The private, commercial model has also expanded within leisure sport (fitness, water sports, golf, horse riding, etc.) and now competes with, or even dominates, the non-profit, federation-run model. In addition, the growing ‘Uber-isation’ of sport through digital technologies (internet, social networks, influencers, virtual training apps such as Zwift, Mycoach, etc.) may also give rise to alternative organisational models for sport that will eclipse the traditional club/federation-based model.

Attempts by new geopolitical actors (especially China, Russia and the Gulf States) to use international sport to project their soft power have impacted both models since the 2000s. These authoritarian states have created a third model of sport based on sporting soft power, international diplomacy and large-scale investment in sporting assets by the state, sovereign wealth funds and large public companies. This third model is both intermeshed with (partnerships/investments) and impacts (controversies, alternative competition models) the two previous models. It has the power to seriously disrupt or even overturn the political, economic and social balances international sport constructed during the twentieth century. Since its invasion of Ukraine, Putin’s Russia also appears to want to establish a new model for world sport and overthrow the traditional Olympic system, some of whose members (notably World Athletics) have openly criticised Russia and opposed its participation in the Paris 2024 Olympic and Paralympic Games and some major competitions owned by IFs. Russia riposted by creating three new international events in 2024, inviting athletes directly and providing ample appearance/prize money (in contrast to the Olympic/Paralympic Games). Invitations will be channelled through the governments of countries which have not aligned themselves with the western nations supporting Ukraine against Russia. Russia’s political instrumentalisation of sport could sound the death knell for Olympic universalism and existing international competitions by establishing a new, government-directed model that bypasses IFs and national Olympic committees.

Hence, international sport, whose events provide a unique blend of excitement and patriotism, is evolving in ways that are much more complex and subtle than a simple face-off between non-profit and for-profit, private and public, individual interest and public good. There are two main reasons for this. First, sport organisations are becoming increasingly similar due to a hybridisation process in which non-profit organisations are taking on characteristics of for-profit companies and vice versa. Second, the phenomenon of ‘coopetition’, that is, the need to cooperate with one’s competitors, is homogenising sport organisations’ business models and management practices.

## **1.6 Convergence between Non-Profit and For-Profit Sport Organisations**

On one side of the spectrum lie sport’s non-profit federations and Olympic bodies; on the other side lie commercial, for-profit companies. However, many non-profit

sport organisations have begun implementing commercial strategies, sometimes to the detriment of their original identities, values and objectives. And having non-profit status does not necessarily mean that an organisation will be exemplary in terms of ethics (political scheming and inertia, corruption, mistreatment and harassment of young athletes, failure to protect human rights) or social responsibility (racism, gender equality, inclusivity, sustainability, climate change). Non-profit sport organisations also face criticism for not being professional enough to pursue their very ambitious societal missions and aims, notably the IOC's objective of 'building a better world through sport'. On the other hand, since the 2000's private commercial organisations (e.g., NBA, NHL, ATP/WTA, PGA/LPGA) and their key stakeholders (franchises, star players, sponsors, public bodies, etc.) have developed more integrated and more professional social responsibility strategies in response to society's expectations concerning sport's positive social impact (solidarity, inclusion, education).

All large organisations in both models of sport have become hybrid, either non-profit associations controlling one or more commercial companies and/or foundations or commercial organisations controlling one or more foundations and/or non-profit bodies. Hence, they now combine for-profit and non-profit structures and objectives, which cut across, to varying degrees, three spheres of legitimacy: associative (promoting and defending values and an 'ethic' in and through sport), public (serve the common good, a community, a territory) and commercial (position and grow a business within a market). The credibility of their actions has become the key dividing line between non-profit and for-profit sport organisations and a central factor in their success.

According to Bayle (2007), there are four aspects to this hybridisation process:

- The pursuit of non-financial, societal goals whose focus is not to generate profit and pay dividends to shareholders. Such goals allow some commercial sport organisations (clubs/professional events) to register as social enterprises, mission-led companies, or community enterprises serving their region or community.
- The adoption of a mixed-economy funding model combining commercial and non-commercial funding, including donations, membership fees and direct and indirect public subsidies.
- The combination of professional managers and unpaid executives (and, in some cases, staff provided by the public authorities).
- Membership of national and supranational regulatory systems (national sports configuration, continental sports bodies, IFs, IOC), while demanding autonomy from national and supranational governments (e.g., European Union).

Hybridisation results in sport organisations' managerial objectives (for-profit vs. non-profit, public vs. private, social vs. commercial, common good vs. individual interest, autonomy vs. outside interference, etc.) being both contradictory and, paradoxically, complementary for ensuring an organisation's continued functioning and

development. Pache and Santos (2013) showed that hybrid organisations aim to increase their legitimacy by ‘selective[ly] coupling’ strategies elements from ‘competing institutional logics’.

The four characteristics Bayle (2007) identified apply just as much to commercial enterprises (e.g., professional football clubs, NBA franchises, WTA tennis tournaments, certain international events) as they do to IFs. Many professional clubs find it difficult to make a profit and pay dividends to shareholders. This is particularly the case in European football, where a lack of economic regulation has allowed players’ salaries to spiral out of control. Consequently, investors target indirect and/or non-financial benefits (boost allied businesses, reputation, public relations, etc.) or attempt to obtain a return on their investment by selling all or part of their stake in the club. Nevertheless, professional clubs throughout the world, and IFs that create commercial events, face greater pressure than other businesses to root the club or event in its local area. They must show a commitment to serving their host community (social objective) in addition to serving their shareholders (financial objective) and their sport (redistribution of revenues to grow the sport). Their legitimacy, their existence and their performance model depend on this, as this book will show.

## **1.7 Competition, but also Cooperation and Mimicry**

The second reason for the growing similarities between sport organisations is their reciprocal interests. As well as competing against each other, sport organisations must cooperate and create partnerships. This need for greater cooperation was triggered by the Olympic movement’s decision, taken prior to the 1984 Olympic Games, to abolish its rules on amateurism and admit professional athletes to their events. Since then, the world’s best professional tennis players and golfers have taken part in Olympic Games. Similarly, North America’s professional leagues have allowed their best players to compete in IF-run world championships and the Olympic Games (basketball, football and ice hockey are on the Olympic programme; baseball has been an invited Olympic sport), although leagues and franchises have sometimes prevented players from going to Olympic Games (e.g., Major League Baseball for Tokyo 2020, National Hockey League for Beijing 2022). The reasons for these protectionist decisions have included clashes in the sporting calendar, COVID 19, standoffs between a league and an IF and individual decisions by players and/or clubs to prioritise their championship.

As another example, an IF may have to find compromises to maintain its control over a professional international circuit dominated by independent commercial operators. This is the case in road cycling, whose IF (Union Cycliste Internationale) has run the sport’s most important professional circuit, the UCI World Tour, since 2005. In fact, there is a large degree of porosity between sport run by IFs and sport run by commercial sport leagues and circuits, as this porosity serves the interests of both categories of organisation. For North America’s team sport leagues, cooperating with IFs and the Olympic Movement is a way to globalise their businesses



(recruiting foreign players trained within federation systems outside the United States, demonstrating a league's superiority and obtaining global exposure by winning world championships and Olympic medals). For federations, the presence of star players from major professional team sport leagues or individual-sport circuits increases their flagship competitions' sporting value, media coverage and earning potential. Thus, relationships between international sport organisations tend to be cooperative, rather than purely competitive.

Unsurprisingly, managerial and marketing practices in Olympic/federated sport and in commercial sport are converging, especially in the case of their sports event business models. According to neo-institutionalist theory, this mimicry between international sport organisations is due to the gradual homogenisation of international sport's governance, regulation and management practices. DiMaggio and Powell (1983) formulated the concept of institutional isomorphism to describe the process by which practices within a business sector converge. This process is clearly visible in international sport, as, despite their different cultures and objectives, international sport organisations, whether commercial (e.g., NBA, ATP, professional football clubs, North America's franchises) or non-profit (e.g., IOC, FIFA, UEFA), draw inspiration from each other's commercial, marketing, professionalisation and social responsibility strategies.

## **1.8 A Two-Part Presentation**

The first part of this book shows that most international sport organisations, whether federations or private commercial entities, operate, either directly or indirectly, within three main sports systems:

- The Olympic Movement and larger Olympic system, over which the IOC has asserted greater control since Thomas Bach's election as IOC president in 2013.
- A sport's international ecosystem, which is shaped by its history and the balance of power between major stakeholders (media, sponsors, federations, athletes, event organisers, etc.). A sport's IF is not necessarily the dominant actor in its ecosystem.
- National sport systems, which vary greatly across the world. International sport organisations must work with these systems to position their events in a host territory and to increase participation in their sport. In addition, the governance of every IF and regulation of every sport is impacted by some states' efforts to influence the regulation of certain sports and major events so they serve its interests (geopolitical, economic, media, etc.).

Part II of the book looks at the regulation and management of IFs, professional team sports and professional individual sports in the light of international sport organisations' interactions with these three ecosystems. To this end, it examines the following:

- Performance management and performance success factors for IFs, which work closely with their continental federations and, most importantly, their NFs, which play a vital role in supporting their clubs and individual members. IFs and NFs are ‘network organisations’ that develop sport on six tiers (global/continental/national/regional/intra-regional/local).
- Differences in the regulation and management of North America’s and Europe’s biggest professional team sport leagues and clubs. These leagues and clubs have traditionally focused on their local markets, but they are increasingly trying to internationalise their brands.
- The regulation and management of professional individual sports, whose specificities explain not only the functioning of the world’s major circuits but also the strategies of international event organisers and how elite athletes in different individual sports manage their careers.

## Notes

- 1 Saudi Arabia (2024) Human Rights Watch. Available at: [www.hrw.org/middle-east/north-africa/saudi-arabia](http://www.hrw.org/middle-east/north-africa/saudi-arabia)
- 2 Bernarbeau, H. (2023) *Benzema, Kanté, Ramos... le plan à 20 milliards de l'Arabie saoudite*. Available at: [www.sport.fr/football/benzema-kante-ramos-le-plan-a-20-milliards-de-larabie-saoudite-1038704.shtm](http://www.sport.fr/football/benzema-kante-ramos-le-plan-a-20-milliards-de-larabie-saoudite-1038704.shtm)
- 3 Two terrorist attacks linked to the war in Yemen occurred during the 2022 Dakar race.
- 4 Defer, A. (2023) *L'Arabie Saoudite se rêve en "plaque tournante" du jeu vidéo mondial*, L'UsineDigitale, 2 July. Available at: [www.usine-digitale.fr/article/l-arabie-saoudite-se-reve-en-plaque-tournante-du-jeu-video-mondial.N2138567](http://www.usine-digitale.fr/article/l-arabie-saoudite-se-reve-en-plaque-tournante-du-jeu-video-mondial.N2138567)
- 5 Business Today Desk (2023) *Saudi Arabia Eyes up to \$5-bn Investment in IPL at \$30-bn Valuation, Says Report*, 3 November. Available at: [www.businesstoday.in/latest/economy/story/saudi-arabia-eyes-multibillion-dollar-stake-in-ipl-report-404475-2023-11-03](http://www.businesstoday.in/latest/economy/story/saudi-arabia-eyes-multibillion-dollar-stake-in-ipl-report-404475-2023-11-03)
- 6 China’s strategy also targets its huge domestic market. In contrast to Saudi Arabia, Qatar has focused more on hosting major sports events than on taking control of international sport by buying assets in high-profile sports.
- 7 DiMaggio and Powell (1983) defined an organisational field as ‘those organizations which, in the aggregate, constitute a recognized area of institutional life’ (p. 148).
- 8 A 2020 European Union resolution asked states ‘to support the key features of the European sport model, which include: freedom of association, a pyramidal structure, open system of promotion and relegation, grassroots approach and solidarity and community building’. Its recommendations for Member States included: ‘promoting values in sport and sport organisations, governed by fundamental principles such as: gender equality, solidarity, and respect for human rights, acknowledging and preserving the specific nature of sport and its structures based on voluntary activity’. It also asked sport organisations to ‘commit to financial solidarity between professional sport and grassroots sport’. <https://eur-lex.europa.eu/FR/legal-content/summary/key-features-of-a-european-sport-model.html>

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# Three Interconnected Regulatory Systems

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International sport currently has three interconnected regulatory systems:

- The Olympic movement, whose governance has been made more complex by recent changes in the world (Chapter 1).
- Sport ecosystems, which are the product of a sport's history and the economic and political balances of power between its stakeholders (Chapter 2).
- National sport configurations, which vary greatly between countries but with which the two previous systems must interact.



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# Olympic Governance under Pressure

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The need to balance a wide range of often-contradictory demands and expectations places the Olympic movement in a very precarious position. Under Thomas Bach, the International Olympic Committee's (IOC) response to this challenge has been to consolidate its dominant position within international sport (Section 1.1). However, the traditional partners on which the IOC relies – national Olympic committees (NOCs) and international sport federations (IFs) – vary greatly in how they function and in their degree of professionalisation for pursuing the Olympic project (Section 1.2).

### 1.1 More Assertive Leadership by the IOC<sup>1</sup>

Pierre de Coubertin's work to revive the Olympic Games in 1894 was driven by his universalist and internationalist ideals and the idea of creating an 'elite of sporting chivalry' (Clastres, 2005). Olympism has faced several major challenges and changes since then, notably attempts to use the Olympic Games for political ends during the 1930s and the Cold War, and Samaranch's commercial 'revolution' of the 1980s and 1990s, which led to the end of amateurism at the Olympic Games in 1981. More recently, the IOC has had to adapt to a series of profound societal, political and technological changes (Section 1.1.1) that have, in some cases, threatened its legitimacy and survival. To ensure its future it has adopted a three-level system of governance and regulation, combining systemic, political and organisational governance (Section 1.1.2.). At the same time, it has taken a 'realpolitik' approach to dealing with difficult issues, especially since Thomas Bach's election as IOC president in 2013 (Section 1.1.3.), while performing an institutional balancing act (Section 1.1.4.) to retain its position in today's increasingly volatile, uncertain, complex and ambiguous world.<sup>2</sup>

#### 1.1.1 *The Globalisation of Sport*

The world has changed almost beyond recognition since the end of World War II, but developments in five fields have had particularly far-reaching consequences for the sport and Olympic movement. These five fields are the media, culture, economics,

geopolitics and technology. The first major change to impact the Olympic system was the advent of television, especially live broadcasts of the Olympic Games, which began with Eurovision's coverage of Rome 1960. Advances in broadcasting technology quickly allowed live pictures to be beamed around the world (as of the 1964 Tokyo Olympic Games) and by Mexico 1968 this live coverage was in colour. Global live broadcasts provided the IOC and Olympic Games both with a new audience and with an important source of funding on which to build a new business model. After modest beginnings – the European Broadcasting Union (EBU) and the American network CBS paid just \$2.3 million for the 1960 Olympics – broadcasting rights quickly became a lucrative source of income for the IOC.

The second major development was the cultural revolution in sports that began in the 1970s in the wake of a wider anti-establishment movement and increased demands for personal freedom. Board, sports, with their counter-cultural, libertarian and hedonistic outlook (Loret, 2003), epitomised a new approach to sport that rejected the norms and competitions of the institutional sports system built by the IOC, federations and 'traditional' sports in the early twentieth century. This cultural revolution led not only to the rise of 'independent' sports, notably outdoor sports (e.g., trail running, surfing, rock climbing), street sports (e.g., skateboarding, inline skating, basketball, street workout) and commercial leisure activities, both outdoor (fitness, adventure parks, water parks, etc.) and indoor (e.g., futsal, indoor climbing, badminton, laser games, escape games), but also to new expectations from the sporting public. Adapting to these changes is a major challenge for the Olympic movement and one it continues to face due to the rise of extreme sports (freeride skiing, kitesurfing, downhill mountain biking, ultra-running, adventure racing, long-distance triathlons, tricking, etc.) and, most significantly, the explosion of esports, whose competitions benefit from disruptive sponsorship, notably from Red Bull (Kunz, Elsässer and Santomier, 2016).

The third major change was economic. The IOC shadowed Western democracies' embrace of neoliberalism in the 1980s by removing all references to amateurism from the Olympic Charter in 1981, thereby opening the Olympic Games to professional athletes. Sports that had become professional gradually made their way back onto the Olympic programme (tennis in 1988, golf in 2016, baseball/softball – as a demonstration sport – in 1992), and professionals were officially allowed to compete in sports such as football, basketball, cycling and ice hockey. Market liberalisation also paved the way for exponential growth in the sport business, largely driven by the colossal sums private television networks, especially those in the United States, were prepared to pay for exclusive rights to the Olympic Games (Table 1.1). Sports sponsorship experienced similar growth, especially following the launch of the IOC's first global sponsorship programme, baptised 'The Olympic Partners' (TOP), in 1985. The IOC currently has 15 TOP partners, all multinational, who provide 30% of its income (\$2.29 billion between 2017 and 2021). Sport is now an industry and an economic sector with ramifications in fields ranging from entertainment and the media to sporting goods, fashion and health. By 1992, the Olympic Games had become a truly

**Table 1.1** Explosion in Olympic Games Television/Media Rights between 1984 and 2024

<i>TV contract period</i>	<i>1984</i>	<i>1992–1995</i>	<i>2000–2008</i>	<i>2012–2020</i>	<i>2018 and onwards</i>
<b>Networks and amounts paid</b>	ABC: \$225 million (1984 Olympic Games only)	NBC: \$644 million European Broadcasting Union (EBU): \$83 million <sup>a</sup>	NBC: \$3.5 billion	NBC 2010–2012: \$4.38 billion EBU 2012–2020: €700 million	NBC 2021/2032: \$7.65 billion 2018/2024 Contracts Eurosport (Discovery): €1.3 billion Japan Consortium: \$1 billion CCTV China: not reported

Source: Adapted from Bayle (2024).

a This relatively small amount was due to the EBU's monopoly position.

global spectacle, watched by 3.5 billion television viewers. The event's remote audience peaked with the Beijing 2008 Olympic Games (total TV and internet audience of 4.7 billion), largely thanks to the Chinese market, and have decreased gradually ever since.<sup>3</sup> Beijing 2008's huge audience generated exceptional advertising revenues of €10.7 billion dollars for China's national television network. The globalisation of the Olympic Games, associated with the privatisation of media outlets, resulted in media companies in the world's largest economies, especially the United States, being willing to pay ever-increasing amounts for Olympic broadcasting rights in the late 2010s (€4.3 billion in receipts for the 2017–2021 economic cycle).

Since 1992, the IOC has negotiated directly with broadcasters and redistributed a proportion of these rights to Olympic Games Organising Committees (OCOGs). To obtain maximum exposure for the Olympic Games, as required by Rule 48.1 of the Olympic Charter, the IOC requires rights holders to broadcast at least 200 hours of Olympic competitions on free-to-view channels, so the event can be watched by all (Chappelet, 2023).

Geopolitics is the fourth area in which major changes have affected the Olympic movement. Rapid decolonisation after World War II and the dissolution of the Soviet Union (and its NOC) following the fall of the Berlin Wall in 1989 produced many new countries, most of which quickly applied for IOC recognition. As a result, the number of IOC-recognised NOCs increased from fewer than 50 in 1945 to 200 in 2000. In addition, the BRICS countries (Brazil, Russia, India, China and South Africa<sup>4</sup>) have emerged as important sporting powers with the capacity to host the world's two largest sports events – the Olympic Games and Football World Cup. India, the only BRICS country not to have hosted one or more of



these events, announced in 2023 that it would bid for the 2036 Summer Olympic Games.<sup>5</sup> China competed in its first Summer Olympic Games in 1984 (1980 for the Winter Olympics) and headed the medals table in 2008. These countries' bids to host mega sports events are part of a trend for all emerging powers, and not just Western countries, to use sport as a way of projecting their soft power. Qatar and the United Arab Emirates, for example, have hosted numerous major international competitions since the 2000s, most notably the 2022 Men's Football World Cup. Saudi Arabia began following their lead in the late 2010s (motor sports, golf, football, etc.) and has quickly become one of the biggest players in international sport, having obtained the right to host the 2029 Asian Winter Games (a very controversial decision) and become the only candidate to host the 2034 Men's Football World Cup.

The fifth major change impacting sport and the Olympic movement is the digital revolution that began in the mid-1990s with the development of the internet and its associated new forms of communication, in which social media and influencers play a major role. A small number of North American and Chinese companies (known by the acronyms GAFAMINATU and BATX) have come to dominate the online world, amassing huge resources they can use to develop artificial intelligence. Internet technologies have simultaneously given rise to new forms of sport, notably esports, and changed the way people (especially young people) consume sport. A tipping point came in 2016 when 50% of the Rio Olympics' 3.2 billion remote viewers watched the event via digital platforms. By the Tokyo 2020 and Beijing 2022 Olympic Games, internet viewers outnumbered traditional television viewers, especially in Asia, which has become a key market for the Olympics and the sport business, alongside North America and Europe. The IOC reacted by creating its own internet channel to provide 'a platform for the continuous exposure of Olympic sports and athletes beyond the Olympic Games period'. Run by Olympic Channel Services, the Olympic Channel offers content in 12 languages and claims to have attracted 3.3 billion views between its launch in 2016 and 2020 (Chappelet, 2023, p. 127). In 2022, the Olympic Channel began broadcasting Olympic qualifying events (known as the Olympic Qualifiers Series), initially testing this new concept with three of Paris 2024's additional sports (breaking, skateboarding, sport climbing) plus BMX freestyle, working in conjunction with these sports' IFs. According to Chappelet (2023), the concept may be extended to qualifying events in other sports. However, one expert in the Olympic business has criticised the channel's cost (estimated to be \$750 million) compared with the size of its audience.<sup>6</sup> In 2010, the IOC took over the production of Olympic Games images (the 'Olympic television and radio signal') via an IOC-owned company called Olympic Broadcast Services.

To meet these challenges and maintain its leadership of international sport, the IOC uses a combination of systemic, political and organisational governance. Analysing these three types of governance provides insights into how the IOC modulates its policies and its interactions with stakeholders according to its environment and the internal and external crises it faces.

### 1.1.2 *Three Interconnected Forms of Governance*

The term IOC is generally taken to describe a club of up to 115 individuals drawn from around the world and an administrative office based at the organisation's headquarters in Lausanne. However, world sport's leading institution is more complex than this because, over the last two decades, it has become a group (known as IOC Group) consisting of a non-profit association at the head of several commercial companies and foundations. On a second level, the IOC owns the Olympic Games, which are staged by OCOGs according to a specification set out in a Host City Contract. On a third level, it oversees the Olympic movement, which Chappelet (1991) termed the 'Olympic system' due to the interdependencies between the numerous bodies that run institutional sport and deliver the Olympic Games. This system's components are NOCs, IFs, national sport federations (NFs) and their athletes and OCOGs, together with many other stakeholders (see Figure 1.1). On a fourth level, the IOC, in conjunction with its partners, has taken on the mission of promoting Olympism throughout society. To understand how the Olympic movement functions, it is necessary to analyse the IOC's role at each of these levels in the light of three interconnected forms of governance: systemic, political and organisational (Henry and Lee, 2004).

Systemic governance involves managing and regulating the relationships between the Olympic system's component organisations. This system has become increasingly complex due to the uncertainty of its environment and the multiplicity of stakeholders (public, non-profit, commercial) and levels of coordination (from local to global). Systemic governance also requires an organisation to move from a centralised, hierarchical approach to regulating/coordinating actions to a horizontal, network-oriented approach founded on consensus/compromise and power sharing. Some experts call this collaborative governance (Hoye and Cuskelly, 2007).

Political governance concerns the IOC's and sport organisations' (international, continental, national) relationships with the political field, in both senses of the term. Political governance covers both the way national and international authorities use regulatory, legal, financial and ethical mechanisms and political pressure to influence the IOC and the Olympic system and the way sport organisations use lobbying, sport and Olympism to influence public policies affecting sport, physical education, hosting major sports events and, more widely, the ways governments use sport to benefit society.

Organisational governance describes the decision-making processes (who decides, who implements, who controls) and policy-steering mechanisms (structures, processes, professionalisation, power games) sport organisations use to improve their organisational performance; that is, to meet their sporting, economic and societal objectives.

#### 1.1.2.1 *Systemic Governance*

The Olympic movement's goal, set out in the Olympic Charter (IOC 2023, p. 12), is 'to contribute to building a peaceful and better world by educating youth through sport'.

Putting on the Olympic Games is not, therefore, an end, but a means for achieving this goal. The IOC has historically called upon a central core of partners to stage the Olympic Games, develop sport and promote the Olympic values of ‘excellence, friendship and respect’. NFs select elite athletes for the Olympic Games according to criteria set out by the sport’s IF and depending on the quota of athletes it has been allocated. NOCs send delegations of athletes to the Olympic Games, which are organised by OCOGs co-managed by the host country’s sports movement and public bodies (host city, host region, state) but subject to close IOC control via its ever-more detailed specification for the Games and its funding allocations.

Providing funding to Olympic organisations is another important aspect of the IOC’s systemic governance. Continued growth in its income from the Olympic Games allows the IOC to keep increasing the amounts it redistributes and to claim that it ‘redistributes 90% of its revenue to the wider sporting movement’ (IOC 2018). These sums are redistributed for four-year cycles, with 50% going to summer and winter OCOGs; 38% to NOCs, Olympic IFs and Olympic Solidarity; and 12% to the Youth Olympic Games and sporting integrity,<sup>7</sup> notably the World Anti-Doping Agency (WADA). Skyrocketing revenues from TV rights have allowed the IOC to massively increase the sum it redistributes to IFs, which has risen from \$37.6 million in 1992 (\$1.5 million for each of the 25 Olympic IFs) to \$540 million for the 2016/2020 cycle, a 14-fold increase since 1992. However, the amount each IF receives depends on criteria introduced in 2004 to enable the IOC to allocate more funds to the IFs of sports with the highest profiles and greatest marketing potential (athletics, gymnastics, swimming) (see Table 1.2).

The arrival of new actors (professional leagues, athletes’ unions, NGOs, social networks, etc.) has complexified the Olympic system and increased the number of stakeholders the IOC must deal with. For example, it must persuade professional leagues, especially those in North America, to allow their players to compete in the Olympic Games and world championships/cups owned by IFs. In addition, the number of international sports events outside Olympic Games and world

Table 1.2 Amounts (Cash and Benefits in Kind) Redistributed to NOCs and Olympic IFs

<i>Redistributed after</i>	<i>NOCs (million)</i>	<i>IFs (million)</i>
Beijing 2008	\$301	\$297
London 2012	\$520	\$520
Rio 2016	\$540	\$540
Tokyo 2020	\$540	\$540
Turin 2006	\$136	\$128
Vancouver 2010	\$215	\$209
Sochi 2014	\$199	\$199
PyeongChang 2018	\$215	\$215

Source: Adapted from Chappelet (2023).

championships has exploded in the last 30 years, and the calendar now includes innumerable commercial multisport events (e.g., X Games, GKA Big Air World Championships, International Festival of Extreme Sports World Series), non-profit multisport events (e.g., World University Games,<sup>8</sup> World Masters Games, Gay Games, Asian Games, World Urban Games) and single-sport events (e.g., Ultimate Fighting Championships, Formula 1, World Surf League, Red Bull events, Ironman). Moreover, most international events and all of North America's major leagues (NFL, NBA, NHL, etc.) have adopted global marketing strategies. To adapt to young people's expectations and ensure the Olympic Games remain attractive, the IOC has added several new sports to the Olympic programme, such as 3×3 basketball (added at Tokyo 2020) and kayak cross (which will replace a less-spectacular slalom discipline as of Paris 2024). Sport climbing, surfing and skateboarding will still have additional sport status at the 2024 Olympic Games, but they will become part of the official programme as of 2028. These sports, which long saw themselves as part of a counterculture outside the Olympic movement, have now become institutionalised, either by setting up a new IF (sport climbing<sup>9</sup>) or by joining an existing IF (skateboarding<sup>10</sup>). Breaking, governed by World Dance Sport, will be the fourth additional sport at Paris 2024, but it will not be present at Los Angeles 2028, for which the IOC has chosen five sports with powerful closed leagues, notably the NFL (flag football), MLB and Nippon Professional Baseball (baseball is the no. 1 sport in Japan) and the Indian Premier League (cricket, by far India's biggest sport). The five sports chosen for Los Angeles 2028 – squash, lacrosse, flag football, baseball-softball and cricket – typify the American sport-business model and interest the IOC's two most important markets: North America and Asia. India is undoubtedly the most underexploited market for Olympic sport. For example, Viacom 18 (Reliance Group)<sup>11</sup> obtained the Indian media rights to the Tokyo 2020 and Paris 2024 Olympic Games for just €10 million and €15.6 million, respectively, even though India has a population of 1.4 billion and a professional cricket sector worth \$20 billion. With India as a potential host for the 2036 Olympic Games, these figures show why it is essential for the Olympic programme to include cricket.

To make room for three new sports (Summer Olympic Games may include no more than 10,500 athletes), the IOC has reduced the number of disciplines and athletes in rowing, boxing and weightlifting, which attract relatively little media attention. This decision was a reprieve for boxing and weightlifting, which, along with modern pentathlon, came close to being removed from the Olympic programme due to their poor governance and failings in terms of integrity (doping, infighting, financial problems). Adding three new sports will increase the number of Olympic IFs from 28 to 31, but the new IFs will not, for the moment, receive IOC funding. This was the case for the IFs for rugby and golf, whose sports became part of the official Olympic programme in 2016. The 2026 Winter Olympics will see the debut of a new federation governing ski mountaineering. Not redistributing Olympic revenues to these new sports was a compromise decision taken to satisfy the oldest Olympic sports, which did not want to see their allocations reduced.

At the moment, the IOC is still feeling its way with respect to esports, which have become immensely popular among young people. In 2021 it created the Olympic Virtual Series, bringing together five video games simulating cycling, rowing, baseball, sailing and motorsport, played via each sport's publisher platform, although the first two also require players to have a turbo trainer or rowing machine. Events are broadcast on the Olympic Channel ([olympics.com/fr/olympic-channel](https://olympics.com/fr/olympic-channel)). The IOC's next esports initiative was the Olympic Esport Week, launched in Singapore in June 2023, which was the first time the IOC accorded the Olympic label to an event combining a gaming festival, exhibition, competitions and a conference. Nevertheless, the IOC's continued uncertainty about esports is reflected in the decision to include only games linked to an Olympic IF,<sup>12</sup> even though they are less popular than esports' leading games (League of Legends, Counter-Strike, etc.). Thomas Bach used the IOC Session in October 2023 to announce a new step in the IOC's engagement with esports, which, as he reminded delegates, are played by three billion people around the world. With this in mind, he set up an Esports Commission to look into creating an esports Olympic Games involving games that respect Olympic values. In other words, players may shoot at targets but not at people.

To maintain its leadership over the increasingly complex Olympic system, the IOC must build alliances and fight off challenges to its authority. Such challenges may even come from inside its group of core stakeholders, as illustrated by its conflict with the IFs over its decision not to remunerate athletes for competing in the Olympic Games and its refusal to meet SportAccord's 2015 demand to increase the amount it redistributes to IFs. Established in 2009 to represent all IFs, SportAccord became a powerful counterweight to the IOC by staging multisport events (e.g., World Beach Games, World Combat Games) and by strongly defending individual sport's interests, but Bach finally managed to remove this thorn in the IOC's side in 2017 when he succeeded in replacing SportAccord with the Global Association of International Sports Federations (GAISF). At the end of 2022, he obtained the dissolution of the GAISF and passed the important function of representing IFs back to a revamped SportAccord under IOC control, which does no more than hold an annual congress of IFs.

Over the last 20 years, elite sport and Olympism have become subject to ever-closer scrutiny from the media, NGOs, academics and the public, especially with respect to integrity, athletes' well-being, human rights and sustainability. In return, the IOC has tried to avoid or overcome criticism from these sources by introducing new regulatory mechanisms to combat doping, violence, racism, athletes' psychological well-being, match fixing and corruption. To achieve this, it has had to adopt a new approach to political governance.

#### *1.1.2.2 Political Governance*

Political governance concerns the IOC's and Olympic movement's relations with (inter)governmental organisations: United Nations, European Union, Council of

Europe, national governments and cities/regions that support sport and sports events organised by official sports bodies. These relations have often centred around sport's difficult relationship with politics, epitomised by government boycotts of sports events, government meddling in the governance of national sports bodies, authoritarian regimes using sport as a tool for soft power, and so on. At the same time, staging the Olympic Games and funding for Olympic sport depend greatly on sport's partnerships with public bodies, as most Olympic sports rely heavily on direct and indirect public support to fund sport facilities, NFs, clubs and elite athletes (subsidies, help with building and renovating facilities, provision of staff, tax exemptions, support with hiring and professionalising staff). This public partnership gives the IOC legitimacy and allows it to negotiate dispensations from national laws for the Olympic Games in the form of tax exemptions, legislation protecting federations and athletes and the application of 'Olympic laws' during Olympic Games.

Also in the legal field, the IOC established the Court of Arbitration for Sport (CAS) in Lausanne in 1984 to provide a mechanism for resolving sporting disputes without exposing sport to the risks associated with national justice systems (slowness, media coverage, cost, failure to understand the specificities of sport). All IFs, even FIFA, now recognise the CAS, which has discreetly and efficiently resolved numerous internal disputes between athletes and their federations. Most of the cases it hears involve doping (approx. 60% of cases) and football (59% of cases). Thanks to the CAS, few sporting disputes now go to national or supranational courts (European Court of Justice), unless they involve criminal acts, which automatically fall within the jurisdiction of the criminal courts. The CAS even holds an ad-hoc tribunal during the Olympic Games. In addition, some countries have set up national sport tribunals, alongside other conciliation and mediation mechanisms for resolving sport-related disputes.

The need to protect sport's credibility and athletes' health from the scourge of doping led the international sport movement to join forces with national governments in 1999 to establish a global anti-doping body (WADA) (Chappelet and Van Luijk, 2018). WADA refers disputes relating to its World Anti-Doping Code (drawn up in 2003) to the CAS and encourages individual countries to set up national anti-doping agencies (62) and regional anti-doping agencies (14). All these agencies are members of the iNADO network, although the resources they have at their disposal vary greatly. However, these mechanisms have failed to stamp out doping, as shown by the state-sponsored doping of Russian athletes, notably in Sochi 2014. Facing intense pressure to take action against Russia, the IOC suspended Russia's NOC from the 2016, 2018, 2020 and 2022 Olympic Games, but then diluted its sanction by allowing Russian athletes who met criteria set by their IF to compete under the Olympic flag. It also set up a new regulatory body – the International Testing Agency (ITA) – in 2018, to provide more independent (from national governments and IFs) anti-doping controls in certain sports, especially those with small IFs that do not have well-established anti-doping systems. Crises relating to integrity have also impacted many larger IFs



(e.g., athletics, football, tennis, biathlon) and led several of them to set up internal integrity units since the early 2020s.<sup>13</sup> These units have varying remits and often cover other breaches of sporting integrity, including match fixing, psychological/sexual harassment of athletes, violence, racism and corruption, as well as doping violations. The IOC's strategy on integrity is more fragmented. For example, in 2022 it established a 'Safe Sport'<sup>14</sup> unit specifically to deal with the harassment of athletes. Australia, Denmark and Switzerland have created national sport integrity agencies to oversee all issues relating to integrity, although their modest resources mean they tend to focus primarily on doping.

Nevertheless, numerous cases – the best-known being the 1995 Bosman ruling – have highlighted the difficulties that arise when trying to reconcile sport's specific system of rules and regulations (which some specialists call the *Lex sportiva*) with national legislation and/or European directives. For example, international sport has been unable to free itself from European rules regarding the free movement of workers within the European Union, or sport federations abusing their dominant market position in negotiations with the media (Weatherill, 2017). More recently, the European courts have ruled that IFs such as the International Skating Union contravened European competition law when they used their regulatory autonomy to introduce rules aimed at preventing private operators from holding ice-skating competitions (Szyszczak, 2018). The European Court of Justice (ECJ) confirmed this ruling on 21 December 2023.

However, the IOC believes that sport deserves special consideration and has therefore fought hard to persuade international bodies (United Nations, European Union, Council of Europe) to recognise the specificity of sport in international treaties (Nice Declaration in 2000 and, most importantly, the 2009 Treaty of Lisbon, whose article 165 gives the EU an explicit competence for sport and which provides the basis for a common European sports policy). Its efforts have been quite successful, as numerous international resolutions and European directives now recognise sport's social and educational role (e.g., the European Commission's 2007 white paper on sport and European Parliament resolution of 23 November 2021 on the EU's sports policy). Furthermore, a 2023 ruling by the ECJ suggests that sport is exempt from Europe's antitrust laws, as it found that UEFA had the right to impose legitimate and proportionate sanctions on clubs wishing to take part in a projected league 'European Super League', set up in competition to UEFA's Champions League.<sup>15</sup> However, following an appeal by the Super League, the ECJ overturned this decision on 21 December 2023, when it ruled that FIFA's and UEFA's 'rules on prior approval of interclub football competitions, such as the Super League, are contrary to EU law'. This new ruling opens the door to new actors wishing to set up European club competitions, as had already occurred with basketball's 'private' Euroleague. Nevertheless, the ECJ also ruled that 'it is for the Commercial Court, Madrid, to ascertain whether those rules might nevertheless benefit different stakeholders in football, for example, by ensuring a solidarity-like redistribution of the profits generated by those rights'. Hence, the ECJ appears to have given its blessing to a solidarity-based model for distributing revenues to football's stakeholders.



Europe's sports ministers, apart from Spain, published a joint letter on 9 February 2024, in which they repeated their opposition to a European Super League in the name of 'the principles of openness', 'sporting merit' and sport's 'educational and social functions'.

The main aim of the Olympic movement's political strategy, supported by intense lobbying (mostly by the IOC and UEFA towards the European Union) and a large legal arsenal, is to protect the European model of sport and its widely recognised positive impacts in areas such as education, health and social inclusion. This strategy has given rise to two frameworks for protecting sport's integrity: the Council of Europe's Convention on the Manipulation of Sports Competitions, ratified in 2014, and the IOC's Code on the Prevention of the Manipulation of Competitions, adopted in December 2015. The IOC continued down this path in 2017 when it launched the International Partnership Against Corruption in Sport, whose aim is 'to bring together international sports organisations, governments, inter-governmental organisations and other relevant stakeholders to strengthen and support efforts to eliminate corruption'.<sup>16</sup> In 2009, the United Nations General Assembly accorded the IOC observer status, which allows it to contribute directly to United Nations programmes and to promote sport to national governments. However, public authorities have begun placing more explicit conditions on these symbolic, political and legal international recognitions, most notably by requiring international and national sport institutions to continually improve their organisational governance.

### 1.1.2.3 ('Good') Organisational Governance

The IOC, a not-for-profit organisation under Swiss law, has a very specific form of organisational governance because it is a closed club with a maximum of 115 members (99 active members in 2023) who are co-opted by existing members. These members meet at the IOC's annual general meeting, known as the Session, whose main powers are to approve annual reports, choose host cities for the Olympic Games (summer, winter and youth) and elect the IOC's president. The IOC is run by its president, who has had an executive role since 1980, in conjunction with a 15-member Executive Board (equivalent to a board of directors) that includes 4 vice presidents. Twenty-nine commissions (e.g., Athletes, Public Affairs and Corporate Communications, Olympic Programme), composed of experts and IOC members, advise the Session, Executive Board and/or president on specific issues.

Day-to-day operations are carried out by the IOC Administration, which has become much more professional since the 2000s and now employs almost 1,000 permanent staff (Chappelet, 2022). Approximately 100 of these employees work at Olympic Broadcast Services' headquarters in Madrid for the Olympic web TV channel (OCS), which the IOC set up in 2016 to broadcast archive footage of Olympic competitions and pre-Olympic tournaments. Huge increases in the administration's payroll, and especially its directors' salaries,<sup>17</sup> have raised questions about whether

it still offers good value for money. Although the IOC has undertaken to keep the cost of running its head office to below 10% of its revenues, the actual percentage appears to be much higher than this.<sup>18</sup>

The IOC's organisational governance works on the principle that the co-opted members elected to the Executive Board<sup>19</sup> run the institution, its salaried managers implement the board's policies and the Session controls the results through annual activity and financial reports, which have become more detailed and more transparent since 2014. NOCs, IFs, continental federations and NFs have similar governance structures.

The scandal that erupted following revelations of corruption in the attribution of the 2002 Olympic Games to Salt Lake City was a turning point in the IOC's organisational governance (Chappelet, 2001). Facing intense political and media pressure, the IOC's 'institutional riposte' (Rayner, 2007) was to make major changes to its governance, based on the recommendations of a specially convened 'IOC 2000 Commission'. These reforms included reducing the age limit for IOC members from 80 years to 70 years and changing the composition of its membership to include 15 Olympic IF presidents, 15 NOC presidents and 15 athletes. Athletes may serve for a maximum of eight years; Olympic IF and NOC presidents serve until the end of their terms as presidents. This new rule changed the social makeup of the IOC's membership, which became much younger, more feminine (38 of the 99 members in 2023 were women) and more directly connected to the world of international sport. The greater turnover in members (45 members are elected for just eight years) also made it more difficult for the IOC's president to control the organisation's membership. IOC presidencies are now restricted to one eight-year term followed by a four-year term if a president is re-elected. The reforms also included introducing a code of ethics overseen by an ethics commission. However, this commission has not been very proactive in sanctioning breaches of ethics, including those committed by IOC members, as the best-known IOC members tainted by corruption (J. Blatter and J. Havelange at FIFA, L. Diack at the International Association of Athletics Federations and H. Verbruggen at the Union Cycliste Internationale) resigned as IOC members to avoid being sanctioned by the commission.<sup>20</sup>

When Thomas Bach took over as IOC president in 2013, the IOC faced numerous contentious issues that threatened to weaken its position and overturn the political balances within sport and the Olympic movement. When responding to these issues, Bach showed himself to be a master of *realpolitik*, adapting his approach to each set of circumstances.

### **1.1.3 Thomas Bach's *Realpolitik* Approach to Risk Management**

During his 21-year tenure as IOC president (from 1980 to 2001), Juan-Antonio Samaranch oversaw a veritable revolution in the Olympic Games that took them far from Coubertin's original ideals and turned them into a global brand (Miller,

1993). When Jacques Rogge took over from Samaranch in 2001, the most pressing issues facing the IOC concerned sport's integrity and ethics, along with the increasing use of sport to project a nation's soft power, especially by the BRICS countries and Gulf States. By the time Rogge made way for Thomas Bach, a lawyer by training and an Olympic gold medallist in fencing, Olympism was facing a crisis of legitimacy, as were other major institutions (religion, democracy, etc.) in many Western countries. Bach adopted a pragmatic, realpolitik approach to address this crisis, which had arisen due to the conjunction of several problematical issues:

- Public scepticism in Western countries about hosting the Olympic Games, especially the Winter Olympics ('no' votes prevailed in 18 of the 31 referendums on whether to bid for the Winter Olympic Games between 1968 and 2022 and in several referendums on the Summer Olympic Games – Chappelet 2021).
- The fight to protect sport's integrity (doping, match fixing, corruption by international sport leaders, physical and psychological well-being of elite athletes) and new issues such as how the Olympic world should embrace LGBTQI+ athletes.
- The instrumentalisation of sport by autocratic countries and failures of major international competitions to respect human rights.<sup>21</sup>
- Geopolitical questions such as whether to appoint sport leaders from authoritarian and non-democratic countries to positions of power and how to respond to Putin's Russia (the war in Ukraine) and its use of sport (state-sponsored doping, intention to host three international sports events in 2024: the Future Games, a 'phygital tournament' combining physical and digital competitions) in February/March; the BRICS Games in June; and the World Friendship Games in September, which hope to attract at least 70 countries, including members of the Shanghai Cooperation Organisation.<sup>22</sup>
- Criticisms of major sports events' impact on the climate and their lack of environmental sustainability.
- Competition from new forms of sports and from sports outside the Olympic movement (e.g., esports, mixed martial arts, outdoor sports, extreme sports, survival sports).
- Behaviours of generations Z (born between 1997 and 2010) and alpha (born after 2010) characterised by their use of virtual platforms and their less-active lifestyles, which may presage major public health problems (Mountjoy *et al.*, 2019; WHO, 2021). These younger generations have very different ways of consuming spectator sport: According to a 2023 report by the Capgemini Research Institute ('A Whole New Ball Game'), 77% of generation-Z respondents and 75% of generation-Y respondents said they prefer watching sport outside sports venues, compared with 32% of people over the age of 70.

Bach's responses to these issues involved astute risk management based on assessing when and with whom the IOC could take a forceful position and when it needed to adopt a more conciliatory approach. He strenuously defended the IOC's

position, using arguments based on two main premises – ‘responsible autonomy through good governance’ (Bach, 2013) and the benefits sport and Olympism bring to society. However, both of these premises are open to question.

#### *1.1.3.1 Responsible Autonomy through Good Governance*

Bach first used the expression ‘responsible autonomy through good governance’ in a speech he gave to the United Nations in 2013, shortly after being elected IOC president. The following year, the United Nations General Assembly passed a resolution supporting sport’s independence and autonomy and the IOC’s leadership of the Olympic movement. Here, autonomy signifies the right for sport organisations to be self-governing and self-regulating and free from interference from governments and other external actors, including private financiers (sponsors, broadcasters), as set out in Article 5 of the Olympic Charter:

Organisations within the Olympic movement shall apply political neutrality. They have the rights and obligations of autonomy, which include freely establishing and controlling the rules of sport, determining the structure and governance of their organisations, enjoying the right of elections free from any outside influence and the responsibility for ensuring that principles of good governance be applied.

This definition of autonomy may have meaning and value in democratic states, but it is much more difficult, if not impossible, to apply in authoritarian countries where freedom of expression is either non-existent or highly restricted. In many cases, the sport movement is subject to political control, as its leaders are appointed by the state, are serving politicians or are placed under government control, as Garcia and Meier (2022) showed with respect to national sport governance in developing countries in the Global South. Some countries’ NOCs are led by the country’s president (Azerbaijan, Gulf States) or the minister for sport (some communist countries).

The IOC embodied the concept of responsible autonomy in three new governance and management principles introduced following Bach’s election as IOC president: announce clear strategic lines for the IOC and Olympic movement; solidify the business model; and better control and report its actions in a global spirit of greater transparency, efficacy and social responsibility (Bayle, 2016). Bach set out his vision for the Olympic movement’s future development in two strategic road maps – Agenda 2020 (40 strategic recommendations), published in 2014, and Agenda 2020+5 (15 recommendations), published in 2021. The IOC claims to have implemented 88% of the 40 recommendations for 2014–2021. However, the IOC relies on IFs and NOCs to implement its recommendations and not all IFs and NOCs have the resources to implement them effectively.

Bach and his teams next focused on consolidating the IOC’s business model and ensuring the ‘balanced’ redistribution of an ever-larger proportion of its revenues

to key stakeholders within the Olympic family (OCOGs, NOCs, IFs). Bach's concern was that the IOC still relies on Olympic Games broadcasting rights for 60% of its revenues, a large proportion of which comes from the United States due to the huge sums US networks pay for broadcasting rights (NBC paid \$7.65 billion for the period 2020–2032). In addition, two-thirds of the IOC's 15 TOP sponsors are Western companies, so it obtains 80% of its revenues from the West, despite the multi-polar nature of today's world and the United States' reduced dominance. Media rights from other parts of the world have increased, but they are still modest (Table 1.1) compared with the IOC's American contract. For example, the Australian media group Nine Entertainment paid just \$191 million for 2024–2032, even though this period includes an edition of the Olympic Games (Brisbane 2032) in the broadcaster's home territory. Describing this sum as 'staggeringly low', Olympic business expert Patrick Nally urged the IOC to 'reinvent' its 'ageing' business model (Nally, 2023). Nevertheless, the IOC generates sufficient revenues to spend almost \$200 million on a new headquarters in Lausanne that opened in 2019.

Moves to gradually consolidate its business model, while remaining dependent on American finance and the NBC contract in a context of falling audiences, have been accompanied by attempts to secure the Olympic Games' geopolitical position. Bach's first moves in this respect were designed to protect the Olympic Games' reputation, which had been tarnished by the controversy over attributing the event to authoritarian regimes (Beijing 2008 and 2022, Sochi 2014) and by political problems and/or accusations of corruption (Rio 2016 and Tokyo 2020), which also affected recent Football World Cups (Brazil 2014, Qatar 2022). Unlike FIFA, which continued to attribute its flagship competition to authoritarian countries (Russia 2018, Qatar 2022), the IOC has attributed all forthcoming editions of the Olympic Games to Western countries or democracies. Although FIFA has attributed the 2026 and 2030 World Cups to democratic countries, it did so in a way that opened the door for Saudi Arabia, its new political and financial partner, to host the 2034 tournament. Thus, the United States and its Canadian and Mexican partners will host the 2026 World Cup, but the centenary World Cup in 2030 will be split between three continents (Africa, Europe and South America) and six countries (Morocco, Spain and Portugal, which will host most of the matches, but with three matches played in Uruguay, Argentina and Paraguay).

Paradoxically, the paucity of candidates for the forthcoming Olympic Games has made it easier for the IOC to attribute the event to democratic countries, as, for the first time in its history, in 2017 a single IOC Session was able to attribute two editions of the Summer Games, which went to Paris (2024) and Los Angeles (2028). This move was part of a new 'win-win' rationale (for the IOC and for candidate cities) aimed at avoiding what Andreff (2012) called 'the curse of the winning bid'.<sup>23</sup> Similar reasoning, and the opportunity to award the Games to another Western country, led the IOC to attribute the 2032 Summer Olympics (to Brisbane) many years in advance,<sup>24</sup> without inviting other bids. This focus on the West is reassuring to the IOC's Western stakeholders (respect for human rights, bid quality, use of

existing facilities to reduce the event's environmental impact) but questionable in the light of the economic, political and demographic rise of China, India, the MINT countries (Mexico, Indonesia, Nigeria, Turkey) and the Gulf States.

New governance principles centred around greater transparency, greater gender equality and better control mechanisms have emerged alongside these two foundation stones (strategy and business model). Being based in Switzerland, which retains a culture of secrecy, the IOC is not obliged to publish its accounts. Nevertheless, since 2014 the IOC's website has published the organisation's annual reports, the sums it redistributes to members of the Olympic movement and how much its members receive in allowances and per diem payments. These figures show, for example, that the compensation paid to IOC board members remains reasonable (less so for top managers) and in line with the salaries paid to leaders of large NGOs (which is not the case for FIFA). Gender is undoubtedly the issue where the greatest progress has been made, as there will be strict gender parity among the athletes competing at Paris 2024. (Women accounted for almost 50% of the athletes at Tokyo 2020, which included 18 mixed-gender events.) Progress in gender parity is also being made with respect to officials (judges/referees) and within the IOC itself, with a 50% increase in women IOC members between 2013 and 2020 and a 100% increase in the number of women on IOC commissions (women made up 48% of commission members in 2020). Progress towards gender parity at IFs, NOCs and NFs has been more variable and often disappointing. Of the 40 Olympic IFs, only 2 have women presidents and only 10% of NOCs are headed by women (Schoch and Clausen, 2019). The IOC's objective (announced back in 2008) is for at least 30% of Olympic IFs and NOCs to have women presidents by 2030, but this will be difficult to achieve without taking coercive action against IFs and NOCs and imposing gender quotas, as many NFs have done.

As part of its quest to achieve 'good' governance, the IOC has adopted several new mechanisms, notably its Basic Universal Principles of Good Governance Within the Olympic Movement. Drawn up in 2008, these principles have now been included in the IOC's code of ethics, so, under the terms of the Olympic Charter, all organisations within the Olympic movement are expected to apply them. However, few IFs and NOCs have done so, and the IOC has done little to promote their implementation, despite setting up an Ethics and Compliance Office in 2014 to ensure that Olympic organisations follow them.<sup>25</sup> Indeed, strictly implementing such universalist governance norms across all contexts is not necessarily practical, so they should be seen more as an 'aspiration than a practical result' (Ghadami and Henry, 2015, p. 997). Based on a study of how Iran's NOC has applied the IOC's governance principles, these authors concluded that such norms should allow national, regional and local actors to choose, modify and weight indicators and operational measures of 'good' governance in the light of their values and priorities (Ghadami and Henry, 2015). The fact that governance is a normative concept 'relative to the desired ends and founded on values and norms that come from a national culture and which reflect different global ontologies' (Girginov, 2019, p. 91) makes it even more important to take into account the cultural dimension.



In the wake of the 2015 FIFAgate scandal, the IOC began encouraging IFs to use the Association of Summer Olympic International Federations' (ASOIF) governance evaluation tool, a self-report questionnaire comprising 50 governance indicators divided into 5 domains: transparency, integrity, democracy, development of sport and solidarity and control mechanisms (Chappelet, Bayle and Clausen, 2020). The Council of Europe (2018) welcomed this initiative, whose results have been published on four occasions (2017, 2018, 2020, 2022), but it also criticised its lack of independence and argued for creating an ISO standard for good governance in sport. Moreover, the quality of governance within IFs remains very variable and highly problematic for some. For example, on 22 June 2023, the IOC took the unprecedented step of withdrawing its recognition of the International Amateur Boxing Federation (AIBA) due to the federation's continuing governance failures. After being suspended in 2019 and discredited by repeated judging scandals, AIBA has definitively lost both its right to organise the tournaments at the Paris and Los Angeles Olympic Games (although this sport remains on the programme) and the funding it would have received from the IOC. As a result, it will have to rely on other sources of funding to service its large debts.

#### *1.1.3.2 Sport's Societal Benefits Called into Question*

Given that its aim is to 'build a better world through sport' (IOC Annual Report, 2014), the Olympic movement must take concrete steps to do this and demonstrate its positive impacts on societal and environmental issues. The IOC's claims regarding sport and the Olympic Games' societal benefits focus on three areas: sustainability, development through sport and the positive legacy of the Olympic Games.

In 2015, the United Nations acknowledged sport's contribution to advancing its 17 Sustainable Development Goals for 2015–2030, which the IOC subsequently used as a framework for its environmental policy, introduced in 2016. This policy requires the IOC to take action in three areas – gender equality, human rights and (environmental) sustainability – and on three levels – at its headquarters, as the owner of the Olympic Games and as the leader of the Olympic movement. In terms of achieving gender equality, it has made much more progress at its headquarters and at the Olympic Games than it has in the rest of the Olympic movement. Human rights are a complex issue on which the IOC is still constructing its approach, advised by a special unit set up within its administration in 2021. In addition to using existing facilities and reducing the cost of staging the Olympic Games, the IOC's sustainability objectives for 2021–2024 focus on the climate, biodiversity and the circular economy. In terms of climate action, it has adopted the 2015 Paris Climate Agreement's target for nation-states and undertaken to reduce its direct and indirect carbon emissions by 50% by 2030. However, it will achieve most of this reduction by carbon offsetting,<sup>26</sup> with only a relatively small contribution from reducing emissions relating to its headquarters' operations and the Olympic Games. The IOC, together with a small number of IFs and NOCs, has also signed



the United Nation's Sports for Climate Action initiative, launched in the wake of COP21.

Beyond its environmental initiatives, which the IOC promotes widely but which OCOGs, NOCs and IFs struggle to put into action (Santini and Henderson, 2021), the Olympic movement must also demonstrate sport's positive impacts on education, health, development and promoting societal change in countries with very young and rapidly growing populations (India, Africa, South-East Asia). Olympism 365, launched in 2021, is a very ambitious strategy aimed at strengthening sport's role in achieving the United Nations' Sustainable Development Goals. In the field of peace and international solidarity, to raise awareness of the 20 million people currently living as refugees, in 2015 the IOC created a Refugee Olympic Team, which competed for the first time at the 2016 Olympic Games.

The Olympic Games' short-term impacts and long-term legacy are contentious issues for researchers (Scheu, Preuß and Könecke, 2021), who frequently challenge the event's purported benefits for tourism, participation in sport, society (national pride and feeling of belonging, improved social cohesion, etc.) and territorial marketing (Chappelet, 2019). Nevertheless, one impact is indisputable: Hosting the Olympic Games greatly accelerates infrastructure projects in the host territory, as occurred in East London prior to London 2012 (Wolfe *et al.*, 2021) and in Seine-Saint-Denis prior to Paris 2024. In addition, ensuring positive tangible and intangible legacies for their Olympic Games is of great importance to OCOGs, which now set up special units to plan this aspect of the event (see Section 1.2.3.). The IOC also has studies and tools to counter detractors (Chappelet, 2018), and in 2021 it published a report, called 'Over 125 Years of Olympic Venues: Post-Games Use', claiming that 92% of permanent venues used for the Olympic Games in the twenty-first century and 85% of all Olympic facilities are still in use today.

However, numerous studies have criticised the gigantism of the Olympic Games, the IOC's and OCOG's inability to reduce the environmental impact of staging the Games and receiving millions of tourists from around the world and the difficulty of controlling organisers' sustainability policies (Geeraert and Gauthier, 2017). Müller *et al.* (2021) suggested three actions the IOC could take to address these criticisms and make hosting Olympic Games more sustainable: greatly reduce the size of the event, rotate the event between a limited number of cities and enforce independent sustainability standards.

A few IFs and continental federations have responded to the criticisms frequently levelled at mega sports events such as the Olympic Games (cost overruns, building 'white elephants' whose construction and maintenance costs outweigh their benefits, public opposition) by splitting events between two or more host countries or continents. The IOC has not yet adopted this approach, even though its Agenda 2020, adopted in 2014, allows for this possibility. In contrast, FIFA and UEFA have done so on several occasions, notably for the 2002 and 2026 World Cups and 2008, 2012 and 2020 Euros. This strategy potentially allows event owners to share risks, maximise the use of existing facilities, attribute events to smaller countries,

improve relations between host countries and better fulfil the needs of sponsors present in different markets. However, there are also risks and challenges that must be overcome, including the following:

- Logistical and transportation issues for athletes and fans due to the distances between competition sites.
- Organisational complexity (political, legal, security, etc.).
- Potential loss of identity and atmosphere.
- The difficulty of producing a high-quality, homogenous fan experience (Zhuk and Desbordes, 2023).

The IOC has worked hard to change its image and improve the Olympic movement's governance and management practices, but this has involved accepting sometimes fragile and questionable trade-offs and compromises. In other words, the IOC has had to perform a balancing act between its goals and its main stakeholders' capacities and willingness to accept change.

### **1.1.4 An Institutional Balancing Act**

#### **1.1.4.1 Institutional Work and Legitimacy**

It is possible to draw parallels between Bach's realpolitik approach, aimed at protecting the IOC's legitimacy, and neo-institutional sociological theories on how change occurs within a sector. First, the IOC is the sport and Olympic system's key 'institutional entrepreneur' (as defined by DiMaggio, 1988), as it is the IOC that implements institutional change to achieve its objectives. However, achieving its strategic objectives is a collective process in which the IOC must involve other actors and create beneficial interactions. Bach's strategies involve carrying out what neo-institutional theory terms 'institutional work' (Lawrence and Suddaby, 2006) to create, maintain or even destabilise institutions, depending on the circumstances. The notion of 'institutional work' throws light on the strategies the IOC uses to ensure public and private commercial organisations that regulate and influence sport (Nite and Edwards, 2021) come into line with the IOC's and Olympic movement's interests.

The only way to obtain acceptable arrangements and compromises is via this collective process, conducted within the framework of a more partnership-based form of systemic governance and more harmonious and collaborative political relations, achieved by promising 'good' or 'better' organisational governance. This framework also enables the IOC to adapt to or win over institutions, so it can maintain its policies, obtain resources and, in the end, ensure its legitimacy. According to neo-institutional theory, organisations acquire legitimacy by showing they conform with standards and rules and with 'the beliefs, cognitive schemas and moral models which provide the systems of meaning that guide human action and structure social, political and economic relations' (Hervier, 2014). In other words, rather

than resulting from conformity to values and social constructions (Oliver, 1991) and to societal norms, legitimacy is mostly based on inter-organisational collusions (Dobry, 1986).

Whereas rationality guides actions according to established rules (the ‘embedded agency’ of Garud, Hardy and Maguire, 2007), reflexivity refers to an individual’s ability to discern, imagine and change these rules and pursue its interests beyond the limits set by institutions (state, social groups, etc.). The IOC achieves such a tour de force with the Olympic Games by imposing the Olympic Charter on a host country for the duration of the Games and negotiating various legal and fiscal advantages.

Nevertheless, evaluating organisational legitimacy is key. According to Suchman (1995) and Deephouse *et al.* (2017), this involves analysing three types of criteria: cognitive, socio-political and moral. When technologies and social practices are too different from existing patterns and therefore incomprehensible, there is a great likelihood they will be rejected. From an institutionalist perspective, the explanation lies in a deficit in cognitive legitimacy. For example, if an edition of the Olympic Games is perceived as having an excessively large environmental impact (travel by delegations and tourists, construction of numerous venues, etc.), as was the case for Sochi 2014 (Müller *et al.*, 2021) and Beijing 2022, this leads to a deficit in cognitive legitimacy, notably for Western audiences.

Socio-political legitimacy arises when an organisation enjoys the support and approval of influential bodies within its environment. The IOC and Olympic movement’s socio-political legitimacy comes from the support it receives from national governments (state subsidies for Olympic sport) and from international bodies (e.g., being named by the European Union as the guarantor of the European model of sport and being granted observer status at the United Nations). In turn, this socio-political legitimacy allows the Olympic movement to access tangible and intangible resources (funding, staff, image, status in society, public opinion, etc.).

Moral legitimacy arises when society perceives a practice or organisational form as consistent with existing cultural norms. The Olympic movement draws its moral legitimacy from Olympic values and ideology and sport’s supposed benefits, although many elite athletes and scientific studies are now challenging these benefits. Indeed, competitive sport does not automatically have positive impacts, as whether it produces benefits depends on how and where it is done. For example, producing exceptional performances places huge demands on elite athletes and these demands can have very negative effects on their mental health, both during and after their sporting careers. Other threats to the Olympic movement’s moral legitimacy include the failure of many sport organisations to appoint women to senior positions.

Thus, as Maguire and Hardy (2009) showed, legitimacy can be attacked, and these attacks can lead to the de-institutionalisation (Oliver, 1992) and the disappearance of organisational practices and forms once considered self-evident. Such practices include the following:

- Sport executives occupying multiple positions and roles (in public administration, business and sport), which favours insularity, conflicts of interest and, in some cases, corruption (Bayle and Rayner, 2016).
- Staging the Winter Olympic Games in areas with insufficient natural snow and facilities.
- Displacing homeless people to build Olympic facilities.<sup>27</sup>
- Expecting athletes in precarious and vulnerable financial situations to compete in the Olympic Games without receiving financial compensation.
- And, perhaps, staging Olympic Games at all, because the values they project are out of step with the major challenges facing the planet and/or changes in society.

Achieving legitimacy is essential for organisations with social objectives, which is why bodies such as the IOC must ‘put in place, manipulate and exploit evocative symbols to gain society’s support’ (Berland and Pezet, 2009, p. 137).

#### 1.1.4.2 *Strategic Responses to Institutional Processes*

Oliver (1991) drew up a typology of the strategic responses and associated tactics organisations use to mitigate institutional pressures and overcome crises and to maximise the benefits they extract from their environment, notably their political environment. Their responses generally involve quashing conflicts and/or crises by neutralising external pressures (media, legal, political, etc.). The aim of these five strategies – acquiescence, compromise, avoidance, defiance, manipulation – is not to improve performance but to keep up appearances and give the organisation legitimacy. The IOC uses all five strategies at three different levels: the sport/Olympic system level, the inter-organisational level (between the IOC and European Union or Olympic IFs) and the intra-organisational level (IOC’s operations). Table 1.3 shows that the IOC frequently uses compromise and manipulation strategies at the Olympic system level. Other strategies, such as avoidance, can lead to decoupling, that is a disconnect between the IOC’s rhetoric and its actions. Some organisations are able to use these practices as a protection mechanism without being challenged, but this is not the case for the IOC, which is subject to intense media scrutiny and open to attack from NGOs, investigative journalists and national justice departments.

Neo-institutional theory is interesting because it sheds light on the active and passive resistance strategies the IOC and Olympic movement use, depending on the nature of a crisis and the interests involved, to counter institutional pressures aimed at imposing outside regulation and to avoid de-institutionalisation due to societal changes. Strategic responses depend on the nature of the institutional pressure, the way this pressure is applied and when it occurs (crisis or stability), together with the level at which a strategy is deployed (macro-meso-micro). The IOC’s message of international legitimacy can be summarised as follows: Political institutions, business and society as a whole need Olympic sport and the Olympic

Table 1.3 Strategic Responses to Institutional Processes

<i>Strategies</i>	<i>Tactics</i>	<i>Examples</i>	<i>Applied to the IOC</i>
Acquiescence	Adapt	Adapt to invisible norms, taken as given	Societal changes (gender equality, disabilities, diversity, etc.)
	Imitate	Mimic institutional models	UN's 2030 sustainable development goals Ethical conformity practices used by multinational companies
	Submit	Follow rules and accept norms	Bach's slogan: 'Change or be changed' Accept European law but demand recognition for the specificity of sport (mobilising political support)
Compromise	Balance	Balance the expectations of numerous stakeholders	Redistribute Olympic revenues to OCOGs, IFs, NOCs (redistribution scale)
	Appease	Appease institutional stakeholders	Olympic Truce during Olympic and Paralympic Games (armed conflict) CAS (resolve legal disputes more quickly, discreetly and efficiently than national courts) Involve governments in the fight against doping (WADA)
	Negotiate	Negotiate with institutional stakeholders	States/governments for organising Olympic Games (application of 'Olympic law')
Avoidance	Hide	Non-conformity	Do not apply the Basic Universal Principles of Good Governance (2009) or good governance measures for IFs (ASOIF, 2016) No real support or coercion from the IOC on this issue
	Cushion	Relax institutional ties	Accept media/financial demands (timing of some events at Olympic Games imposed by NBC, e.g., for swimming events at Tokyo 2020) Refuse to compensate athletes but relax rules on individual image rights
	Flee	Change objectives, activity, or field	National justice systems ('don't wash the dirty laundry in public' by creating a sports justice system and by self-regulation via an internal ethics commission)

Table 1.3 (Continued)

<i>Strategies</i>	<i>Tactics</i>	<i>Examples</i>	<i>Applied to the IOC</i>
Defiance	Ignore	Ignore norms and explicit values	Public opinion and NGOs (human rights and sustainability, depending on the countries hosting Olympic and Paralympic Games)
	Challenge	Deprecate practices and demands	Denounce some forms of political interference (but accept others) in the name of sport's autonomy and political neutrality
	Attack	Attack sources of institutional pressure	Manoeuvre to dissolve SportAccord (2017) and then the GAISF (2022) – IF umbrella bodies and historic counterweights to the IOC
Manipulation	Co-opt	Incorporate into influential bodies	New IOC members (external lobbying/internal geopolitical balance) and new Olympic sports (attract young people and new markets, especially India, China and Indonesia)
	Influence	Influence values and criteria	International Testing Agency (independent anti-doping body) Myths relating to the Olympic Games' origins and their revival by Coubertin Ideology around the universal nature of Olympic values and their effects
	Control	Dominate aspects of society and institutional processes	Olympic Charter (constitutional framework) Position the Olympic brand as a socially responsible brand Agendas 2020 and 2020+5 (strategic roadmaps for the Olympic movement)

Source: Adapted from Oliver (1991).

and Paralympic Games, so they need the IOC and Olympic movement, even if these institutions are imperfect (as are politics and business). Sport is doing its best and trying to improve, even if it is on a small scale. Olympism and sport have beneficial impacts in numerous fields, including education, inclusion and health, and are therefore essential for society. Because the Olympic movement is founded on democratic, non-profit principles and on volunteerism, Olympism is a common good for society and humanity.<sup>28</sup> Neither total privatisation of sport nor total state control would be in society's interest. The former would risk excluding many people from sport; the latter would require massive public investment to ensure

everyone has access to sport. Everyone, especially national and international political leaders, must keep these threats in mind.

So far, the entire world has generally accepted this historically constructed system of beliefs and meanings, which Bach and his communication teams promote. IFs and NFs push this message internationally and nationally, with UEFA lobbying particularly hard to implant it within the European Union. These efforts have enabled the IOC to hold on to its right to self-regulation in many areas.

Since 2014, the IOC has used speeches and documents, combined with decoupling practices on issues such as ‘good’ governance, sustainability and integrity, to build a social meaning around a new form of IOC-led regulation for the Olympic system. It has tried to homogenise the Olympic organisational field’s practices,<sup>29</sup> despite having neither the capacity nor the means to impose its will on Olympic IFs and NOCs, which continue to be very varied in their functioning and professionalisation. Moreover, in the name of respecting IFs’ and NOCs’ autonomy, the IOC refuses to become involved in their governance and functioning. Instead, it relies on institutional isomorphism (Dimaggio and Powell, 1983) to converge and homogenise the behaviours of IFs, NOCs and even OCOGs. Dimaggio and Powell (1983) identified three types of institutional isomorphism, all of which can be seen in the IOC’s actions towards the Olympic system’s core organisations:

- Normative isomorphism, which can occur via increased professionalisation brought about by the revenues the IOC redistributes and by inter-organisational staff mobility between OCOGs, IFs, NOCs, the IOC and professional Olympic experts, strengthened by associations of professional sport managers.<sup>30</sup> Professionalisation is also fed by IOC-approved sport management training organisations and programmes, such as the International Olympic Academy, AISTS<sup>31</sup> and MEMOS.<sup>32</sup> The IOC often recruits senior managers and staff from these programmes.<sup>33</sup>
- Mimetic isomorphism: the copying of good governance, sustainability and integrity practices. Olympic organisations may imitate other Olympic organisations, international bodies (e.g., UN frameworks on sustainability, refugees, etc.) and the IOC’s multinational partners (e.g., ethical conformity practices).
- Coercive isomorphism: formal and informal political pressure by the IOC via the Olympic Charter and Olympic revenue redistribution criteria.

Faced with the great heterogeneity in Olympic organisations’ professionalism, the IOC addresses problems, inconsistencies and crises as they arise. Its strategy tends to be very flexible, allowing it to bend to political realities, which sometimes involves side-stepping sensitive international issues by leaving IFs to make their own decisions. The IOC has taken this approach with respect to Russia’s state-sanctioned doping (allowing each IF to set its own criteria for reintegrating



Russian athletes after the Rio Olympics), intersex and transgender athletes, and the war in Ukraine (allowing Russian athletes to compete under certain conditions but giving each IF the power of veto for its sport. World Athletics is the only sport to have used this veto). This results in IFs taking different positions, preventing Olympic sports from speaking with a single voice and leading to inconsistencies. For example, the International Fencing Federation disqualified a Ukrainian competitor from its 2023 world championships because she refused to shake hands with her Russian opponent. The IOC immediately called on the federation to revoke the sanction and allow this athlete to qualify for the 2024 Olympic Games. Even Ukraine adopted a less-rigid stance in the summer of 2023 by no longer asking Ukrainian athletes to boycott all competitions involving Russian athletes.

This is why the IOC's institutional work can be described as a balancing act in which it must manage the paradoxes and contradictions that arise from the numerous ethical dilemmas facing educational and humanist movements such as Olympism: business versus 'purity' of Olympic values; elite sporting performance versus integrity of competitions versus athlete health; exemplarity of leaders versus conflicts of interest and corruption; sport's political neutrality versus geopolitical instrumentalisation; autonomy of sport versus political interference in sport, the United Nation's universal human rights and Olympic humanism versus attributing Olympic Games to authoritarian regimes guilty of human rights abuses and so on. Hardy and Maguire (2008) identified three possible states for organisational fields: emerging, stable mature and mature in crisis. Olympism can be considered a mature field in crisis, a category characterised by contradictions and struggles between actors. Challenges to practices and forms augur a possible decline and a process of de-institutionalisation followed by institutional innovation and re-institutionalisation (Zietsma and Lawrence, 2010). Using institutional entrepreneurship to affirm its leadership leaves the IOC open to criticism and increases the pressure it faces to conform to social norms, which restricts its ability to act freely. This is why it tends to react to changes in society, rather than taking proactive measures to lead societal change.

Other types of social evaluation, notably an organisation's status (position in a hierarchy of organisations), its reputation (an indicator of the quality of its services/products) and whether it is stigmatised or subject to public disapproval (see Roulet, 2019) also impact an organisation's legitimacy. This raises the questions of whether these positive and negative social evaluations effect an organisation's performance and whether they are linked to and consistent with its social responsibility (Bayle, 2016) and sustainability (Moon, Bayle and François, 2021) strategies. Adopting a strategic management perspective, Ben Slimane and Leca (2014) drew up a framework combining the resource-based view (resources/competencies required to build a competitive advantage) and the concept of institutional work. Their framework shows how actors in a field use four key institutional competencies (understanding the environment; construction of justifications and rationalisation;

mobilisation of political support; mobilisation of material resources) to develop institutional resources and capacities that are vital to steering the organisation's legitimacy. Applying this framework to the IOC shows that its prime reason for defending its legitimacy is to ensure its economic performance.

A more fundamental question is to determine the main objective of the IOC's institutional work. Is it to maintain the IOC's and Olympic movement's current position, and that of its individual actors (leaders, directors, etc.), or is it to give institutional and Olympic sport a new place ('vision') in society? This question touches not only on the future of sports policies but also on sport's role in society. For Olympic sport to achieve its societal objectives, the IOC must work with its network of core partners.

## **1.2 The IOC's Core Partners**

The IOC's core partners – IFs, NOCs, OCOGs, athletes and NGOs – form a very heterogeneous group whose members do not necessarily have the same interests. IFs and NOCs differ greatly in size and resources and have differing aims depending on the nature of their sport (IFs) or sport's place within their country (NOCs). At the same time, the way the Olympic Games is staged is evolving in line with host governments' interests and in response to increasing demands from athletes and stronger criticism from NGOs.

### **1.2.1 International Federations**

Most IFs are run as non-profit associations<sup>34</sup> and are based in Switzerland, where they enjoy exemptions from income and wealth taxes, especially in the Vaud canton, home to the IOC's headquarters.<sup>35</sup> They are the guardians of their sport's rules and responsible for its growth. The IOC recognises two categories of IFs – those whose sport (or certain disciplines) are on the Olympic Games programme (32 IFs for Paris 2024 and 8 IFs for Milan-Cortina 2026) and those whose sport could be added to the Olympic programme (e.g., squash, karate, orienteering). The 40 IFs in this latter category form the Association of Recognised International Sport Federations. In 1982, the Olympic IFs came together to form the ASOIF and the Association of Winter Olympic International Federations (AWOIF).

The number of international events created and marketed by Olympic IFs has increased greatly over the last 50 years. According to the ASOIF, in 1975 the 25 summer Olympic IFs ran 160 events, whereas in 2013 the 28 summer Olympic IFs ran 216 events. More recent figures show that the 28 summer Olympic IFs and 7 winter Olympic IFs ran 351 world championships and international circuits in 2020. In cycling, for example, the Union Cycliste Internationale's (UCI) World Tour comprises 35 events and its calendar includes around 1,500 races, whose organisers pay a fee to the UCI. Generally, little is known about how IFs are run, in contrast to NFs, whose legal frameworks and funding are often controlled by the state.

IFs have greatly expanded their commercial activities and revenues since the 2000s, notably by marketing their world championships, which has made it possible and necessary for them to recruit professional staff. In fact, many IFs have set up companies, sometimes in conjunction with commercial partners, to better manage their commercial activities (efficient governance, professional expertise, etc.). The speed and intensity of this professionalisation vary according to an IF's size and situation. FIFA, the world's largest IF, increased its payroll from 13 staff in 1975 to 250 staff in 2003, around 450 staff in 2015 and more than 800 staff in 2023. UEFA's expansion since the beginning of the twenty-first century has been even more spectacular, with employee numbers rising from 105 in 2003 to 780 in 2023. Similarly, the UCI's payroll has increased from just 3 staff in 1992, when Hein Verbruggen became president, to 55 staff at the end of his term in 2005 and to 111 staff in 2023.<sup>36</sup> Other IFs that have substantially increased their payrolls, albeit on a smaller scale, include the Fédération Internationale de Hockey (14 paid staff in 2010, 36 paid staff in 2015), World Rowing (3 paid staff in 1992, 19 paid staff in 2015) and United World Wrestling (10 paid staff in 2012, 24 paid staff in 2015). However, it is difficult to assess the professionalisation of the competencies of elected executives and volunteers on IFs' boards and commissions because these appointments depend as much on politics as on an individual's competencies and available time.

The professionalisation of IFs is linked to their ability to attract external revenues (growth in media rights, fees paid by host countries/cities, sponsorship from marketing their world championships), increases in their IOC funding and their internal management strategies (leadership and specialisation and standardisation needs linked to the diversification of tasks and activities: marketing, sustainability, anti-doping, digital communication, etc.). For example, FIFA's income from World Cup media rights rose from \$110 million in 1994 to \$2.4 billion in 2014 and \$3.4 billion in 2022. As another example, although the IOC began redistributing revenues in 1992, it was not until 2012 that the sums involved became large enough to allow small IFs to recruit significant numbers of professional staff (see Table 1.4). Three other factors have pushed IFs to increase their technical expertise over the last few years: the development of and through sport (via solidarity programmes for their national federations), the fight to protect sport's integrity and the need to harness digital technologies (e.g., Facebook, Twitter, Instagram, YouTube and over-the-top broadcasting of competitions) to build fan communities and associated marketing opportunities. Indeed, IFs now compete to build the largest possible fan base, as this is one of the criteria the IOC uses to determine an IF's share of redistributed Olympic revenues. These criteria also include the extent to which an IF applies the IOC's good governance principles, its actions to grow its sport and its contribution to the Olympic Games' popularity and economic success (e.g., ticket sales, television audience). Internally, it is an IF's leaders who decide whether to start or accelerate a professionalisation process. Presidents and/or general managers draw up and implement management

tools such as strategic plans, commercial and marketing strategies, digital strategies and a strategy for growing the sport around the world. To this end, they recruit experts from inside and outside sport to meet new demands (e.g., communication, legal, human resources, commercial) and to further optimise activities likely to increase revenues, such as marketing and events. This specialisation of functions has complexified IFs' organisational structures and led to a need for standardisation.

Ever-increasing revenues from TV rights and continued growth in the sums redistributed from the Olympic Games have impacted every IF's business model and resource structure. The total amount redistributed to summer Olympic IFs every four years has risen from \$37.6 million in 1992 to \$523 million for 2012–2016 (athletics receives the largest sum – \$39.5 million, the 'smallest' IFs receive \$13 million). A similar sum was redistributed for the following four-year cycle, awarded after the Tokyo Olympic Games. At the same time, small Olympic IFs have become dependent on these redistributed revenues. As Clausen and Bayle (2018) showed (see Table 1.4), IFs such as World Rowing and the International Canoe Federation depend on Olympic revenues, whereas the Fédération Internationale de Hockey and International Ski Federation have 'mixed' business models centred around a combination of Olympic revenues and marketing international events (TV rights and sponsorship). FIFA's and World Rugby's business models are based on a single, extremely lucrative mega event whose globalised media rights have skyrocketed in recent years. Indeed, revenue from the Men's World Cup enables FIFA to finance all its other international events (women and juniors), which currently make losses, redistribute a minimum of \$1 million to each of its 211 national federations to grow football and invest several million dollars in its *FIFA Forward* football development programme. The UCI has an unusual business model in that it obtains a large proportion of its revenues (40%) from royalties and licence fees paid by event organisers (calendar taxes, organisation fees) and professional teams. Such events-based strategies have resulted in many IFs having increasingly commercial objectives, which is not without risk should an IF become overly dependent on commercial income (as shown when the COVID-19 pandemic led to the cancellation of most sports competitions). An overly commercial focus may also result in an IF losing sight of its mission and values and increase the risk of it spending excessive sums on operating costs (e.g., luxurious offices, plush banquets, exorbitant travel expenses) and too little on important but often costly issues such as protecting sport's integrity, an issue that often consumes 30% or more of an IF's budget.<sup>37</sup>

Looking beyond business models and professionalisation, an analysis of IFs' strategies and structures reveals four general categories of IFs.

#### 1.2.1.1 Four Categories of IFs

Clausen and Bayle (2018) analysed the structures and strategies of 22 Olympic IFs, focusing on three structure variables and four strategy variables. The structural

Table 1.4 Structure, Revenues and Expenditure of Seven IFs

IF		Structure		Revenue (2016–2019)			Expenditure (2016–2019)		
		Members	Employees 2019	Total	Ol.	Ev.	Adm.	Ev.	Dev.
Model based on a mega event	FIFA	211	>600	\$6.6 billion	0.4%	96%	14%	45%	35%
	World Rugby	120	150–200	\$459 million	-	73%	27%	39%	34%
Model dependent on Olympic revenues	World Rowing	148	19	\$29 million	56%	32%	57%	29%	14%
	International Canoe Federation	171	10–12	\$18 million	85%	5%	43%	11%	1%
Mixed model	Fédération Internationale de Hockey	132	36	\$45 million	34%	27%	56%	28%	17%
	International Ski Federation *	128	60–70	\$84 million	41%	50%	44%	10%	24%
	UCI	174	>100	\$190 million	13%	65%	45%	44%	11%

Source: IF annual reports.

Notes:

Revenues from: Ol. = Olympics; Ev. = events.

Expenditure on: Adm. = administration; Ev. = events; Dev. = development.

\*2015–2018 (for Winter Olympic IFs).

variables were federation *size*, measured by the number of salaried headquarters staff in 2016/2017; *business model*, measured by the ratio of commercial revenues (e.g., TV rights, sponsorship) to other revenues (e.g., redistributed by the IOC, membership fees) between 2012 and 2015; and *solidarity*, measured by the percentage of total expenditure an IF redistributed to its members in 2012–2015. The four strategy variables were: *image/reputation*, based on whether the press had reported scandals involving the IF since 2005; *strategic plan*, evaluated by whether an IF has a publicly available strategic plan; *communication*, especially its digital strategy for 2016/2017, evaluated via the rankings contained in REDTORCH's Sport on Social 2017 report; and *accountability*. In line with Chappelet, Bayle and Clausen (2020), this final variable combined financial transparency (i.e., publication of financial audits), athletes' contributions to the board's decisions (i.e., right to vote), publication of official reports (i.e., regular publication of activity reports and minutes of meetings) and the existence of an ethics commission. It also included the presence of term limits for the IF's president (maximum of three 4-year terms). Clausen and Bayle's analysis of these seven variables revealed four ideal types of IF: market dominant, marginalised, innovative and traditionalist.

- **Market-dominant IFs** have substantial financial resources, an image tarnished by numerous scandals, a formal accountability system and a well-defined long-term strategy. They invest large sums in growing and globalising their sport, conquering new markets and supporting their member associations. Most IFs of this type have a strong social media presence and engagement. Their large commercial revenues make these IFs more susceptible to corruption during leadership elections and when attributing major events to host countries/cities. To regain credibility, legitimacy and their stakeholders' trust, they are more likely to adopt formal accountability standards and to develop a long-term strategy. In addition, they have the necessary human and financial resources in communication and crisis management to respond effectively when problems arise. IFs in this category include FIFA, the International Volleyball Federation, World Athletics, World Rugby and the UCI. However, the UCI's revenues are quite small compared with cycling's total economy and the richest cycling teams have larger budgets than the UCI. Hence, the notion of market domination is relative.
- **Marginalised IFs** are at the opposite end of the scale to market-dominant IFs. They generally have low revenues, a good image and a vague strategy with no formal strategic plan. Many IFs in this category govern sports that are expensive to do, so they have quite small global communities. Because they are highly dependent on redistributed Olympic revenues, these IFs try to strengthen their positions within the Olympic movement by aligning themselves with the IOC's expectations, as set out in the Olympic Agenda 2020. Scandals in these IFs are rare, but their weak business models make them vulnerable to political or geopolitical 'takeovers', as occurred when a rich Russian patron was elected president of the Fédération Internationale d'Éscrime in 2008. This risk led World

Rowing to add a clause to its statutes to prevent anyone from outside rowing becoming the federation's president. IFs in this category include the Fédération Internationale d'Escrime, International Canoe Federation, World Rowing and World Sailing.

- **Innovative** IFs work hard to expand their community of member associations and to grow their sport. This strategy, which is often driven by a powerful president or general manager, leads these IFs to provide (very) large amounts of support to their members and their sport and to be very active on social media. IFs in this category are dynamic and proactive and set out their medium- and long-term objectives in a strategic plan. Despite their efforts to attract new investors and enter new markets, redistributed Olympic revenues still account for a substantial proportion of their revenues, so they have to comply with the IOC's injunctions while trying to meet their partners' demands. IFs in this category include the Fédération Internationale de Hockey, International Ski Federation and World Wrestling Union.
- **Traditionalist** IFs are the polar opposite of innovative IFs. They depend largely on redistributed Olympic revenues and spend a large proportion of their budgets on administration and very little on growing their sport and supporting their members. Many of these IFs have had the same leader for many years and have tarnished images due to problems of integrity (doping and corruption) or poor governance (independence/quality of leaders). These problems tend to be the result of outdated structures and procedures, deficient governance and a lack of professionalism. These IFs are more intent on maintaining the status quo than on evolving, and they attach particular importance to preserving their sport's traditions. Hence, they do not tend to have medium- to long-term strategic plans. IFs in this category include the World Curling Federation, International Wrestling Federation and International Shooting Sport Federation.

This typology can be used to identify which Olympic IFs have modified the way they operate since the COVID-19 pandemic. At the same time, many changes to a federation's structure and strategy are based on formal criteria whose implementation must be studied case-by-case to determine how well these criteria have been applied and whether changes have real effects. The fact that FIFA came out top in the Sports Governance Observer's 2015<sup>38</sup> ranking of IFs' governance at the same time the FIFAgate scandal erupted illustrates another problem: IFs often use their institutional ripostes to ward off criticism (from the media, NGOs, public authorities and other stakeholders) of how they are governed, rather than to implement real change. Hence, it can be difficult to reliably evaluate the true impacts of reforms on an organisation's governance and management tools and systems. Indeed, many IF executives' prime concern is to maintain their positions and their geopolitical and commercial power within the federation, an attitude that can lead to tensions with the federation's professional administrators. In periods of crisis, this friction can result in significant numbers of employees leaving, taking with them considerable knowledge and expertise. For example, almost 50% of the UCI's staff either



resigned or were made redundant during Brian Cookson's first two years as the federation's president (2013 and 2014). Problems at the Association Internationale de Boxe Amateur and the International Weightlifting Federation led to similarly high staff turnovers during the 2010s.

The analysis of professionalisation presented here applies only to IFs' headquarters. An IF's capacity to govern and grow its sport, now and in the future, also depends on the professionalisation of its continental and national federations (see Part II, Chapter 4).

### **1.2.2 National Olympic Committees**

Coubertin envisaged NOCs as national bodies whose sole missions would be to send delegations of athletes to the Olympic Games and to promote Olympism in their home countries. Many NOCs expanded this mission in the 1970s by becoming umbrella organisations for their country's NFs.<sup>39</sup>

#### **1.2.2.1 A Wider Range of Services**

Any NOCs' headquarters now act as 'homes of sport', providing smaller NFs with office space and shared services (e.g., reception, amphitheatre/meeting rooms, communication/marketing staff, photocopying). The number of affiliated NFs is a good indicator of an NOC's ability to bring together different sports (e.g., France's NOC has 109 affiliated NFs, Switzerland's NOC has 86, but Sri Lanka's NOC has just 35). Nevertheless, the Olympic Charter stipulates that Olympic NFs must have a voting majority on an NOC's board and at its general assemblies.

NOCs may lobby key stakeholders (NFs, elite athletes and coaches, sports ministry, national government) and undertake advisory activities, projects and actions in areas such as Olympic education, women's sport, sport for all, international relations, environment/sustainability and training sport executives. Many NOCs also get involved in medical issues (advising and sharing expertise with national-team doctors), anti-doping (NOCs must adopt the World Anti-Doping Code and some conduct information/prevention actions) and issues relating to sport's integrity and ethics, notably the fight against match fixing. Some NOCs have competencies in the field of sports justice under national legislation requiring them to submit disputes to conciliation and/or arbitration before these disputes go to the courts. Finally, most NOCs have opened or hosted a sport/Olympic museum, an Olympic library or a national Olympic academy. Many of these activities overlap, complement and sometimes compete with activities carried out by the sports ministry. Thus, the extent of an NOC's activities impacts the coherence and performance (efficiency and efficacy) of a country's sport system and the roles each actor plays (see Part I, Chapter 3).

Sending delegations to the Olympic Games (e.g., administration costs, travel and accommodation expenses for athletes, coaches and executives) remains a primary task for NOCs. NFs must select their best athletes to compete in the Olympic



Games (up to three athletes for each event). Athletes must meet the minimum performance standard set by their sport's IF, and NFs must carry out a selection process if more than three athletes meet this standard. If a country does not have any athletes who meet an Olympic IF's qualifying standards, an NOC may select two athletes (a man and a woman) in two sports (athletics and swimming) to represent their country. This rule, introduced to ensure the universal nature of the Olympic Games, means that most NOCs are represented at Olympic Games. Competing in and, especially, achieving success at Olympic Games is the goal for all NOCs, but smaller NOCs and their national teams also compete in other IOC-recognised regional, continental and global multisport events, such as the Mediterranean Games, Southeast Asian Games, Asian Games, Pan American Games, Commonwealth Games, Maccabiah Games and Pacific Games. Some of these events (European, African, Asian and Pan American Games) serve as qualifying competitions for the Olympic Games.

#### 1.2.2.2 *The Rise of Asia's Sports Institutions*

The Olympic Council of Asia (OCA) is the most active continental grouping in terms of organising multisport events. In addition to its four-yearly Asian Games (created in 1951) – the world's second-largest multisport event – it organises five regional multisport games and several other events (e.g., Asian Martial Arts Games, Asian Indoor Games, Asian Winter Games, Asian Beach Games). Consequently, Asian NOCs can take part in five games in addition to the Olympic Games (adding one of the regional games within a geographical area, e.g., the Central Asian Games). The standard of Asian sport has improved greatly in recent decades, partly thanks to the influence of the former Soviet republics that joined OCA following the dissolution of the Soviet Union. At the same time, the increased use of sports events to project soft power, especially by the Gulf States, which are members of OCA, has resulted in Asia becoming a key player in international and Olympic sport. Indeed, Asian countries have hosted innumerable sports events since the early 2000s, including Olympic Games, the World University Games and a wide range of senior and junior world championships.<sup>40</sup> Given their popularity and the number of athletes involved, these events, especially the Asian Games, provide excellent launch pads for countries aspiring to host the Olympic Games. OCA's power, reflected in the number of events it owns, has led to intense political and diplomatic battles to gain positions of influence within the organisation. For example, political interference in OCA's 2023 presidential election, won by Kuwait's Sheikh Talal Fahd Al-Sabah (who faces suspicions of corruption), led the IOC's ethics commission to tell OCA to annul the election.<sup>41</sup> Representing 45 NOCs, some of whose countries invest massively in sport (notably the Gulf States, which spend more than 10% of GDP on sport, compared with less than 1% in Western countries), OCA acts as a real counterweight to the West's traditional hegemony in governing, funding, organising and developing world sport and in hosting the biggest international sports events.

### 1.2.2.3 *Wide Variation in Funding and Professionalisation Strategies*

NOCs represent and defend the sport and Olympic movement's interests while providing services to their member NFs. According to Rule 28.1 of the Olympic Charter, the NOCs' mission is 'to develop, promote and protect the Olympic movement in their respective countries'. NOCs have a powerful asset in terms of accomplishing this mission and of sending delegations to the Olympic Games in that they have exclusive rights to use Olympic symbols in their country, notably the Olympic rings, one of the world's most widely recognised symbols. Being able to use the Olympic brand makes it much easier for NOCs to attract sponsors and financial resources. NOCs are also responsible for designating their country's candidate city for hosting Olympic Games and Youth Olympic Games, and they play a role in the OCOG's governance when an edition of the Olympic Games is attributed to their country.<sup>42</sup> In some cases (e.g., Rio 2016), the head of the country's NOC has been appointed president of the OCOG.

Thanks to the sums redistributed by the IOC via continental federations, each NOC receives at least \$125,000 per annum and can apply for specific grants awarded through the IOC's solidarity programmes, notably to cover stipends for athletes, coaches and training. These grants may be of the order of several hundred thousand dollars per annum. The IOC uses this mechanism to help the smallest NOCs send teams to the Olympic Games by covering travel expenses for up to ten athletes and the cost of accommodation in the Olympic village. Under its plan for 2017–2020, Olympic Solidarity helped more than 25,000 athletes and funded more than 13,500 NOC activities, including 3,000 grants for athletes, 1,600 training courses for coaches and sport executives and 2,000 initiatives to promote Olympic values. For Beijing 2022, Olympic Solidarity provided grants to 80 NOCs and 429 individual athletes (265 men and 164 women), 236 of whom (138 men and 98 women) competed at the Olympics, winning ten medals (source: IOC website).

Despite increasing support from Olympic Solidarity, NOCs remain highly diverse in terms of their positions in their national sport system and their funding. An NOC may comprise just a few NFs (at least five, including three Olympic NFs) and do no more than send a symbolic delegation to the Summer Olympic Games. At the other extreme, an NOC may coordinate a country's sports policy and act as a quasi-sports ministry (e.g., the United States', Kuwait's and Italy's NOCs). NOCs' annual budgets also vary greatly, from a few tens of thousands of dollars to hundreds of millions of dollars.

It was during the Samaranch era (1981–2000) that NOCs began to professionalise, thanks to growing revenues from Olympic Solidarity (established in 1962).<sup>43</sup> Many NOCs, especially those in Western countries, obtain additional funding from partnerships with private companies, which they began developing in the 1980s and 1990s. In contrast, NOCs in emerging countries depend (almost) entirely on revenues from Olympic Solidarity, provided through its 20 support programmes. NOCs in autocratic or communist countries obtain most of their funding from the

state. An NOC's business model is highly contingent on how the sport is organised in that country (see Part I, Chapter 3). Robinson and Minikin (2012) showed that an NOC's key resources come from its member NFs, but small NOCs lack the resources and organisational capacity to provide services to NFs. They suggested that powerful NFs should help develop their NOC by transferring expertise and sharing good practices in areas such as management and organisation.

The IOC has not put pressure on NOCs, especially the least well endowed, to professionalise their operations, as FIFA did to its NFs. Despite Olympic Solidarity's increasing financial resources, the IOC did not introduce any coercive or incentivising measures to encourage NOCs to adopt its 2009 Basic Universal Principles of Good Governance.<sup>44</sup> Indeed, it took until 2022 for the IOC's Ethics and Compliance Office to revise and impose these principles. Nor has the IOC helped NOCs develop a minimum amount of managerial expertise, for example, by funding key positions (administration/financial director, sports director, marketing director, etc.). Such a measure would, for a modest cost,<sup>45</sup> improve NOCs' operating efficiency and help them develop the capacity to obtain their own resources. Greater professionalisation would also make NOCs less dependent on their elected executives, many of whom are poorly prepared for running this type of organisation (lack time, competencies, ethics, values, etc.), or are more interested in political manoeuvring, or have taken the position for the prestige and influence it bestows (especially in poor, emerging and/or autocratic countries) and as a staging post towards a powerful position in international political and economic relations.

Because many NOCs have very limited roles and resources, some observers have suggested that they have little utility and that the Olympic Games could be staged without them, in contrast to IFs, whose role appears to be essential. In reply, it could be argued that the Olympic Games could do without certain sports. Many NOCs have strengthened their legitimacy as representatives of their country's sport and of the Olympic movement by taking on a 'federation of federations' role (National Sport Confederation). Similarly, the NOCs have had a greater say in the IOC's affairs since the 2000 reforms, which allocated 15 seats within the IOC to NOC presidents (elected to the IOC by their peers). The Association of National Olympic Committees (ANOC), established in 1979, and the five continental associations of NOCs could improve NOCs' access to certain services by creating pools of knowledge and expertise (especially with respect to training and sharing experiences and expertise) within geographical areas.

#### *1.2.2.4 At the Heart of Controversial International and Domestic (Geo)Political Games*

However, the NOCs' umbrella organisations (ANOC and continental associations of NOCs) often seem more intent on political manoeuvring, obtaining influence (to serve geopolitical and financial interests) and getting their leaders elected or co-opted to the most prestigious positions in the Olympic movement, such as IOC member, ANOC president or president of a continental Olympic organisation,

multisport games organising committee, world championships, IF or continental federation. This internal political activity is a potential source of corruption, both in elections (vote buying) and in attributing TV rights, sponsorship deals, ticketing or other contracts (construction, catering/accommodation, transportation) relating to an organisation's events. Corruption of this type has tarnished the last two Olympic Games<sup>46</sup> and numerous regional sports events, as occurred with the FIFAgate scandal, which involved several South American and Caribbean football leaders (Bayle and Rayner, 2016).

One of the most sensitive issues relating to the way NOCs operate results from the Olympic Charter's requirement for them to 'achieve harmonious relations' with governmental bodies while preserving their autonomy and remaining free from political, legal and religious pressure. This issue is particularly sensitive when governments begin talking of boycotts in response to heightened geopolitical tensions, such as the war in Ukraine and the war between Israel and Hamas. Although most NOCs are non-profit associations, some are public entities and obtain most of their funding from public subsidies, which means they are not truly autonomous. Indeed, a 2017 study by Play the Game found that seven out of eight NOCs were directly linked to governments.<sup>47</sup> Some NOCs have even appointed the country's head of state or sports minister as president without the IOC objecting. Other NOC or National Sport Federation presidents appear to have been elected democratically, but these elections were orchestrated by their country's political leaders. Executives holding multiple offices and/or multiple positions (in the public and non-profit sectors and even in the commercial sector) can also raise issues in terms of ethics and good governance. David Lappartient's election as the head of France's NOC in June 2023 illustrates the problem of potential conflicts of interest and loyalty in a world that preaches quality and exemplarity in its institutions' democratic functioning. Although appointing a new head for the NOC was a matter of urgency a year before the 2024 Paris Olympics, Lappartient, whose election the IOC supported (he is an IOC member), already held ten political and sporting positions, two of which can be considered full-time jobs (executive president of a French *département* and head of the UCI).

Indeed, how strongly the IOC insists on an NOC's autonomy varies according to the balance of power between the IOC, the NOC and the state concerned, which sets the legal, political and financial framework for sport. It also depends on whether the IOC believes its interests are best served by marginalising or, conversely, protecting an Olympic leader/IOC member. Thus, sport's relationship with states/politics is the theatre of endless power games within and between countries, played in the context of underground Olympic diplomacy. The IOC's ultimate goal in this complex and shadowy geopolitical game is to preserve the Olympic Games' universalism and, when opportunities arise, show sport's symbolic power to bring people together by, for example, uniting athletes from the former Yugoslavia under the Olympic banner during the first Yugoslav War; recognising Palestine's NOC in 1986 (participation in the 1996 Olympic Games under the Olympic flag); persuading the two Koreas to parade together at 2000,

2004 and 2006 Olympics; and creating an Olympic refugees team in 2016 to highlight the IOC's work with the United Nations High Commission for Refugees. However, the failure of these symbolic gestures to end conflicts or improve relations between belligerent nations has merely confirmed the marginal impact of Olympic diplomacy and the Olympic Truce (revived by the IOC in 1992) on international relations (Clastres, 2004).

The IOC currently recognises 206 NOCs, all of which sent delegations to the Tokyo Olympic Games, nine more than the number of countries recognised as independent states by the United Nations. The IOC achieved its full complement of NOCs in the 1990s by recognising tiny morsels of territory and the micro-states of the Pacific and Caribbean.<sup>48</sup> As Chamerois (2006, p. 21) noted,

the rule was modified following the break-up of the Soviet bloc, when some countries sought Olympic recognition before becoming independent (permitted under the Olympic Charter). Thus, the term 'country' now signifies an independent state recognised by the international community. This modification protects the Olympic movement from nationalist ambitions, but it is limiting in that it restricts possibilities for affiliation and it means that the IOC no longer heeds a sporting reality but a political reality.

The IOC can both recognise and sanction NOCs, with penalties ranging from warnings to suspension to exclusion from Olympic Games, as imposed on Kuwait in 2016 because of interference from the country's government. Paris 2024 will include only 203 NOCs (if there are no boycotts), because Guatemala's NOC has been suspended, and Russia and Belorussia are not on the list of invited countries (Chappelet, 2023). The IOC finally suspended Russia's NOC on 12 October 2023 for 'placing under its authority several organisations in occupied regions of Ukraine'.

### **1.2.3 Organising Committees of the Olympic Games**

Changes to the process for attributing Olympic Games, introduced by Bach in 2017 in response to a lack of bids, now allow the IOC to pre-select a single city and thereby ensure the Games are staged in line with Agenda 2020's recommendations (especially the recommendation to use existing sports venues). After attributing two editions of the Summer Olympic Games at a single session (Paris for 2024 and Los Angeles for 2028), there will be a double attribution for the 2030 and 2034 Winter Olympic Games, with the 2030 Games apparently destined for the French Alps and the 2034 Games earmarked for Salt Lake City. To avoid choosing cities whose populations are unenthusiastic about hosting the Games, the IOC requires candidates to present opinion polls proving their citizens' support for the bid.<sup>49</sup> These more controlled attribution procedures are aimed at reducing risks to the IOC's image, guaranteeing the Games are staged correctly and clarifying what politicians expect hosting the Olympic Games to achieve.

### 1.2.3.1 *Funding and Delivering Olympic Games*

Once an edition of the Olympic Games has been attributed and the IOC, local NOC and city council have signed the Host City Contract, the future host sets up an OCOG. Since 2012, summer and winter OCOGs have been required to stage the Paralympic Games under the auspices of the International Paralympic Committee, in addition to the Olympic Games. In 2021, the IOC modified the TOP programme, so its partners also sponsor the Paralympic Games, and the International Paralympic Committee receives a proportion of the programme's revenues. Centralising the rights to and management of the Paralympic Games in this way generates more revenues for the International Paralympic Committee by raising the Paralympic Games' profile and reducing costs.

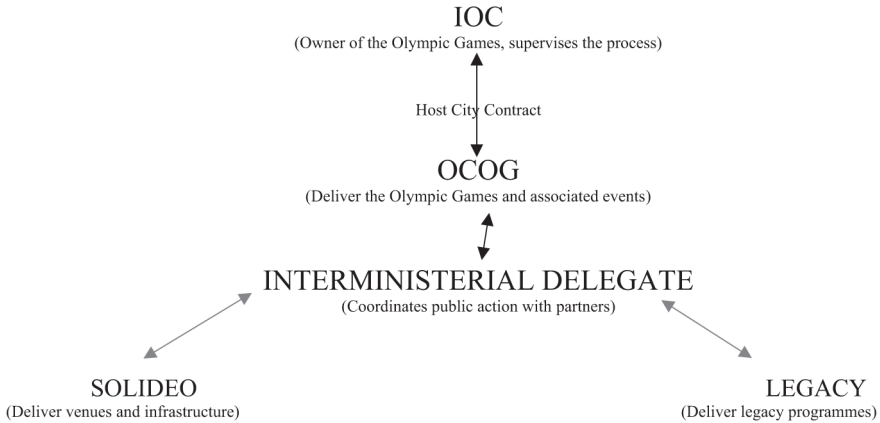
One of the biggest changes to how the Olympic Games are delivered is the increasing use of public-private partnerships, 'with a greater or lesser inclination to the public sector (Beijing 2008, Sochi 2014) or the private sector (Salt Lake City 2002), depending on the host country's traditions and its NOC's autonomy' (Chappelet, 2020). Most OCOGs are private, non-profit associations (e.g., Paris 2024) but financed by commercial resources (revenues awarded by the IOC, domestic sponsorship and ticketing). They must work closely with the host city and other public bodies, which want to maximise the returns on the public investments made in connection with the Olympic Games.

All host nations since 2000 have introduced specific legislation for the Olympic Games (often called 'Olympic laws') covering areas such as tax exemptions, rules on advertising hoardings and planning requirements. Also since 2000, host countries have created ad-hoc public agencies to build or renovate the facilities required for the Olympics and to organise services such as transportation. Governments generally appoint a Games Minister and sometimes set up an ad-hoc body to coordinate the country's Olympic stakeholders.

### 1.2.3.2 *The Paris 2024 OCOG*

The French government continued this tradition in May 2022 by appointing a Minister of Sport and the Olympic Games for Paris 2024. In addition, an inter-ministerial commissioner to the Paris Olympic Games, with delegates in several ministries (culture, education, health), represents the French government and coordinates its work with the OCOG (Figure 1.1). The company responsible for delivering Olympic and Paralympic facilities (SOLIDEO) is an industrial and commercial public institution presided over by the mayor of Paris, who represents the local authorities involved, which, in conjunction with the state, provides half of the OCOG's budget (€4.4 billion). France's auditor general (*Cour des comptes*) checks the OCOGs' and SOLIDEO's accounts every year, as required by the Olympic Act parliament passed on 26 March 2018. Separating roles and budgets in this way makes costs more transparent by showing symbolically that the OCOG has private funding and that the other bodies are investing this public money for the future and





*Figure 1.1* Bodies Responsible for Delivering the Paris 2024 Olympic Games.

for the Games' legacy. Sharing and presenting the cost of the Paris Olympics in this way makes the expenditure more acceptable to the media and the public. The IOC oversees the whole process via a Coordination Commission, chaired by an IOC member, which can apply pressure should problems arise (late delivery, security measures, etc.) or suggest modifications and arbitrages (budget, competition sites, transportation, etc.).

Given their differing interests and political manoeuvring, governing and coordinating the actors involved is complex, as is controlling the OCOG's and SOLIDEO's budgets. A year before Paris 2024, the French government gave a clear message that it was taking in hand key aspects of the Games, notably their cost, announcing there would be no 'Olympic Games tax'.<sup>50</sup> It will also supervise the key issues of transportation and security (the government is responsible for security outside competition venues, and the OCOG is responsible for security inside venues). These two aspects of Paris 2024 are particularly sensitive as, for the first time, the Olympic Games opening ceremony will not take place in a stadium but along the banks of the Seine, thereby allowing up to 326,000 spectators (reduced, for security reasons, from the 2 million spectators announced in 2021) to watch the event.

Most of the OCOG's public funding is earmarked for the Paralympic Games, in line with commitments included in the bid. Successive re-evaluations of the OCOG's budget due to inflation and increases in certain items, notably security, have seen the total increase from €3.8 billion in 2018 to €4.38 billion.

The OCOG obtains most of its funding from three private sources: the IOC, ticket sales and domestic partners. The IOC's contribution to OCOGs, set out in the Host City Contract, includes both cash (€1.22 billion, with €750 million from TV rights and €470 million from TOP partnerships) and services in kind (air-line tickets, provision of vehicles and sports equipment, specialist consultancy services).



Ticketing, corporate hospitality and tie-in products are expected to raise €1.56 billion, with most of this sum (€1.1 billion) coming from the sale of 10.5 million tickets for the Olympic Games and 3.4 million tickets for the Paralympic Games. London 2012 sold 97% of available tickets, but the COVID-19 pandemic prevented any tickets from being sold for Tokyo 2020 and Beijing 2022. Ticket sales for Paris 2024 will be centralised through the IOC's exclusive worldwide hospitality supplier, the American company On Location, with income shared between the IOC, the OCOG and France's NOC. The OCOG also receives income from its licencing programme for using the Games' logo, especially its Olympic mascot (€127 million).

The OCOG has defined three levels of domestic partner (premium partner, official partner and official supporter) with different levels of contribution, exposure and rights. Paris 2024 will have a total of 62 sponsors, including the IOC's 15 TOP partners (AB inBev, the world's biggest brewer, joined the original 14 TOP partners at the beginning of 2024), who have the same rights as the five premium domestic partners. Paris's objective is to earn €1.2 billion from its partners, a similar sum to that earned by London 2012 and Rio 2016 but almost two-and-a-half times less than the record-breaking \$3.24 billion earned by Tokyo 2020's domestic sponsorship programme.

This resource structure means the Olympic Games is a commercially funded event, whereas the public perceives it as a commons with substantial public commitments and funding. This can lead to contradictions between the OCOG presenting the Games as an inclusive event for all (it's slogan is 'Games Wide Open') and certain oft-criticised aspects of the event, including high ticket prices;<sup>51</sup> the ban on drinking alcohol in Olympic venues for most spectators but not for VIPs in hospitality lounges (a result of French law, not Olympic rules); the high salaries paid to the OCOG's executives, even though it is a non-profit association and reliant on the work of 50,000 volunteers; the high cost of the Olympic Torch relay for the *départements* it goes through (€180,000 of public money for one day) compared with the generally modest benefits it brings; and the relay's private partnerships with two of the IOC's TOP partners (Coca-Cola and AirBnB) and a Paris 2024 premium partner (the French banking group BPCE).

An OCOG's primary role is to deliver a well-organised mega event and make it a unique festive occasion for all. But, as France's auditor general noted in 2023, the event's legacy is another 'major condition determining the Olympic Games' acceptability' (Cour des comptes, 2023).

### 1.2.3.3 *The Controversial Issue of Impacts and Legacy*

Legacy is the term the IOC, media and politicians use to describe an Olympic Games' medium- to long-term impacts. These impacts can be divided into seven categories:

- Accelerating the construction or renovation of urban infrastructure and facilities. Most of the urban development associated with Paris 2024 will be in the

Seine-Saint-Denis *département*. Urban renewal projects associated with the 2000 and 2012 Olympic Games transformed, respectively, the Western suburbs of Sydney and the East of London (Wolfe *et al.*, 2021).

- Increasing participation in sport and strengthening the host country's sporting culture.
- Improving the efficacy and efficiency of a country's sport system (medals, participation in sport, registered players). In France, this will require more professional, more effective and more responsible governance of NFs, from their headquarters to individual clubs.
- Providing economic benefits (increase tourism through short-term windfall effects, despite the impact of evictions) and psychosocial benefits (national pride and cohesion), which experts often contest over the longer term due to the difficulty of measuring these benefits and establishing clear causal relationships (Scheu, Preuß and Könecke, 2021).
- Setting up specific bodies and policies to build/renovate sports facilities.
- Creating formal and informal partnerships and building expertise (Chappelet, 2016).
- Raising the host city's/country's international profile, by building the city's image, marketing the country and/or using sport as an instrument of soft power/diplomacy.

Host cities/countries can achieve these objectives and effects more easily if they are associated with support policies drawn up and implemented long in advance (notably by the sports sector and public authorities). They are also easier to justify and achieve for an emerging country. Whether a host city/country builds a successful Olympic legacy depends on the country's political, economic and social situation (Rio 2016 took place during a severe political and economic crisis in Brazil; COVID 19 cast a shadow over Tokyo 2020;<sup>52</sup> Paris 2024 could be marred by the violent social protests that have afflicted France since the late 2010s) and even on the international context (wars in Ukraine and Gaza for Paris 2024). France is already the world's most popular tourist destination, a leading sporting nation, an experienced organiser of major sport and cultural events, and one of the world's most influential countries in terms of soft power. Moreover, it is historically and culturally a 'Terre de Jeux', a label launched by the organisers to promote the Olympic Games to their partners and the public.

#### 1.2.3.4 *A Catalyst for Transforming a Country? France and the 2024 Olympic Games*

The first question to ask when a city and a country decide to bid for the Olympic Games is why. What do they expect to achieve? The Olympic Games can and should be the heart of a 20- to 30-year project to meet a territory's and/or community's needs. Before entering their bid, candidates must find a political and social consensus on how to fulfil these needs. It is an opportunity for a country

to unite behind a major project and to affirm its power and influence to the whole world.

So how can France use the Olympic Games to bring about the desired political, economic and social transformation? France must overcome three main challenges if it is to achieve this objective:

- It must build a sense of community by obtaining a consensus ‘from the bottom up’, which means involving ordinary citizens, as well as the public authorities, businesses, unions and community organisations.<sup>53</sup>
- It must get actors to work collectively by breaking down ‘silo politics’ (within levels and sectors: public, private, charitable) and overturning centralism, conservatism, boundaries and statutes.
- It must stop viewing sport and physical activity in terms of performance, measured by indicators such as annual growth and numbers of medals, and start seeing them as a long-term means to improving people’s lives.

Do countries do enough to meet these challenges when they host the Olympic Games? The Paris 2024 OCOG promised a ‘revolutionary Games’, symbolised by a series of mascots in the shape of Phrygian caps (which have come to symbolise the French revolution), but its efforts to promote sport initially went little further than repeating the slogan ‘Move More’, in line with President Macron’s desire to ‘get France into sport’. The Olympic Games can incarnate much more and overcome political divides by making sport a key tool for meeting future challenges in areas such as digitalisation, sustainability, gender equality, sedentary lifestyles (Neville *et al.*, 2022), ageing and giving young people confidence in the future. To this end, the ideas of bringing the nation together through sport<sup>54</sup> and building a sporting nation began featuring more regularly in the sport ministry’s and OCOG’s communication in the final year before the Olympic Games. Bringing the nation together through sport means using sport to promote national unity, encourage positive values and stimulate social and economic development. To achieve this, Olympic Games host countries (and countries in general) must take a long-term view of sport as an essential tool in the fields of:

- Education: Not only ensure minimum daily amounts of physical activity at primary school (set at 30 minutes in France) and minimum weekly hours of sport at secondary school (four hours at junior high school and two hours at high school) but also generalise, and not just during the Olympic year, the use of games, sport and Olympism as tools to develop young people’s self-awareness and to encourage them to accept others and their differences. A more ambitious project would include modifying the school day to leave afternoons free for extra-curricular sport (as in Germany and Scandinavia) and expanding sport-study programmes and high-school sport-study sections.
- Youth and intergenerational ties: Support and promote volunteerism and encourage young people to help others (community service, voluntary work,

international volunteering, intergenerational teams, etc.). These activities create solidarity and form an essential base for society and democracy.

- Health: Revise the health system to incorporate sport as a preventive and therapeutic tool (e.g., France's 500 sport-health centres programme, launched in 2019; doctors prescribing sport as therapies (Dalla Pria, Andrieu and Mikulovic, 2021), although health insurance policies encouraging this approach need to be generalised.
- Economic development: Create jobs, use sport and voluntary work in innovation, entrepreneurship and management training courses and improve working conditions for employees.
- Social inclusion: School of life and second chances for people who dropped out of the school system or who are on the margins of society; improve the integration of people with disabilities (Charrier, Éloi and Joing, 2021).
- Planning: Use town planning and territorial development to promote active mobility, which can almost immediately reduce both modern lifestyles' impact on the environment and the incidence of many non-transmissible diseases (WHO, 2021).

For London 2012, in addition to the actions taken by LOCOG, the British government set five 'legacy promises' for the Games (Chappelet, 2020). These five promises, set out in a document published by the Department for Culture, Media and Sport, were as follows:

- Make the United Kingdom a world-class sporting nation.
- Transform the heart of East London (the site of the Olympic Park).
- Inspire a new generation of young people to take part in local volunteering, cultural and physical activity.
- Make the Olympic Park a blueprint for sustainable living.
- Demonstrate the United Kingdom is a creative, inclusive and welcoming place to live in, visit and for business.

In 2009, the government added a sixth objective 'Bring about lasting changes to the life experiences of people with a disability'. These promises were reformulated slightly and then encapsulated during the Games in the very general and motivating slogan: 'Inspire a generation'.

This type of prospective legacy can be perceived as hollow words if it is not accompanied by concrete policies and funding or by the cultural changes needed to achieve it. For example, studies have shown that:

- The renovation of East London led to the eviction of lower-income people and the area's gentrification (Watt, 2013).
- The London Olympic Games were not followed by actions in favour of school sport, which received less support from public bodies (Kohe and Bowen-Jones, 2016).

- Governance of the London 2012 legacy was too top-down and did not sufficiently involve local actors (Girginov, 2012).
- Disabled people's organisations have criticised the Games' impacts on people with disabilities (Britain and Beacom, 2016).
- Brexit and the economic crisis have greatly reduced public funding for grass-roots sport.

Paris 2024 has already made some symbolic commitments:

- Ensure gender parity, as promised by the IOC. There will be strict gender parity among the 10,500 athletes qualified for the Games, which will include eight new mixed events.
- Deliver the 'greenest' Games in history by halving greenhouse gas emissions compared with London 2012 and Beijing 2016. This will involve adopting innovative policies using the circular economy, but most of the 'reduction' will be achieved through carbon offsetting.
- Implement a wide-reaching legacy and sustainability plan.

The 170 measures listed in this plan, adopted in 2019, include actions to improve sports infrastructure; increase participation in sport, employment and volunteering; improve transportation and accessibility; address societal issues (gender equality, disability, discrimination, etc.); develop the sports economy; and improve France's image. To help build this legacy, the OCOG has set up a 'Paris 2024 endowment fund' to advise and support sport-based community projects promoting health, well-being, the pleasure of learning, civic engagement, social inclusion, solidarity, equality and the environment. It is presented as a platform for social innovation through sport. In addition, the OCOG has launched a multidisciplinary 'cultural Olympiad' involving several thousand arts and culture events between 2021 and 2024, run in conjunction with cultural organisations and designed to bring together the worlds of culture and sport.

For sport to play the societal role currently expected of it, it must go beyond existing schemes to increase its social efficacy (social return on investment) and efficiency (less expenditure on security, health, energy, etc.). This will require new modes of funding to complement public funding, such as solidarity-based/green/responsible finance, social bonds, public-private partnerships, patronage and microcredit. A common fear is that private and public investment in sport will fall after the Olympic Games, given the intense focus and growth of sports investments in the run up to the event.

Clearly, the Olympic Games cannot cure all of society's problems and overcome declinist rhetoric, but it can provide hope for a new way of living and working together. It can be the catalyst and nucleus of a more ambitious sporting project over a period of 20 to 30 years, as Brisbane 2032 hopes to achieve through its 'Elevate 2042' legacy project.<sup>55</sup> To achieve these goals and go beyond delivering a high-quality but ephemeral sports competition and festive occasion, multilevel/

multisector funding must be combined with partnership policies and individual/collective participation aimed at making physical activity a nation's 'beating heart'. This movement could build on ever-expanding worldwide initiatives to increase physical activity's role in health and well-being. To this end, in 2020 the International Society for Physical Activity, whose mission is to make physical activity a global priority, published a report appealing for investment in physical activity in eight areas: whole-of-school programmes; active transport; active urban design; healthcare; public education, including mass media; sport and recreation for all; workplaces; and community-wide programmes. In the 2010s, the Association for International Sport for All and Evaleo drew on pioneering work by the city of Liverpool to set up the 'global active cities' programme. Supported by the IOC since 2017, this programme encourages cities to promote health and physical activity.<sup>56</sup> Moreover, some IFs have moved away from focusing solely on competitive sport and joined the global fight to encourage physical activity for all. Such initiatives include the International University Sports Federation's 'healthy campus' programme, launched in 2020.<sup>57</sup> Although countries/cities do not need the Olympic Games to put into practice the idea of 'living better together through sport', the Olympic Games can trigger and/or boost efforts to achieve a transformation in people's attitudes towards physical activity.

Another important issue for the Olympic Games (and other major international sports events) is how to respond to other stakeholders' increasingly vocal demands.

#### **1.2.4 Athletes and NGOs**

Athletes and large NGOs have gained much greater influence within the Olympic movement over the last few decades, largely due to the attention the media give to these two key stakeholders' declarations. As a result, the IOC and IFs can no longer afford to ignore their demands and criticisms.

##### **1.2.4.1 Athletes' New Demands**

The world's best athletes competing against each other is what makes the Olympic Games so spectacular and prestigious. While it is the athletes who give the Olympic Games their value, the Olympic Games' prestige gives value to elite athletes. To a much greater extent than other international sports events, the Olympic Games' symbolism goes beyond sporting performance (assembling the best athletes from all five continents, parading with one's national Olympic team at the opening ceremony, building friendships between thousands of athletes in the Olympic village, etc.). This is why the biggest stars from the world's most lucrative professional sports (basketball, football,<sup>58</sup> golf, tennis,<sup>59</sup> etc.) want to compete in the Olympic Games and, if possible, win a (gold) medal. They are looking to add a little soul, through the Olympic dream and magic, to their sporting lives and achievements in a unique moment of patriotic (con)fraternity shared with the best athletes in the world's biggest sports. Consequently, the Olympic Games is unique among major

sports events in that the balance of power lies with the organisers, rather than these stars, and business appears to take a back seat, although star athletes' IFs and NFs have to iron out certain legal details to ensure their participation.<sup>60</sup> In less professional and less rich sports, the Olympic Games are essential to an elite athlete's fame and finances (bonuses paid by states, regions, cities, NOCs, federations and sponsors if they win medals). Many Olympic athletes, especially those in emerging countries, have very low incomes and are in precarious socio-economic positions. Athletes in individual sports also lack social security protection.<sup>61</sup> Their dependency on the Olympic Games increases their socio-psychological vulnerability when they are off form or injured and when they perform badly or are unable to compete, which increases the risk of isolation, depression and doping (Hughes and Leavey, 2012).

The Olympic Games' exceptional nature and rarity (every four years), elite athletes' youth and insouciance and the lack of a collective body to defend their interests help explain why athletes have rarely insisted on their rights and revenues from the Olympic business. In contrast to world championships, where most IFs have begun paying bonuses to medal winners, World Athletics is the only IF to have indicated its intention to reward medallists at the Olympic Games. Despite this decision's potential impact on other IFs, World Athletics has decided to award a \$50,000 prize to each of the 48 athletics gold medal winners at the Paris 2024 Olympics and to expand the programme to silver and bronze medallists as of the 2028 Olympic Games. World Athletics' president defended this decision, saying: 'I think it is important we make sure some of the revenues generated by our athletes at the Olympic Games are directly returned to those who make the Games the global spectacle that it is'.<sup>62</sup> For the moment, the IOC has been able to head off demands for it and/or OCOGs to remunerate the 10,500 athletes who take part in the Olympic Games by arguing that it is up to NFs, NOCs, governments and/or sponsors to compensate athletes for their Olympic performances, that it provides services to athletes during and after their careers via the Athlete365 platform, launched in 2017, that it supports NOCs and athletes who are the most in need via Olympic Solidarity grants and that it redistributes 90% of its revenues to its members. Nevertheless, this position is likely to collapse one day, as shown by the 2023 Women's World Cup. FIFA used to pay compensation/bonuses to NFs who took part in the competition, but not to players, and some NFs, but not all, redistributed a proportion of these sums to their players (30% in France). After taking their NF to court for sex discrimination, in 2022 the United States' women's football team obtained an agreement guaranteeing them the same pay as players on the men's national team. Faced with such legal risks and the socio-economic precarity of professional women footballers around the world (according to FIFPro the mean annual salary of a professional woman footballer is €13,000), FIFA decided to pay its performance bonuses directly to players, with sums rising from €30,000 for players in teams eliminated after the first round to €270,000 for players on the winning team. In other words, FIFA compensates the 22 players in every team that competes in the World Cup finals (704 players in total).



Athletes, often advised and influenced by their entourage (coaches, friends, parents, marketing, legal and financial advisors, etc.) and requiring ever-more financial resources to remain competitive, are becoming more vocal in their demands. Athletes in team sports belong to clubs/professional leagues and some athletes in individual sports belong to academies or have private managers (e.g., distance runners, especially those from Africa). They may be required to skip some major international competitions either for sporting reasons (recovery, protect their health) or for financial/contractual reasons (so they can compete in more lucrative events or events stipulated in their contracts). It is for these reasons that some athletes in North America's professional leagues do not take part in the Olympic Games or world championships. Athletes may skip some major international competitions (e.g., Commonwealth Games, football's Africa Cup of Nations) to protect their financial interests or their careers. Together with geopolitical issues, these commercial aspects increasingly raise the question of who truly 'controls' athletes and their participation in competitions: the Olympic movement and sport federations? Governments? Commercial stakeholders?

Athletes' demands cover numerous issues, including conditions for competing in the Olympic Games (training conditions, remuneration, social security and retirement provision, insurance against injury, etc.), involvement in governance decisions (election of executives, designation of host cities and countries for competitions), the way competitions are run (changes to rules, timing and conditions of competitions, equipment used, etc.) and the sponsors with which they will be explicitly or implicitly associated. They also want the freedom to express their opinions on political and social issues, notably via social media.

In theory, athletes now have more say in the governance of Olympic organisations, notably through the athletes commissions that have become quasi-obligatory for large sport organisations (which is a way of controlling athletes internally and avoiding them forming external unions) and, in some cases, through reserved seats for athletes on an organisation's executive body. This is the case for numerous IFs, NFs and NOCs who reserve (only) one seat for an athlete. According to Chappelet (2023, p. 55), 'Some countries have passed legislation requiring a higher quota (e.g., athletes must be granted a third of the seats on the United States Olympic Committee's board)'. A growing number of former athletes are going on to occupy senior positions in the governance of world sport. Prominent examples include Thomas Bach, who became president of the IOC; Michel Platini, who became president of UEFA; Sebastien Coe, who became president of World Athletics; Samuel Eto, who became president of the Cameroon Football Federation; Jean-Christophe Rolland, who became president of World Rowing; and Tony Estanguet, who presided the OCOG for the Paris 2024 Olympic Games. Following the lead set by NOCs and Olympic IFs, since 2000 the IOC has co-opted 15 members from among Olympic athletes.<sup>63</sup> These advances give athletes more opportunities to express their opinions and demands, but their power remains limited as power in most IFs, NFs, NOCs and the IOC remains centralised in the hands of the organisation's president. The risk for the IOC and IFs is that

athletes start expressing their demands and frustrations by taking political stances on the field of play, which sport's governing bodies consider a place of absolute political neutrality. For example, Rule 50.2 of the Olympic Charter states: 'No kind of demonstration or political, religious or racial propaganda is permitted in any Olympic sites, venues or other areas'. Following a wide consultation by the IOC's Athletes Commission in 2021, the guidelines to Rule 50 were relaxed slightly before the Tokyo Olympic Games to respect athletes' fundamental right to freedom of expression while ensuring the Games run smoothly. Now, the only places where athletes cannot express their opinions are on the podium, on the field of play and during opening and closing ceremonies. This selective apoliticism also brings sport institutions face-to-face with their contradictions in so far as the Olympic Games, like major world championships, are places of heightened nationalism (flags, anthems, medals tables, etc.), and this nationalism is widely used to sell the Olympic business.

Perhaps the best-known political demonstration during a sport competition was Tommy Smith and John Carlos's black-power salute at the 1968 Mexico City Olympic Games to protest African Americans' lack of civil rights. The IOC responded by imposing lifetime bans on the two athletes, and it still has not rehabilitated them. More recently, the American football star Colin Kaepernick was banned for 'taking the knee' to protest racism, an act that earned worldwide coverage for the Black Lives Matter movement. Similarly, Megan Rapinoe, one of women's football's biggest stars, has spoken out on equal pay for male and female athletes and against sex discrimination and become associated with the #MeToo movement. Other landmarks in athletes' growing political awareness range from Billy Jean King's and Katherine Switzer's pioneering combat for women's rights in the 1970s to Antoine Griezmann's decision to cut ties with a major Chinese sponsor in 2020 over suspicions the firm had contributed to China's persecution of Uighurs. Many more athletes have taken the less risky option of using their fame to support social causes (education through sport, child protection, medical research) via social networks, sponsors' marketing campaigns and/or setting up foundations/endowment funds. Elite athletes are also increasingly contesting decisions taken by governing bodies (non-selection for the Olympics, disqualification from a competition, sponsors imposed by federations, sanctions for failing to comply with anti-doping rules, etc.) and are sometimes prepared to take their cases to civil or criminal courts. The ultimate risk is that athletes leave the Olympic ship, attracted by the siren call of commercial organisations, more lucrative competitions or competitions they create themselves, of which there are numerous examples in professional sport (see the following chapter for more on this subject). This consideration partly explains the relaxation of Olympic Charter Rule 40 in 2019 to allow athletes to make commercial use of their status as Olympians during the Olympic period. However, they may not use Olympic properties (rings, logos, etc.), which are reserved for the host NOC's national partners and the IOC's international partners (Chappelet, 2023).<sup>64</sup> Before Rule 40 was changed athletes and their sponsors could not use their image and performances in advertising during the period between the

Olympic Games' opening and closing ceremonies, although some athletes resorted to marketing subterfuges to get around this rule.

The main difficulty for all athletes, and not just those in democratic countries, who are the most likely to demand their rights and that their demands be heard, is an overall lack of awareness and the absence of a worldwide representative body. Most professional team sports in Western countries have players' unions (e.g., Major League Baseball Players Association, National Basketball Players Association, Fédération Internationale de Footballeurs Professionnels – FIFPro) that negotiate with owners to obtain better working conditions, defend players' interests and condemn abuses (precarity of statuses, moonlighting, non-payment of wages and bonuses, misconduct in transfers, integrity of sport, overly dense competition calendars, security, health, etc.).

This is not the case in individual sports, where there are few international bodies defending elite athletes' rights in terms of social security and working conditions. Athletes' organisations are still in their infancy, have few resources and, in some cases, are not very representative of athletes. One exception is European Elite Athletes, established in 2008, which represents 25,000 elite athletes and has become the main intermediary with the European Union and Council of Europe, which would like to increase social dialogue within the European model of sport (Chappelet, 2023). Both FIFPro and European Elite Athletes are members of the World Players Association, founded in 2017, which represents 85,000 athletes from around 100 NFs. Global Athlete, set up in 2018, is another international athlete-led body that defends athletes' rights and considers itself a counterweight to international sport's governing bodies. But Global Athlete's aims are primarily geopolitical. It claims to be 'the voice of the athletes' and has appropriated athletes' symbolic capital to try and obtain power within the Olympic movement (Ohl *et al.*, 2024). The World Olympian Association, established by the IOC in 1995 and relaunched in 2010, is more of a club of Olympic Games alumni than a representative body. The IOC has also tried to better define international athletes' rights and responsibilities via its Athletes Commission's declaration on the rights (12) and responsibilities (8) of athletes, which the IOC adopted in 2018.

These initiatives show that athletes feel the need for international representation and for bodies to defend their interests, but they also highlight sport organisations' efforts to keep athletes under control or reap political benefits by recruiting athletes as spokespeople. These representative bodies' main demands are to provide athletes with greater protection and support in areas outside of sporting performance.

NGOs have emerged as another important stakeholder since the 2010s, due to their readiness to take large sport organisations to task over failings in their governance/operations and in the preparation and staging of international sports events.

#### 1.2.4.2 More Frequent Criticism by NGOs

Finding the best ways to navigate, if not address, the major (geo)political problems (wars, geopolitical instability, political, economic, health and social crises, etc.)

and societal issues (sedentarism and its effects on young people's health, climate change, sustainability, gender issues, digitalisation, technology and artificial intelligence, etc.) facing humanity is a major challenge for the Olympic system. Every large organisation, from governments and international bodies to multinational companies and international sport organisations, must take stances on these issues. The IOC and IFs face constant scrutiny over the coherence between their actions/statements on these issues and the societal roles they claim to fulfil.

It is in this context that major international NGOs (e.g., Amnesty International, Greenpeace, Handicap International, Human Rights Watch, Doctors Without Borders, Oxfam, Reporters Without Borders, Transparency International, WWF) have become an increasingly important counterweight to the power of sport organisations. NGOs frequently use the media to highlight unacceptable behaviours by sport organisations, especially in relation to large international events (sustainability, human rights, homophobia, racism, sponsors' practices, conditions for workers building venues, etc.). The Olympic Games/IOC, which began presenting itself as a non-profit NGO in the 2000s, has become a favourite target for NGOs. This is also the case for FIFA, which is why its governance reforms, introduced following the 2015 FIFAgate scandal, included creating a special commission to integrate NGOs' recommendations into world football, especially recommendations concerning human rights. Some NGOs take part; others (e.g., Amnesty International) have refused in order to protect their independence and/or because they feel that FIFA's governance culture is still too problematic.

In addition to producing reports in conjunction with experts, investigative media and academics (e.g., Transparency International's 2016 Global Corruption Report: Sport), NGOs conduct their own investigations into areas of concern. For example, investigations by Amnesty International led to critical reports on Qatar's use of migrant workers to build football stadiums (published in March 2016) and on the working conditions of security guards at the 2022 World Cup, which were described as amounting to 'forced labour' (published in April 2022). These NGOs' actions, reported in the media, feed the actions of citizens' groups that are 'anti-Olympic Games and mega sports events' and can influence policy. For example, following pressure from NGOs, in 2021 Qatar gave migrant workers working on facilities for the Football World Cup the (theoretical) right to leave their jobs, a 33% increase in wages and a food and lodging allowance (albeit pitiful). In mid-October 2022, just before the World Cup started, FIFA reacted to criticism from Amnesty International by announcing a €420-million compensation fund for workers injured or killed during the construction of stadiums for the 2022 World Cup. This fund was never put in place, with Qatar and FIFA arguing that the Workers' Support and Insurance Fund set up by Qatar's Labor Ministry in 2018 was sufficient, although it was intended just to compensate workers whose salaries were not paid by their employers.<sup>65</sup> On the other hand, following a complaint by five international NGOs,<sup>66</sup> Switzerland's advertising regulator ruled in June 2023 that FIFA's claims that the 2022 World Cup was carbon neutral amounted to 'green-washing' and were misleading for consumers.

Despite these instances of confrontation, it is becoming increasingly common for NGOs to work with sport institutions. In 2013, the United Nations Office on Sport for Development and Peace (UNOSDP) launched the International Day of Sport for Development and Peace, which encouraged IFs to create formal partnerships with NGOs. Some IFs had begun establishing such partnerships in the 2010s as part of their sustainability strategies (Moon, Bayle and François, 2021),<sup>67</sup> although many of them suffered from a lack of resources, were merely cosmetic, or failed to prevent greenwashing<sup>68</sup> and social washing. The UNOSDP, created in 2001 to coordinate the United Nations' efforts to promote sport and development through sport, could have done more to help the IOC/IFs and NGOs build better relations, but it was closed in 2017.

The last 30 years have seen the creation of thousands of local, national and international associations and NGOs specialising in sport. Often operating on the margins of the sport and Olympic system, their aim is to use sport as a lever for development and/or to respond to societal issues (education, diversity, health, integration, employment, solidarity, humanitarian aid, etc.). They sometimes work together via national platforms (e.g., Reliance Foundation: Sports for Development, established in 2016 by the Indian conglomerate Reliance) or international platforms (e.g., Sportetdev.org) or within sport organisations' actions on these issues, even if some of these actions have strong marketing components (e.g., FC Barcelona Foundation's international activism). In the late 2010s, sport's largest international bodies (IOC,<sup>69</sup> FIFA,<sup>70</sup> UEFA,<sup>71</sup> etc.) established foundations to institutionalise and coordinate their sport for solidarity and sport for development actions, but they have not provided these foundations with significant resources. Sport for development, often abbreviated to S4D, has become both a business sector and a separate research field (Darnell, 2012; Schulenkorf, Sherry and Rowe, 2016). It includes a plethora of organisations, ranging from sport-related social businesses to bodies that use sport to promote integration, education and international solidarity (e.g., PLAY International, Skateistan, Surfrider Foundation). Some of these organisations were created in conjunction with or have close partnerships with traditional sport. They include Right to Play, created by an Olympian to help vulnerable children; The Association for International Sport for All (TAFISA), which works with the IOC; and the Olympafrica Foundation, which works with Africa's NOCs. Other foundations have taken up an opposing position and have a different conception of how sport should be 'used'. They include contrecoupe.fr, a collective of NGOs formed to protest the 2022 Football World Cup in Qatar; and Non aux Jeux Olympiques, a French association opposing the Olympic Games.

The Olympic movement also faces global challenges within sport, including violence at and around sports events, racism, harassment, inclusion of people with a disability and of people in poverty. To address these issues effectively, sport organisations must cooperate with public bodies that have police and legal powers and with generalist or specialist NGOs to draw up and implement concrete prevention and remediation actions. Some NGOs are independent (Play the Game, a

Danish NGO focusing on sport governance and integrity<sup>72</sup>) but work together to have a greater impact (e.g., Sport and Rights Alliance). Others are funded by sports organisations (e.g., Centre for Sport and Human Rights). Play the Game is currently pushing the IOC, ITA and the European Parliament to establish a worldwide agency to oversee sport's integrity, called ClearingSport.<sup>73</sup>

Regulating the Olympic movement will increasingly require sport organisations, international public bodies and national governments to enter partnerships with and manage confrontations with NGOs, which are exerting ever-more influence on public opinion.

### **1.3 Conclusion**

The IOC has changed profoundly over the last 40 years, notably with respect to its marketing, the Olympic programme, gender equality, professionalisation and transparency. However, many observers continue to doubt the credibility of these changes. Thomas Bach's 2014 mantra, 'change or be changed', still holds true in an uncertain world marked by the wars in Ukraine and Gaza, rising tensions between China and Taiwan, and the social and economic changes being brought about by digitalisation and the COVID-19 pandemic. The IOC's decision to recommend IFs allow Russian and Byelorussian athletes (excluded from international competitions at the start of the war in Ukraine) to return to competitions under certain conditions disappointed Western countries and supporters of Ukraine, which wanted the IOC to take a harder line, but it exemplifies the sort of compromises the IOC makes to avoid antagonising powerful actors.<sup>74</sup>

The difficulty for the IOC is to align its discourse, practices and results in a system dominated by political games between the actors within international sport and to find (geo)political balances. In fact, the IOC remains a giant with feet of clay, entirely dependent on the Olympic Games, whose public and universal success underpins its political and business model. Other difficulties come from the very heterogeneous nature of Olympic IFs and NOCs in terms of their professionalisation and ability to implement the IOC's numerous 'good' governance, sustainability and integrity initiatives, and the increasing demands of athletes and international NGOs, amplified via social media. Meeting these demands could destabilise the Olympic movement's current equilibrium under the IOC. The heterogeneous nature of the actors within the Olympic movement and the vulnerability of some of these actors (small Olympic IFs and NOCs; elite athletes in the poorest and least stable countries) are politically beneficial for the IOC because they enable the IOC to affirm what the Olympic Charter calls its 'supreme authority' over the whole Olympic movement in the name of the solidarity it claims to incarnate and organise to the benefit of all.

Finally, the (near) impossibility of applying the European model of sport, founded on clubs/federations and volunteers, throughout the world, especially in emerging countries, substantially weakens this model. What is more, young people's preference for interacting digitally calls into question the sustainability of



the current model of spectator sport and the public's loyalty to the Olympic spectacle. This context raises the issue of how to revitalise the Olympic Games' organisational model (size, weather conditions, human rights, etc.), update its business model and respond to its critics. As Chappelet noted (2003, p. 162), one aspect of this process must be to build a more community-based approach:

The notion of ownership of the Games must widen from a classic, contractual and tangible ownership (IOC, OCOGs, NOCs) to a symbolic and cultural ownership by other stakeholders (athletes, residents, supporters, volunteers, governments, etc.) who now want to benefit from the Games in which they take part. For Elinor Ostrom, ownership does not designate the link between an all-powerful owner and their property, but the social relationships individuals weave around this property. The property of Olympic goods cannot be solely legal, it is also Cultural.

### **1.3.1 A Four-Seasons Olympic Games?**

One possibility would be to have the Olympic Games for each of the four seasons, organised around sport for society (health, education, play, etc.). The Summer and Winter Youth Olympic Games, founded in 2010, provide an interesting test bed, but they could be turned into a much more ambitious 'spring' Olympic Games, combining sport and cultural events (artistic and musical creations) open to the world's leading athletes in new disciplines, especially urban sports (e.g., breaking, parkour, rollerblading), board sports (e.g., skateboard, surfing, kitesurfing, wing-foiling) and digital sports (esport and new sports created by artificial intelligence). These Games would be staged by young people for young people and give them the opportunity to express not just their sporting and cultural prowess but also their technological, digital and managerial creativity. The freestyle BMX, breaking, skateboarding and sport climbing qualifying events for the Paris Olympic Games, co-organised by the IOC and these sports' IFs, will provide a good test of this concept. A Spring Olympic Games could be innovative and experimental while allowing the IOC to reduce the size of the Summer Olympic Games and recentre them around historic Olympic sports involving the traditional skills of sport education: running, throwing, jumping, swimming, fighting, sailing and cooperating (e.g., athletics, swimming, judo, team sports).

The next step would be to hold an Autumn Games, which could include competitions for seniors and be open to reflections on sport's contribution to society. These Games could be co-organised with NGOs and devoted to outdoor sports, whose rapport with the natural environment promotes sustainable mobility, health and well-being. An Autumn Games could include water sports (e.g., sea kayaking) and aerial sports (e.g., paragliding), as well as terrestrial sports (e.g., orienteering, sport climbing, golf, trail running, archery, downhill mountain biking).

With little snow but a huge carbon footprint, the Beijing 2022 Winter Olympics posed a challenge for all the actors involved and led the IOC to freeze the bidding



process for the 2030 Winter Games. A new framework for staging the Winter Olympics is needed in today's warming world. Although the international community can be proud of the Olympic Games and their ability to bring together young people, countries and cultures from all around the globe, the conditions (governance, funding, sustainability, integrity, etc.) in which these Games are held must change.

Holding an Olympic Games for each of the four seasons, with one season per year over a four-year cycle, would have several advantages. It would

- Open the Olympic door to new sports and new types of sport (the Olympic label would increase these sports' exposure, funding and professionalisation, internationally and nationally) and thereby expand and strengthen the Olympic movement by not abandoning sports to commercial organisations or self-organisation.
- Encourage the co-hosting of the Olympic Games by several cities and countries and thereby reduce building costs and travel by spectators.
- Allow more territories on the four continents to host the Olympic Games.
- Make the Olympic Games more inclusive and more diverse by holding competitions involving men/women/transgender people, people with and without a disability and older people, and by explicitly mixing sport and culture, sport and technology, and sport and the environment, and creating multinational and multicultural teams.
- Be better for the climate and more sustainable by being attributed to host regions that meet key environmental criteria (altitude and greater guarantee of snow, preserving ecosystems, etc.) and which have existing facilities.
- Revitalise the Olympic business model, which currently relies heavily on American companies (media rights and TOP sponsors). By seeking new sources of funding, the two new Olympic Games could generate billions in revenue for the IOC and Olympic movement.
- Allow the IOC to position the Spring and Autumn Olympic Games as eco-responsible events by redistributing a proportion of their revenues to disadvantaged countries for use in sport development and sport for development projects led by local NGOs.
- Regenerate the Olympic project and its goal of building a better world through sport.

Each of the four Olympic Games could be awarded to a territory on one of the four continents, and this territory could host three successive editions of the Games to avoid building facilities for each edition. This new 4-season, 4-continent, 12-year rotation would breathe new life into the Olympic spirit, reduce costs, reduce carbon emissions and favour organisational learning. It would also enable host territories to turn the Olympics into a heritage event and thereby optimise their legacy, both regional and universal, as desired by the Olympic community. It could be argued that holding an Olympic Games every year, which is already almost the case with

the two Olympic Games and two Youth Olympic Games, would depreciate the ‘Olympic product’. But these four-season Games would not necessarily be of the same size or have the same targets and goals. They would be placed in the international calendar in such a way as to leave appropriate slots for IFs’ world championships and for the other international multisport games the IOC sponsors (World University Games, Asian Games, Mediterranean Games and Commonwealth Games).

## Notes

- 1 Some of the information and analyses included in this section were drawn from: Bayle, E. (2024) ‘Changes to the IOC’s governance during Thomas Bach’s presidency: Intense institutional work to achieve balance and compromise’, *Sport in Society*, pp. 1–25, doi: <https://doi.org/10.1080/17430437.2024.2310696>
- 2 In 1987, Bennis and Nanus proposed the acronym VUCA for these four adjectives, which have influenced the strategic leadership of organisations in numerous business sectors.
- 3 3.6 billion viewers for London 2012, 3.2 billion for Rio 2016 and 3.05 billion for Tokyo 2020.
- 4 In August 2023, the BRICS group invited Saudi Arabia, United Arab Emirates, Iran, Egypt, Ethiopia and Argentina to join them to form a powerful rival to the United States. This new grouping will come into being on 1 January 2024.
- 5 India’s candidate will probably be Ahmedabad, which has already undertaken to invest €721 million in building sports facilities in the prospect of hosting the Olympic Games.
- 6 [www.insidethegames.biz/articles/1141743/patrick-nally-big-read-ioc-financial](http://www.insidethegames.biz/articles/1141743/patrick-nally-big-read-ioc-financial)
- 7 According to the Council of Europe’s 2021 European Sports Charter, sport integrity encompasses personal, competitive and organisational integrity.
- 8 The bi-annual Summer World University Games, formerly known as the Universiades, are one of the world’s biggest sports events, behind the Summer Olympic Games and Men’s Football World Cup. The 12 days of competition involve 10,000 athletes and receive 300 million internet views, as do the Winter World University Games, which last 11 days and involve 2,500 athletes. [www.fisu.net/fisu-events/fisu-summer-world-university-games/](http://www.fisu.net/fisu-events/fisu-summer-world-university-games/)
- 9 International Federation of Sport Climbing, created in 2007.
- 10 The IOC added skateboarding to the Olympic programme to bring the sport within the Fédération Internationale de Roller Sports (renamed World Skate in 2017), which governs other roller-skate disciplines, including artistic roller skating, speed skating, rink hockey and inline hockey. However, only skateboarding, which began as a counter-culture sport, will be on the official Olympic programme.
- 11 In comparison, Viacom 18 paid FIFA €54 million for broadcasting rights to the 2022 World Cup in Qatar.
- 12 *Zwift* (cycling), *Just Dance* (dancing), *Gran Turismo* (motor sport), *Virtual Regatta* (sailing), *Chess*, *WBSC eBaseball: Power Pros* (baseball), *Virtual Taekwondo*, *Tennis Clash*, *Fortnite* (shooting), *Tic Tac Bow* (archery).
- 13 One of the first was the Tennis Integrity Unit, created in 2018.
- 14 IOC (2024) *Safe Sport*. Available at: <https://olympics.com/ioc/safe-sport> (Accessed: 12 March 2024).
- 15 EU Advocate General Rantos: The FIFA-UEFA rules under which any new competition is subject to prior approval are compatible with EU competition law, *Communications Directorate Press Release 205/22*, December 2022, [Unitcuria.europa.eu](http://unitcuria.europa.eu), CaseC-333/21.
- 16 IPACS (2024) About IPACS. Available at: [www.ipacs.sport/about-ipacs](http://www.ipacs.sport/about-ipacs)

- 17 A major NGO has criticised the IOC's senior managers' remuneration: \$1.426 million for the director general, \$920,000 dollars for the chief operating officer, according to: [www.insidethegames.biz/articles/1141368/david-owen-blog-us-document-ioc-finances](http://www.insidethegames.biz/articles/1141368/david-owen-blog-us-document-ioc-finances)
- 18 P. Nally, an expert in the Olympic business, gives an estimate of 30% but without citing any sources. He also questions the failure to consolidate costs linked to the marketing company TMS (an IOC-owned for-profit company that manages the IOC's sponsorship and marketing contracts), to OBS, owned by the IOC, and to the Olympic Games. [www.insidethegames.biz/articles/1141743/patrick-nally-big-read-ioc-financial](http://www.insidethegames.biz/articles/1141743/patrick-nally-big-read-ioc-financial)
- 19 Members receive €6,500 per year to cover administrative expenses and €418 for every day they work. The IOC's president receives €225,000 per annum (Source: IOC report, 2022).
- 20 For a critical analysis of international sport's codes of ethics and ethics commissions, see: Constandt and Willem (2021).
- 21 See McGillivray *et al.* (2019) for more on bidding, planning and delivering major sports events that lever human rights.
- 22 Francs Jeux (2023) *Les Jeux des BRICS voient très grand*. Available at: [www.francsjeux.com/breves/les-jeux-des-brics-voient-grand](http://www.francsjeux.com/breves/les-jeux-des-brics-voient-grand)
- 23 The bidding process for hosting an edition of the Olympic Games leads candidate cities to overstate their cases by under-estimating the cost of facilities and of staging the event. For the city that obtains the Games, this under-estimation results in a substantial increase in the actual cost, which may be twice the amount originally indicated (Andreff, 2012).
- 24 Eleven years before the event, rather than the usual seven years.
- 25 In 2016, the European Olympic Committees designed a governance learning and assessment tool called SIGGS (Self-evaluation Tool on Good Governance for National Olympic Committees). [www.siggs.eu/index.html](http://www.siggs.eu/index.html)
- 26 Carbon offsetting is becoming increasingly controversial. A study by ETH Zurich and Cambridge University found that only 12% of carbon-offsetting projects fulfil their promises: [www.research-collection.ethz.ch/handle/20.500.11850/620307](http://www.research-collection.ethz.ch/handle/20.500.11850/620307)
- 27 After its double attribution of the 2030 and 2034 Winter Olympic Games, at the end of 2023 the IOC's executive board announced it was looking into the idea of alternating the Winter Olympics between countries in Europe, North America and Asia with reliable climatic conditions.
- 28 See Chappelet, J.-L. (2023) on common theories applied to the Olympic Games, chapter 7, pp. 147–163.
- 29 Dimaggio and Powell (1983) defined an organisational field as a group of organisations that belong to the same 'area' of institutional life. That is, an arena in which organisations recognise each other and share the same sense of reality and the same cognitive schemas and interact around institutionalised practices and forms. Thus, an organisational field comprises all the actors who help build and maintain institutions in that field.
- 30 The Swiss Association of Sport Managers plays this role in Switzerland.
- 31 Académie Internationale des Sciences et Techniques du Sport: an academic foundation set up by local universities, the IOC, the city of Lausanne and the Vaud canton.
- 32 Executive Masters in Sport Organisations Management, which Olympic Solidarity uses to train Olympic movement executives and managers.
- 33 Similarly, FIFA, in conjunction with the CIES, and the UEFA Academy offer 'internal' training courses for people involved in football.
- 34 The International Tennis Federation and World Rugby are limited partnership companies (registered in the Bahamas and Wales, respectively). World Sailing is a limited liability company (registered in the Isle of Man).
- 35 About 75% of the IFs based in Switzerland have their headquarters in the Vaud Canton, most frequently in Lausanne. Some IFs have relocated part of their headquarters to

- other countries (e.g., FIFA opened an office in Paris in 2021) or have left Switzerland completely (e.g., World Aquatics announced its intention to move to Budapest in 2023). These moves can be attributed to Switzerland's high cost of living and/or geopolitical decisions and/or opportunistic decisions taken by newly elected presidents.
- 36 Plus 40 salaried employees at the World Cycling Centre.
  - 37 According to UCI president D. Lappartient (interview with L'Équipe on 16 May 2023), in 2022 the UCI spent \$10 million of its \$45 million budget on the fight against doping. Anti-doping testing, carried out by the International Testing Agency since October 2020, consumes 30% of the International Weightlifting Federation's budget.
  - 38 This project, launched by the NGO Play the Game, with support from the Danish government and a consortium of partners, evaluates four areas of IF governance: transparency and public communication, democratic processes, internal accountability and control and societal responsibility. [www.playthegame.org/projects/sports-governance-observer-sgo/](http://www.playthegame.org/projects/sports-governance-observer-sgo/). A version of this tool for NFs has also been drawn up: the 'National Sports Governance Observer'.
  - 39 'The main exception in Europe is Great Britain's NOC (British Olympic Association), which is not an umbrella organisation of the United Kingdom's NFs, as most sports have an NF for each of the United Kingdom's 'home nations' (England, Scotland, Wales, Northern Ireland). It is also the case for most countries in the Commonwealth, where a 'sport council' regrouping all the country's NFs exists alongside the NF (Chappelet, 2023).
  - 40 For example, FIBA has attributed the last three men's Basketball World Cups to countries in Asia: China in 2019, Japan/Philippines/Indonesia in 2023 and Qatar in 2027. Asia's attractiveness is due to a combination of the potential for growing basketball in the region and Asian countries' ability to pay the high fee FIBA demands for hosting the event.
  - 41 Sheikh Talal replaced his elder brother, Sheikh Ahmad Al-Fahad Al-Sabah, who led the OCA for 30 years, until 2021. Sheikh Ahmad, an IOC member since 1992, a member of the FIFA Council, president of the Association of NOCs since 2012 and president of numerous sport organisations in Asia (handball, football, etc.) was long considered one of the most influential people in the Olympic movement. In July 2023, the IOC banned him for three years for having interfered in the recent election of the president of the Asian Olympic Council, in which his younger brother, Sheikh Talal, narrowly beat the president of World Aquatics, Husain Al-Musallam. Al-Musallam was himself implicated in a financial scandal that shook World Aquatics (then known as FINA) in 2017. The IOC annulled the election. See: [www.insidethegames.biz/articles/1138711/sheikh-talal-elected-oca-president](http://www.insidethegames.biz/articles/1138711/sheikh-talal-elected-oca-president)
  - 42 According to IOC rules, an OCOG's executive body must include the country's IOC member(s), the NOC's president and general secretary and at least one member representing and chosen by the host city.
  - 43 This organisation was established to 'help newly independent countries, particularly in Asia and Africa, to develop their own bodies to promote the expansion of sport throughout the country' (Source: <https://olympics.com/ioc/1962-creation-of-olympic-solidarity#>)
  - 44 IOC (2022) *Basic Universal Principles of Good Governance within the Olympic Movement*. Available at: <https://stillmed.olympics.com/media/Documents/Beyond-the-Games/Integrity/Bonne-Gouvernance-EN.pdf>
  - 45 Experienced managers in developing countries often earn less than €1,000 dollars a month.
  - 46 At the end of 2021 Carlos Nuzman, a former IOC member, head of the Rio Olympic Games and president of Brazil's NOC, was sentenced to 30 years in prison for corruption relating to Rio's winning bid to host the Olympic Games. Ireland's Patrick Hickey,

- a member of the IOC's Executive Board and president of the European Olympic Committees, was accused of illegally selling tickets for the Rio Olympic. The president of Japan's Olympic committee, an IOC member, was forced to resign in 2019 over suspicions of corruption with respect to the attribution of the Tokyo Olympics. Finally, a scandal involving several Japanese businessmen and Olympic Games' sponsors resulted in two of these men receiving suspended prison sentences of several months in 2023.
- 47 Play the Game (2017) *One in Seven Olympic Committees Are Directly Linked to Governments*. Available at: [www.playthegame.org/news/one-in-seven-olympic-committees-are-directly-linked-to-governments/](http://www.playthegame.org/news/one-in-seven-olympic-committees-are-directly-linked-to-governments/)
  - 48 'Macao is a special case. This special administrative region of China has its own NOC (created in 1987), recognised by the OCA. It includes 20 NFs affiliated to Olympic IFs. Macao sends its own team to regional games in Asia through an agreement between China, Macao and the OCA. The appearance of this NOC has not posed a problem, at least on the continental level. On the other hand, its non-conformity with Olympic rules prevents it taking part in Olympic Games under its own colours' (Chamerois, 2006).
  - 49 Surveys conducted a year before the Paris 2024 Olympic Games have produced contradictory results with only 20% of French people enthusiastic about the Olympic Games according to one survey (Les Echos – Institut Montaigne) and 72% support for Paris 2024 according to another (Toluna Harris Interactive conducted for the Paris 2024 OCOG). These results throw doubt on the survey methodologies used and the independence of the polling companies. A survey carried out by Odoxa for Winamax and RTL on 12 November 2023 found that 4% of people in the Greater Paris area intend to attend the Games, 32% of respondents looked forward to the Games' atmosphere and 52% were either not interested or intended to leave Paris. About 15% of respondents intend to rent out their house or apartment.
  - 50 This expression does not mean much other than that the Olympic Games will not exceed the agreed budget. And the Paris Olympics will also receive taxpayers' money to build and renovate sports facilities, support certain projects and pay for security. The issue is whether the public funding associated with the Paris Olympics has been well used and to what it will contribute.
  - 51 The most expensive tickets for the opening ceremony cost €2,700 and those for the finals of popular events such as swimming cost almost €1,000. On the other hand, 1 million tickets will be available at €24 and some outdoor events on the Seine will be free to watch, with no ticket required.
  - 52 These Games came close to being cancelled and were opposed by most Japanese people. Nevertheless, the Japanese government held firm and staged a successful event, despite it being postponed for a year (while keeping the name Tokyo 2020) because of COVID 19. In light of this context, a Japanese TOP sponsor, Toyota, decided not to activate its Olympic marketing rights for the Tokyo Olympics. [www.lemonde.fr/sport/article/2021/07/22/l-opposition-aux-jeux-olympiques-revele-les-tiraillements-du-japon\\_6089218\\_3242.html](http://www.lemonde.fr/sport/article/2021/07/22/l-opposition-aux-jeux-olympiques-revele-les-tiraillements-du-japon_6089218_3242.html)
  - 53 A mass-participation marathon during the Olympic Games and numerous cultural events bearing the Olympic label will contribute to this.
  - 54 'Bring the nation together through sport' (*Faire nation par le sport*) was the title of a report by Karl Olive, published on 22 February 2022.
  - 55 IOC (2023) *Brisbane 2032 Reveals 20-Year Legacy Strategy Aiming for A Healthier, More Active and Inclusive Society*. Available at: <https://olympics.com/ioc/news/brisbane-2032-reveals-20-year-legacy-strategy-aiming-for-a-healthier-more-active-and-inclusive-society>

- 56 IOC (2017) *IOC Actively Promoting Health and Physical Activity through the New International Global Active City Programme*. Available at: <https://olympics.com/ioc/news/ioc-actively-promoting-health-and-physical-activity-through-the-new-international-global-active-city-programme>
- 57 FISU (2022) *Healthy Campus Programme Passes 100 Universities Registered*. Available at: [www.fisu.net/news/fisu-healthy-campus/fisu-healthy-campus-programme-passes-100-universities-registered](http://www.fisu.net/news/fisu-healthy-campus/fisu-healthy-campus-programme-passes-100-universities-registered)
- 58 To avoid competition with its Men's World Cup, FIFA allows each squad of 18 players to include only 3 players over the age of 23. This restriction does not apply to the women's Olympic football tournament.
- 59 In an interview with L'Équipe published on 13 February 2024, the young Spaniard and world number 2 Carlos Alcaraz said: 'If I had to choose for 2024, I'd rather win Olympic gold than Roland Garros', even though the Olympic tournament does not give prize money or ATP points.
- 60 IFs and NFs of team sports have reached agreements with professional clubs over injury insurance for their players.
- 61 In France, this dates from the Act of 27 November 2015, which protects elite and professional athletes and defines their legal and social status.
- 62 Ingle, S. (2024) 'Coe defends World Athletics' move to award \$50,000 to Olympic gold winners', *The Guardian*, 10 April. Available at: [www.theguardian.com/sport/2024/apr/10/world-athletics-introduces-50000-dollar-prize-money-for-olympic-gold-medallists](http://www.theguardian.com/sport/2024/apr/10/world-athletics-introduces-50000-dollar-prize-money-for-olympic-gold-medallists) (Accessed 26 April 2024).
- 63 Candidates must be proposed by their NOC, must have taken part in Olympic Games and must never have been sanctioned for doping. They will be elected by their peers during the Paris Olympic Games.
- 64 For more on athletes' demands, see Chappelet (2023, pp. 63–79).
- 65 Human Rights Watch, 16 December 2022: 'The World Cup will come to an end without compensation for migrant workers'.
- 66 Alliance climatique suisse, Carbon Market Watch (Belgium), New Weather Institute (Great Britain) and Free Football and Reclame Fossietvrij (Netherlands). These organisations drew mostly on a report by the NGO Carbon Market Watch.
- 67 This issue was the subject of a conference involving international sport organisations, international governmental organisations and NGOs: Achieving SDGs through Sport: Partnerships and institutional responses for greater coherence and effectiveness, 5 October 2017 in Lausanne.
- 68 For example, Protect our Winters' 2023 campaign called on the International Ski Federation to stop its greenwashing regarding the Alpine Ski World Cup events at Sölden (Austria) and Zermatt (Switzerland), where the use of mechanical diggers to prepare ski runs for World Cup competitions in late October and early November 2023 caused extensive damage to the areas' glaciers ([www.protectourwinters.ch/fr/](http://www.protectourwinters.ch/fr/)).
- 69 Olympic Refugee Foundation, established by the IOC in 2017 and which works with the United Nations high Commission for Refugees: <https://olympics.com/cio/news/l-olympic-refugee-foundation-renforce-son-soutien-aux-refugies-du-monde-entier>
- 70 FIFA Foundation, set up in 2018: [www.fifa.com/fr/social-impact/fifa-foundation/about-us](http://www.fifa.com/fr/social-impact/fifa-foundation/about-us)
- 71 UEFA Foundation for Children, created in 2014: <https://fondationuefa.org/informations-generales/histoire-de-la-fondation/>
- 72 See, for example, their highly critical report on Saudi Arabia's sportswashing strategy, published in November 2023: [www.playthegame.org/news/the-power-players-behind-saudi-arabias-sports-strategy/](http://www.playthegame.org/news/the-power-players-behind-saudi-arabias-sports-strategy/)



- 73 Play the Game (2023), *ClearingSport: Almost 200 Experts Call for an Agency against Corruption and Crime in World Sport*. Available at: [www.playthegame.org/news/clearingsport-almost-200-experts-call-for-an-agency-against-corruption-and-crime-in-world-sport/](http://www.playthegame.org/news/clearingsport-almost-200-experts-call-for-an-agency-against-corruption-and-crime-in-world-sport/)
- 74 For more on this subject, see Mangin, V. (2023), *The IOC Is Under Pressure from the West*, 5 July. Available at: [www.swissinfo.ch/eng/business/the-ioc-is-under-pressure-from-the-west/48641996](http://www.swissinfo.ch/eng/business/the-ioc-is-under-pressure-from-the-west/48641996)

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# Regulatory Systems within International Sport

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The governance of the Olympic system is shaped by the IOC's desire to maintain its leadership over world sport. To this end, it works in close collaboration with its key partners, that is International Sport Federations (IFs), National Olympic Committees and Olympic Games Organising Committees. However, control over individual sports is highly fragmented, and the number and type of organisations with controlling influence vary from sport to sport. This chapter describes a framework for analysing the different regulation configurations within international sport (Section 2.1) and the five main regulation configurations<sup>1</sup> found within world sport (Section 2.2).<sup>2</sup>

## **2.1 A Systemic Framework for Analysing the Worldwide Regulation of Sports**

This section presents the general analysis framework (Section 2.1.1), the four types of regulation that stakeholders in an ecosystem can use to protect/enhance their positions (Section 2.1.2) and the principles underlying the model (Section 2.1.3). It then discusses the four key variables in a sport's international ecosystem (Section 2.1.4) and the resources and competencies sport organisations can activate in the four types of regulation (Section 2.1.5).

### **2.1.1 A Global Explanatory Model**

To understand how world sport is controlled, it is necessary to identify the actors who control each sport's international ecosystem; determine each actor's power, objectives (for-profit/non-profit) and role; and ascertain the relationships between actors. The SELP model (Figure 2.1) is based on the premise that a sport's main stakeholders (IF and its network, IOC, public bodies, commercial event organisers, media companies, sponsors, athletes, NGOs, etc.) can protect or modify an existing regulation configuration by mobilising the competencies they have built with respect to four key areas of regulation. The areas of regulation/competencies mobilised will depend on the context (stability, prosperity, crisis, etc.), the stakeholder's interests and aims, and the balance of power. Figure 2.1 summarises

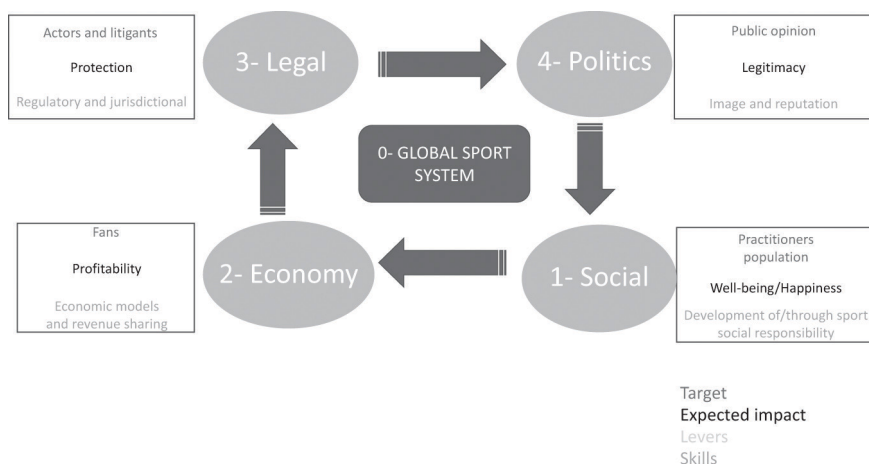


Figure 2.1 SELP Model.

Source: Bayle (2023).

the competencies and target groups (leisure players, registered players, fans, etc.) associated with each area of regulation. The four areas of regulation are social, economic, legal and political.

- Social regulation involves using sport to attain social objectives, often by implementing a policy of social responsibility in/through sport (use sports benefits to society to justify investments in sport and sports policies).
- Economic regulation involves establishing marketing principles, adopting new business models, especially for events, and introducing financial control, revenue-sharing, profitability and redistribution mechanisms.
- Legal regulation involves establishing and applying rules, drawing up contracts, creating specific bodies or working with the IOC to prevent/resolve disputes (e.g., via the Court of Arbitration for Sport).
- Political regulation involves managing interactions and negotiations between actors to prevent/resolve crises/conflicts and create partnerships/reach compromises and promote democratic decision-making via forums created by the IF.

According to resource theory (Prahalad and Hamel, 1990), organisations develop their organisational capacities by combining competencies and resources (financial, human, technological) into organised processes. Organisational competencies allow organisations to coordinate/mobilise resources and are the result of an alchemy that arises from interactions between individual knowledge, organisational knowledge, practices and attitudes. Some authors (Teece, Pisano and Shuen, 1997) use the term ‘dynamic capacities’ to describe the ability to adapt in response to change.

Every sport has a specific ecosystem, shaped by the sport's history, changing values and cultural identity (Lee and Kim, 2016). Governments and inter-governmental organisations have little involvement in regulating international sport and have left this responsibility to non-profit international bodies (IFs) and/or commercial organisations, although there are rare exceptions to this rule<sup>3</sup> (Freeburn, 2018). Thus, international sport is controlled through a combination of formal and informal arrangements between institutions, together with mechanisms for controlling/guiding stakeholders' actions. Regulation is achieved through private international rules (*lex sportiva*) and, increasingly, through instruments of soft law (codes, charters, standards, etc.). As in other sectors, regulation also involves new forms of coordination, such as incentives to work together and form partnerships, the sharing of 'good practices' (e.g., governance and sustainability practices), contractualisation and evaluation. Many different actors contribute to building this regulation, notably international sport organisations, the IOC, commercial sport-event organisers, professional leagues, media companies, public bodies, sponsors, sport executives/administrators and athletes. In the same way that national governments govern states, the IOC would like to establish itself as the world sport's governing body, but it lacks the power to impose its vision on all sports and all actors. As a result, it must constantly build and protect its legitimacy as sport's global regulator by persuading other actors to enter formal and informal arrangements whose nature depends on circumstances.

### **2.1.2 Four Types of Regulation: Social, Economic, Legal and Political**

In theory, the international sport system is structured in a way that enables it to fulfil its main functions, which are to organise, promote and develop competitive and leisure sport with, in the case of the Olympic system, the aim of 'contributing to building a better world' through sport (IOC, 2014). Hence, institutional sport, organised around sporting rules, helps create a form of gross domestic happiness. Institutional sport's socio-political functions and objectives are to produce social regulation by providing social added-value and helping to create a better world. To achieve this societal impact, participatory and spectator sport must be pursued in ways that promote social ties, diversity, education and health (Neville *et al.*, 2022). The resulting benefits affect not just people who do sport but also sports fans and, therefore, the wider population. This social function, associated with institutional sport's associative/voluntary mode of delivering activities, has long resulted in people around the world viewing sport, either consciously or sub-consciously, as a (quasi) public service and therefore deserving of the substantial public support it receives through subsidies, provision of staff, provision of sports facilities, tax breaks and so on. In some cases, commercial organisations contribute to a sport's social function through corporate social responsibility actions (e.g., the National Basketball Association's NBA Cares programme, see François and Bayle, 2011). The growth of leisure and competitive sport has also given rise to economic



markets, thereby creating a need for economic regulation, notably for sports events and spectator sports.

The objective of economic regulation is to maintain balance within the sport-event and participatory-sport services markets, which are imperfect in terms of the characteristics of service providers and the social value of the services provided. Indeed, some sport organisations (e.g., IFs) hold monopolies over certain long-established competitions (e.g., national, continental and world championships), international circuits and international multisport games that are prized by the media, the public authorities and fans. These markets are specific in that they must attract a mixture of resources ranging from commercial revenues (media rights, sponsoring, ticketing, merchandising) to public support (subsidies, tax exemptions) and non-commercial inputs (volunteering, private donations). In addition, the leisure sports market is growing rapidly and has, a priori, positive social externalities, even though they are difficult to evaluate in financial terms (contribution to education, social inclusion, social ties, health, etc.). Sport organisations in monopolistic positions focus a large amount of their energy on protecting their position while optimising their fan/supporter-based business models (sponsorship/advertising, broadcasting contracts, ticketing, merchandising) and, ideally, maximising the proportion of their revenues and/or services they can redistribute to develop their sport.

Nevertheless, numerous actors outside the sports movement have created or optimised sports events since the 1980s. Many of these actors are groups that own media companies or specific marketing agencies (e.g., IMG, Wanda Group, Lagardère Group). Amaury Sport Organisation, which owns the sports newspaper *L'Equipe*, has become Europe's largest private, commercial sports event organiser (see inset 'Amaury Sport Organisation'). Many other commercial operators have developed sport as a business either by creating competition circuits (e.g., in tennis, road running, rally driving, sailing, golf, surfing, triathlon, trail running and MMA) or by turning non-profit clubs into professional commercial organisations. The economic rules and specifications set by the owners of international professional circuits and leagues have made the economic regulation of these events more complex (see Part II, Chapter 5).

Social and economic regulation of the sport system would not be possible without legal regulation, which relies on a combination of rules set by international sport organisations (*lex sportiva*, Latty, 2007), supranational legislation (European law, European Convention on Human Rights, Siekmann, 2012) and national legislation. Consequently, Swiss law (both federal and cantonal) is important to three-quarters of the world's IFs that have their headquarters in Switzerland, mostly in the Vaud canton. However, sport's internal rules are not always compatible with this national or supranational legislation (Karaquillo, 2019; Latty, 2007). Sport addressed this issue by setting up the Court of Arbitration for Sport (CAS) in 1984, as well as other national dispute resolution mechanisms (arbitration, conciliation, mediation). These initiatives have created a specialised 'sport justice' system that is more discreet and quicker than national and international civil justice systems

and independent from governments. All physical and moral persons who take part in international sport competitions controlled by the Olympic system and the IFs accept, more-or-less willingly, the CAS's jurisdiction (Baddeley, 2020; Ryall, Cooper and Ellis, 2019).

A multitude of ever-changing transnational codes and charters has made world sport's pluralistic legal system extremely complex. Actors in the world of sport are subject not only to government legislation, the Olympic Charter and each IF's/sport's statutes and rules, but they must also abide by various codes of ethics, codes of 'good behaviour', the World Anti-Doping Code, rules on the status and transfer of players (football), financial fair play rules (in European football), recommendations from inter-governmental organisations (UN, OECD, EU, etc.) and ISO standards. However, international sporting legislation arising from treaties between nation-states is poorly developed (Chappelet, 2018), with the main treaties directly aimed at sport being UNESCO's convention against doping and three Council of Europe conventions on doping in sport, violence in and around stadiums and the manipulation of competitions (Kuwelker, Diaconu and Kuhn, 2022). General conventions that may also be applied to sport include the United Nations Conventions against Corruption. The Swiss government has ratified all these conventions and transposed them into Swiss law. Hence, the legal regulation of sport has become exceptionally dense and specialised and involves all areas of law, from local to international, including public law and private law, hard law (set by national and transnational legislation) and soft law (arising from non-mandatory rules such as codes of conduct for corporate social responsibility governance).

The construction of this legal regulation is founded on a fourth area of regulation – political regulation. Political regulation involves taking actions to implement/develop sport policies, notably with respect to increasing participation in sport, staging sport events and combating misconduct in sport (violence, racism, psychological/sexual harassment, match fixing, doping, etc.), which are now grouped together within the generic concept of sporting integrity (Canepelle *et al.*, 2019). The other three forms of regulation (social, economic, legal) must be (co)-constructed and given legitimacy by the stakeholders in a sport's international ecosystem. This involves using organisational (internal), political (private non-profit bodies' and commercial organisations' relations with the public authorities) and systemic governance mechanisms to implement and coordinate actions between the stakeholders within a sport's ecosystem and, more widely, within the Olympic system. In this case, governance refers to the institutional configuration of a field (sector) of regulation, as forged by rules, conventions and social norms. In line with convention theory (Boltanski and Thévenot, 1991), the concept of convention is defined here as the tendency for actors to conform to behaviours they think others will adopt. Given the variety and complexity of the issues facing sport (human rights, integrity, governance, sustainability, etc.), political regulation increasingly requires dialogue and partnerships between sport's administrators and public bodies (Windholz and Hodge, 2019) and between states (sports diplomacy, Murray, 2018). In addition, sport must work with NGOs inside and outside the field of sport

(e.g., Play International, Pro Sport Development, Surfrider Foundation, Red Cross, Terre des Hommes) and multitudinous national organisations. Some of these bodies, notably Transparency International (2016) and Play the Game, have set themselves up as counterweights to the power of the IFs and the IOC, and of the sport business in general (Geeraert, 2019).

### **2.1.3 Principles Underlying the Model**

The model presented here is founded on the idea that the mobilisation of one or more of these four types of regulation and their associated competencies can produce specific forms of regulation. Depending on a sport's development stage (launch, growth, maturity, decline) and the internal and external crises it encounters, the actors will try to strengthen or conserve their positions to destabilise or create a new balance in the ecosystem via confrontation, negotiation and alliances requiring new compromises.

The resulting configuration can affect the leadership of the entire Olympic system, as well as a specific ecosystem and its foundations. This occurred in 2015 when the American justice system's allegations of corruption within the world football governing body (legal regulation, Bayle and Rayner, 2016) triggered what became known as the FIFAgate scandal. The resulting media and public outcry led to changes in the Olympic system's political regulation via the introduction of self-evaluations of IFs, according to a protocol drawn up by the Association of Summer Olympic International Federations (ASOIF) in 2016 (see Chapter 1). Previous scandals within FIFA had already impacted the legal regulation of sport by prompting the Swiss government to pass a new private-corruption law (called the 'FIFA Act', promulgated on 12 December 2014) that imposes stricter rules on the heads of sport organisations and their entourages. Following the Festina affair at the 1998 Tour de France, which led people around the globe to view cycling as synonymous with doping, the French government played a leading role in the fight against doping by helping to create the World Anti-Doping Agency in 1999 (legal and political regulation). As another example, the Bosman Ruling, published by the European Union in 1999, shook up the legal (and subsequently economic) regulation of European football, and of professional team sports in general (Garcia and Meier, 2016). These three examples illustrate the impact of external interventions on a sport's ecosystem. More rarely, the sports movement takes steps internally to modify the prevailing paradigm to head-off the threat of changes being imposed from outside. For example, since 2013 the IOC under Thomas Bach has sought to modify the social and political regulation of international sport by adopting a new strategy (in 2014) called 'Agenda 2020'. Moreover, the IOC has taken steps with respect to governance and 'Olympic sustainability' with the aim of inspiring the entire sports movement to adopt a new approach to sustainability (see Chapter 1).

Using the SELP model to analyse the situations in individual sports shows how the actors in different sport ecosystems use their regulatory competencies and resources to achieve their objectives.

To characterise a sport's international ecosystem, it is necessary to identify the number and type of actors controlling the sport and determine the weight each of these actors has. Every sport's ecosystem is either part of or directly or indirectly connected to the larger Olympic system, even in the case of non-Olympic sports.

#### **2.1.4 The Four Key Variables in a Sport's International Ecosystem**

Every sport's international ecosystem can be characterised via four variables:

- a The number of actors involved.
- b The uniformity of international rules of play.
- c Who controls the international competition calendar and world rankings.
- d Who owns/controls hallmark events.

##### *(a) Number of actors involved*

The greater the number of actors involved in controlling a sport, the more complex regulation becomes, especially if there is no obvious hierarchy among these actors. Boxing is a good example of this, as the International Boxing Association (IBA) faces several commercial boxing competition operators and a multitude of small event organisers. Moreover, the IBA lost its IOC recognition in 2023 and saw the emergence of a rival (World Boxing) for its position as the sport's IF. Tennis's ecosystem is also fragmented with three major operators: the International Tennis Federation (ITF); the four Grand Slam tournaments, which are run independently from the ITF but by ITF members (except for Wimbledon); and the independent men's (ATP) and women's (WTA) professional circuits. Exhibition-style competitions such as the Laver Cup, set up by Roger Federer and his agent in 2017 along a similar model to the Ryder Cup, and Ultimate Tennis Showdown, launched in 2020 by Patrick Mouratoglou, who runs an international tennis academy, feature shorter-format matches to attract a younger audience. These events have now been joined by two more exhibition matches/tournaments: The Netflix Slam, in Las Vegas (a match between Nadal and Alcaraz), and the Six Kings Slam, held in Saudi Arabia in October 2024. This progressive deregulation of the professional tennis calendar by commercial operators makes the creation of global tennis super league look more likely.

Other sports with multiple controlling actors include cycling, basketball and swimming. Cycling has four major operators: the Union Cycliste Internationale (UCI, cycling's IF); the powerful press and events group Amaury Sport Organisation, which owns the Tour de France and (since 2014) the Vuelta a Espana; the RCS Sport publishing group, which owns the Giro d'Italia; and Flanders Classics, which owns several classic races in Belgium and the Netherlands. The International Basketball Federation (FIBA) faces two very powerful and hegemonic operators: North America's NBA, which has adopted an increasingly global

marketing strategy, and Europe's Turkish Airlines EuroLeague, a semi-closed league formed in 2000 by a private commercial organisation called the Union of European Leagues of Basketball (ULEB). ULEB delivers Europe's most prestigious club title, in contrast to football, where it is the sport's European federation, UEFA, that owns the continent's preeminent club competition (UEFA Champion's League). Control over international swimming recently appeared to be evolving towards a duopoly between the International Swimming Federation (FINA) and the International Swimming League (ISL), founded in 2019 by a powerful Russian oligarch. However, COVID-19 curtailed the ISL's initial ambitions, and the competition could disappear after losing a lawsuit in the United States (Inside the Games, 9 January 2023).

Control over football is dominated by two non-profit bodies: the sport's international federation (FIFA), which owns the highly lucrative Football World Cup, and UEFA, which owns and stages the Euro and Nations League tournaments for national sides and several European club competitions (Men's and Women's Champions Leagues, Europa League, etc.). Although private commercial operators have attempted on numerous occasions to make inroads into the professional football event ecosystem (including the European Super League, announced in 2021 but rapidly quashed by the media), none of these efforts has succeeded.

Many other sports' ecosystems have just one dominant actor, who holds a virtual monopoly over the sport. In many entirely amateur sports (e.g., rowing, canoeing, fencing, archery), this actor is the sport's IF. However, there are also a few new sports that do not have an IF and where the single dominant actor is a commercial company. This was the case in freeride skiing until 2023, when the Swiss company Free Ride World Tour Management, which owned the sport's biggest professional and junior events, was bought by the International Ski and Snowboard Federation.

Thus, historical and cultural/identity reasons (e.g., whether a sport is global or popular on just one or two continents), combined with economic opportunism (existence or absence of a market), have led to large differences between sports in terms of the number, type, economic weight, institutional influence, legal status and objectives of the actors involved.

### *(b) Uniformity of international rules of play*

The number of controlling actors and their rivalries can determine whether a sport has a uniform set of rules for all competitions (as in football) or different rules for competitions with different owners. Sports in this latter situation include basketball, where FIBA and the NBA have different rules, and tennis, where the number of sets needed to win a match differs between competitions and where, until 2023, each Grand Slam tournament had its own rules for deciding the final set. Having a uniform set of rules for all competitions throughout the world provides clarity for all of an ecosystem's stakeholders, but whether a sport is able to achieve

consensus on this issue depends on the balance of power between its ecosystem's main actors.

*(c) Control over the international competition calendar and world rankings*

Who controls the international competition calendar and world rankings is another key aspect of international sport ecosystems. In football, FIFA and its continental and national associations have complete control over the sport's calendar, from international competitions to continental club competitions and national professional leagues and/or championships. As a result, avoiding clashes between major competitions is easier for football than it is for sports without unified calendars, such as basketball and ice hockey. Control over the calendar generally goes hand-in-hand with control over world rankings and awarding titles (world champion, continental champion, etc.) and sometimes with control over major professional competitions. The UCI is an exception to this rule. Despite not owning most of road cycling's main competitions and despite having a powerful competitor in the form of Amaury Sport Organisation, during the 2000s the UCI managed to unify the international calendar and take control over world rankings of professional riders. Moreover, it managed to persuade event organisers and teams to pay fees to feature in its international circuit, the UCI World Tour (Aubel and Ohl, 2015).

If control over a sport's international competition calendar and world rankings is fragmented, the sport is likely to be less attractive to its fans and financial backers, who find it difficult to understand the sporting hierarchy.

*(d) Ownership and control of hallmark events by an IF*

Hallmark is the term used to describe a sport's most prestigious and most lucrative competitions, capable of generating substantial revenues either directly or indirectly via media rights and sponsorship. The Olympic Games are the hallmark event for most Olympic sports, but there are Olympic sports in which a world championship or commercial event supersedes the Olympics. These events may be held every one, two, or four years. Football's hallmark event is the World Cup, which is owned by the sport's IF (FIFA) and is held every four years. Other sports' hallmark events are owned by private operators, outside the IF's control. This is the case in cycling and tennis, where the Tour de France and four Grand Slam tournaments are more important than the Olympic Games.

### **2.1.5 Resources and Competencies Needed for the Four Types of Regulation**

Each of the four areas of regulation (social, economic, legal and political) requires specific competencies that determine how the actors in an ecosystem use resources and how they use them.

### 2.1.5.1 Social Regulation

Social regulation shapes the framework for developing sport and/or promoting development through sport. These initiatives, which can benefit the general population as well as a sport's participants, contribute to the social responsibility programmes implemented by actors in a sport's ecosystem.

***Worldwide sport development programmes.*** Do a sport's main actors run development programs to help national federations and their clubs develop the sport (e.g., building facilities, training coaches and umpires, supporting women's sport, promoting sport for people with disabilities, etc.)?

***Development through sport programmes.*** Do a sport's main actors run development through sport programs, either via a foundation or via partnerships with charities or NGOs? Such programs may cover international development issues ranging from improving public health to promoting social integration and combating racism and discrimination.

***Solidarity with least developed countries.*** Do a sport's main actors offer solidarity and aid programs to help poorer countries or countries hit by natural disasters or war?

***Sustainability actions.*** Do a sport's main actors have a clear sustainability strategy that is visible both internally and externally? Are sustainability initiatives just greenwashing or concrete, transformational actions?

### 2.1.5.2 Economic Regulation

Economic regulation shapes the business model adopted for a sport's competitions and determines who, if anyone, redistributes competition revenues, how much is redistributed and to whom.

***Size of the global economic sector.*** A sport's global economic sector corresponds to the turnover generated by manufacturers and distributors of sporting goods, event organisers and members of the leisure sector in that sport. This sector may be substantial, as in horse riding (thanks to sports betting and the stud market) and in sailing (thanks to nautical tourism), or more modest, as in fencing and wrestling. The larger a sport's economic sector, the easier it is for organisations in that sport to generate profitable business models.

***Economic value and profitability of a sport's hallmark competitions.*** Does a sport have one or more hallmark competitions/events outside the Olympic Games that generate sufficient income for the actors controlling the sport/event(s) to help fund



grassroots sport? These competitions may be world championships, private commercial events and/or an international professional circuit.

***Redistribution of surpluses and effects for developing sport.*** Is part of the surplus/profit from major sports events redistributed to help develop the sport? What are the effects of the sums redistributed?

***The sport's image and externalities.*** Do the public and the authorities have a positive image of the sport? Having a positive and attractive image both legitimises government support for sport and sport events and helps attract volunteers.

### 2.1.5.3 Legal Regulation

Legal regulation shapes a sport's international regulatory framework and the way in which sport organisations and national and international judicial bodies apply this framework.

***Influence on national legislation.*** Is a sport's IF or another major actor able to obtain direct or indirect legislative advantages in its host country by demonstrating the importance of its events and/or its social utility? For example, depending on where its head office is located, an IF may be able to negotiate direct and indirect financial advantages (e.g., tax breaks).

***Influence on European law.*** Is the sport's main actor able to influence European legislation by demonstrating the importance of its events (direct or indirect advantages recognised by European law) and/or the effectiveness of its regulatory system (training, labour-market rules, commercialisation of sport, etc.)?

***Number (and relative cost) of disputes submitted to the CAS.*** How often do a sport's stakeholders submit grievances to the CAS? Such litigation can have substantial costs for a sport, both directly (procedural costs and lawyers' fees) and indirectly (damage to the sport's image). Is the sport impacted by litigation in national courts? Such litigation, especially criminal prosecutions, may receive extensive media coverage and damage the sport's image.<sup>4</sup>

***Policy on (and relative cost of) protecting sporting integrity.*** Does the IF and/or another actor allocate legal and financial resources to combat, alone or collectively, problems impacting sporting integrity (match fixing, doping, corruption, violence, racism, psychological and sexual harassment of athletes and/or other stakeholders, etc.)? How significant are any measures taken and how independent are they? How does the federation and its members address issues affecting integrity (e.g., via ethics and/or disciplinary committees and/or integrity units)? Does the federation act alone or in conjunction with other actors (public authorities, specific body, etc.)? How credible are its ethics policies?

#### 2.1.5.4 Political Regulation

Political regulation aims to shape the relationships between an ecosystem's main actors and ensure these relationships are harmonious (partnerships on principles/actions) and productive for developing the ecosystem. Ways of achieving this include setting up discussion forums and encouraging official and/or unofficial exchanges. Political regulation can also be perceived as a way for sitting presidents to control a federation's internal political system (to retain their positions), notably via economic regulation (prize money awarded to athletes, stipends and/or travel expenses paid to leaders who vote in elections).

***Integrity policy (doping, match fixing, etc.).*** Has a sport's main actor drawn up a sporting integrity policy, either internally and/or in conjunction with other actors, notably the World Anti-Doping Agency and the International Testing Agency? How effective are these policies? How do actors work together within the sport and with external stakeholders to implement truly effective and credible policies on this issue? Have they joined/recognised national bodies such as the national anti-doping and sports integrity agencies being set up in many countries?

***Quality of the main actor's governance.*** How good is the governance of a sport's main actor, such as an IF? 'Good governance' can be assessed via the indicators drawn up by the ASOIF or, better, via other independent sets of indicators (Geeraert, 2019). In addition, more qualitative external studies and investigations by experts and investigative journalists can reveal problems such as conflicts of interest and/or scandals.

***Presence of dialogue and decision-making mechanisms in a sport's governance.*** Have an ecosystem's actors created discussion and decision-making mechanisms (official or unofficial) within the sport? Do these mechanisms encourage actors to reach consensus on important issues and produce a shared vision of how to develop the sport that incorporates different stakeholders' interests and expectations?

***Power of the main actor in the governance of international sport.*** Does a sport's ecosystem have a clear leader? Is the main actor's philosophy predominantly societal (development of sport and/or through sport) or economic (maximise profits for event owners)?

The themes/issues included within the framework described above can be used to analyse each sport's global ecosystem and to determine how the actors in this ecosystem use the four areas of regulation and the competencies associated with each area. Such analyses shed light on the ways in which organisations gain, maintain and lose control over a sport and on how both the compromises between actors and an ecosystem's stability/instability impact the evolution of the sport in question and of sport in general.

## **2.2 Five Regulation Configurations for International Sport**

Whereas the notion of governance describes a system's institutional framework and decision-making mechanisms, the concept of regulation refers to social, legal and political modes of interaction and coordination and the economic flows within an ecosystem. To facilitate comparisons of regulatory systems, Bayle (2023) used a qualitative analysis (Fox-Wolfgramm, 1997) of around 30 Olympic and non-Olympic sports to identify 'ideal', in the Weberian sense of the term, regulation configurations in world sport. The five configurations Bayle identified are: regulation dominated by an IF, regulation coordinated by an IF, parallel regulation by an IF and a commercial body, regulation dominated by a commercial operator(s) and totally private regulation by a commercial operator(s).

### **2.2.1 Regulation Dominated by an International Federation**

In this configuration, an IF (and its continental and national federations) controls a sport's rules of play, calculates world rankings and owns the sport's hallmark competitions. IFs in this position generally took control of their sport during its early days and then locked out possible competitors by sanctioning clubs that did not respect their rules on releasing players to represent national teams at the IF's competitions. Dominant IFs activate their social regulation by redistributing a proportion of their revenues to national federations, which invest these sums in development programmes.<sup>5</sup> In a new development, which began in the late 2000s, many dominant IFs have introduced forms of political regulation to stave off threats from within their ecosystems. UEFA, for example, has brought together key stakeholders in European football – players unions, clubs, leagues – within a Professional Football Strategy Council and has allocated two seats on its executive committee to the European Club Association and one seat to the European Professional Leagues Association. As FIFA did later, UEFA has also found new compromises with respect to economic regulation, notably by paying bonuses to national associations based on their rankings and performances in the Euro tournament (since 2004), compensating clubs who release players for international duties and providing insurance for players (who are under contract to and paid by clubs) who take part in the Euro (since 2008). IFs in this category receive all the international media and commercial rights to their sport's major competitions while transferring the risks of organising these events to national/local public actors, who provide most of the funding, mostly indirectly. This funding sometimes takes the form of paying a fee to host a sport's world championship/cup, providing public subsidies and tax breaks to organising committees and seconding public authority staff to help organise an event (especially transportation and security outside venues).

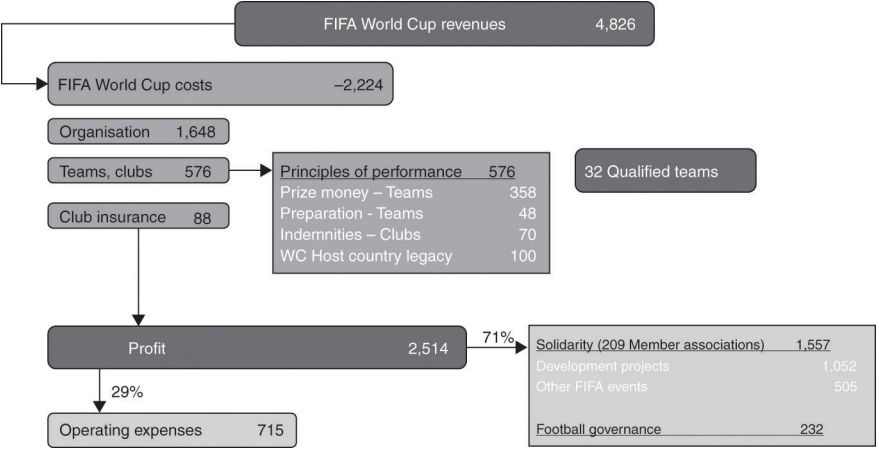


Figure 2.2 The FIFA World Cup ‘Solidarity Model’.

Note: The sums indicated are in \$ million.

Source: FIFA (2014).

The key competency used by dominant IFs and their federal networks is legal-political, that is, the ability to prevent commercial operators from taking control of international and national competitions. FIFA and World Rugby provide good illustrations of this model. Their organisational capacity consists of marketing one or two four-yearly mega-events over which they have a monopoly (Rugby World Cup, FIFA World Cup and UEFA Euro). As Figure 2.2 shows, FIFA’s business model is centred around selling international media rights and sponsorship, mostly related to its Men’s World Cup in Brazil (\$4.8 billion for 2015–2018). This income, which amounted to \$7.6 billion for the 2019–2023 cycle and which is expected to grow to \$11 billion for the 2023–2026 cycle (FIFA, 2022) finances FIFA’s head office operations, its governance, its other loss-making international competitions (women’s and youth) and the sums it redistributes to NFs to develop football. To ensure the staging of the World Cup and control the commitment of its key stakeholders, FIFA sets aside large sums for the tournament host (\$1.64 billion for the 2014 World Cup, see Figure 2.2, relating to the 2014 World Cup in Brazil) and for the teams that take part in the World Cup finals (\$42 million for the winning team, \$442 million in total, distributed according to each team’s performance and to help poorer NFs send a team to the competition). It also compensates (large) professional clubs that free players to take part in the tournament and continue to pay their wages while these players are on national team duty. Finally, FIFA covers the cost of insuring players against serious injury during the tournament and helps fund football development and football development projects within the host country’s legacy programme.

However, FIFA’s so-called solidarity model raises several questions.

- The event's organisers receive substantial exemptions from corporate income tax. Whether these exemptions are justified is highly debatable given the amount of commercial revenue FIFA extracts from the competition, a large percentage of which is transferred to Switzerland, home to FIFA's head office.
- Similarly, is it justifiable to invest huge sums of public money in building/renovating stadiums and setting up fan zones, etc. for such a highly lucrative commercial event?
- FIFA spends considerable sums on football's 'governance'. These costs (bonuses paid to FIFA executives, head-office operating costs, salary costs, cost of holding congresses and executive committee meetings, compensation paid to executives, etc.) could be reduced or optimised.
- Questions can be asked about the way NFs use the development funds they receive from FIFA – efficacy and effects on growing football. Nevertheless, the sums redistributed (between \$3 million and \$4 million for each NF for four years) have enabled small NFs in poor countries that are entirely dependent on the revenues FIFA redistributes to professionalise (recruit professional administrative directors, technical directors, marketing managers, etc.).

This form of IF-dominated regulation also occurs in athletics and volleyball. World Athletics' hallmark event, outside the Olympic Games, is its world championships, created in 1983. As a complement to this event, in 2010 it launched the Diamond League,<sup>6</sup> to supersede the Golden League (1998–2009), which is run by stakeholders who belong to or who have close ties with World Athletics. However, World Athletics does not control either the road-running or trail-running markets, which have grown massively since the 1980s, although it regained a large degree of control over marathon running by creating the 'World Marathon Majors' circuit.<sup>7</sup> Thus, the configuration in the case of marathon running is close to the regulation coordinated by an IF category described in the following section. In volleyball, the International Volleyball Federation (FIVB) has joined forces with an investment fund (CVC) to draw up a strategy for marketing a rich (but confusing for fans) portfolio of events. World Table Tennis has set up a circuit similar to tennis's ATP and WTA circuits, run by a commercial company that has been under World Table Tennis's control since 2019.

The International Ski and Snowboard Federation (FIS) and the International Biathlon Union (IBU) also fall into this category because, in addition to being Olympic sports, they own international professional circuits and flagship world championship competitions. Although FIS has set up a commercial company (FIS Marketing AG) in conjunction with two sports marketing firms (Tridem SA and Infront SA) to manage media and commercial rights for its events, the powerful Austrian and Swiss ski federations have sold the rights to the World Cup events they host to Infront, which resells them to broadcasters and sponsors. FIS's latest contract with Infront, negotiated in 2023 by the federation's new president, gives FIS 'total control' over contracts, guaranteed minimum sales of €600 million (over

eight years) and at least a €100 million increase in total revenue (€12.5 million a year). Moreover, the contract gives FIS the right to rebroadcast television images via the internet, to go behind the scenes to film documentaries and to launch a streaming service for countries with no official broadcaster.<sup>8</sup>

Some non-Olympic sports also have this type of IF-dominated regulation. Cricket, whose earnings potential in South-East Asia has exploded, is perhaps the most notable example.

Inset: Cricket, a sport regulated by an IF with Olympic ambitions

The International Cricket Council (ICC), founded in 1909 by English, Australian and South African cricketers, is cricket's world governing body. Cricket has deep roots in many countries that were once part of the British Empire, especially in Southeast Asia (India, Pakistan, Bangladesh, Sri Lanka, etc.), where it is far more popular than any other sport. The ICC owns several leading events, including the four-yearly ICC World Cup and ICC Champions Trophy, the Twenty20 World Championship and ICC World Twenty20 (a simplified form of the game). The ICC is cricket's only international governing body, as FIFA is for football. It organises and markets all its tournaments and is the world's most powerful cricket organisation, with a turnover of several billion dollars. For tax reasons, in 2005 it moved its head office from London to Dubai in the United Arab Emirates. Cricket's NFs are known as boards, of which there are 101. The Board of Control for Cricket in India (BCCI) is highly influential and has many important privileges because the Indian market accounts for half of cricket's worldwide revenues. For example, it can influence the ICC's decisions relating to the calendar to ensure no international matches are scheduled in April and May, so the world's best cricketers can play in the Indian Premier League (IPL), and to ensure international competitions take place during prime time in India. No other national cricket board has obtained the same privilege. The IPL is controlled by the BCCI, but its internal regulation is based on a similar type of franchise system to that found in North American professional sport. As cricket's most prestigious and most lucrative league, it attracts the world's best players, as the NBA does in basketball. Indeed, the IPL has the highest average player salary of all the world's professional leagues apart from the NBA. Thus, although the ICC oversees the regulation of international cricket, it has to take into account the growing influence of the sport's largest market, India. Furthermore, like FIFA, the ICC shares its media rights and sponsorship revenues with national cricket boards to promote the development of cricket. By gaining a place on the programme for the 2028 Olympic Games (for the first time since 1900), cricket hopes to capture an estimated worldwide market of 2.5 billion fans. The ICC would like to use the Olympic stage to globalise a sport that currently remains largely confined to Commonwealth

countries. As a pre-test for the Olympic Games, the ICC attributed the 2024 Twenty20 World Championship to the United States for the first time, allowing it to sell the rights to broadcast the competition in prime time in India for a record sum. Thus, the United States is becoming a new stakeholder in cricket, while Saudi Arabia is using its support of the IPL to increase its influence in India.

The IOC could also approve cricket's inclusion in the programme for the 2032 Olympic Games, due to be held in Brisbane, Australia, one of cricket's leading nations. Doing so would undoubtedly increase the credibility of India's bid to stage the 2036 Olympic Games and boost its chances of being selected. The amount Indian broadcasters pay the IOC for rights to the Olympic Games is likely to increase rapidly as a result. Despite representing a market of 1.4 billion individuals, Indian broadcasters paid just \$10 million for the rights to Tokyo 2020, \$31 million for Paris 2024 and an estimated \$180 million (due to the inclusion of cricket) for Los Angeles 2028.<sup>9</sup>

IFs in this category have very strong, if not total, control over their sports. They use all four forms of regulation to construct and consolidate their dominant positions in their events and leisure sport markets. Many non-professional Olympic sports (e.g., rowing, canoeing, gymnastics, judo, wrestling, pentathlon, taekwondo and archery) also have a dominant IF, but the IFs for these sports depend on the Olympic revenues redistributed by the IOC for most of their funding (Clausen and Bayle, 2018). Hence, their main competency is clearly political, as they must meet criteria set by the IOC and carry out internal and external lobbying to remain on the Olympic programme and/or in the categories of IFs that receive the most support from the IOC.

### **2.2.2 Regulation Coordinated by an International Federation**

The second configuration occurs when an IF does not own its sport's main competitions but retains a large degree of control by overseeing a prestigious international circuit and determining world rankings. The IF's key competency is political, and its organisational capacity consists of persuading event owners, and sometimes professional athletes/teams, to adhere to its system and to pay substantial fees to take part in its international circuit. It is a 'tax collector' type of business model (Clausen and Bayle, 2018). In addition, an IF in this configuration can use its control over its sport's world rankings to institute a system requiring athletes to earn points (based on their results) to qualify for world championships and Olympic Games. Most IFs in this position own a lucrative world championship. Revenues redistributed by the IOC give IFs of Olympic sports an important second source of funding and legitimacy that allows them to have diverse business models.



Cycling typifies this type of configuration. The sport's IF, the UCI, faces three private operators, which own road cycling's most prestigious events. The largest of these operators is Amaury Sport Organisation, which owns two of the three 'grand tours' (Tour de France and Vuelta a España) and many other prestigious races. As a result, it controls almost 60% of the events on the UCI World Tour.

**Inset: Amaury Sport Organisation**

Amaury Sport Organisation (ASO) is a French company that specialises in organising 'non-stadia' sports events. Founded in 1992, it is a subsidiary of the family-owned media company Amaury Group, which also owns the sports newspaper *L'Équipe*, and operates in 30 countries. It stages 90 events every year, including numerous cycle races, the Dakar Rally, the Schneider Electric Paris Marathon, the Lacoste Ladies Open de France (golf) and several yachting races. With 250 employees in France plus a further 50 staff in foreign subsidiaries, it has an annual turnover of around €250 million and an operating income of €70 million before tax (non-published figures – source: interview). Amaury Group declared a turnover of €505 million in 2019 (before COVID-19).

The other two operators are RCS Sport, which owns the Giro d'Italia, and Flanders Classics, which owns several classic Dutch and Belgian races. Despite not owning any of the World Tour events, the UCI has managed to coordinate the cycling calendar since 2005 and has retained control over the world rankings (Aubel and Ohl, 2015). At the same time, the UCI was proactive in holding the first e-mountain bike World Cup in 2018, to avoid this event falling into the hands of private operators, alongside the grand tours, which were created by newspaper barons in the early decades of the twentieth century. In August 2023, the UCI announced a three-year partnership with MyWhoosh, an Abu Dhabi-based virtual cycling platform, to organise the UCI Cycling Esports World Championships. Even though few professional cyclists use MyWhoosh, the UCI awarded it the contract ahead of the more widely known platform Zwift.

The regulation of professional cycling could change in the years to come should a project to create a privately owned global league see the light of day. The One Cycling project, supported by Saudi Arabia, has been designed to capitalise on professional cycling teams' dissatisfaction with the UCI World Tour, whose business model currently benefits race organisers ahead of the teams.

Similarly, the International Federation for Equestrian Sports (FEI) saw the organisation of professional equestrian sport slip through its fingers when a private company, Global Champions Tour, launched two international outdoor show-jumping circuits in 2005: an individual competition called the Longines Global Champions Tour and a team competition called the Global Champions League. Although the FEI owns four circuits, including its World Cup, sponsored by Longines, these

competitions offer far less prize money. In addition, a new actor arrived on the scene in 2013 in the form of the Rolex Grand Slam, a circuit combining show jumping's four leading tournaments. Consequently, most of the FEI's revenue comes from athlete and horse registration fees, issuing horse passports and the FEI calendar.

Although these two IFs have regulatory powers, their ability to finance their sport's worldwide development is limited. In such cases, a dominant economic operator may step into the breach and cover the cost of minor, loss-making international competitions. ASO has filled this role in professional road cycling since the 2010s, seeing it as a way of strengthening its dominant position, bringing through the next generation of cyclists, protecting the viability of the secondary professional circuit and, importantly, demonstrating its social responsibility while protecting its ecosystem and leadership position.

### **2.2.3 Parallel Regulation by an International Federation and Commercial Body**

The third configuration arises when two or more organisations regulate a single sport, with each organisation following its own principles, imposing its own rules of the game and setting its own calendar. Basketball, ice hockey and baseball exemplify this configuration, as each of these sport's IFs (FIBA, IIHF and World Baseball Softball Confederation) faces a powerful North American league (NBA, NHL, MBL). After achieving great commercial success in North America, the NBA and NHL recently began implementing more global economic strategies by selling media rights abroad and by drafting players from outside North America. This success has given the two leagues great economic power, illustrated by the fact that the NBA earns 80 times as much as FIBA. Moreover, these two sports are built on the North American model for organising and running sport, which differs greatly from the European model (Andreff, 2007).

The differences between these two models partly explain why there is sometimes competition, as well as cooperation, between IFs and North American leagues, together with a degree of misunderstanding of the other system, especially by North America's franchises and star players. Moreover, economic considerations, legal issues (payment of participation fees for national team players, injury insurance,<sup>10</sup> etc.) and players' need for recovery time make it difficult to negotiate a sporting calendar that enables star players to take part in their IF's world championship and/or the Olympic Games.<sup>11</sup> FIBA and the IIHF have also lost control over the most lucrative European club competitions. In basketball, this is the EuroLeague, a semi-closed private league created in 2000, which awards Europe's most prestigious club title. However, FIBA and the EuroLeague announced in July 2023 that national team matches and EuroLeague matches would not be allowed to clash, so players involved in the EuroLeague would be able to play for their national sides in FIBA competitions. In ice hockey, before the war in Ukraine, the KHL, a privately owned, closed league dominated by Russia, included numerous elite players

who could not always be released to play for their national teams. A compromise was found in 2014 when European Ice Hockey Club Competition Ltd created the Champions Hockey League, although this competition is still struggling to take off. European Ice Hockey Club Competition Ltd is a commercial company jointly owned by 26 ice hockey clubs (63% shareholding), 6 ice hockey leagues (25%) and the IIHF (12%).

Baseball is unusual in that it has been an additional sport at numerous Olympic Games (every edition between 1992 and 2008, plus 2020+1 and 2028) without ever becoming a permanent part of the Olympic programme. It is not played worldwide, but it is very popular in North America and in some South American and Southeast Asian countries, especially Japan. Major League Baseball (MLB), North America's powerful professional league, is undoubtedly the dominant actor in the baseball ecosystem. Founded in 1876, MLB's season runs for six months, from April to September, which is why the Olympic Games have less attraction for baseball players than they do for basketball and ice hockey players. MLB players, but not the league's biggest stars, and the best Japanese players, who have their own powerful league (Nippon Professional Baseball, NPB), play in the World Baseball Softball Confederation's (WBSC) baseball world championships (WBSC Premier 12). This four-yearly competition adopted a new format in 2015, the year two former baseball IFs merged to form the WBSC. The WBSC organises its competitions in close collaboration with the NPB and with South Korea and China's professional baseball leagues. It also works with the MLB to gain permanent Olympic status for the sport. Nevertheless, the MLB and its American players clearly prioritise the North American championship over the Olympic Games, as can be seen by the United States' poor results in international competitions.

IFs in this configuration find themselves in a highly particular position because they have to share control over their sports with powerful commercial operators. Nevertheless, this situation can generate cooperation, as well as competition, between actors. For example, in 2020 the NBA and FIBA joined forces to create the Basketball Africa League and to discuss creating an NBA Europe. In addition, the NBA helps to implement FIBA's 'Basketball without Borders' programme as part of its *NBA Cares* international social responsibility strategy. Hence, social regulation, unlike economic regulation, is partly a joint enterprise.

The key competency for IFs in this category is political, as they must convince the leagues to release players to play for their national teams in world championships and Olympic Games. Only by ensuring the presence of their sport's top stars compete can an IF maximise the sporting and economic value of these competitions and thereby obtain the revenues on which its business model depends.

#### **2.2.4 Regulation Dominated by a Commercial Operator**

The fourth configuration occurs when one or more commercial actors control a sport completely. This configuration is similar to the previous type, but in this case the IF occupies a marginal position in relation to the dominant private actor(s). In

tennis, for example, the ITF finds itself isolated between the four Grand Slam tournaments, which belong to three national federations and a club (Wimbledon), and the powerful ATP and WTA circuits, which allow professional players to earn their living throughout the year.<sup>12</sup> Consequently, in 2017 the ITF decided to strengthen its position by selling exclusive commercial rights to the next 25 editions of the Davis Cup (the ITF's main product) to the investment fund Kosmos for 2.5 billion euros. However, the ITF withdrew from the deal in 2023 following several commercial setbacks. At the initiative of the ATP, in 2021 tennis' seven main stakeholders (the four Grand Slam tournaments, ATP, WTA and ITF) formed a working group called T7 to address the issues raised by the sport's fragmented governance, draw up a unified calendar and consider shared commercial offers. Despite this new political regulation, the 'Peng Shuai affair' showed the continuing inability of tennis' stakeholders to speak with one voice.<sup>13</sup>

The regulation configuration in golf is similar, as the sport is dominated by six large commercial circuits, most notably the powerful PGA Tour. Golf's IF, on the other hand, has very modest revenues, and its role is limited to overseeing amateur golf and golf at the Olympic Games. Given golf's highly fragmented ecosystem, the appearance of a new professional circuit was unsurprising. Launched in 2022, the new competition, known as LIV Golf, is backed by the Saudi Arabia Public Investment Fund. Formula 1 motor racing provides another example. The sport's IF, the International Automobile Federation (FIA), receives just 1% of the revenues generated by the Formula 1 circuit, which the American group Liberty Media Corporation bought for \$4.4 billion in 2016. Since 2022, ASO has organised the five events that make up the World Rally-Raid Championship, operating under the auspices of FIA and the International Motorcycling Federation. Given its legal format and the revenues the federations receive (registration fees, fines, etc.), this system could be considered a case of coordinated regulation, but ASO controls most of the competition's political and economic regulation. It is a different model from the one FIA adopted for the World Rally Championship, created in 1973, which is a case of regulation coordinated by an IF. Other sports that are dominated by private commercial operators who own the most lucrative competition circuits and over which the sport's IF has no control include surfing (World Surf League), squash (Professional Squash Association), triathlon (Ironman Group) and, more recently, roller-skating (World Riders Association).

In padel, the sport's three main stakeholders – the International Padel Players' Association, the International Padel Federation and Qatar Sports Investments (main investor who bought the competing World Padel Tour in 2023) – jointly control the sport's unified (since 2023) world circuit, known as Premier Padel. However, the International Padel Players' Association and International Padel Federation are dependent on Qatar Sports Investments, which provides all of the system's funding.

American football is dominated by the powerful National Football League (NFL), whose championship, created in 1920, is played over six months, from September to February. In contrast to America's other major sports leagues, the NFL covers

only the United States. The International Federation of American Football (IFAF), founded in 1998, organises world championships, but NFL players do not take part. In addition, the NFL does not follow WADA's anti-doping rules. Nevertheless, some NFL players have indicated their interest in competing at the 2028 Olympic Games in the flag football competition organised under the auspices of the IFAF. Flag football is a limited-contact variant of American and Canadian football that is much easier to organise, as each team consists of 45 players with just 5 players on the pitch at any one time (versus 11 players in American football).

Mixed Martial Arts' (MMA) major events are controlled by a few private leagues. Currently, the Ultimate Fighting Championship (UFC) is the most powerful of these leagues, although several international organisations are vying to become the sport's only governing body. To this end, the Global Association of Mixed Martial Arts, founded in 2017 and supported by Russia, has signed a multi-year contract with the International Testing Agency (organisation in charge of providing independent, international anti-doping testing) to carry out doping controls in MMA. The International Mixed Martial Arts Federation (IMMAF) was founded in 2012 with support from the UFC with the aim of legalising MMA in countries that had banned MMA fights (by making the sport less violent through regulating which acts are permitted, as in amateur boxing and professional boxing).<sup>14</sup> Following its merger with the World Mixed Martial Arts Association in 2020,<sup>15</sup> the IMMAF claims, with strong support from the western bloc, to be MMA's representative body. It sealed its position as the sport's IF in 2024, by bringing together 139 NFs. It signed the World Anti-Doping Code in 2021 and has partnered with the ITA since 2024 to carry out independent drugs testing. But the growing MMA business remains in the hands of powerful commercial operators such as the UFC (notably in the United States) and One Championship (especially in Asia), who apply different rules for their fights. In the mid-2010s, the UFC signed an agreement with America's anti-doping agency (USADA), but it has since withdrawn from this partnership, which it considered too restrictive for certain fighters, notably the Irish MMA star Conor McGregor. MMA, which is rapidly growing in popularity throughout the world, is characterised by the presence of numerous regional commercial operators (e.g., Bellator, Bahrain's Brave Combat Federation), as is the case for professional boxing. Commercial operators pay fees to the IMMAF, in its role as the sport's regulator and for its contribution to training upcoming fighters. The IMMAF holds a low-paying world championship and even aspires to join the Olympic programme, something that appeared unconceivable just a few years ago due to the virulent opposition of other Olympic combat sports, which felt MMA was too violent.

In breakdancing, the sport's most prestigious competition – the Red Bull BC One – is owned by a private company (Red Bull). However, on the IOC's advice, the World DanceSport Federation incorporated breaking in 2018 so it can be a demonstration sport at the 2024 Paris Olympics. Similarly, the International Roller Sports Federation (known as World Skate since 2017) took over skateboarding so it could be included as a demonstration sport at the 2020+1 Olympics and

subsequently join the official Olympic programme (as of 2028). Yet, skateboarding is historically a counterculture sport that has been part of the X Games since their foundation in 1994 and whose competitions are run by commercial operators, notably the Street League, created in 2010.

IFs that find themselves in this configuration have no real control over the rules applied in international competitions, the competition calendar, or the world rankings. Nor do they have a business model that allows them to engage in an ambitious development and solidarity policy with respect to their national federations.

These IFs' key competency is politico-social because they must convince other actors in the ecosystem to contribute to developing the sport (social regulation), which frequently involves calling on the sport's dominant commercial actors (major events, major sponsors) and star athletes to show their social responsibility by taking part in the IF's competitions (even if they are not very lucrative) and/or using their image or personal foundations. An IF can also play a role in regulating or legitimising a circuit. A complementary strategy is to obtain Olympic status for the sport, as achieved by the IFs for tennis (1988), triathlon (2000) and golf (2016). After being invited to sports at the 2020 and 2024 Olympic Games, surfing and skateboarding will be on the official Olympic programme for 2028. Padel hopes to follow in their footsteps in 2032. Achieving Olympic status allows IFs to globalise their development strategies by enabling their NFs to claim the public subsidies most governments allocate to Olympic sports. The Olympic label also gives an IF greater legitimacy as its sport's governing body and thereby helps it protect its position from powerful and dominant commercial operators and their ecosystems.

### **2.2.5 *Totally Private Regulation by the Commercial Sector***

The final configuration, regulation by a commercial organisation, occurs when a sport does not have a clearly legitimate IF or when an IF is just beginning to emerge. Sports in this category include freeride skiing, trail running, esports and parkour. It was also the case for MMA and breaking, which are dominated by commercial operators but which now have an IF recognised by the international system. These relatively new sports now receive extensive media coverage and have become very popular. Their rise began when private operators created major events (Xtreme Verbier for freeride skiing in 1986 and Ultra-Trail du Mont-Blanc for trail running in 2003) that became their sport's flagship events and formed launch pads for international circuits.<sup>16</sup> By failing to quickly embrace these new disciplines, even though they arose from their traditional sports, the established IFs for skiing, athletics and mountaineering allowed opportunistic private commercial actors to capture their market value and internationalise their appeal. These private actors have become quasi-federations outside the Olympic system, as they control the sport's international calendar, rules of play and world rankings. Freeride skiing has even begun holding junior competitions for upcoming elite athletes hoping to join the main circuit, as well as setting up academies in partnership with ski schools to bring through the next generation of athletes.



In 2007, the American company Ruff Magic Entertainment and eight top-level parkour athletes came together to establish the World Freerunning Parkour Federation (WFPF) with the aim of holding the first international parkour competitions (sport in which athletes try to complete a course involving numerous obstacles as quickly and as stylishly as possible). The year 2014 saw the creation of another, non-commercial federation, the International Parkour Federation (IPF), rooted in the Global South. National Olympic committees and sports ministries have recognised numerous national parkour federations. In light of parkour's growing popularity, the International Gymnastics Federation (FIG), with support from the IOC, also recognised parkour and integrated two of its disciplines, Speed-Run (Sprint) and Freestyle. In 2018 it signed an agreement with the IPF. Prior to this, the FIG had worked with two commercial parkour event operators (APEX and JUMP Freerun for 'the International Festival of Extreme Sports') to increase its legitimacy in the eyes of parkour athletes and familiarise itself with the sport's codes. It held its first world championship in 2022, but the IOC rejected the FIG's bid to include parkour in the programme for the 2024 Paris Olympics.<sup>17</sup> Another international parkour, free running and 'art du déplacement' federation (Parkour Earth) was established in 2017 at the instigation of Parkour UK to counter the FIG's attempt to 'take over' parkour. But parkour's flagship event is still 'Art of Motion', created by Redbull in 2007. Thus, the institutionalisation of this sport is very recent, ongoing, and particularly complex in terms of the different stakeholders involved.

Parkour may be moving toward a digitally mediated, community-based regulation model (Brodmann, 2022), as shown by the emergence of Storrer as a potential regulating power. Founded in southern England in 2010, Storrer is a collective of seven professional athletes with more than 10 million YouTube subscribers, 1.7 million Instagram followers, and almost 60,000 TikTok followers. As a result, it has become extremely influential within the world of parkour, which it would like to remain independent from the IOC.

Trail running's most prestigious race is still the pioneering Ultra-Trail du Mont-Blanc (UTMB), which has been held in Chamonix since 2003. In 2021 the UTMB Group built on the success of this race to create a global trail-running circuit, called the UTMB World Series, in conjunction with Ironman Group (the leader in long-distance triathlons). Trail running's other international circuit, the Golden Trail Series, is supported by the outdoor equipment company Salomon. Created in 2018, Eurosport races has provided live TV broadcasts of races since 2023 (in contrast to the UTMB, which is broadcast by OTT). The Golden Trail Series consists of six trail races (eight as of 2024) courses de trail plus a final. When an IF for trail running, the International Trail Running Association (ITRA), came into being in July 2013, it was largely under the sway of the UTMB (the UTMB withdrew from ITRA in 2020). ITRA defined race classifications (competitions) and race distances, but most competitions and the regulation of the sport remained in the hands of independent operators. World trail-running and mountain-running championships have been held under the auspices of the ITRA, the World Mountain Running



Association and the International Association of Ultrarunners, with support from World Athletics, since 2022. However, these championships remain low down the hierarchy of international trail-running races and rest in the shadows of major events such as the UTMB. But the increasing commercialisation of the UTMB (60% increase in entrance fees in 2013) between 2023 and the race's controversial sponsorship and sustainability practices led the sport's biggest star, Killian Jornet, to call for a boycott of the race in 2024 (he subsequently entered negotiations with the organisers). At the end of 2022, Jornet and several other leading trail runners founded the Pro Trail Runners Association, a sort of union to defend professional trail runners' interests against event organisers, who are globalising the marketing of trail running.

Esports also falls into this configuration because video games publishers still own and organise all major competitions. Moreover, until 2020 the IOC considered esports to be a business, not a sport. Although some countries' sports ministries and/or NOCs have been persuaded to recognise esports as a separate sport, such cases remain rare. Games publishers have invested heavily in regulating professional competition ecosystems because they are sure to have a return on their investments, but this is not the case for amateur esports, for which publishers have not yet found a profitable business model. Several bodies have sought to fill this vacuum by setting themselves up as (national or international) esports 'federations', although the absence of games publishers means that these federations have little weight and do not regulate any esports. In addition, conflicts arise whenever these federations stray onto the publishers' turf. There are currently three esports federations around the world. Two of them stand out:

- The International Esports Federation (IESF), founded in 2008, is the oldest esports federation. It is supported by South Korea and has always tried to meet the Olympic movement's criteria for obtaining GAISF/Sport Accord recognition. It has run the World Esports Championship since 2011.
- The Global Esports Federation (GEF) was founded in 2019 by stakeholders close to the Olympic movement with support from Singapore and China. Since 2021, it has held the annual Global Esports Games, a multisport esports competition.

Both these federations are now under Saudi control because the IESF's new president, Prince Faisal ben Bandar, is also vice-president of the GEF and a member of Saudi Arabia's Public Investment Fund. This Saudi domination explains why these two bodies' 2024 international competitions will take place in Saudi Arabia's capital, Riyadh. In December 2023, the two federations signed a memorandum of understanding to pave the way for closer collaboration between them. However, neither federation has great legitimacy within the esports sector, even though they have managed to work their way into Olympic circles.

Given esports' rapidly growing popularity among young people, especially in Asia, the IOC finally decided to enter the market by holding the first Olympic

Esports Week, in Singapore, in June 2023. This event combines a video games festival, a ‘global virtual and simulated sports competition’, discussions and competitions in esports using platforms associated with IFs (e.g., Zwift in cycling, Virtual Taekwondo). In 2023, the IOC’s president even announced plans to examine the possibility of holding an esports Olympic Games.

The key competency for nascent IFs in this configuration is political. They must also have the organisational capacity needed to achieve institutional legitimacy. Their priorities must be to gain SportAccord recognition (SportAccord took over this role from the GAISF in 2023) – the first step towards joining the Olympic system – and/or to sign the World Anti-Doping Code and/or to persuade national bodies (e.g., sports ministries, national Olympic committees, existing national federations) to recognise their members. All the sports in this configuration are new and sometimes criticised for being violent and dangerous, but they are attractive to young people, an important target group for the IOC and Olympic Games.

### **2.3 Conclusion**

The regulation configurations presented in the previous sections are ideal categories whose boundaries are porous and flexible. Some IFs may govern disciplines whose regulation configuration differs from that of the sport’s other disciplines. For example, World Athletics is the dominant actor in most athletics disciplines, but it is in a coordinated regulation configuration in the case of marathon running. Similarly, FIBA is in a separate regulation configuration for most forms of basketball, but it is the dominant actor for 3X3 basketball. In addition, the regulation configuration in some sports has changed in recent years. This is the case for freeride skiing, which moved from commercial regulation without an IF to regulation by a dominant IF in December 2022, when FIS bought the Freeride World Tour. The aim of this deal is to obtain Olympic status for freeride skiing in time for the 2030 Games and thereby increase both the sport’s popularity and its earning power by incorporating it into FIS’s events portfolio. Similarly, after being taken over by the World DanceSport Federation and included in the 2024 Olympic Games as a demonstration sport, breaking’s regulation configuration has changed from totally private regulation by commercial operators to regulation dominated by commercial operators.

The five archetypal configurations shed light onto the relative power of the actors involved and the way they use their social, economic, legal and political regulation competencies to further their interests. The dynamics of this regulation can be analysed in terms of its:

- Scale: Control may be macro (global – the focus of this chapter – continental or national), meso (i.e., within organisations such as professional leagues or clubs) or micro (based on analyses of individual behaviours: athletes, agents, executives, etc.). These aspects are discussed further in Chapters 5 and 6.

- Form: Control may be bottom-up or top-down (as in federal pyramids) or horizontal (as in the bi- or multi-lateral relationships between an IF and actors outside the federal system).
- Intensity: Depends on the presence of political/economic opportunities, tensions, dysfunctions or crises within a given ecosystem.
- Rhythm: Rapidity/continuity/discontinuity.
- Modalities: Institutional control by the IOC and other international sport organisations, independent control by specific commercial actors, shared control through partnerships between the IOC/international sport movement and international public bodies to protect the integrity of sport.
- Balance of power: Within the international sport system (IOC/FIFA/UEFA) or between these organisations and private commercial leagues or athlete associations.

The SELP model also shows how regulation configurations can evolve and how sports can learn from and draw on other sports' experiences when negotiating changes in their control configurations. For example, since rugby union became professional in the mid-1990s, its IF has benefited greatly from the example set by football, notably in terms of adopting a business model based on a quadrennial World Cup. At the same, it has seen both the value and limitations for national professional championships of the tools used to regulate spectator sport. In a context of elections, uncertainty and the desire to globalise rugby, in 2020 the president of rugby's governing body (World Rugby) outlined five challenges for the governance of international rugby:

- Create a world championship for national sides between World Cups.
- Draw up a global calendar covering both hemispheres.
- Examine the possibility of creating a world club championship.
- Give players a seat at the negotiating table.
- Grow rugby in the United States and Canada (with the 2027 or 2031 Rugby World Cup held in these countries).

Given the numerous problems facing world sport (integrity, governance, hyper-commercialisation, sustainability, etc.), IFs are facing increasing pressure to demonstrate their ability to regulate their sport while doing more to satisfy their stakeholders and meet the challenges posed by commercial competitors. To do this, they must define a coherent regulation strategy and use their business models to serve the development of sport and development through sport. Only by achieving these goals can they justify the financial and legal advantages they receive compared with the ever-growing number of commercial actors involved in international sport.

## Notes

- 1 The term configuration refers to all the elements composing a system.
- 2 Some of the information and analyses presented in this section were first published in Bayle, E. (2023) 'A model for the multi-centered regulation of world sport',

- International Journal of Sport Policy and Politics*, 15(2), 309–327. doi: <https://doi.org/10.1080/19406940.2023.2205868>
- 3 Some governments have invested heavily in certain sports, so they can play a central role in their development. For example, the South Korean government has adopted this approach in taekwondo.
  - 4 The Nassar scandal, in which the American Olympic gymnastics team's doctor, Larry Nassar, was sentenced to life imprisonment for sexually abusing several hundred gymnasts, including Olympic champion Simone Biles. Sex abuse scandals in French figure skating, American soccer, and Canadian ice hockey in the early 2020s, which encouraged several hundred victims to speak out. These widely reported scandals forced national governments to address these issues, some federation heads to resign, and the federations to set up mechanisms to prevent similar problems reoccurring. They also shredded the credibility of the federations concerned.
  - 5 Examples in football include FIFA's 'Forward' programme and UEFA's 'HatTrick' programme, founded in 2004. HatTrick 6, covering the 2024–2028 cycle, allows each UEFA-member national association to receive up to €2.4 million to support operational projects (growing women's football, protecting integrity within football, etc.) and up to €4.5 million for infrastructure projects (building a head office, football pitches, etc.).
  - 6 After signing a ten-year sponsorship deal with the Chinese company Wanda in 2020, the event will be known as the 'Wanda Diamond League' until 2030.
  - 7 This circuit, launched in 2006, includes some of the world's largest marathon events (Berlin, Boston, Chicago, London, etc.). The calendar includes two other races: the world championship, every two years, and the Olympic games, every four years. Runners are ranked according to their results in these races, and the highest ranked athletes at the end of the season win cash prizes (\$500,000 for the winners of the men's and women's rankings).
  - 8 *Leman Bleu* (2023) *Accord entre la FIS et l'agence Infront*, [www.lemobleu.ch/fr/Actualite/Sport/Accord-entre-la-FIS-et-l-agence-Infront.html](http://www.lemobleu.ch/fr/Actualite/Sport/Accord-entre-la-FIS-et-l-agence-Infront.html) (Accessed: 24 July 2023).
  - 9 Business Today Desk (2023) *Olympic Broadcast Rights in India may Fetch Rs 1,550 Cr as Cricket Set to Return: Report*, 10 October. Available at: [www.businesstoday.in/sports/story/olympic-broadcast-rights-in-india-may-fetch-rs-1550-cr-as-cricket-set-to-return-report-401459-2023-10-10](http://www.businesstoday.in/sports/story/olympic-broadcast-rights-in-india-may-fetch-rs-1550-cr-as-cricket-set-to-return-report-401459-2023-10-10)
  - 10 For example, FIBA covered the cost of insuring NBA players who took part in its 2023 Basketball World Cup.
  - 11 NHL players did not take part in the Beijing 2022 Olympics because they had to play domestic games postponed because of the COVID-19 crisis.
  - 12 The ATP tour and Grand Slam tournaments have annual turnovers of more than \$1 billion, whereas the ITF had an annual income of around \$70 million before changing the format of the Davis Cup in 2018. It now has revenues of around \$100 million, ten times less than the sport's two main economic actors.
  - 13 After making accusations against a senior Chinese leader at the end of November 2021, the professional tennis player Peng Shuai found herself at the centre of an international media storm that raised the wider issue of China's human rights record. The WTA cancelled its competitions in China, but the ATP did not.
  - 14 Notably in France, which legalised MMA in 2020.
  - 15 IMMAF (2020) *The Tale of IMMAF & WMMAA: How Two Global MMA Federations Merged to Create a Super Organisation*. Available at: <https://immaf.org/2020/08/05/the-tale-of-immaf-wmmaa-how-two-global-mma-federations-merged-to-create-a-super-organisation/>
  - 16 The Freeride World Tour (launched in 2008) comprises five events on three continents. The Ultra-Trail World Tour (created in 2014) involved 28 races in 22 countries on five continents. It has now been replaced by the UTMB World Series, run by the UTMB

- Group in association with the Ironman Group, which is owned by Advance Publications, which bought the group from the Chinese company Wanda in 2020.
- 17 The IOC said it would accept parkour only if the FIG reduced its quota of athletes in other disciplines.

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# Global Regulation Dependent on National Sport Configurations

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Analysing national sports systems is key to understanding the governance framework, resource potential (financial, human, material) and degree of professionalisation that international sports organisations can call upon at the national level. Indeed, policies drawn up within national sports systems shape the way the IOC, IFs and commercial organisers position their events and their actions to increase participation in sport. The quality of a country's sports system has a profound impact on its sporting success, whether it is measured in terms of sport participation rates, elite athletes' performances, or the public's general interest in sport. Finally, the ever-growing number of countries using sport to project their soft power (e.g., China, Russia, Qatar, Saudi Arabia) is shaking up the way world sport functions and threatening Europe's and the United States' historical dominance.

This chapter describes the main organisational models of sport found around the world (Section 3.1) and the different national sports system configurations in Europe (Section 3.2) and elsewhere around the globe (Section 3.3). Whether a country's sports system promotes success in international competitions depends on ten key variables, as described by the SPLISS model, as well as the country's strategic choices (Section 3.4).

### 3.1 The Main Organisational Models of Sport

Until the 1990s there were just three main organisational models within world sport: the American model, the European model and the state-run model, mostly found in communist countries (Section 3.1.1). However, the fall of the Soviet Union in 1991 and the rise of the BRICS countries (Brazil, Russia, India, China, South Africa), Gulf States and MINT countries (Mexico, Indonesia, Nigeria, Turkey) have led to the emergence of new models and other ways of using sport (Section 3.1.2).



### **3.1.1 Three Traditional Models: American, European, State-Controlled**

#### **3.1.1.1 The American Model**

The American model of sport, whose most characteristic feature is its economic liberalism, is currently unique to the United States. Olympic sport is governed by the United States Olympic and Paralympic Committee (USOPC), under a federal mandate protected by the 1978 Olympic and Amateur Sports Act, which gives the USOPC the exclusive right to exploit Olympic properties (notably the Olympic rings). However, the USOPC does not receive any federal funding, so it relies on private sources of finance, notably its national sponsorship programme and funds redistributed by the IOC. In fact, the USPOC has been able to negotiate an exceptionally large contribution from the IOC, because American media rights and American TOP sponsors have traditionally accounted for a large proportion of the IOC's income.<sup>1</sup> The USOPC redistributes much of its income to its affiliated NFs, which use this money to assist elite athletes. The United States does not have the equivalent of a sports ministry and American sport gets most of its funding from sponsorship and other private sources. Despite the absence of federal government funding for sports and international sports events, local public authorities support professional sports organisations. Indeed, city authorities built and own most of the stadiums and arenas used by franchises in America's biggest professional leagues. In contrast, Canada's public authorities help to fund amateur and Olympic sport, but clubs in the country's two main professional leagues – ice hockey and football – receive little public support. Indeed, Canadians are firmly against professional sport receiving public subsidies. Moreover, professional clubs in Canada (and Europe) train their own future players, whereas most athletes in the United States' professional leagues are trained in the country's university sport system. The USPOC and America's professional leagues are not direct partners, but they work together (or not) to send United States teams to world championships and the Olympic and Paralympic Games, and they both have close links with the university sports system.

University sport is regulated by the powerful National Collegiate Athletic Association (NCAA), which divides universities into three divisions according to the size of the scholarships they allocate to athletes. Thanks to their high tuition fees and the donations they receive from alumni, some universities have the means to offer promising young athletes substantial but difficult-to-obtain and highly prized scholarships. University-level competitions, organised into regional conferences, are of a very high standard and success bestows great prestige on both the players and the university. Hence, the extremely well-funded university system trains nearly all of America's elite athletes except those in a small number of sports that have private academies (notably, tennis and golf).

NFs' main priorities are national teams (selection/coordination for international events, etc.) and grassroots competitions, even though they do not have

large enough networks of clubs to cover the entire country satisfactorily. There is no concept of a licence for taking part in competitions, except for federation-run regional and national championships. Consequently, many athletes take part in local competitions without having any contact with the sport's NF. Some middle schools (12–15 years) have their own teams, but competitive 'school' sport is most developed at the high-school level, with some matches attracting hundreds of spectators and local television coverage. There are also inter-club competitions. School and club competitions, especially in football and volleyball, are often scheduled so athletes can compete for their school and continue training with their club during the 'off season'. One of these competitions' aims is to enable athletes to obtain university scholarships, although the system tends to favour students from wealthier families who often have better conditions in which to train. American football and men's basketball are the dominant college sports and generate the largest revenues (from ticket sales, patronage and media rights). All other college sports benefit from these American football and basketball revenues. Title IX of the 1972 Education Amendments Act, which prohibits discrimination based on sex, requires institutions that receive federal financial assistance to provide equal funding and opportunities to men and women. These institutions include public (and some private) universities, so many universities offer sports such as field hockey, rowing and volleyball to women but not to men to balance the funding and number of places they offer to men in sports such as American football (an American football team may have more than 100 players). The NCAA originally required university athletes to be amateurs (apart from scholarships), but since a Supreme Court ruling in June 2021, athletes have been able to sell their image rights, under certain conditions. American football matches are the biggest source of revenue for many large universities, with some college teams inspiring greater fan devotion than the best professional teams. Alumni sometimes go as far as pressuring their old university to sack a coach if they think he is not doing a good job.

In terms of sport for all, commercial fitness centres are very popular and provide a wide range of offers (for all levels of society up to very exclusive fitness clubs). Multisports clubs, such as those run by the Young Men's Christian Association (YMCA), often have a swimming pool, group lessons and after-school childcare, and their reasonable prices allow everyone to access sport. They also hold competitions for young children, in parallel with those run by cities.

This fragmented, liberal, (mostly) privately funded and partnership-based model of sport is unique in the world.

### 3.1.1.2 *The (Western) European Model*

The European model of sport is particularly prevalent in Western Europe. It is defined by the importance of the non-profit sport movement, which is still organised around volunteers despite sport's widespread professionalisation since the 1990s (especially in terms of coaches/trainers) and the large amounts of public

money invested in sport, primarily by local authorities. This assistance often takes the form of providing local clubs with sports facilities (stadiums, gymnasiums, basketball courts, football pitches, etc.), generally at very low rates, and/or subsidising their operating costs. Clubs' other major sources of revenue are membership fees, sports events and sponsorship/patronage.

Clubs in some sports face strong competition from commercial operators, which have captured a substantial proportion of the leisure sport market. Indeed, sport has become much more commercial since the 1980s, and commercial fitness clubs and gyms have become market leaders among young professionals wishing to keep in shape. According to the 2019 European Health Interview Survey, 40% of European Union citizens aged 15 or older claim to do a sport or physical activity every week.<sup>2</sup> Moreover, tourism-related sport has facilitated the growth of particularly large commercial sectors in certain sports and certain countries (e.g., skiing in Austria, France, Italy and Switzerland; golf in Portugal, Morocco and Scotland; water sports in Mediterranean countries).

Another feature of the European model is that NFs have retained a large degree of control over professional team sport leagues, including football leagues. Moreover, professional clubs remain legally tied to their original associations, which run the training centres that NFs in many countries require clubs to set up. Hence, compared with the fragmented American model of sport, the European model is more unified and involves closer organic and financial ties between elite/top-level sport (national team), professional sport (when it exists) and grassroots sport. These ties are maintained by NFs, which also try to bring into clubs people who do sport independently or with a commercial service provider. In addition, public partners have begun making certain subsidies dependent on clubs and NFs addressing aspects of sport for all such as integrating people in difficulty or distanced from sport, taking on professional staff, especially coaching staff, promoting women's sport, facilitating access to sport for people with disabilities, developing sport for health, improving the sustainability of sport and sports events and combatting all forms of violence. Consequently, NFs have had to widen their outlook from their traditional focus on competitive sport and elite sport.

The pyramid system of competitions is built on the principle of promoting successful athletes/teams to a higher division and relegating unsuccessful athletes/teams to a lower division. This open system is fundamentally different to the closed professional leagues that characterise the American model of sport. Despite the wide range of sports on offer, football is the most popular sport in a great many countries and therefore attracts the most media coverage, the largest number of sponsors and the largest amounts in sports betting. Football accounts for more than half the sports market in most European countries, which is why it is required (under national laws) or expected to show financial solidarity with other sports. In France, for example, the state deducts 5% of French media rights (most of which come from football) and a percentage of sport betting revenues (most of which are generated by football) to finance grassroots sport.

Hence, the European model of sport is centred around sport federations, which maintain the link between elite and professional sport and grassroots sport. Financial and commercial growth are seen not as an end (as they are in North America's professional leagues) but as a means for growing sport. However, this principle is running up against the realities of professional sport, with some professional leagues threatening to break away from their sport's federations and questions being asked about federations' ability to combat misconduct (doping, match fixing, violence, racism, harassment, etc.) within the ever-growing sport business.

### 3.1.1.3 *The State-Run Model*

In communist countries (e.g., Cambodia, China, Cuba, Vietnam) and dictatorships (e.g., North Korea, Myanmar, Eritrea, Chad, Turkmenistan), the state/party/dictator exercises total control over sport and its funding. Sport's importance within these countries depends on the ruling power's strategy for sport. Although some communist countries continue to reject professional sport for ideological reasons (e.g., Cuba), others began allowing professional leagues after they moved towards more-market economies (e.g., Vietnam has had a professional football league – the V.League – since 2000). However, the state retains direct or indirect control over these leagues and appoints their executives. At the same time, the government sometimes invites large national companies sometimes to invest in clubs or leagues. Football in China exemplifies this situation. China has had a professional football league since 1994 and formed the Chinese Super League, organised along similar lines to England's Premier League, in 2004. After encouraging Chinese entrepreneurs to invest in the league, the government became alarmed by the huge sums being spent buying foreign players and imposed a spending cap at the end of the 2010s to limit clubs' costs. Chinese football has still not recovered from the crisis triggered by this government intervention, together with other financial and ethical problems, partly due to the country's failure to produce the local talent on which its clubs now rely. The government has subsequently asked Chinese entrepreneurs to withdraw their investments from clubs in Europe's Big 5 leagues and concentrate on the Chinese market.

School sport is very important in these countries because it allows the authorities to detect promising young athletes and orient them towards elite training programmes. The best athletes from these programmes may be granted 'state-athlete' status (salary, social security contributions and pension contributions paid by a public body: national/regional/city authorities, armed forces, etc.) and become ambassadors/symbols for the regime.

National sports systems within these three traditional models can vary greatly in terms of how they organise and fund sport and the extent to which they use sport to project their soft power. Moreover, many emerging countries<sup>3</sup> have moved away from the three traditional models and developed new models for organising and using sport.

### **3.1.2 New Actors Focusing on ‘Sport Power’: China, Russia, Gulf States**

Emerging countries, whatever their political, economic or social model, often view sport primarily as a tool for projecting their soft power (Verschuuren, 2013). The best-known and most powerful of these countries are the BRICS and MINT countries and the Gulf States. Although their appropriation of sport for this purpose has often proved controversial, especially in the eyes of Western public opinion, countries have used sport for geopolitical ends since the early twentieth century. For example, Europe’s imperial powers, notably Great Britain and France, used sport to serve their colonial ends in the early 1900s, and Europe’s fascist governments of the 1930s made extensive use of sport’s propaganda value (1936 Olympic Games, where Nazi Germany topped the medals table; Italy hosting and winning the 1934 Football World Cup). The political instrumentalisation of sport continued after World War II, with the defeated countries (e.g., West Germany, Italy, Japan) using sport to reintegrate the concert of nations and newly independent, post-colonial countries seeing sport as a way of asserting their new status on the international stage. And, of course, the United States and USSR/Eastern Bloc made extensive use of sport to demonstrate their power and win hearts and minds during the Cold War.

Lopez (2022) conducted a geopolitical analysis of how emerging countries in the 2000s used sport to show their growing power, either through ‘nation branding’ abroad or through ‘nation building’ at home. He found numerous examples of ‘sport washing’, that is, instances where countries used sport to dismantle an unsatisfactory image or reputation. The mechanisms countries use to raise their profiles, improve their reputations and increase their attractiveness include the following:

- Highlighting the international performances and fame/popularity of their athletes.
- Hosting high-profile, recurring sports events (e.g., ATP and WTA tournaments, Formula 1 races) and one-off mega events (e.g., Olympic and Paralympic Games, world championships). This strategy may have several objectives, including gaining international exposure, building national cohesion and pride, increasing participation in sport and boosting economic growth by attracting tourists. Some African countries (e.g., Cameroon, Ivory Coast, Democratic Republic of Congo) have focused on more-affordable events (but which get less media coverage) such as the Summer Youth Olympic Games, which Dakar will host in 2026. Rwanda stands out for its efforts to use sport to increase the country’s attractiveness by, for example, sponsoring large European football clubs (Arsenal, Bayern Munich, PSG) and hosting international cycle races.
- Hosting large IFs’ annual congresses (e.g., FIFA).
- Buying stakes in Europe’s biggest football clubs (e.g., Chinese entrepreneurs close to the government, Russian oligarchs, Gulf State sovereign wealth funds).

- Obtaining influence/control over the governance of world sport (e.g., Russian oligarchs gaining the presidencies of the IFs for boxing, fencing and university sport in the 2010s, leaders of Gulf States gaining the presidencies of the IFs for swimming and motor sport in the 2020s).

Aubin (2022) coined the term ‘Sportokratura’ to describe the unique sporting soft-power system Vladimir Putin established when he came to power in 2000. This system, which involves oligarchs, politicians, international sport leaders and elite athletes, aims to bring together Russian society to improve public health, build patriotism, help Russia excel on the international stage and strengthen President Putin’s power and position.

China, Qatar and Russia are the countries that have made the greatest use of sport to project their soft power since the early 2000s, but these strategies are highly contested by Western public opinion, climate activists and defenders of human rights. Table 3.1 summarises these issues.

The Gulf States are a specific case due to their political systems (‘sheikhocracies’), Islam’s prominent role in society, their high standard of living (in terms of per-capita GDP), and the fact that foreign workers/employees make up the majority of some countries’ populations (e.g., Qatar, United Arab Emirates). Ancestral sports (e.g., falconry, camel racing, horse racing) exist side-by-side with a multicultural and international approach to sport. These countries now see sport as a tool for educating their citizens, improving public health and modernising society (diversity, inclusion, body image, etc.). In addition, they have developed their own ways of using sport to project soft power, achieve diplomatic goals and raise the country’s profile. Qatar does this to such an extent that some specialists have started talking about ‘sport power’.

*Table 3.1 Limits of China, Qatar and Russia’s Soft Power Strategies*

Country	China	Qatar	Russia
Limits	<ul style="list-style-type: none"> <li>- Democratic limits as shown by the Beijing Olympic Games</li> <li>- Problems with the Beijing Olympic Games’ economic and environmental sustainability</li> <li>- Sport raising awareness of the issue of Tibet</li> <li>- Continued low standard of Chinese football</li> </ul>	Qatar Bashing: human rights, unfair competition (excessive naturalisation of athletes to build national teams), suspicions of corruption, economic and environmental impacts of major events	<ul style="list-style-type: none"> <li>‘Anti-branding’ of the Sochi Olympic Games: negative impact on Russia’s reputation, wave of semi-boycotts.</li> <li>Ukraine war</li> <li>State-sponsored doping scandal and emergence of internal disagreements</li> </ul>

Source: Adapted from Lopez (2022).

The Gulf States have very centralised sports systems overseen by an NOC, but the NOC is often presided over by a member of the country's royal family and final decision-making powers remain in the hands of a sheikh or emir. Moreover, these countries' sports ministries do little more than supervise the construction and management of sports facilities. Although NFs hold elections to choose their leaders, the emir or sheikh, or his representative at the head of the NOC, holds ultimate power and can dismiss an NF's president if he is unhappy with their policies or results. The state funds the NOC's and NFs' sports policies, while royal families have begun investing in foreign clubs through their sovereign wealth funds. These investments sometimes project inter-state rivalries onto the field of play, as when Manchester City, owned by Abu Dhabi's Sheikh Mansour, plays Newcastle United, owned by Saudi Arabia's sovereign wealth fund. Indeed, the United Arab Emirates and Qatar have been rivals with respect to sporting soft power since the early 2000s, with Saudi Arabia joining the competition in 2016 when it launched its 'Vision Saudi 2030' sports strategy. Saudi Arabia's long-term ambition, as stated by Sports Minister Prince Abdulaziz ben Turki Al-Faisal in 2022, is to build on the experience gained by staging the 2029 Asian Winter Games to one day host the Summer Olympic and Paralympic Games.<sup>4</sup> Obtaining the 2034 Men's Football World Cup will be another step towards realising this goal (see the Introduction for an overview of the Gulf State's sport strategies). Nevertheless, the massive sums Gulf States' sovereign wealth funds and royal families are investing in Europe's biggest football clubs<sup>5</sup> and in record transfer fees to attract star players to their domestic professional leagues are sometimes contested in Europe. For example, Spain's football league has lodged a complaint with the European Commission against alleged Qatari state aid to Paris-Saint German, which, according to La Liga, distorts the European Union market by allowing the club to pay above-market sums for players.

Emerging countries' huge investments in sport, especially in football – buying major European clubs, improving their domestic leagues and clubs, hosting major events, playing official and unofficial roles in continental (Asian) and global (within the Olympic movement) governance – could lead to the development of new forms of regulation, under the influence of new actors (e.g., establishing new competitions, taking control of the governance of world sport, privatising professional football).

### **3.1.3 Fragility and Instability in Least-Developed Countries**

The United Nations Department of Economic and Social Affairs defines least-developed countries as 'low-income countries confronting severe structural impediments to sustainable development'.<sup>6</sup> Although sport is sometimes cited as a means for development and a source of hope for young people, the world's poorest countries (Sierra Leone, Somalia, Niger, etc.) are unable to capitalise on sport's potential benefits due to a chronic lack of sports facilities and the virtual absence



of school sport. Poverty also prevents least-developed countries from holding on to their most talented athletes, who are enticed abroad by the prospect of a better life (emigration<sup>7</sup> and naturalisation by other countries). These factors explain the growing gulf in sport between richer nations and least-developed countries. States, via their sports ministries, often have strained or even conflictual relationships with the local Olympic movement, due to the local sports movement and NOC's sometimes-limited political autonomy and low level of professionalisation.

Football is by far the biggest sport in many least-developed countries, especially in Africa, and it is largely disconnected from the Olympic movement. Most funding for other Olympic sports comes from the limited resources allocated by the state (notably to help cover travel expenses for athletes competing in major international competitions) and, most importantly, international solidarity programmes run by bodies such as Olympic Solidarity (IOC), together with aid from partner countries (e.g., the Commonwealth, Organisation Internationale de la Francophonie, China) and partner organisations (e.g., powerful foreign IFs and NFs). Some sports obtain additional funding through donations from professional footballers who made their fortunes abroad and investments by public and private bodies, including foreign multinationals that obtain contracts within these countries. In the case of financial aid, Lopez (2022) used the term 'stadium diplomacy' to describe China's investments in building more than one hundred stadiums in Asia, Latin America and especially Africa (Vondracek, 2019). China's policy of investing in major sports facilities in Africa is aimed at countering the former colonial powers' historic influence on the continent and at accessing new markets and audiences. Ivory Coast is just one of the policy's beneficiaries, having received new stadiums in Korhogo, San Pedro and Abidjan (whose Alassane Ouattara Stadium cost €130 million). In addition to financial aid, least-developed countries also receive support in the form of training, expertise and the provision of sports equipment, facilities and infrastructure. In these countries, the NOC and the sports movement may play a very modest role, centred round sending teams to major international competitions.

Hence, sport in least-developed countries is poorly structured, reliant on international aid and sometimes barely alive, notably in countries blighted by armed conflict (e.g., Somalia, South Sudan, Democratic Republic of Congo). It often suffers from the effects of political instability and the weakness of the state, despite its symbolic importance and the role it is expected to play in controlling society, especially young people.

The sporting cultures and sports systems of many former colonial countries still bear the stamp of Europe's imperial powers, which dominated the world in the late nineteenth/early twentieth century, when modern sport began to develop. Cricket's immense popularity in the Indian sub-continent, for example, is a legacy of British rule, while many former colonies continue to follow a French- or British-style model of sport and/or legal framework.

The main organisational models of sport, outlined above, differ in terms of the way sport is organised and funded and the dominant actors in a country's sports

system. These models shed light on the internal and external objectives countries aim to achieve through sport (nation building, promoting the country and its image, nation branding, projecting soft power, diplomacy, growing tourism). In both cases, sport may be used for political ends to legitimize the ruling regime. However, there is great variation within these models, as shown by the following description of national sports systems within Europe.

## **3.2 National Sport Configurations in Europe**

### **3.2.1 The Characteristics of National Sport Configurations**

Camy *et al.* (2004, p. 50) defined a configuration as ‘a set of interacting elements in a relatively sustainable format’, but which may evolve under the influence of internal forces and environmental factors. They suggested that national sports systems can be characterised with respect to four key parameters:

- ‘The role played by the public authorities in the regulation of the system, particularly the State as represented by the Ministry in charge’.
- ‘The degree and form of coordination of those involved in the national system’.
- ‘The distribution between the three types of providers: public, voluntary or commercial’.
- ‘The suitability of the supply to the changes in demand’. (Camy *et al.*, 2004, p. 52)

The title given to the government department in charge of sport and the ministry to which it belongs differ between European countries. Most European countries include sport within a larger ministry (e.g., education, culture, interior), with France being an exception in having a separate ministry for sport, whose remit is sometimes expanded to cover youth and charities. A sports ministry’s influence on the regulation of sport depends on its size and the country’s political system. Some sports ministries define sport’s mission within the country and structure the national sports system by defining each actor’s role and responsibilities. For example, Spain’s and France’s sport ministries require their country’s NFs to carry out public service missions in return for the public support they receive. The sports ministry may impose conditions federations must fulfil to benefit from financial support, publicly funded sports facilities and personnel provided by the state. It may go as far as setting frameworks that clubs/NFs must follow, including requirements for sport instructors/supervisors (e.g., mandatory qualifications and training for professional or high-level coaches). Analyses of national sports strategies show that governments try to orient sports organisations towards certain objectives, notably increasing participation in sport and achieving success in elite competitions.

However, these objectives are generally intended to contribute to wider goals, such as increasing national prestige and diplomatic influence, improving education,

health and national cohesion, reducing inequality, boosting the economy and tourism, increasing employment, facilitating social-professional integration and improving quality of life in general. Whether a country's government is centralised (as in France) or decentralised (as in Germany and Switzerland) may explain different modes of public intervention. In the case of federal states (e.g., Germany, UK, Italy, Spain), the national authorities may focus on key parts of the country's sports policy (e.g., supporting elite sport and general national strategy) but not interfere in the sports movement's managerial role, even when the state allocates large sums of public money to sport (as in Germany and Switzerland).

The second parameter is the degree and form of coordination between actors within the national system. Some countries' sports systems have no formal structure and no organised coordination between actors, each of which is totally autonomous. Other countries have highly coordinated sports systems. The form this coordination takes is also important. Coordination may be accomplished by a supervising authority or an ad-hoc regulatory body. Many European countries have specific and sometimes very detailed sports legislation. This coordination function may be accomplished by a specific actor or according to a shared model of governance, that is, a consensus reached following detailed discussions between all the actors concerned.

Camy *et al.*'s (2004) third parameter is the distribution of roles and forms of collaboration between public, voluntary (non-profit sports movement) and commercial sport providers (ranging from professional sports event organisers to for-profit leisure sport providers). In fact, it is the relative weights of these three components that characterise a national sport configuration.

The fourth parameter is that the sport offers the ability to adapt to changes in demand. What is the level of inertia when new demands appear? Are there mechanisms that allow the system to respond quickly and effectively? How do public, non-profit and commercial actors react? What are their respective market shares?

### **3.2.2 The Four Most Typical Configurations in Europe<sup>8</sup>**

Camy *et al.* (2004) used these parameters to identify four 'basic' national sports configurations found in Europe, which they labelled bureaucratic, missionary, entrepreneurial and social.

A bureaucratic sports system is one in which the public authorities take a leading role in regulating sport and sport is governed by specific legislation. Consequently, the non-profit sports movement acts by 'delegation' and is subject to explicit government oversight. Social partners (employer organisations and trade unions) are often weak or non-existent, and users/consumers and private entrepreneurs have little impact on the implementation of sport policies. The state intervenes heavily in elite sport and assists sports that do not have large enough economies to professionalise fully (by providing financial aid and expert staff). Elite athletes may be given financial security through employment contracts with state services (e.g., in education or the armed forces) or public companies. The bureaucratic configuration is the

most common configuration in Europe, especially since the mid-2000s, when the EU admitted 12 new member states, most of which have bureaucratic sports systems. Many of these new EU members are former members of the Soviet Bloc, and their sports systems retain many of the characteristics they had under communist rule when the state and the public sector were the only actors in what were 'pure' bureaucratic sports systems.

The missionary configuration is characterised by the dominant presence of a non-profit sports movement with great autonomy to make decisions. The state and local authorities delegate responsibility for sport policy to the non-profit sports movement, although the public authorities are increasingly requiring sports organisations to pursue public policy objectives in return for the substantial public funding they receive. Social partners play little or no role in the system, and power is concentrated in the hands of unpaid, elected officials. Users are rarely considered as consumers, and private enterprises remain on the margins of the dominant system, with the importance of their role depending on the extent to which sport contributes to the country's tourist industry. The non-profit sports movement oversees most elite sport. Elite athletes in individual sports are responsible for managing their careers, even if they receive public support. Culturally, they are not considered products of the state, but as individual entrepreneurs or products of society. The former perspective typifies Great Britain and Switzerland, where elite athletes are seen as 'self-made men and women', whereas the latter perspective is typical of Germany, where people view sporting excellence as a facet of social excellence (Faure and Suaud, 2015).

A sports system has an entrepreneurial configuration when regulation emanates from the social or economic 'demand' for sport, and there are few obstacles preventing the market from regulating the offer–demand relationship. The public authorities' main role is to provide a framework in which market forces can operate. The non-profit sports movement must adapt to the market's requirements, as set by private entrepreneurs, and try to maintain its position in this context by systematically rationalising and adjusting its offer to the demand. This demand is not exclusively, or even primarily, commercial, but whatever its source the demand compels providers to reconstruct their offer. Nevertheless, the authorities may use public and semi-public money (from a lottery and/or online betting) to fund non-professional elite sport. Governments are increasingly adopting this approach to win medals and ensure the country has a good international ranking.

The social configuration is characterised by the presence of social partners within a multifaceted system in which no single actor is dominant. Rather, there is cohabitation/collaboration between public, non-profit and commercial actors. Unions and employer organisations play a leading role in the system's governance. Although there may be major disagreements between sport's main actors, their shared aim is to maximise the 'common good' that sport brings.

These configurations are ideal types, and most countries' sports systems have characteristics of two or more configurations, even if one configuration is dominant. In addition, some countries, especially those in Eastern and Central Europe,

have seen profound changes, if not revolutions, in their national sports systems' configurations. The bureaucratic configuration, in which the state (or a public agency highly dependent on the state) plays a key role, appears to be the most common type of sport system across Europe. As Camy *et al.* (2004, p. 56) noted, 'the arrival of ten new member states in the European Union, all with a bureaucratic configuration, makes this domination particularly evident'. This is partly because, during the Soviet era, all Eastern and Central European countries had pure bureaucratic configurations in which 'the State was the high-exclusive player in sport' (Camy *et al.*, 2004, p. 56). Despite the quasi-generalised dismantling of these Soviet-era sports systems and the development of an ever-larger commercial leisure-sports sector, the state continues to play an important role in these countries' sports systems.

The changes occurring within Western Europe's sports systems are more complex (Camy *et al.*, 2004). Commercial actors are growing in importance in all these countries' sports systems, whatever their configuration. In countries with a missionary configuration and a very strong non-profit sporting culture, such as Denmark, Sweden, Germany and Switzerland, the non-profit sports movement is putting up stiff resistance. These countries have a long history of opposing the 'commercialisation' and professionalisation of sport (marked by an increase in the number of paid staff carrying out important tasks). Non-profit sport and its volunteer culture have such a strong hold on society that there is currently little risk of the non-profit sector losing its position, although the transformation and digitalisation of societies could change the situation.

Western European countries with bureaucratic configurations are seeing different changes. Some countries are evolving towards a hybrid social-bureaucratic configuration. In France, for example, social partners have had a greater say in the decision-making process since 2006, thanks to a national collective agreement for sport and the sports ministry's desire to give them an important role in organising sport, especially in the field of professional training and in finding a more consensual governance involving all the main actors in French sport. These moves have altered the balance within France's sports system, even though it is still dominated by the sports ministry.

According to Camy *et al.* (2004, p. 57), in other countries

like Spain, Greece or Belgium, the growing scale of the commercial sector is not without impact on the way that traditional players perceive their situation, as a 'fortress under siege'. However, we cannot really talk about a drift towards an entrepreneurial configuration – quite the opposite, in fact. The State or autonomous communities in federal countries seem to be consolidating their positions and streamlining the operation of a sector which, through lack of resources, had been administrated 'minimally' ... The arrival of the social partners is very limited at present, even though this is becoming more marked through the signing of collective agreements in professional sport and the commercial leisure sector, in particular.

There are also a few specific cases, especially Italy, whose sports system has a mostly missionary configuration, albeit with similarities with the bureaucratic configuration. Here, the non-profit sport movement's supervisory body, the Italian National Olympic Committee (CONI), was a public body until 2004. In contrast to other countries with missionary configurations, such as Germany and the Scandinavian countries, Italy's non-profit network has tended to be less-well organised, less powerful and less autonomous. In addition, commercial and semi-commercial bodies are highly present, although the state and regional authorities continue to play a major role. For example, in 2018 the government passed a law that would have taken away CONI's control over the public resources it receives to carry out its Olympic missions.<sup>9</sup> The ensuing row between CONI and the Italian government was eventually resolved in CONI's favour when the IOC threatened to withdraw the 2026 Winter Olympic and Paralympic Games from Milan-Cortina if the Italian government did not back down.

Europe's first national sports systems had missionary configurations because they were controlled by the federated non-profit sports movement. The bureaucratic system was the second configuration to appear, emerging when Western European governments, followed by Europe's communist states, began using sport for nationalist purposes (win medals). In addition, many countries have incorporated 'entrepreneurial' (privatisation and commercialisation of leisure activities and spectator sport) or 'social' (growing importance given to social dialogue between employers' organisations and trade unions) positions into their sports systems. However, the absence of extremely large organisations in the sports sector, which comprises mostly very small organisations (fewer than ten staff), means that union membership is low, and employers have little organised representation and therefore little collective power.

The United States is probably the only country to have adopted a predominantly entrepreneurial configuration, which has given rise to a flourishing professional sector and a weak non-profit-federation sector centred round competition. The United Kingdom, as a result of Margaret Thatcher's policies, has also left a lot of space for private entrepreneurs to develop a sports services market. When Camy *et al.* (2004) conducted their study, the social configuration was a very recent development, because it requires either social partners who are sufficiently powerful within sport to impose their presence or the public authorities to give social partners a central role in the sports movement. Social partners do not need to be the dominant actors in a sports system for it to have a social configuration, rather they work alongside other actors including the non-profit sports movement, the public authorities and the representatives of professional and commercial sports organisations (Camy *et al.*, 2004). This move from a hierarchical approach to national sports system governance to a more-horizontal approach is also becoming perceptible, albeit to a lesser extent, in the other three configurations.

The EU's adoption of a specific sport policy and the publication of numerous studies on European sport (Vocasport programme, Erasmus+ Sport programme, etc.) has triggered a gradual convergence between Europe's national sports

systems, driven both by mimicry (comparing and sharing experiences) and by the EU's efforts to promote the European model of sport (e.g., quest for harmonisation and shared operating principles with respect to organising professional branches, social dialogue, professional training and inclusion and education through sport). Nevertheless, some singular configurations remain due to the weight of historical factors and the importance a country's government attaches to physical and sporting activities.

### **3.2.3 Four Examples: England, France, Lithuania, Switzerland**

The following sections present four European countries with different characteristics and configurations, as well as with very different relationships with the EU: France, a founding member and historic pillar of the EU; Lithuania, a former Soviet republic that joined the EU in 2004, after becoming an independent country; the United Kingdom, which left the EU in 2021 and whose economic and social crisis has worsened since then; and Switzerland, which remains outside the EU but cooperates strongly with it. Switzerland is also home to most of the world's IFs.

#### **3.2.3.1 France: A Bureaucratic Configuration in Transition**

The 'French model' of sport has historically been characterised by extensive intervention by the public authorities and the sports ministry. The National Agency for Sport (ANS), created in 2019, brings together the sports ministry, the sports movement (France's NOC and NFs), regional and local authorities and the business and social worlds. It decides the orientations and rules of the agency's intervention in French sport and coordinates funding for grassroots and elite sport. The ANS is funded by a 5% levy on sport broadcasting rights (85% of which come from professional football) and a levy on all forms of sports betting in France. Local authorities, especially municipalities, are key actors in sport because they own 80% of France's sport facilities and provide more than 90% of public support to sport. Despite the complexity (heterogeneity of actors) and limitations of French sport governance (notably its highly centralised system and the public authorities' inability to bring together different actors in the sport and physical activity sector), the French model has evolved significantly.

The professionalisation of sports clubs has accelerated over the last three decades, partly due to a law requiring paid instructors/coaches to have a recognised qualification and to numerous publicly funded programmes to help sports organisations, especially non-profit organisations, hire professional staff. The number of sports companies almost doubled between 2008 and 2017, and more than 160,000 people now work in the private sector, which has 23,000 employers, 80% of which are non-profit associations. A third of the people who work in this sector (58,000) are non-salaried (e.g., ski instructors); the remaining two-thirds (102,500) are salaried (Lepetit and Rougier, 2022). The creation of a national collective agreement



for sport in 2005 led to a general social dialogue in the non-profit private and commercial sectors. Although these changes were accompanied by the introduction of a more-shared governance model and move to professionalise sports clubs, the French system remains very bureaucratic with strong state control over the sports movement (Scelles, 2017).

French institutional and Olympic sport still obtains most of its funding from public and semi-public sources (€20 billion invested and 102,000 state employees according to a 2022 study by BPCE). During the 2010s the state improved its social-economic aid for elite athletes, especially in terms of vocational guidance (easier access to certain higher education programmes, help finding work with flexible hours, etc.) and protection against the risks associated with a top-level sporting career (better social protection for elite athletes in individual sports since 2016<sup>10</sup>).

As well as being home to some of the world's biggest annual sports events, including the Roland Garros tennis tournament, the Tour de France and the Six Nations rugby tournament, France has a long-standing strategy of bidding for prestigious one-off events, beginning with the 1992 Winter Olympic and Paralympic Games. Since then, the country has hosted, among others, the 1998 Men's Football World Cup; 2003 Athletics World Championships; 2007, 2014 and 2023 Rugby World Cups; 2016 Men's European Football Championship; 2018 Ryder Cup; 2019 Women's Football World Cup; and many world and European championships. It intends to continue hosting international events, notably the 2030 Winter Olympics (to be shared between the Auvergne Rhône-Alpes and Provence-Alpes-Côte d'Azur regions). At the same time, France has developed major events in several new sports, including the Ultra-Trail du Mont Blanc, Nice Ironman and Montpellier International Festival of Extreme Sports. Host cities/regions are keen to support these events as a way of boosting their tourism profiles in a country that is already the world's most popular tourist destination.

France draws on its state-supported model of elite sport, established in the 1960s, to strengthen its position in the world sporting hierarchy. To help achieve this goal, the government employs 1,600 'technical sport advisors' to work within France's NFs (79 NFs benefit from this support). In addition, six of these NFs (football, rugby, basketball, volleyball, handball and ice hockey) run professional leagues whose clubs operate their own training centres, many of which are of the highest international standard. Consequently, French clubs are able to export players to Europe's biggest clubs, a trade that has grown massively since the 1995 Bosman Ruling on the free movement of athletes within the EU and become a major source of revenue for clubs. France's training expertise has also made it one of the world's top nations in most major team sports, especially football, rugby union and rugby sevens, basketball, handball and volleyball. In individual sports, France's elite-oriented state-sponsored sport model and elite athlete training institute (National Institute for Sport, Expertise and Performance – INSEP) ensure it wins international medals in traditional Olympic sports, many of which have low levels of professionalisation (e.g., canoeing, fencing, swimming, track cycling, mountain biking and

judo for the Summer Olympics; downhill skiing, figure skating and, particularly, biathlon for the Winter Olympics). For example, France won 42 medals at the 2016 Rio Olympics and was ranked seventh in the medals table. The country's relatively poor performance at Tokyo 2020 (33 medals, including 10 golds, and eighth place in the medals table) led the government to change its objective for the Paris 2024 Olympic and Paralympic Games from winning 80 medals, as the sports minister announced when France has attributed the Games, to finishing fifth or higher in the medals table. At the start of 2024, the French government announced its aim of turning France into a 'sporting nation' by convincing another 3 million people to take up sport, on top of the 3 million people who started doing sport between 2017 and 2024. Around 1.5 million young people have benefited from the 'Pass' Sport' scheme, which pays the first €50 of sports club membership fees for all young people below the age of 18.

### 3.2.3.2 *Lithuania: A 'Europe-Compatible' Bureaucratic Configuration*<sup>11</sup>

Lithuania, a republic with a population of three million people, gained its independence from the Soviet Union in 1990. In April of that year, it set up the Department for Physical Education and Sport (DPES) but the government changed the DPES's status from an independent department to a component of the Ministry of the Interior in 2010. A new Law on Sport, passed in 2018, transferred responsibility for formulating, coordinating and implementing sport policy to the Ministry of Education, Science and Sport, which now oversees physical education in all educational establishments. The law also defines the roles and competencies of the various actors within Lithuania's sports system.

Lithuania is currently implementing a sport development programme for 2022–2030, with the objective of improving the country's performance in major competitions. The total government budget for sport is €68.8 million, divided between high-level sport (€29.3 million), physical activity (€10.5 million), sport infrastructure investment and maintenance (€25.2 million) and 'other' (€3.8 million).

The National Sport Agency (NSA), created in July 2022, has a budget of €60 million that it uses to implement the government's sport and physical activity policy, which has four main objectives: (1) Create the conditions for effective athlete training; (2) Increase physical activity among Lithuanians; (3) Improve and expand Lithuania's sport infrastructure; and (4) Create the conditions needed to allow sports organisations to improve the quality of their activities. The NSA also distributes public funding to 66 NFs (the amount each NF receives depends on several criteria) and to physical activity projects and programmes. Another of its roles is to develop cooperation between Lithuania's NOC, the Lithuanian Union of Sport Federations and the Association of Lithuanian Municipal Sports Managers. It also maintains links with the country's 78 NFs and 1,164 sports clubs (2022). Lithuania's NFs are run by elected volunteers, and volunteers run most of the country's sports events, although sports clubs currently have insufficient volunteers.

On the local level, Lithuania's 60 municipalities (12 cities and 48 districts) are responsible for developing sport and running the country's 91 Sports Education Centres, to which municipalities allocate a large part of their sport development budgets. In 2022, these centres enabled 40,656 children and youth to take part in sports activities as part of their informal education.

Basketball and football are the country's most popular team sports. The Lithuanian Basketball League is an independent organisation but has a contractual relationship with the Lithuanian Basketball Federation. A Lyga, Lithuania's top professional football division, is run by the Lithuanian Football Federation.

The private sector also plays an important role in Lithuanian sport, as shown by the growth in private clubs (especially fitness clubs), substantial private investment in sports facilities and abundant patronage and philanthropic projects. Thus, post-Soviet-Union Lithuania built its national sports policy along similar lines to national sports systems in the European Union and the European model of sport, albeit with far fewer resources.

### *3.2.3.3 United Kingdom: A Hybrid Configuration with Massive Support for Elite Sport<sup>12</sup>*

The United Kingdom has a population of 67 million. Its sports system is characterised by strong government intervention at both the elite and mass sport levels. 'Sport' has been housed within the Department for Culture, Media and Sport since 1997 – the first time the word 'sport' appeared in the name of a UK government ministry. This department provides resources to UK Sport, an arm's-length government body that funds both elite sport, including Olympic athletes and grassroots sport. Each of the United Kingdom's constituent nations has its own grassroots funding body: Sport England, Sport Scotland, Sport Wales and Sport Northern Ireland. UK Sport is central to the United Kingdom's ambitions in terms of performance in elite sport competitions and hosting major sports events, which the government sees as major drivers of UK soft power. Consequently, it has increased funding for elite sport sixfold in the last two decades, from £37 million at the time of the Sydney 2000 Olympic Games to £221 million for Tokyo 2020. This increased funding has produced a substantial return in terms of Olympic medals, as Great Britain has ranked fourth, third, second and fourth in successive Summer Olympic Games since Beijing 2008. However, this elite-level success has not led to a rise in grassroots sport and physical activity, even though the British government has invested around £323 million in this area every year since 2015.

A strategy of hosting major international sports events has resulted in the United Kingdom being chosen to stage the 2010 Women's Rugby World Cup, 2012 Summer Olympic and Paralympic Games, 2015 Commonwealth Games, 2019 Athletics World Championships, 2019 Cricket World Cup, 2025 Women's Rugby World Cup and 2027 Men's Rugby World Cup. Moreover, it is home to the world's most popular and richest professional football league (English Premier League),

which attracts huge amounts of foreign capital (shares in clubs and international media rights).

The largest providers of grassroots sports in the United Kingdom are local councils, private companies (especially gyms), non-profit organisations and, increasingly, universities. However, government austerity measures and the rising cost of living have considerably reduced local authorities' revenues and led to a deterioration in the provision of public sport spaces and facilities.

### 3.2.3.4 *Switzerland: An Evolving Federalist Missionary Configuration*

Switzerland is a federal state with approximately nine million inhabitants. Its sport model is founded on two important principles: its NOC's (Swiss Olympic) and NFs' independence from the state and each canton's autonomy in implementing sport policy (Chappelet and Mrkonjic, 2011). Local and cantonal authorities invest substantial sums in sport, directly and indirectly, whereas the national government's contribution focuses on Switzerland's two national sport schools (including Macolin, Switzerland's main training centre for elite athletes), its flagship Youth + Sport programme (financial support for training coaches and running sport courses in clubs), the construction and renovation of national-level sport facilities and support for hosting international sports events.

The Federal Department of Defence, Civil Protection and Sport draws up national sport policies but entrusts their implementation to the Federal Sports Office (OFSP), created in 1999. In 2000, the OFSP published a strategy document called the 'Concept of the Federal Council for a Sport Policy in Switzerland', which sets out five strategic objectives for developing sport: (1) Increase the proportion of the population who do regular physical activity; (2) Use the possibilities sport offers for education; (3) Support talented young athletes and elite sport; (4) Harness sport's economic potential; and (5) Make sport a training ground for the sustainable development of society. Support for professionalising Switzerland's NFs is more recent and takes the form of financial incentives to meet goals laid out in performance contracts between Swiss Olympic and individual NFs. Swiss Olympic obtains most of its funding from national lotteries and central government. The amount of support it provides each NF is based on performance agreements and criteria such as an NF's contribution to elite sport results (e.g., at Olympic Games) and the popularity of its sport (measured by club membership and number of Swiss television viewers). Switzerland's NFs cover more than 150 disciplines and have more than two million active members. The NFs with the largest numbers of individual members are football, gymnastics and the university sport federation (Lamprecht *et al.*, 2017). Three NFs (football, ice hockey, skiing) obtain more than half of their revenues from sponsorship and media rights (Kempf and Lichtsteiner, 2015) and therefore rely on (direct) public support for only a small part of their income. Only football and ice hockey, which enjoy the most media coverage and have true professional leagues (compared with basketball, floorball and volleyball, which have semi-professional leagues), receive significant sums

from Switzerland's sports lottery but not from the Swiss Olympic. Swiss Olympic is one of the NFs' main partners in developing Swiss sport. National regulation of sport is the responsibility of two specialist foundations (Swiss Sports Aid and Swiss Sport Integrity) and an accident-prevention organisation, but these organisations have limited resources.

Switzerland's sports system, with its traditional reliance on volunteers (four times as many volunteers as paid staff), has what can be termed an evolving missionary configuration. The sport and Olympic movement have great decision-making autonomy, but public regulation and funding have increased significantly in recent years. Indeed, public expenditure on sport increased fourfold between 1972, when the first Federal Law on Sport was passed, and 2011, when the federal law was revised, and doubled again between 2011 and 2020. Despite these increases in public support, elite athletes in individual sports have no official status and therefore no specific social security regime, and they receive little financial support from the state to help them train. Consequently, the non-profit sector, notably its four main actors – clubs, NFs, Swiss Olympic and IFs – generate most of Swiss sport's economic impact. The numerous IFs that have their head offices in Switzerland account for 18% of this economic impact through their combined annual turnover of CHF 3.6 billion (Rütter *et al.*, 2016). Swiss sport also has a thriving commercial sector thanks to its large ski, fitness and leisure sport markets.

Despite being home to fewer than ten million people, Switzerland has ambitious objectives in elite sport, including ranking among the top eight nations at Winter Olympic Games (which provide approximately 60% of Switzerland's Olympic medals) and among the top 25 nations at the Summer Olympics. Although most of Switzerland's Olympic medals come from sports in which the country has traditionally excelled (shooting, cycling, tennis, skiing), since 1988 it has also won numerous medals in new Olympic sports and disciplines (beach volleyball, mountain biking, ski cross, snowboard). Switzerland bid to host the 2030 Winter Olympics, the first time an entire country, rather than an individual city or region, has bid for the Games. However, the IOC rejected Switzerland's bid for both the 2030 and 2034 Winter Olympics.

### **3.3 Widely Differing Models Outside Europe**

The following section describes four very different sport configurations adopted by countries outside Europe. Australia and Canada have 'federalist European' models (Section 3.3.1), while China has adopted a state-run and authoritarian system with the aim of becoming a sporting superpower. Its events-hosting strategy has resulted in Beijing being the only city in the world to have hosted both the Summer and Winter Olympic Games (Section 3.3.2). Tunisia is an example of a bureaucratic system in North Africa that has been greatly weakened by the political, economic and social crisis that has engulfed this region (Section 3.3.3). Uganda is a former British colony that was ravaged by civil war following independence. Despite being one of the world's poorest countries, it is gradually structuring its

sports system with the few resources available (Section 3.3.4). South Korea is one of Asia's most advanced sporting nations, alongside Japan. Its bureaucratic sports system incorporates features specific to Asia with elements of the European model of sport (Section 3.3.5). Sri Lanka, a country undergoing reconstruction, has an unintegrated and failing sports system (Section 3.3.6).

### **3.3.1 Australia and Canada: 'Federated' European Models**

#### **3.3.1.1 Australia: A Federated Model Based on the European Model<sup>13</sup>**

Australia is a federal country with a population of 26 million people. Its sports governance system is also federal, going from national bodies to state/territorial bodies, which work with local and regional councils. The Australian Sports Commission (ASC), which encompasses the Australian Institute of Sport (AIS) and Sport Australia (SA), oversees national-level governance. AIS and SA are responsible for participation and high-performance sport, respectively, and provide support and funding to sports organisations, clubs, athletes and sport-related infrastructure. The federal government also supports Sport Integrity (anti-doping and integrity advisory body) and the National Sports Tribunal. The next layer consists of state and territory Institutes/Academies of Sport (high performance), sport and recreation departments (participation) and local/regional councils (community level).

Individual sports are delivered through national and state sports organisations and clubs, most of which are non-profit bodies. Many sports (e.g., Australian rules football, football, cricket, netball, rugby league, rugby union) have professional leagues, including for women. Australia's sports ecosystem also includes schools, commercial operators, sole practitioners and many other service providers and community groups.

In 2022 the ASC published its strategic vision for the coming decade. Entitled 'Our Green and Gold Decade of Opportunity', it focuses on major sporting events and the build-up to the Brisbane 2032 Olympic and Paralympic Games (e.g., 2029 Women's Rugby World Cup, 2031 Men's Rugby World Cup and Australia's now-cancelled bid to host the 2034 Football World Cup). This strategy is separate from but aligned with Australia's High-Performance 2032+ Sport Strategy, aimed at optimising outcomes and ensuring sustainable success for sports included in the Summer and Winter Olympics and Paralympic Games and Commonwealth Games. The ASC is currently (2023) supervising the development of a complementary strategy for increasing participation in sport. Fostering meaningful respect, recognition and engagement with Aboriginal and Torres Strait Islander peoples, communities and culture is a fundamental principle for all of Australia's sport-related strategies.

Although the ASC partners with the Australian Olympic Committee, Paralympics Australia and Commonwealth Games Australia, these three entities operate independently of government bodies. For example, the AOC has often



criticised federal government policies, funding and strategy, decrying an AUS\$2 billion funding shortfall and calling for an overhaul of the way sport is managed at the federal level.

### *3.3.1.2 Canada: A European Model of Sport Collaborating with American Professional Sport<sup>14</sup>*

Canada, a country of 38 million people, has a federated sports system based on the principles of the European model of sport. The federal sports ministry, known as Sport Canada, supports national sports organisations and athletes who represent Canada on the international stage through a variety of policies (e.g., Aboriginal sport, women in sport, hosting policies) and funding programmes (e.g., athlete assistance programme, sport support programme, hosting programme). A body called Own the Podium determines elite athletes' and sports' international medal potential and passes this information to Sport Canada, which uses it to guide its funding decisions for current athletes and the next generation. The Canadian Olympic Committee has also begun supporting national sports organisations under its purview by providing funding and in-kind resources. However, national sports organisations generally receive most of their income from commercial sources and membership fees (Parent *et al.*, 2019).

Finding the most appropriate balance between sport participation and elite sport is a key tension throughout the system and is illustrated by the different iterations of Canada's sports policy. Own the Podium was created in 2005 to ensure Canada won at least one gold medal when it hosted the 2010 Vancouver Winter Olympic Games. However, falling levels of sport participation and Canadians' increasingly sedentary lifestyles led to calls for action to promote grassroots sport. Consequently, Canada's sport policies since 2002 have included more grassroots policy goals.

Provincial and territorial governments oversee sport in their jurisdictions and talk directly to their cities (which the federal government cannot do without permission from the provincial or territorial authority). Provincial and territorial governments exhibit different levels of involvement in their local sports organisations and impose different requirements on them. Some provincial/territorial governments, such as Quebec, are quite advanced in their governance requirements and the resources they allocate, whereas others, such as Prince Edward Island, are very small and have low capacity. Despite their differences, the provinces and territories come together every two years for the Canada Games, a national multisports event similar to the Winter Olympics.

However, most participants interact with the sports system at the local level through community or local sports organisations. These bodies, like their federal and provincial/territorial counterparts, are non-profits. They rely greatly on volunteers and fund their activities mostly from membership fees and municipal government support. A few sports, such as ice hockey, basketball, football, figure skating and martial arts have for-profit clubs or academies.



Ice hockey has a full for-profit structure, starting at the junior level, which feeds into the professional National Hockey League. Basketball and football are starting down a similar path, with junior or semi-professional clubs feeding into, respectively, the NBA and Major League Soccer. Baseball, American football and Canadian football (whose rules differ from American football) also have professional leagues, namely Major League Baseball, National Football League and Canadian Football League. These leagues cover the United States as well as Canada. Canada should have its own women's professional soccer league in 2025. The professional leagues' ownership structures (with team owners, boards of governors and commissioners) differ from Canada's federated non-profit structure and from the structure of Europe's professional leagues, as they do not usually have regulation systems – at least not yet.

Canada's university sports federation, called U SPORTS, is much smaller than Canada's largest NFs (e.g., Hockey Canada, Skate Canada, Curling Canada) and is less popular and has fewer resources than its American counterpart, the NCAA. In addition, the Canadian university system puts the emphasis on student-athletes, rather than on athlete-students. Nevertheless, U SPORTS plays an important role for most Canadian sports by training the best student-athletes.

### **3.3.2 China: A State-Controlled and Authoritarian Model Focused on Elite Sport<sup>15</sup>**

China is a one-party communist state with a population of 1.4 billion people (approx. one-sixth of the world's population). It has a centralised sports system that has become multi-level (national, regional, local) and multi-channel (public authorities, universities, sponsors). China's 'Olympic Strategy' drawn up in the 1980s focused all available sport resources on elite sport, with slogans such as 'Let national competitions serve the Olympics' and 'Training athletes in Chinese competitions and preparing them to fight for China in international games'. Concentrating government funding on elite sport meant that grassroots sport received just 1.88% of China's national and provincial sports budgets between 1990 and 1999, but it catapulted China to the top of the Olympic medals table at unprecedented speed, from fourth place (Los Angeles 1984, 15 gold medals)<sup>16</sup> to first place (Beijing 2008, 51 gold medals) in just 24 years. China had not only become a sporting superpower; it had beaten the United States, the symbolic goal for which its entire elite sports system had been built.

China's sports system remains largely dependent on government funding, even though it also has commercial and sponsorship revenues and receives lottery funding (introduced in 1998). County, city and provincial sports schools form the base of the elite-system pyramid. After several years of training, approximately 12% of the sports schools' most talented athletes go on to represent provincial teams (400,000 athletes) and some become full-time athletes (46,000 athletes). The best of these athletes progress to the country's national (16,000 athletes) and Olympic (3,200 athletes) teams. The national and/or provincial government and, in some

cases, sponsors, pay these athletes' wages, bonuses and pensions. Elite athletes earn, on average, approximately €400 per month, but stars can earn several hundred thousand euros a year in bonuses.

Since China created its elite sports system in the 1980s, all sports schools have had excellent training facilities (gymnasiums, football pitches, basketball courts, swimming pools and table tennis courts). Historically, these facilities were the fruit of investments by local sports commissions, so members of the public also had access to them, even if priority was always given to training young athletes. Every province provided its sports teams with a training camp, usually in the provincial capital. There are also several national training centres in Beijing, and each national team has its own training camp outside the capital. These training camps have first-class facilities, funded jointly by the local government and the general sports administration. Universities also provide training venues and facilities for national teams, such as the training centre created by Beijing Sport University in 2006.

China has long been proud of its elite sport administration system, training methods and stance on gender equality, which have been very successful in bringing through elite athletes of both sexes. The goal of China's strategy is to demonstrate the superiority of socialist ideology by 'producing' exceptional male and female athletes capable of winning gold medals at the Olympic Games and world championships. However, China's elite sports system has seen two major changes since the 2008 Olympic and Paralympic Games: the development of commercial professional championships and the naturalisation of elite athletes.

The Chinese Football Association launched a new professional league in 2004. Modelled on England's Premier League, the league's clubs are owned by Chinese companies and funded by rich Chinese entrepreneurs, who attracted a large amount of foreign talent (the league has now set limits on the number of foreign players). China's professional basketball league, created in 1995 and known as the Chinese Basketball Association, is run according to NBA rules. China's third professional sport is table tennis, which has deep roots in China's sporting culture (between 30 million and 50 million competitors). The country's professional table tennis league, created in 1995, has included several foreign players since the late 2000s. Its clubs are well-funded by public bodies and public companies.

For many years, China's national teams included only athletes who had been born in China. This changed in 2016, when the government decided to grant, under certain circumstances, citizenship to foreign-born footballers (China's president, Xi Jinping, who came to power in 2013, strongly supports football) and athletes capable of ensuring success for China in the 2022 Olympic and Paralympic Games. This policy had the greatest impact on ice hockey, as 15 players in China's men's team and 13 players in its women's team for the 2022 Olympics were born outside China. In figure skating, Zhu Yi gave up his American citizenship to compete for China in Beijing 2022, and the Chinese American freestyle skier Gu Ailing became a superstar at these Games by winning two gold medals and a silver medal for China. China won a total of nine gold medals, four silver medals and two bronze

medals at the 2022 Winter Olympics to finish in third place, just ahead of the United States.

A policy document published by China's sports ministry in 2019 set out five areas the country had to prioritise for it to become a sporting superpower: fitness for all, elite sport, commercialising sport, developing a sports culture and sports diplomacy. China's determination to top the Olympic medals table has played an important role in the country's political life by demonstrating its ambition to be not only one of the world's economic and political superpowers but also a sporting superpower.

### **3.3.3 Tunisia: A Bureaucratic Model Weakened by Crisis<sup>17</sup>**

Tunisia, a country of 12 million people, gained its independence from France in 1956. It has a government-controlled, authoritarian, bureaucratic sports system with strict rules, regulations and procedures (Zaoui and Bayle, 2018). The Ministry for Youth and Sport implements government policy on youth, sport and physical education and draws up plans and programmes to promote these sectors. Following a 5.63% increase compared with 2022, its budget for 2023 accounted for 1.61% of the government's total spending. It allocated 22.11% of this budget to youth, 22.29% to sport, 48.88% to physical education and 6.70% to leadership and support. In terms of expenditure, wage costs take up 66% of the budget and administration costs account for a further 7%, with just 11% allocated to interventions and 16% allocated to investments. This centralised control gives the government extensive influence over decisions relating to sport and resource attribution, allowing it to stifle innovation and restrict sports organisations' autonomy. It also enables the government to concentrate resources on sports or development programmes aligned with national objectives, which means less-popular sports and grassroots sport are neglected. Moreover, budgetary procedures can create obstacles and delays in allocating resources.

Although this model can promote a feeling of unity and stability in sport governance, it can also smother other opinions and new ideas that could contribute to a more inclusive and innovative development of sport. Tunisia's sports system has a hierarchical structure with several levels of implementation via regional directorates, which represent the ministry in the country's 24 governorates. The ministry supervises and coordinates Tunisia's 51 NFs, which manage and regulate sport at the national level. These NFs oversee 1,906 regional and local sport bodies that look after 190,000 athletes, including 54,000 women athletes. This hierarchical structure provides a clear chain of command, but it can lead to bureaucratic delays and communication problems. Today, the government faces a pressing need to draw up a sports policy that will change perceptions of sport and the way sport is run. Indeed, a 2022 study by Tunisia's National Sport Observatory showed that 83% of Tunisians do no physical activity. Hiking is the most popular activity, but more could be done to develop its health and tourism aspects.

Supporting Tunisia's NFs is one of the ministry's main priorities. As part of the country's sports strategy, some projects have begun conditioning grant allocations on NFs' and sport associations' good governance practices: create an information platform to monitor NFs' administrative, financial and technical activities (set up a computerised management system within sports organisations); regulate the sports betting sector, notably by passing a law on Games of chance, gambling and betting (clamp down on illegal money and its impact on the development of sport); create a category of sport companies that will provide professional teams with the supplementary resources they need to become financially independent and adopt good management practices, especially in terms of transparency and governance.

Given Tunisia's poor economic situation, the ministry provides targeted support, through the NFs, to around 20 individual athletes with the potential to win medals or finish in the top 10 at the Paris 2024 Olympic and Paralympic Games. A joint ministry-NOC commission monitors these athletes closely. Despite this difficult context, Tunisia continues to produce Olympic, Paralympic and world champions in some sports, including taekwondo (Mohamed Jendoubi), tennis (Ousama Jabeur), swimming (Ahmed Hafnaoui, gold medalist at the Tokyo 2020 Olympic Games and double gold medalist at the 2023 World Aquatics Championships) and athletics (e.g., Raoua Tlili and Walid Ktila, gold medalists at the Tokyo 2020 Paralympic Games).

### **3.3.4 Uganda: A Neglected but Evolving Sports System**

Uganda has a population of around 49 million people, approximately 60% of whom are below the age of 16. President Yoweri Museveni has been in office since 1986 and runs a unitary dominant party system of governance. Per-capita income – \$1,163 – is one of the lowest (163rd) in the world. Although sport is done in schools, academic performance is a much higher priority, so most schools have inadequate sports facilities. Moreover, the interface between national sports organisations and the school system is limited.

In fact, sport has been one of the most neglected sectors in Uganda since the country gained its independence in 1962, and national sports organisations have received little or no guidance from either the National Council of Sports (NCS) or the Ministry of Education and Sports (MOES). Sports in Uganda are regulated by the National Sports Act 2023 which superseded the long-standing National Council of Sports Act of 1964. Of the 50 national sports associations registered with the NCS, 33 are affiliated to the Uganda Olympic Committee/Commonwealth Games Uganda. The Uganda Olympic Committee's primary responsibilities are to represent the IOC in Uganda, enter teams for the Olympic Games and promote Olympism. It relies on the IOC/Olympic Solidarity for about 90% of its funding (approx. \$600,000 over four years) and receives almost no support from government, except for small sums for athletes taking part in Olympic Games. For many years, the UOC's relationship with the NCS/MOES was quite 'frosty', but relations have become more collaborative in recent years.

As sport's regulator, the NCS is mandated to provide support to national sports associations. However, a long history of inadequate funding resulted in national sports associations receiving very little, if any, funding. Consequently, they had to seek support from their members, their IFs and corporate partners and sometimes relied on inputs of personal funding from their administrators. This situation has evolved since the end of the 2010s when the government began recognising sport's ability to galvanize youth. Hence, the budget allocated to sports through the NCS has progressively increased, rising from 3.1 billion Uganda shillings (\$785,000) in 2015 to 48 billion Uganda shillings (\$12.1 million) in 2023. This budget covers all national sports activities and programmes across the country. Football receives the largest share of this funding (approx. 17.5 billion Uganda shillings, \$4.4 million), while many other sports must still fend for themselves.

In terms of professional sport, Uganda has professional football, basketball and rugby leagues, and a few elite runners and boxers have managers. Some netball, football, basketball and rugby players have joined professional leagues in the United Kingdom, United States of America and France.

Uganda's colonial-era sports system and structure collapsed between 1970 and 1985 when the country went through a period of political instability that led to governance problems such as a decline in skilled manpower and infrastructure. Patronage, nepotism, ethnicity, conflict of interest, abuse of office and bad governance resulted in Ugandan sport lacking effective sports governance structures and policies for many years. However, steps are now being taken to restore and rehabilitate the sports system, with recent developments hinting at a new dawn for sport in Uganda. For example, Uganda achieved its highest-ever medal tally at the 2020 Olympic Games, with two gold medals (Joshua Cheptegei in the 5000 m and Peruth Chemutai in the 3000 m steeplechase), one silver medal (Joshua Cheptegei in the 10,000 m) and one bronze medal (Jacob Kiplimo in the 10,000 m). Uganda finished 36th in the medals table, as the second African nation behind Kenya.

### **3.3.5 South Korea: A Bureaucratic Model at the Service of Nation Branding<sup>18</sup>**

South Korea is a young democracy (since 1987) with a population of 51 million people. The public authorities play a very active role in South Korean sport, which is regulated by the National Sports Promotion Act, first passed in 1962 and subject to several revisions (the latest in 2023). The Ministry for Culture, Sports and Tourism defines South Korea's sports policy, which is implemented mostly by partner sports organisations. The Korean Sport and Olympic Committee (KSOC) and the Korea Sports Promotion Foundation (KSPO) play pivotal roles in the system. The KSOC is the umbrella body for the country's NFs. In addition to its 64 members and 7 associate members, it recognises a further 12 sports organisations (on 8 May 2023) and supports Korea's 17 provincial sport councils (e.g., Seoul Sports Council, Incheon Sports Council). In the past, its sole focus was international sports competitions, supporting NFs and training athletes with the aim

of keeping the country in the top ten in the Olympic medals table. Nevertheless, Korea finished just 16th at the Tokyo 2020 Summer Olympics and 14th at the 2022 Beijing Winter Olympics. Since 2016, when it absorbed the Korean Council of Sport for All, the KSOC has also been officially responsible for developing grass-roots sport, as required by the National Sports Promotion Act.

Founded to perpetuate the legacy of the Seoul 1988 Summer Olympic and Paralympic Games, the KSPO plays an essential role in obtaining and distributing funds for promoting sport. Its main activities are: (1) running commemorative projects for the 1988 Olympic Games; (2) managing sport promotion funding, most of which comes from the government and fundraising activities such as cycling races, speedboat racing, betting on cycling and speedboat racing and Korea's 'Sports Toto' gambling game; (3) managing sports facilities and real estate acquisitions and leases; (4) conducting sports science research; and (5) implementing other actions recognised by the Ministry for Culture, Sports and Tourism. The Korean Foundation for Next Generation Sports Talent, established in 2007 and attached to the KSPO in 2016, provides education programmes for future national-team athletes and sports administrators.

The Ministry for Culture, Sports and Tourism oversees many more public sports institutions and organisations, including the Korea Sports Association for the Disabled, the Korea Anti-Doping Agency and the Taekwondo Promotion Foundation. In the commercial sector, Korea's four professional leagues (football, baseball, basketball, volleyball) have grown considerably since the 1980s. Although these leagues can be categorised as sub-organisations of their respective NFs, the government has limited control over the most popular leagues. Following a change of government in the late 1980s, South Korea has adopted a strategy of selling the country's image abroad by hosting major international events, notably the 1988 Summer Olympics (Seoul), 2002 Men's Football World Cup (Korea and Japan), 2011 Athletics World Championships (Daegu), 2018 Winter Olympics (PyeongChang) and 2024 Youth Winter Olympic Games (Gangwon).

### ***3.3.6 Sri Lanka: A Non-Integrated and Failing Model in an Emerging Country***

Sri Lanka is a country of 22 million people with a complex social, ethnic and religious structure. It gained its independence in 1948 but remained a dominion within the British Commonwealth until 1972 when it became a democratic socialist republic. It subsequently went through a 30-year civil war that finally came to an end in 2009.

Although Sri Lanka's education and health systems are well organised and very professional, this is not the case for its national sports system, which is highly fragmented and poorly professionalised. A law passed in 1973 and revised in 1993 and 2017 sets out the national sports framework, but there is no clear division between the roles of the state and of the sport and Olympic movement, especially in terms



of organising elite sport. Nor is there an overall strategic vision or any structured and institutionalised cooperation and partnership between the sports ministry and Sri Lanka's NOC and sport federations. Nevertheless, the ministry helps finance travel for national teams competing in international competitions and the staging of international competitions. Sri Lanka hosted the South East Asian Games in 2006 and the Asian Beach Games in 2011, but its bid to host the 2018 Commonwealth Games was unsuccessful. Moreover, sport appears to be highly politicised in a very unstable political context (crisis in 2022, when the country's president resigned in the face of massive demonstrations, especially by young people). In line with Garcia and Meier's (2022) observation that sports organisation leaders in developing countries often have close ties with political parties and the public authorities, the president of Sri Lanka's NOC until 2018 also held important political and ministerial positions.

A major area of contention with the current law on sports is that it gives the sports minister the power to dissolve a national sport federation and replace its elected president and executive committee. Indeed, FIFA suspended Sri Lanka's NF in 2023 because of political interference. The IOC did not take similar action, although it has done so for other countries. Given the fragility of Sri Lanka's system, its NOC and NFs are mostly self-financed and have few resources. Nevertheless, the NOC's annual revenues have enabled it to recruit around ten young employees, although overall coordination remains in the hands of its elected leaders, particularly its secretary general (who has held the office for almost 20 years). Sri Lanka's NOC maximises its income from Olympic Solidarity by responding to all its calls for projects, whereas state aid provides just 5% of its income. It remains more focused on its Olympic education missions and leadership training than on elite sport and has recently begun paying considerable attention to sports integrity policies. For example, it has created, with state support, a very professional anti-doping agency. International cooperation agreements with countries such as Australia and South Korea provide support in the form of equipment donations, training for coaches and athlete scholarships and so on. Football is the only Sri Lankan NF that has managed to professionalise effectively, thanks to substantial help from FIFA, although Sri Lanka remains near the bottom of FIFA's ranking (204th out of 210 NFs in 2023).

Olympic and elite sport have few resources in terms of infrastructure and staff, and this has undoubtedly contributed to Sri Lanka's lack of success at the Olympic Games, where it has won just two medals, both silver (in 1984 and 2000). The Armed Forces Ministry provides support for central Olympic sports, especially athletics, by providing training facilities and coaches and recruiting former military elite athletes, and a few elite athletes train in Australia and the United States via these countries' university systems.

Cricket, which is not an Olympic sport or integrated into the NOC, is by far the most popular sport in Sri Lanka, where it is a veritable religion and more important than any Olympic sport. In fact, Sri Lanka is one of the world's top nations in cricket, the country's only truly professional and economically developed sport.



The current national sports system still makes insufficient use of the links with cricket and its economy, and it does little to build upon the networks abroad offered by the Sri Lankan diaspora to develop and support elite sport. Similarly, it has not exploited possible interfaces between sport/Olympism and its education system (school sport, youth competitions), health system (highly professionalised sports medicine sector) and tourism, even though the country has greater potential in these areas.

A country's national sports system impacts its ability to implement ambitious policies promoting elite sport and its success in major international competitions (especially the Olympic Games and world championships). However, sporting results are not always related to a country's sports system, as elite athletes may train in other countries (e.g., through the United States' university sports system) or through organisations unconnected with sports federations or public bodies (e.g., private academies).

### **3.4 A Nation's Sporting Success**

The Sports Policy Factors Leading to International Sporting Success (SPLISS) model, first drawn up in 2006 and subsequently improved (De Bosscher *et al.*, 2015), outlines the main factors that determine a nation's sporting success (Section 3.4.1). However, countries must also make strategic choices based on their strengths in terms of sporting culture and expertise (Section 3.4.2).

#### **3.4.1 The SPLISS Model**

According to the SPLISS model, a country's elite sport performance is built on ten pillars (Figure 3.1):

1. Financial support
2. Organisation and structure of sport policies
3. Foundation and participation
4. Talent identification and development system
5. Athletic and post-career support
6. Training facilities
7. Coaching provision and coaching development
8. International and national competitions
9. Scientific research
10. Elite sport environment, media and sponsoring

These ten pillars contribute to a nation's sporting performance through a process that combines injecting resources into a given environment, which may or may not be favourable (input), and using these resources to produce good results in major international competitions. This process involves a country's NOC, NFs and the

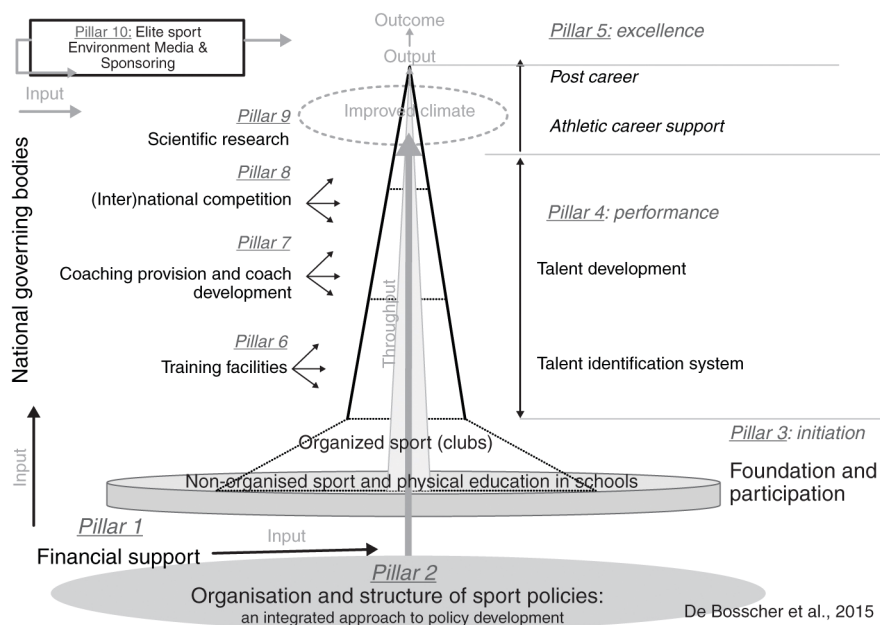


Figure 3.1 The SPLISS Model.

Source: De Bosscher et al. (2015).

state. Its ultimate aim is to generate positive impacts for the nation, such as raising its profile and/or improving its image, increasing participation in sport, building a sporting culture, instilling national pride and creating a feeling of belonging.

The following paragraphs present each of these ten pillars, as set out by the authors of the SPLISS action-research programme on steering national elite sport policies, conducted in collaboration with experts in elite sport.

### 3.4.1.1 Pillar No. 1: Financial Support for Elite Sport

This pillar describes a country's ability to fund sport in general and elite sport in particular (see Grix, 2024). Support may be public or private and direct (subsidies, provision of facilities and staff) or indirect (fiscal arrangements – e.g., tax exemptions for federations or for grants to elite athletes, providing elite athletes with jobs in the armed forces or public companies, etc.). Public subsidies include government and local authority funding and injecting lottery funding into elite sport (very common in Europe). Some sports also receive private funding in the form of media rights and sponsorship revenues. Analyses must consider the ways sports bodies (sports ministry, sports federations, NOCs, academies, private bodies) distribute and use this funding to train athletes.

#### *3.4.1.2 Pillar No. 2: Organisation and Structure of Sport Policies*

Pillar 2 concerns the way a country organises elite sport. Analyses of this pillar must include aspects such as regional policies and bodies for spotting talent (building the elite sports sector), the roles played by different actors, mechanisms for pooling competencies and resources, decision-making processes, the influence these processes have on policy, and whether operational policies are compatible with achieving strategic objectives. The presence of appropriate mechanisms to ensure elite sport bodies collaborate effectively with sponsors and the media is a key indicator of whether a country has an integrated approach.

#### *3.4.1.3 Pillar No. 3: Foundation and Participation*

Pillar 3 covers the extent and intensity of participation in sport by the population as a whole and especially by children through school sport and extra-curricular sport. What is the place of school sport and how much sport (frequency and length of physical education sessions) do children do at school? Do clubs provide conducive environments for trying and playing a sport and for developing talent? A key factor in producing elite athletes is to give young people the chance to try numerous sports, without pressuring them to specialise at too young an age. Hence, it is important to analyse the diversity of the school sport offered and the number of clubs in each discipline and for each type of sport practice (competition, leisure, etc.). The percentage of people in each age group and each socio-professional category who do sport and the regularity with which they do sport are good indicators of a country's sporting culture. These data also indicate which sports are the most attractive to different categories of people and whether a country has a general or more specialised sporting culture.

#### *3.4.1.4 Pillar No. 4: Talent Identification and Development*

Elite athletes must be supported by an elite sports sector and a system that provides advice and assistance throughout their sporting careers. It must be possible to offer talented young athletes school programmes (special sections for young athletes in schools, sport-study systems, adapted timetables, etc.) and personal development that are compatible with the demands of training and competitions. Pathways to the top level must be individualised according to each young athlete's situation and sporting objectives.

#### *3.4.1.5 Pillar No. 5: Athletic and Post-Career Support*

To enable athletes to perform at their best, the sports organisations looking after them (federation, private academy, educational establishment, etc.) must provide suitable support before, during and after their sporting careers (career transition).

Do sporting, family and school support mechanisms exist and are they coordinated effectively? Support may take various forms, including adapted study programmes, nutrition advice, medical supervision, mental preparation, legal and financial advice, media training, foreign language training and individualised exam preparation. Are people with these skills available to help young people successfully manage the three aspects of an athlete's life (sport, school and family) while coping with the demands of high-level competition (travel and time)? Are athletes offered support to facilitate their career transitions, notably retraining and help finding work? Is psychological support available to athletes when they retire from elite sport, a transition many athletes find extremely difficult? Being able to draw on the experience of former elite athletes to help future generations is a great advantage in terms of providing support.

#### *3.4.1.6 Pillar No. 6: Training Facilities*

A comprehensive, nationwide network of sport facilities is essential for countries wishing to fully realise their elite-level sporting potential. Having such a network allows athletes of all levels to train properly wherever they live. In addition, specialist elite training centres combining sports facilities with schools, medical services, accommodation and catering services enable elite athletes both to train effectively and efficiently (no time wasted travelling) and to benefit from the effects of peer emulation. Most major sporting nations have concentrated knowledge and expertise in high-performance training structures such as national training centres (e.g., INSEP in France, Macolin in Switzerland) or networks of national performance centres (United Kingdom).

Sport infrastructure investment programmes must cover renovation work on existing amenities as well as the construction of new facilities. Care must be taken to calculate the operating costs of top-class facilities as accurately as possible to ensure they can function correctly. National and regional centres for specific sports must be part of an overall training policy.

#### *3.4.1.7 Pillar No. 7: Coaching Provision and Coaching Development*

Pillar 7 is whether a country has enough coaches to provide effective training for a sport's elite athletes. It includes training systems for elite-level coaches and refresher course and continuing training mechanisms.

Coaches' profiles, competencies and experience are key for understanding their ability to accompany athletes from the highest regional level to the international level. Is the work done by coaches sufficiently recognised by employers? Are there possibilities for career progression? Do coaches have secure employment contracts? Is there a union to represent them and defend their interests in cases of conflict? These human resources issues are key for understanding a country's ability to attract, develop and retain talented coaches.

#### 3.4.1.8 *Pillar No. 8: International and National Competitions*

This pillar measures a country's capacity to host international sports competitions: Competing in a major tournament 'at home' provides extra motivation for elite athletes. Is there a national advice or support body to help regions/cities and federations stage major sports events efficiently? For example, France's Inter-Ministerial Delegation for Major Sports Events (DIGES), created in 2004, leads and coordinates the actions of national public bodies wishing to stage international sports events. Since 2020, the DIGES's director has also been the Inter-Ministerial Delegate to the 2024 Olympic and Paralympic Games. Many countries have set up this type of body to try and attract large international sports events.

Obtaining and organising major international sports events requires substantial financial resources, obtained from both the state and the private sector (e.g., sponsors and national media). The state may also help organisers by relaxing certain rules or providing specific subsidies, deficit guarantees or tax exemptions.<sup>19</sup> Another aspect of this pillar is whether a country's sports event offer enables young athletes to compete at the highest level and thereby achieve the standard needed to compete in top international events. NFs must have sufficient resources to help athletes travel to competitions. Training camps abroad (in the most competitive countries or those with the best training facilities, e.g., Japan for judo, Kenya for distance running) also contribute to this system of international progression and emulation.

#### 3.4.1.9 *Pillar No. 9: Scientific Research*

This pillar covers innovation and scientific research to improve sporting performance. Does a country have a system for sharing and applying the results of research concerning top-level sport? Who are the main contributors: universities or private and public research establishments? Are coaches made aware of research results and, if so, how? How effective is the knowledge-sharing process? What studies are being conducted in partnership with federations or with government funding? Do training bodies effectively integrate research findings and how do athletes and their coaches perceive the return on investment? Incorporating scientific advances into initial and continuing training courses for coaches, physical trainers, doctors, paramedics and managers is a key success factor.

#### 3.4.1.10 *Pillar No. 10: Elite Sport Environment, Media and Sponsoring*

Can elite athletes and their support structures count on a favourable media and sports sponsorship environment? Which sports benefit the most? Are support and attention concentrated too narrowly on just a few sports or on men's sports?

The SPLISS model has been used to analyse the sporting performances of around 15 countries (De Bosscher *et al.*, 2015). For example, in 2019 some 1,400 athletes,

750 coaches and 100 managers in Switzerland completed a questionnaire evaluating the importance of each of the ten pillars. All three groups rated financial support as the most important pillar and scientific research as the least important pillar. However, opinions differed with respect to the elite sport environment (media and sponsorship), with the athletes considering this pillar much less important than did the coaches and managers (Kempf *et al.*, 2021).

Some scholars have criticised the SPLISS model for the limitations of its variables and the causal relations established between them (Henry *et al.*, 2020). These authors called for qualitative studies to unravel the complexity within the black box that is a nation's sporting performance and to determine the effects of policies aimed at increasing this performance. Such studies would provide a greater understanding of the sport-performance strategies countries adopt based on their competitive advantages, culture and sporting strengths.

### 3.4.2 Countries' Strategic Choices

A country's elite sport strategy may be generalist (e.g., United States, Germany, France) or specialist and focus on certain Summer and/or Winter Olympic sports. For the Winter Olympics, many countries concentrate on just one type of sport, such as skiing (e.g., Canada, Finland, Norway and Switzerland), speed skating (e.g., South Korea, Japan, Netherlands) or bobsleigh/skeleton (e.g., United Kingdom) (Weber *et al.*, 2019). Empirical data show that leading nations in winter sports combine internal analyses of the resources and capacities of the disciplines they support (resource-based view) with external analyses of a sport's 'market potential' for medals and the competition for these winning medals at the Winter Olympic Games (market-based view). For example, speed skating was the sport whose market potential grew the most at the 2018 Winter Olympics, thanks to the addition of women's and men's mass-start competitions to the programme, which allowed six new nations (Belgium, United States, Italy, Japan, Norway and Russian Olympic athletes) to enter the medals market (Weber *et al.*, 2019).

Some nations' (hyper-)specialisation strategies in summer sports are shaped by the country's demographics, geography (e.g., mountain and winter sports), culture and sporting expertise. This is the case for Jamaica in sprinting, Fiji in rugby 7s, Kenya and Ethiopia in distance running, South Africa and New Zealand in rugby union, South Korea in taekwondo, Bulgaria and Armenia in weightlifting, Poland in volleyball, Lithuania in basketball and India and Sri Lanka in cricket, and so forth. Some countries may dominate a few sports due to their sporting cultures (popularity of certain sports) and the high standard of their domestic professional leagues (e.g., NBA and NFL in the United States, Table Tennis Super League in China, Indian Premier League in India), although these economically and sportingly dominant leagues are recruiting increasing numbers of foreign athletes.

After a catastrophic 1996 Olympic and Paralympic Games (36th nation with just one gold medal), the United Kingdom focused its elite sport strategy on disciplines most likely to produce Olympic medals, such as athletics, rowing and cycling,

especially track cycling. This strategy has paid off, as the country has finished in the top three in every Summer Olympic medals table since 2008. These outstanding results are the fruit of massive financial support (via lottery funds) since the 2004 Olympic and Paralympic Games, most of which are allocated to athletes and disciplines with great potential to win medals.<sup>20</sup> In addition to countries' strategies and sporting cultures, it is important to analyse the conditions elite athletes face. Journalists and researchers are beginning to examine more closely the ways athletes are treated (all-round support, including psychological and social support, versus authoritarian or even inhuman treatment), their well-being during and after their sporting careers (professional project and family life), the absence of doping (physiological, technological, etc.)<sup>21</sup> and sporting naturalisations. Athletes have also become much more willing to denounce incidences of harassment and malpractice in the media.

Some emerging countries, such as Qatar and Russia, have adopted a strategy of naturalising foreign-born athletes as a way of quickly bringing their national teams up to the highest international standard. In fact, this practice is so common that naturalised athletes won 7% of the medals at the 2016 Olympic Games (Maoski *et al.*, 2022). IFs' policies on this issue vary greatly, and naturalisation has become extremely easy and problematic in some sports. For example, the International Handball Federation's lenient rules on naturalisation (any player may change nationality if they have not played for their original national team for two years) allowed Qatar to field a team consisting entirely of naturalised players when it hosted the 2015 World Handball Championships. Qatar took the silver medal at this event. Nevertheless, sports naturalisation policies are becoming more coercive (Terretaz, Alem and Terrien, 2022). While Qatar's policy has earned the country widespread criticism, its critics often overlook the fact that naturalising talented athletes to gain sporting glory for a country has a long and continuing history, especially in Western Europe's former colonial powers (e.g., Great Britain, France, Spain, Netherlands and Portugal).

The quest for Olympic medals has turned into a veritable 'arms race' between nations that set great store on sporting performance, as shown by the large increases in the sums established sporting nations spent on elite sport between 2001 and 2011: +58% in Australia, +101% in France, + 67% in Canada, + 57% in Japan and + 36% in the Netherlands. Emerging countries such as Brazil (+210%) and South Korea (+143%) have followed similar paths (De Bosscher *et al.*, 2015). To have a chance of remaining competitive and winning medals, countries must invest more and more in elite sport, even though this cannot guarantee success (case of Finland despite an +86% increase on sports spending). China's huge investment in training elite athletes in the run up to the Beijing 2008 Olympic Games, an area in which it spent \$500 billion (Lopez, 2022), was more successful, as it enabled China to catch up with Western countries in numerous disciplines and take first place in the medals table. State bonuses for Olympic medal winners have also increased, especially in Asia's emerging countries (see inset 'Bonuses paid to Olympic medal winners').



These bonuses are a good indicator of a country or regime's support for Olympic sport and the importance it attaches to Olympic medals.

**Inset. Bonuses paid to Olympic medal winners**

According to Weliver (2023), Singapore's NOC pays the most generous bonuses to Olympic medalists, with gold medal winners earning approximately €650,000. In India, medal bonuses vary between states, with Uttar Pradesh and Haryana promising around €700,000 to gold medal winners, whereas Tamil Nadu promises around €340,000. Indonesia, which has won a total of seven gold medals at the Olympic Games, all in badminton, rewards gold medalists with €630,000. Hong Kong values an Olympic medal at €550,000. All these sums are much higher than those awarded by Western countries and the countries that have traditionally dominated Olympic sport.

France has increased its medal bonuses by more than 20% for the 2024 Olympic and Paralympic Games, so gold medal winners will receive €80,000 after tax (€60,000 for a silver medal and €20,000 for a bronze medal).<sup>22</sup> In addition, their coaches, who the state has rewarded since Tokyo 2020, will receive similar bonuses, but they will be taxable. Compared with its European neighbours, France is less generous than Italy (€180,000 for a gold medal) but much more generous than Germany (€19,000). The Swedish and British governments do not give any bonuses to Olympic medal winners.

Following an agreement signed in 2017, the United States awards gold medal winners \$37,500 (approx. €32,000). China, Russia and Japan award their Olympic champions €26,000, €50,000 and €38,000, respectively.

Andreff (2001) remarked on the very small number of Olympic medals won by developing countries and drew up a model to try and explain why this is so. Two of the model's variables – population size and per-capita GDP – had highly significant effects. In other words, the greater a country's human and economic resources, the more likely it is to perform well at the Olympic Games. Bernard and Busse (2004) increased the model's power by adding two more explanatory variables: advantage of being the Games' host country and political system (especially being a former communist country). Adding differences in sporting culture between the major regions of the world as a further variable enabled the model to correctly predict the destination of 88% of the medals awarded at the 2008 Beijing Olympics (Andreff, Andreff and Poupaux, 2008). Scelles *et al.* (2020) built on the prediction of how many medals each country would win at an Olympic Games to predict how many teams (and which ones) would overperform at Tokyo 2020 and which would underperform. Six teams overperformed (i.e., won more medals than initially predicted) and four countries, including France, underperformed.

Singleton *et al.* (2021) assessed the impact of ‘home advantage’ by comparing host countries’ performances with their performances at previous and successive editions of the Games. Their results showed that ‘home advantage has declined over time as participation and the diversity of competition have increased’. Summer Olympic Games hosts between 1988 and 2016 saw their share of medals and finalists increase by two percentage points compared with their performances away from home, and this was the case for both men and women athletes. At Winter Olympic Games during this same period, home advantage led to a 50% increase in medals in men’s events but had no effect in women’s events. Singleton *et al.* also found ‘significant performance spill overs on the previous and next Olympiads for countries when they hosted the Summer Games’. Japan’s performance at the Tokyo 2020 Olympic and Paralympic Games, where it won 27 Olympic titles and 58 medals, is a much better result than this study would have suggested. Japan finished third in the medals table, behind the sporting superpowers of the United States and China and shattered its previous record of 41 medals and sixth place at Rio 2016. However, apparent improvements/declines in a nation’s Olympic Games performance must be viewed in the light of the number of medals available in each sport and the number of countries competing.

Of the 159 nations that took part in the 1988 Summer Olympics, 52 won medals. By Tokyo 2020, the number of competing nations had risen to 206, and 93 of them won medals. Because ever-more nations are winning medals, international competition for each medal is increasing. Given the growth in the number of international competitions and disciplines and in the number of medals available at the Olympic Games, analysing the market and medal potential is key. The number of events at the Summer Olympic Games increased from 237 in 1988 to 306 in 2016, a rise of 29%. Just over half of the 69 new events were in new sports and disciplines (badminton, beach volleyball, canoe slalom, BMX cycling, mountain biking, taekwondo, trampolining and triathlon). Among the long-established sports, athletics has seen the largest rise in the number of events, whereas there are now fewer events in other sports, notably wrestling. Shooting and sailing have experienced rises and then falls in the number of events. The Tokyo 2020 Olympic Games featured 339 events in 33 sports and 51 disciplines. In addition to five new sports – baseball/softball, sport climbing, karate, skateboarding and surfing – these Games included mixed events in athletics and swimming, team events in judo, shooting and archery, a mixed relay in triathlon and a mixed doubles event in table tennis. Baseball/softball and karate have been dropped from the programme for the Paris 2024 Olympic Games and replaced with breaking. Paris 2024 will include 329 events, 10 fewer than Tokyo 2020. Eight new events will make their Olympic debuts: a mixed 35-km walking event, a new category in women’s boxing, a mixed team event in shooting, two extreme slalom canoeing events and three mixed sailing events (kitesurfing, 470 and offshore racing).

The programme for the Beijing 2022 Winter Olympics also included several new events: a mixed team relay in short track speed skating, mixed team events in ski

jumping and snowboard cross, a women's monobob event and a mixed team big air freestyle skiing event.

Some sports enable single athletes to win several medals by competing in various individual, team and mixed events. For example, a biathlete can win up to seven Olympic medals. Aleksandr Dityatin was the first athlete to win eight medals at a single Olympic Games (Moscow 1980), a feat Michael Phelps matched at Athens 2004 and then repeated at Beijing 2008, but this time all eight medals were gold.

The Olympic programme continues to make more room for women athletes, and the development of mixed events opens new medal perspectives for nations. Equal numbers of men and women will compete at the Paris 2024 Olympic and Paralympic Games. The place of transgender and intersex athletes in sport competitions is another sensitive issue, as shown by the legal battles fought by the middle-distance runner Caster Semenya. At the end of 2021, the IOC decided against imposing universal criteria for including/excluding intersex and transgender athletes in competitions and left the decision to individual IFs. In March 2023 World Athletics excluded from international women's competitions transgender athletes who have gone through male puberty, a decision the federation's president Sebastian Coe justified on the basis that it was necessary to 'protect women's sport by restricting it to females'.<sup>23</sup> International sport's governing bodies are struggling to respond to this new gender issue, as the European Court of Human Rights noted in its judgement in the case of *Semenya vs. Switzerland*, handed down on 11 July 2023.<sup>24</sup>

A few countries do not evaluate the results of their elite sport policy solely in terms of their ranking at the Olympic Games; they also include non-Olympic sports that are popular in their country (e.g., rugby union, karate, motorsport, cricket). This is the case in France, where evaluations of the nation's sporting performance include popular non-Olympic sports and results in world and European championships. *Greatestsportingnation.com*'s 'Global Cup' ranks countries' sporting prowess via an index based on results in 80 sports, weighted to give greater importance to team sports and the most popular sports (in terms of number of participants). France occupied second place in the ranking in 2023, having scored points in 55 sports, 16 more sports than China, which was in third place, far behind the United States. The density of sporting results, that is, the number of national-team athletes who qualify for the finals of the Olympic Games and other international competitions, is a good predictor of future medal potential.

Whether winning medals at the Olympic Games and other major competitions boosts participation in sport or a country's sporting culture is an open question. One way of determining the impact of elite sport results on public opinion and the nation (national pride, attracting young people to sport, etc.) is to weigh the importance of victories according to a sport's popularity and its effects on national pride and confidence. Although numerous studies have found correlations between sporting performance and impacts on a country's people, it is difficult to establish causal links between these parameters.

### 3.5 Conclusion

Sport is an activity whose social signification and modes of governance have evolved greatly in recent decades. Indeed, sport has a particularly prominent place in society, as it is, or has been, an activity citizens do independently, a means of building national identity, a business sector within the leisure and event industry, and a public policy tool for improving health and the social integration of people in difficulty, sport. This chapter shows that the public and semi-public money invested in elite sport throughout the world since the 2000s has turned sport into a major vector of a country's image and influence, internally and externally.

The European model of sport is often characterised by the role and substantial presence of the non-profit sports movement and volunteers. These aspects play a central role in sport's organisation and development in Europe. Even in countries where the state exerts a large degree of control over the sports movement (in bureaucratic sports systems), it is the sports movement that delivers the country's leisure and competition sport offer. As such, it remains the key actor in the country's national sports system. Moreover, sport's impact on public opinion has resulted in some IFs, such as FIFA, becoming very influential not only within sport but also in the political sphere.

### Notes

- 1 Until 2020, American companies provided 12.5% of the IOC's media rights and 20% of its TOP sponsorship revenues, although these percentages have now decreased slightly (Chappelet, 2023).
- 2 Leduc, A. (2022) *Enquête santé européenne (EHIS) 2019: Bilan méthodologique. France métropolitaine et DROM*, DREES Méthodes (INSEE), n.7. Available at: [https://drees.solidarites-sante.gouv.fr/sites/default/files/2022-11/DM7-EHIS\\_pour%20mise%20en%20ligne.pdf](https://drees.solidarites-sante.gouv.fr/sites/default/files/2022-11/DM7-EHIS_pour%20mise%20en%20ligne.pdf)
- 3 Countries whose strong economic growth over several years has enabled them to integrate the global economy.
- 4 At Neom, a futuristic megalopolis being built in the northwest of the desert kingdom.
- 5 PSG and soon, perhaps, Manchester United for Qatar, Manchester City for the United Arab Emirates, Newcastle United since 2021 for Saudi Arabia.
- 6 United Nations (2023) *About Least Developed Countries*. Available at: [www.un.org/development/desa/dpad/least-developed-country-category.html](http://www.un.org/development/desa/dpad/least-developed-country-category.html) (Accessed: 09 November 2023).
- 7 Often during major sports events (e.g., Olympic Games, Commonwealth Games). One of the objectives of heads of delegations is to bring all their athletes home and avoid them using their visas for these competitions to disappear into a new country.
- 8 This section draws on the conclusions of the Vocasport Report (Camy *et al.*, 2004), to which the author contributed (colleague of the first author and coordinator of the section on France).
- 9 CONI and the IOC felt that laws no. 145/2018 and no. 86/2019 violated CONI's autonomy. Converting CONI Servizi into Sport e Salute would have given the Italian government control over the funds it provides to the sports movement.
- 10 Act of 27 November 2015 aimed at protecting elite and professional athletes and securing their legal and social positions.

- 11 I would like to thank Prof. Vilma Čingienė for her help in writing this section. Prof. Čingienė co-authored Čingienė and Mizeras (2020) 'Capacities for change. Insights into the Lithuanian sports system, in Sport', in Rojo-Labaien, E., Rodríguez Díaz, A. and Rookwood, J. (eds.) *Statehood and Transition in Europe: Comparative Perspectives from Post-Soviet and Post-Socialist Societies*. Abingdon: Routledge. pp. 60–75.
- 12 I would like to thank Prof. Jonathan Grix of Manchester Metropolitan University for his help in writing this section. Prof. Grix wrote the chapter on the United Kingdom in Grix, J. (ed.) (2004) *Comparative Elite Sport Development*. Abingdon: Routledge.
- 13 I would like to thank Prof. Tracy Taylor of RMIT University for her help in writing this section.
- 14 I would like to thank Prof. Milena Parent of the University of Ottawa in Canada, for her help in writing this section. Prof. Parent is a co-author of Parent, M.M. *et al.* (2019) *Canadian National Sport Organizations' Governance Landscape Study: Survey Results*.
- 15 I would like to thank Prof. Fan Hong of Shanghai University of Sport, for her help in writing this section. Prof. Fan contributed the chapter on China to Grix, J. (ed.) (2024) *Comparative Elite Sport Development*. London: Routledge.
- 16 On only the second time China competed at the Summer Olympic Games, the first time being in 1952.
- 17 I would like to thank Maha Zaoui for her help in writing this section. Maha Zaoui is a co-author of: Zaoui, M. and Bayle, E. (2018) 'The Central Role of the State in the Governance of Sport and the Olympic Movement in Tunisia, from 1956 to the Present Day', *International Journal of the History of Sport*, 1(21), pp. 1–21.
- 18 I would like to thank Dr P. Joo Moon of Namseoul University for his help in writing this section.
- 19 Article 24 of France's budget amendment Act of 3 December 2014 exempted from commercial taxes all major sports events attributed to France before 31 December 2017. A decree issued on 23 July 2015 listed the events concerned. In addition to competitions organised by NFs, these events were the 2018 Ryder Cup (owned by a British company), 2015 Men's European Basketball Championship, 2016 Men's European Football Championship, 2017 Men's Handball World Championships, 2017 Men's Ice Hockey World Championships, 2019 FIFA Women's World Cup, 2023 Rugby World Cup and the Paris 2024 Olympic and Paralympic Games.
- 20 According to *The Guardian*, UK sport received €400 million in national lottery funding between 2013 and 2017 to prepare athletes for the 2016 Rio Olympic and Paralympic Games. Sports that win the most medals received the most money; hence, rowing and cycling, each of which produced four gold medals at London 2012, received €37 and €35 million, respectively. Conversely, weightlifting received just under €2 million, according to the budget presented by UK Sport. The British call this a 'no compromise culture'. See: [www.theguardian.com/sport/blog/2016/aug/15/five-factors-team-gb-olympic-success-medal-rush](http://www.theguardian.com/sport/blog/2016/aug/15/five-factors-team-gb-olympic-success-medal-rush) (Accessed: 20 March 2024).
- 21 Other positive tests may emerge long after an Olympic Games because, since 2008, all samples taken are frozen for eight years and can be tested again if more reliable tests are developed. This is why all some athletes have had their medals stripped from them after all subsequent Olympic Games.
- 22 A subsidy from the ANS will allow federations to award coaches €35,000 for a gold medal, €15,000 for silver and €8,000 € for bronze.
- 23 Hayton, D. (2023) 'Why did it take Seb Coe so long to see sense over transgender athletes?', *The Spectator*, 24 March 2023. Available at: [www.spectator.co.uk/article/why-did-it-take-seb-coe-so-long-to-see-sense-over-transgender-athletes/](http://www.spectator.co.uk/article/why-did-it-take-seb-coe-so-long-to-see-sense-over-transgender-athletes/).
- 24 European Court of Justice (2023) *Judgment concerning Switzerland*, 11 July 2023. Available at: [www.echr.coe.int/w/judgment-concerning-switzerland](http://www.echr.coe.int/w/judgment-concerning-switzerland)

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# New Challenges for the Governance of International Sport Organisations

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International sport organisations and their associated bodies carry out their actions within the systems described in the previous chapters: the Olympic system, the international ecosystems specific to each sport and national sports systems, in which the public authorities often play a central role alongside the national and international sport and Olympic movement. The need to operate within these three systems accounts for the complexity and specificity of sport's political functioning and performance management. Part II of this book begins by presenting the factors affecting the steering of sport federation performance (Chapter 4). It then examines the regulation and management of professional team sport organisations (leagues and clubs), whose strategies are becoming increasingly global, even though most of these organisations are national (Chapter 5). Chapter 6 looks at professional international circuits in individual sports and the owners and operators of these circuits (commercial companies and federations).



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# **Managing International Sport Federation Performance in a *Glocalised* World**

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National sport federations (NFs) are central components of the sport and Olympic systems and key intermediaries in developing sport around the globe. Indeed, each international federation (IF) must have a global network of professionalised NFs, as it is these national bodies that support clubs' efforts to retain current members, attract new members and help elite athletes compete at the highest international level. In addition, NFs organise many international sport events (continental and world championships, stages of international circuits) in conjunction with the national professional league competitions they oversee (in the case of Europe). The management principles described in this chapter concern international and continental federations and their constituent NFs, each of which has its cultural particularities that IFs must take into account. Moreover, some IFs are less professionalised than their largest NFs, from which they may draw inspiration and examples of 'good practices'. Thus, sport federation executives must steer both the federation's head office and its network of affiliated bodies (continental federations and NFs in the case of IFs, regional bodies and clubs in the case of NFs). The present chapter describes the nature and scope of sport federation performance (Section 4.1) and the steering/management of two key aspects of this performance: strategic performance (Section 4.2) and operational performance (Section 4.3).

### **4.1 From Growing Sport to Overall Performance**

Determining the nature and scope of sport federation organisational performance (Section 4.1.1) is an essential step in defining appropriate measurement and reporting tools (Section 4.1.2).

#### **4.1.1 *Societal Performance at the Heart of Organisational Performance***

Sport federation performance differs from corporate performance in several respects, primarily because sport federations are non-profit associations with monopolies in their field whose success is measured in sporting terms, as well as in economic and financial terms. Sporting performance, that is, increasing membership

and, in the case of NFs, improving the results national teams and athletes achieve in international competitions, is a fundamental part of a sport federation's mission. However, the growing importance of other types of performance raises the need for more global measures of sport federation performance and new ways of reporting this performance. In most countries, 'objectives contracts' with the sports ministry (or, more rarely, the NOC) have enabled NFs to rationalise their operations and decide which indicators to prioritise. In France, for example, the Budgetary Reform Act of 1 August 2001 and the introduction of performance indicators to steer public policies led the sports ministry to set new reporting requirements for NFs (see Nikonoff and Bayle, 2007). Hence, as part of their mission to develop sport for the public good, France's NFs must report a wide palette of new performance indicators to demonstrate their success in fields as varied as encouraging women to do sport within clubs, developing sport in underprivileged neighbourhoods, creating sport-related jobs, providing social support to elite athletes and diversifying the federation's financial resources.

Given the ability of sporting success to raise a country's international profile and improve its image, most governments have introduced measures to improve their NFs' sporting performance. This is also the main reason why governments allocate public resources to sport, especially to federations that bring home Olympic medals. However, the sporting and Olympic values federations have traditionally espoused require them to pursue other missions, notably in the fields of education, health and social inclusion. Performance in these areas is qualitative and much harder to measure than sporting performance. In addition, the tension between favouring an elitist system capable of producing Olympic medals and pursuing sport's wider societal mission means that performance measures must combine quantitative results (number of affiliated clubs, number of individual members, medals won, federation income, media presence, etc.) with qualitative indicators of a federation's societal performance (i.e., social, economic and environmental impacts). Sport federations have always had a societal dimension, but societal performance has taken on new importance since the concept of corporate social responsibility emerged in the 2000s. As for corporations, a federation's social responsibility actions are not just about improving its societal performance (Gond and Crane, 2010), they are also a way for it to legitimise its position.

Several authors (Bayle, 2000; Papadimitriou and Taylor, 2000; Winand *et al.* 2010) have proposed measuring overall sport federation performance by dividing it into different dimensions, notably sporting performance, economic and financial performance, media performance and societal performance. Providing a global vision of performance will require sport organisations to develop new measurement and reporting tools that incorporate societal performance, just as large corporations have done, either voluntarily or in response to legal requirements, to demonstrate their social responsibility (sustainable development reports, carbon footprints, extra-financial external audits, corporate responsibility ratings, etc.).

#### 4.1.2 Towards New Reporting and Accountability Tools

Because few sport federations have comprehensive management charts that include indicators of their social and societal impacts, as well as sporting and economic indicators, their social responsibility is likely to remain implicit and not subject to precise evaluation by independent bodies. Nevertheless, federations have a duty to report their activities to stakeholders. NFs have a specific duty of accountability due to sport's growing importance in society and substantial public funding, and this is especially the case in countries where NFs are expected to carry out public service missions in return for receiving government subsidies. Most sport federations use only a few tools to evaluate their societal performance, ranging from measures of their carbon footprints to assessments of their sports events' economic, media and (sometimes) social impacts (see Barget and Gougnet, 2010) and/or evaluations of the contribution made by volunteers. Numerous federations calculate their total carbon footprints or the carbon footprints of their major events. In the 2000s, the Italian Motorcycle Federation became Italy's first sport federation to publish a specific audit describing its social, economic and environmental impacts. The French Football Federation did likewise in 2011 when its Football Foundation began publishing an evaluation of French football's societal impact called the *Societal Panorama of Football*. Covering every component of French football, from the NF and its regional bodies to the professional league and amateur clubs, the *Societal Panorama of Football* summarises the sport's contribution to French society and the sustainable development initiatives undertaken by the federation's network. The fourth *Societal Panorama of Football*, published in 2020, provided a snapshot of football's impact through 17 key figures covering 4 domains:

- **Participation:** 2.1 million registered players, including 200,000 female players, a 2.4-fold increase between 2011 and 2019; 54% of registered players are under the age of 18; football has a large voluntary sector, with 400,000 volunteers.
- **Social cohesion and solidarity:** 1,000 clubs offer school tutoring programmes; 800,000 young people follow the federation's civic education programme (respecting referees, raising awareness of sustainable development, etc.); amateur clubs spent €7.2 million on social solidarity actions; 60% of clubs have occupational integration initiatives; professional clubs redistributed €63 million to amateur football.
- **Accessibility and inclusion:** 25% of clubs accept players with a disability and 24% help refugees.
- **Sustainable development:** 94% of clubs have ride-sharing systems; 49.2% of clubs have replaced disposable water bottles with reusable bottles; 55% of clubs conduct actions to encourage waste reduction and recycling.

Nevertheless, the *Societal Panorama of Football* is far from perfect, because it is primarily a promotional tool launched to improve the French Football Federation's

image after it was battered by scandals during the 2010 Men's World Cup.<sup>1</sup> For example, it includes very few qualitative data on football's social and health impacts, nor does it report all the federation's on-going or projected measures to improve football's contribution to society. Moreover, the indicators reported change from one edition to the next, so it is not possible to make comparisons, and the figures provided are not the result of independent evaluations.

A further step in terms of evaluation would be to require federations to publish social responsibility reports, as well as annual financial reports, as some countries now require large corporations to do. ISO standard 26000 and its associated guidance notes could be adapted to provide a template for steering and measuring federations' social performance, as the French Olympic Committee suggested in 2012.<sup>2</sup> Numerous major sport events have adopted this type of standards-based approach since the 2012 London Olympics, which obtained ISO 20121 certification for its social and environmental responsibility (Buscarini and Gabrielli, 2019). Many organisations in North America and the United Kingdom use the concept of 'social return on investment' to measure the social utility or 'social profitability' of social responsibility actions. For sport federations, this would involve conducting cost-benefits analyses of the social impacts (improved health, decrease in delinquency, etc.) of increasing participation in sport. UEFA is currently examining whether this method can be used to demonstrate and monetise the societal value of grassroots football in Europe. However, experts have criticised approaches such as these and would prefer to see continuous monitoring of societal initiatives to identify and overcome weaknesses in their implementation, rather than single-indicator assessments of societal impacts.<sup>3</sup>

Sport federations must look at how they measure their overall performance in meeting their development goals because no single empirical method is truly satisfactory. Table 4.1 summarises seven types of empirical assessment of NFs' performance.

Every NF faces three types of formal evaluation: evaluations by its members via activity reports and elections; evaluations by supervising bodies (e.g., sports ministry, NOC) as to whether it is fulfilling its obligations; and evaluations of its financial performance. These evaluations may be influenced by three, less-formal types of evaluations: (quasi) evaluations of an NF's performance by its IF (rarely carried out); evaluations by its contractual partners (sponsors, staff, etc.), who can withdraw from their contracts;<sup>4</sup> and evaluations by the media, especially the specialist media, which can have a major impact on a federation's activities. However, the media tend to focus on sporting performance and few (sport) journalists do the research needed to understand the issues affecting a sport federation's overall performance.<sup>5</sup> Moreover, none of the evaluation principles and methods currently in use provide global, comprehensive and impartial assessments of sport federation performance. This is also the case for the numerous evaluations of sport federations carried out by scholars and NGOs, which have had little impact to date, although some sports media are beginning to report their conclusions.<sup>6</sup>



Table 4.1 Types of Empirical Assessment of NF Performance

Type of assessment	Internal political	Legal and contractual	Legal (accounting and financial)	Supranational sport system	Contractual	Media	Managerial
Type of assessment	Qualitative and quantitative	Essentially quantitative	Quantitative	Mostly quantitative	Qualitative and qualitative	Qualitative and quantitative	Quantitative, qualitative
Assessing body	General assembly (federation members)	Sports ministry	Accountant, statutory auditor	IF	External partners: sponsors, federations, multi-sports, etc. (1) Federation employees (2)	Generalist and specialist media: TV and sports newspapers, specialist blogs and social networks	The federation's unpaid and/or salaried managers
Level of assessment	Internal – the federal system	National public supervisory body	Independent body	International	(1) External 'co-contractors' (2) Internal 'co-contractors'	Media organisations Public opinion	Internal
Nature of the assessment	Formal	Formal	Formal	Informal	Formal	Informal	Formal or Informal
Periodicity	Annual (in principle, every four years for elected officials)	Annual	Annual	Variable	Variable (depending on the terms of the contract and changes in the contracting parties' interests)	Media scrutiny tends to be greater during crises and around Olympic Games and world championships	Variable, depending on the sectors evaluated and the precision of the tools used (sporting audit, financial audit, etc.)

Source: Adapted from Bayle (2000).

Note: Mandatory forms of assessment are shown in bold.

Table 4.2 Measurement of an NF's Performance

<i>Type of performance</i>	<i>Statutory (sport)</i>	<i>Internal social</i>	<i>Societal</i>	<i>Economic and financial</i>	<i>Promotional</i>	<i>Organisational</i>
Objectives	Improve sporting results (individual athletes and national teams). Increase membership (clubs and individuals).	Improve the social climate and involve all actors.	Help improve the way society functions (social, economic, environmental) in line with the federation's statutory mission.	Obtain the resources needed to fulfil its statutory mission. Ensure its financial independence (notably with respect to its supervising body).	Raise the sport's media profile with players and the public.	Organise its head office and network so it can fulfil its statutory mission in terms of strategy and the demands of its environment.
Means	Measure results for elite sport and number of participants.	Measure stakeholders' satisfaction.	Measure the federation's societal legitimacy and the impact of its activities on society.	Measure its ability to obtain financial resources, to diversify resources and to self-finance.	Measure its name recognition and image.	Measure the quality of its operations and its organisational reactivity.
Type of measurement	Quantitative (qualitative)	Qualitative	Qualitative	Quantitative	Quantitative and qualitative	Qualitative

Source: Adapted from Bayle (2001).

Despite the importance of evaluations by sports ministries and IFs, and the potential impact of media scrutiny, internal politics is the most important factor shaping NFs' decisions. In other words, when members assess the work carried out by their federation's executives, they often give more weight to political considerations than to objective and transparent (or, better, independent) evaluations of sporting, economic or social performance. Nevertheless, a more precise evaluation of a federation's performance would improve its members' ability to hold executives to account when electing a president and executive board, a process that generally takes place every four years.<sup>7</sup> Bayle (2001) used an analysis of NFs' stakeholders (clubs, athletes, sports ministry, etc.) to divide sport federation performance indicators into six types: statutory (sporting) performance, organisational performance, financial performance, promotional performance, internal social performance and societal performance. Evaluations of performance in these six domains can be combined to give a measure of an NF's overall performance. Table 4.2 lists the six types of performance and possible ways of measuring them.

Madella, Bayle and Tome (2005) identified several types of performance that can be considered components of an organisation's overall performance (organisational performance, internal social performance, etc.), in that they affect the way an organisation is structured to attain the hoped-for final performance(s). Performance measures tend to focus on results and impacts, but it is also necessary to determine the factors underlying a given performance. An IF's or NF's performance depends on a combination of its 'strategic capacity' and its 'operational capacity' (Bayle and Robinson, 2007). Its strategic capacity is a key factor in a federation's ability to exploit its performance potential, whereas its operational capacity determines its ability to implement its strategy. Executives and managers must master both capacities if they are to successfully steer their federation's global performance.

## **4.2 Strategic Capacity<sup>8</sup>**

A sport federation's strategic capacity has three components: its power structure (capacity to govern, that is, to allocate powers and monitor how these powers are applied), its non-profit sporting network (capacity to effectively deliver services throughout its territory) and its economic potential (capacity to attract resources, directly or indirectly, which depends on its business model and the size of its economic sector). The associated competencies determine a federation's ability to define, implement and monitor the effectiveness of its strategy.

### **4.2.1 Power Structures**

The actors involved in drawing up a federation's development strategy build a governance system that reflects the current complex balance of power and influence between internal actors (e.g., federation executives) and external actors (ministry of sport in the case of an NF). Four bodies/individuals are particularly central in exercising political power: the executive board, the executive committee (when a

second, smaller executive body is responsible for implementing executive power<sup>9</sup>), the president (the federation's legal representative, who may also play an executive role) and the federation's director(s), whether employed by the federation or by the state.<sup>10</sup>

Mayaux (1999) identified four types of boards in non-profit organisations:

- Controlling boards run an organisation and supervise the work of its staff, who see board members as bosses and supervisors. When necessary, they expect board members to show authority.
- Function-based boards give advice, make recommendations and provide assistance. Staff see board members as colleagues and helpers and the board as a place for discussing proposals and as a support group.
- Façade boards play a very limited and formal role in the life of the organisation (rubber-stamping decisions taken by the president and/or a paid director).
- Idealist boards are composed of members who are committed to the organisation and who view their role as protecting the organisation's mission, philosophy and ethics. Staff see the board as a political body that defends an ideal and strong values.

Sport federations tend to have either function-based boards or, most commonly, façade boards. Function-based boards occur when certain board members are allocated specific roles or functions, often accompanied by the title vice-president or officer. Façade boards meet infrequently (often only three or four times a year) and have numerous members, all with similar backgrounds. These members generally have other political and/or professional commitments and therefore have limited time to devote to the federation.<sup>11</sup> A board's primary function should be to decide the federation's strategy (Ferkins and Shilbury, 2012), but this is not always the case, as many boards focus almost entirely on operational issues or simply rubber stamp decisions taken by key actors in the federation. Consequently, where effective decision-making powers lie within a federation depends as much on the roles played by the board, the president and the main paid directors and managers, as on the rules set out in the federation's statutes. An analysis of this issue allowed Bayle (2001) to divide sport federation governance into four main types: 'strong president', 'presiding-duo', 'collegial presidency' and 'managerial'. These categories are similar to four of the categories Mayaux (1999) identified in other types of non-profit organisations ('core with dominant president', 'president-director tandem', 'allied core/fragmented core', 'core dominated by the director', respectively).<sup>12</sup>

In federations with a strong-president form of governance, the president makes and takes responsibility for all major decisions and retains close control over the federation's operations. He or she is usually assisted by close colleagues, generally a technical/sporting director and an administrative and/or financial director, who implement his or her decisions. Most presidents in this category receive a salary or compensation for performing their role. This mode of governance tends

to be associated with a façade-type executive board and board members (especially the general secretary and treasurer) who fully support the president and follow his or her directives. In federations with a presiding-duo form of governance, the president and a director share power more-or-less equally. They take decisions jointly, often in consultation with the board, and get them approved by the federation's executive body. A collegial-presidency form of governance occurs when the president, who is often paid or compensated, acts as a coordinator (sort of CEO) at the head of a close-knit team of unpaid executives (general secretary, treasurer, main vice-presidents). Collegial-presidency governance is characteristic of organisations with separate departments for different functions and more than 40 or 50 staff. Organisations with this form of governance usually have a façade-type or function-based executive board. Managerial forms of governance occur when a paid director or national technical director exercises control (formally or informally) over major decisions. Most directors in this position gain their legitimacy from their expertise in relevant fields and/or from their career within the federation (e.g., former club manager, respected former athlete), their previous managerial results and their length of service to the federation (which explains the information asymmetry they benefit from). They must also have sufficient legitimacy and impressive-enough backgrounds for elected officials to accept their power. Directors with unofficial decision-making powers sometimes try to make their positions official by becoming their federation's president. The International Basketball Federation (FIBA) is an unusual case because it is the only IF that officially delegates its managerial governance to a secretary general/director general appointed by the federation's executive. FIBA's president, elected every four years, is a figurehead who, alongside the board, oversees the federation's political direction.

Most NFs' power structures contain features of two or more of the above-described ideal types. In addition to the president, other elected officials, such as the general secretary, treasurer and vice-presidents, may also hold power, although this power is delegated less clearly than it is for presidents. In organisations with a general manager or administrative and financial directors, as well as a general secretary, it is essential to define each person's prerogatives in order to avoid conflicts. Efforts to avoid such conflicts have led many sport federations to change their governance structures since the 2000s (Bayle, 2010), especially in North America and the United Kingdom, often in line with legal frameworks recommended/imposed by governments or new governance frameworks put forward by international sporting bodies (Chappelet, Bayle and Clausen, 2020):

- If there are two executive bodies (board/committee), give the smaller body clear executive powers and the larger body a clear monitoring role.
- Have only one executive body and give managerial authority to a general manager.
- Reduce the size of the board (around ten members) to make it more agile and proactive.

- Keep only the post of president and abolish the posts of general secretary, treasurer and vice-president. The president, in conjunction with the board (which focuses on strategy), will delegate managerial and operational management to a general manager.
- Allow the president to choose board members from both inside and outside the federation, so the board can include outside experts.
- Plan successions for executive posts.
- Check potential board members' backgrounds to ensure they have the necessary skills, experience and knowledge of the sport.
- Increase the number of women executives, aiming for gender parity within decision-making bodies and senior positions.
- Appoint independent administrators with useful, specialist skills.
- Organise a gradual turnover of executives to maintain the federation's organisational memory and ensure more efficient changeovers between administrators.
- Limit the number of terms of office (most frequently three times four years) and the maximum age of executives (less than 70 years old at the time of election),
- Use e-governance to make decision-making more rapid, participative and cheap (remote discussions, electronic voting, etc.).

Because federations differ in the profiles of their executives (time available and competencies), their size, their degree of professionalisation and their life cycles, no one model is ideal for all federations. However, analyses of sport federations' power configurations show that power tends to be concentrated in the hands of just one or a few people with, in many cases, a highly dominant president. This hyper-presidentialisation and centralisation of power raise the issue of checks and balances and whether these organisations are truly democratic.

Identifying different forms of governance is an essential first step in understanding how a federation's governance impacts its strategic and organisational functioning. Do the dominant actors have the time and competencies needed to take strategic decisions and ensure that managers (paid and unpaid) implement these decisions? How are decisions taken (process, frequency, etc.)? What are the dominant actors' managerial cultures and profiles? What type of management style do they adopt? Which performance criteria do they focus on? Are there checks and balances on what they do? If so, who oversees these checks and balances? The answers to these questions provide a better understanding of the managerial consequences of a federation's governance. The form and type of governance shape a federation's 'decision-making mechanism' and determine its ability to put in place the systemic, political and organisational governance that will allow it to successfully implement its development strategy and attract the partners it needs.

Numerous IFs and NFs draw up strategic plans, often with wider-ranging objectives than simply growing their sport or organising competitions. In the words of the French Canoeing Federation's national technical director: 'Our federation was for a long time a competition federation. Today, it positions itself as a major and legitimate actor in a global economic market'.<sup>13</sup> Designing and implementing a

federation's increasingly ambitious societal and economic projects requires specialist skills, which raises the question of whether its executives and its network of associated organisations have the training, support and capacity (time and competencies) to execute these projects. In addition to a federation's power structure, the quality of its network is another key factor determining its ability to implement its strategy and define the prerogatives of each level in the network.

#### **4.2.2 The Quality of the Federal Network**

Federations, whether international, continental or national, must oversee and coordinate the activities of a large network of organisations. In the case of NFs, these organisations include numerous regional and infra-regional bodies and their affiliated clubs/associations. In addition, many federations are unique or majority shareholders in for-profit companies set up to manage all or some of their commercial activities, including their sports events, and some federations carry out their social and solidarity actions through foundations or endowment funds. Managing what has become a conglomerate, rather than just a network of organisations, raises specific problems that commercial groups (parent company with subsidiaries) do not face. For example, it can be difficult for an IF to impose its will on its NFs, just as it can be difficult for an NF to impose its will on its regional bodies and clubs, which are legally and politically independent.

A major challenge for federations is to control their networks, from the grassroots level (clubs) to the top (national–international head office), and thereby ensure the quality of the services their members (clubs and individuals) and third parties (sponsors, public bodies, etc.) receive. Federations do this by taking a top-down approach to management, but they must also adopt bottom-up approaches to ensure they stay in touch with their grassroots and its good practices.

Federations use several tools to create tight-knit networks:

- Aligning strategies on all scales, from global to national, by adopting a similar framework (mission, vision, values, key strategic orientations) for designing and implementing development projects.
- Introducing or strengthening a professional organisational system at all levels, and not just at the head office, by providing support with recruiting qualified people to key sporting, administrative and marketing/development positions.
- Coupling the services the international/national head office provides to bodies that support clubs with objectives contracts (setting conditions for providing funding) between IFs and NFs and between NFs and their component bodies. Objectives contracts set out a body's role in the federation's strategy and the resources available for implementing and evaluating actions (financial grants, provision of personnel).
- Quality labels: Award labels that indicate the type and, possibly, quality of the services a club provides, such as introductions to the sport, competitions, sport for health, leisure sport, adaptive sport and adaptive teaching and equipment.



- Sharing resources across the federal system: Enable bodies within the federation to share resources and encourage solidarity to create a ‘federative competency’ that ensures the federal network’s various components work together closely and effectively.

Once again, FIBA has taken a different path from other IFs by adopting a governance model it calls ONE FIBA, under which it has taken direct control over its formerly legally and politically independent continental federations and renamed them regional offices. Continental federations provide support to their NFs through specific policies and competencies adapted to regional and local contexts.

Many federations try to improve the quality of their networks by sharing resources and competencies. This process produces a ‘unifying competency’ that is essential for bringing together the federal network.

#### **4.2.3 Federations’ Business Sectors and Models**

How an IF’s/NF’s business sector evolves and the amount of competition within the sector determine a federation’s economic potential and ability to attract funding (see Chapter 2). A sport federation’s mission, social aims, history and values enable it to generate resources from a variety of sources (sponsorship, subsidies, human resources, material resources, etc.) at different levels (international, national, regional, local).

The size of a federation’s economic sector depends on numerous factors relating to its ecosystem, including the turnovers of the sport equipment, sport facilities, sport services (lessons, membership fees, etc.), sport tourism and sports events markets and the value of the public subsidies the sport receives. A federation’s economic potential depends on its economic weight within the sector, as well as on the sector’s total size. A federation that occupies a central position within a large economic sector has greater economic potential and a greater ability to develop a virtuous strategic and business model that provides substantial resources it can redistribute to develop its sport. A federation’s position within its economic sector can be determined by answering two questions: Does the federation (federal system) benefit directly or indirectly from its sports events through ticketing, sponsorship and selling media rights? Does the federation (federal system) receive direct or indirect financial benefits from leisure activities in its sport, notably by turning leisure participants into club members?

To improve the efficacy and efficiency of their events business model, some federations have begun holding all their championships in the same place at the same time. Examples include the French Equestrian Federation’s Generali French Open, an annual event bringing together 15,000 riders for 18 days of competition. Similarly, in 2023 the Union Cycliste International (UCI) held its first combined world championships, a two-week event involving 13 cycling disciplines and 8,000 athletes. The UCI intends to hold this combined-format world championship every

four years. Federations adopting this approach aim to maximise media coverage, revenues and profitability (by sharing and reducing organisational costs) and thus make such events a pillar of their business models.

Chapter 1 described the four types of business models followed by IFs. Which model an IF adopts depends on how it exploits its economic sector. Most IFs do this through sports events, with models that may be based on a single mega-event (e.g., FIFA, World Rugby), Olympic revenues (most small Olympic sports, e.g., United World Wrestling, International Canoe Federation, World Rowing), a combination of Olympic revenues and income from an international circuit and world championships (e.g., International Ski Federation, World Athletics) or, more unusually, fees for taking part in an international circuit (e.g., Union Cycliste Internationale, International Automobile Federation).

On the national level, some sports have very large economic sectors (e.g., equestrian sports,<sup>14</sup> water sports, skiing) due to the development of industries with turnovers of several billion euros. However, these sports' NFs are not always close enough to the heart of the economic sector to benefit from it financially. Other sports have much more modest economic sectors but are able to more fully exploit the potential of events and leisure sport (e.g., the French Judo Federation manages to attract large numbers of judo players to its clubs despite receiving little media coverage).

Depending on the size and characteristics of their national economic sectors, NFs' business models tend to be based on three main types of revenues: licence fees, club membership fees (direct revenues from their members), commercial revenues from events or from selling images of elite athletes and national teams (media rights, ticketing, sponsoring) and sports ministry subsidies. These three types of resources are of different natures: associative, commercial and public.

No more than ten of France's NOC-affiliated NFs obtain income from media rights, and the lack of regular media coverage, despite the opportunities presented by digital, means that their sponsorship income is often low. The French model is also very specific because of the large amounts of support federations, especially Olympic federations, receive from the state and local authorities. This support comes in two main forms: direct subsidies and state-employed staff (the ministry of sport provides NFs with approximately 1,600 technical directors in areas such as coaching, training and developing sport).

In team sports with a national professional league, it is the league, rather than the federation, that reaps the economic benefits of elite sport. Nevertheless, leagues contribute indirectly to their federation's budget by popularising the sport and training and making available high-quality players for national teams.

Terrien, Feuillet and Bayle (2021) analysed the financial profiles of 76 French NFs, including 31 Olympic federations, between 2012 and 2017 (covering more than one Olympiad). Their statistical analysis of 19 financial variables<sup>15</sup> revealed five clusters of federations, as outlined in Table 4.3. They also calculated a diversification index for each federation to indicate its dependence on its main resources and therefore its financial vulnerability.

Table 4.3 Typology of French Sport Federations According to Their Financial Profiles

Cluster	Examples of federations
Traditional Olympic	Athletics, cycling, gymnastics, handball, swimming, skiing, ice skating, sailing (basketball 2012)
Elite federations on life support	Rowing, badminton, boxing, canoeing, fencing, weightlifting, field hockey, ice hockey, wrestling, pentathlon, taekwondo, table tennis, shooting, archery, triathlon, volleyball
Rich network-dependent	Basketball, equestrian sports, golf, judo (athletics 2017; handball 2016 and 2017)
Powerful and mono-dependent	Football, tennis
Diversified with a wide base	Rugby

Source: Adapted from Terrien, Feuillet and Bayle (2021).

**Traditional Olympic federations.** This cluster contains eight federations in charge of traditional Olympic sports that receive intense media coverage, primarily during Olympic and Paralympic Games. The Olympic label, combined with an almost exclusive focus on elite sport, allows these federations to obtain revenues from a variety of sources. State subsidies associated with objectives contracts (79.1% of which are allocated to Olympic sports) account for a substantial proportion of their budgets, but they also obtain an average of 10.8% of their revenues from sponsorship. Consequently, this cluster has the highest revenue diversification index (68.1%) of all the clusters. In addition to reducing their vulnerability, attracting sponsorship means these federations have large budgets (€16 million on average, more than three times the mean budget of federations in Cluster 2 – €4.8 million).

**Elite federations on life support.** This cluster contains 16 federations that rely on government support (e.g., rowing, badminton, canoeing, table tennis and triathlon). Combining the value of state-employed technical directors with the amounts they receive in direct subsidies, this support accounts for 43.9% of their budgets. Unsurprisingly, given their Olympic status, these federations focus mostly on elite sport to which they allocate, on average, 82% of their subsidies. Although they concentrate on elite sport and receive extensive media coverage during Olympic Games, federations in this cluster obtain less than 5% of their revenues from sponsorship.

Similarly, few of the federations in this cluster have managed to capitalise on the growth in the leisure side of their sport to increase their membership and capture leisure and tourism revenues. The French Triathlon Federation, whose membership doubled from around 30,000 in 2010 to 60,000 in 2020, and the French Badminton Federation, which tripled its membership between 2000 and 2020 to attain almost

200,000 members, are exceptions to this rule. There are two ways these federations can overcome their dependence on public subsidies. The first way is to substantially increase their revenues from elite sport by creating lucrative events and/or more effectively commercialising elite sport and thereby move into the first cluster. The second way is to grow their networks and increase revenues from members and sponsorship so they enter the following cluster.

**Rich network-dependent federations.** These federations have large incomes (€32.1 million on average), mostly obtained from membership fees and club affiliation fees (52% of revenues). Their financial profiles are, therefore, similar to those of the non-Olympic federations, although they have much larger budgets because they have a lot more members (an average of 500,000 members for Olympic federations versus 50,000 members for non-Olympic federations). Federations in this cluster focus strongly on elite sport because this is where the sports ministry allocates most of its support (72%). This strategy, combined with these sports' high media profiles and high memberships, enables them to attract much larger sums from sponsorship (€2.8 million, compared with a mean of €1.7 million for federations in the previous cluster). However, sponsorship still accounts for only a small proportion of their total income (8.9%, compared with 10.8% for cluster 1).

**Powerful mono-dependent federations.** This cluster contains two federations – football and tennis. Both federations have budgets of around €232 million, more than 80% of which comes from private commercial sources (media, ticketing, sponsors). The popularity of the men's national football team and of the Roland-Garros tennis tournament allows them to negotiate lucrative sponsorship deals. However, their business models are highly vulnerable because they rely mostly on a single source of income. This is why the French Tennis Federation was very worried that the COVID-19 pandemic would result in Roland-Garros 2020 being cancelled (the organisers managed to save the tournament by changing the dates). It is also why the French Football Federation is so dependent on the men's national football team qualifying for and performing well in major international tournaments, as was shown by the team's inglorious elimination from the 2010 World Cup.<sup>16</sup>

**Broad-based federations.** The only federation in this cluster is the French Rugby Federation, which has an income of €104.8 million – half the sum earned by the federations in the previous cluster. On the other hand, it has a much more diverse business model. Although it receives most of its income from commercial sources (sponsorship and media rights), it also obtains substantial sums from grants and membership fees.

Interestingly, football, rugby and tennis are the federations that accord the most importance to themes 3 (sport and health) and 4 (employment and training) of their sports ministry objectives contracts. These federations allocate, on average, 21.6% and 24.6% of their subsidies to these two themes, whereas the other Olympic

federations allocate just 10.7% and the non-Olympic federations allocate 15.4%. The football, rugby and tennis federations' financial solidity appears to facilitate societal investments, which they use to justify the large amounts of public support they receive, despite being highly commercial organisations with much larger incomes than France's other NFs.

Changes to a federation's business model may result in it changing cluster. For example, the French Handball Federation originally belonged to the traditional Olympic sports cluster but moved into the rich network-dependent cluster in 2016 thanks to a 56% increase in membership between 2012 and 2017. This growth was mostly due to a series of excellent performances by the national handball teams (the women's team became vice-world champions in 2011 and the men's team won Olympic gold in 2012) and France's successful hosting of several major handball tournaments (e.g., men's world championship in 2017). The French Basketball Federation has followed a similar path.

An IF's (head office and federal system) proximity to the centre of its economic sector and the nature of its business model will determine whether it has a strong international, continental or national 'redistributive competency'<sup>17</sup> that benefits its federal system and clubs. IFs and continental federations usually redistribute resources through their NFs, which use them to support clubs and carry out specific projects. Football has the most effective redistributive model via its development programs (FIFA's Forward programme, UEFA's Hat-trick and Grow and Academy programmes), which redistribute substantial financial resources to football associations throughout the world or across Europe (see Chapter 2, Figure 2.2). The French Tennis Federation, which had a turnover of €406 million and 500 staff in 2023, has used its ever-growing income from Roland-Garros to implement a particularly successful national development programme. Redistributing a third of its revenues from the tournament to regional tennis programmes has resulted in it becoming France's second-largest federation in terms of individual members, although it is still a long way behind the French Football Federation. It also allocates a third of Roland-Garros's profits to training future professional players, which is why France has such a large number of top-class players (on average, 30 men in the ATP Top 300 since 1990 and 12 women in the WTA Top 300). The federation invests the remaining third in improving the tournament's operations and venue.

To effectively implement its strategy, a federation must mobilise all three components of its strategic capacity, that is, decision-making, federating and redistributive. An organisation's overall strategy will create, to varying degrees, a formal and informal differentiation within the federal system and alter its differentiation/integration balance.<sup>18</sup> Processes such as professionalisation, recruiting experts in specific fields, giving staff specialist roles, creating separate departments for different activities and decentralising decision-making result in differentiation and create centrifugal forces that, according to Lawrence and Lorsch (1989), may result in an organisation breaking up and losing its shared identity. The risk of creating divides between a federation's sport department (run by the national technical director)

and other departments, such as administration/finance, communication/marketing department and, possibly development and training, illustrates this important idea. These phenomena must be counter-balanced by developing integrating mechanisms to improve the differentiation/integration balance, which has a major impact on an organisation's performance (Lawrence and Lorsch, 1989). Hence, to implement a strategy, a federation must have powerful integrating mechanisms at the managerial level. These integrating mechanisms form part of a federation's operational (managerial) capacity.

### **4.3 Operational Capacity**

A federation's degree of integration impacts its ability to develop the managerial capacity needed to implement its strategy. Bayle and Robinson (2007) identified three key factors for successful integration and three other factors that are usually sources of differentiation and which can turn into failure factors in the operational mix.

#### **4.3.1 Key Success Factors**

Most federations' operational management is founded on three integrating factors: delegating managerial and operational management to 'professionals' supervised by elected executives, building a strong organisational culture and developing partnerships.

##### **4.3.1.1 Professionalisation of Federation Management**

In the case of non-profit sport organisations, professionalisation describes 'a process in which amateurism gives way to rationalisation, efficiency, project-based management' (Chantelat, 2001; Nagel *et al.*, 2015). Rationalisation does not necessarily mean recruiting paid staff, it may also involve enlisting volunteers who have the time and competencies needed to carry out certain tasks (e.g., human resources, legal skills, communication skills, etc.), generally acquired during their careers outside the federation.

According to Guitton (2003), 'Analyses of professionalisation involve three dimensions that are difficult to dissociate: the professionalisation of activities, the professionalisation of individuals and the professionalisation of structures. Moreover, professionalisation occurs at two interfaces: training/experience [and] individual/organisation' (p. 158). When professionalising activities and individuals, it is necessary to understand the tasks (and, more widely, the roles) carried out by unpaid executives and salaried managers. The political and practical responsibilities sport executives try to take on may vary according to their socio-economic backgrounds,<sup>19</sup> status (unpaid/compensated/paid<sup>20</sup>), the time they give to their function, their physical presence at the federation's head office and their role (political,<sup>21</sup> managerial,<sup>22</sup> operational). Elected/unpaid executives and paid staff often

have mixed roles. Bayle and Camy (2003) identified three forms of professionalisation within sport federations:

- **Clear differentiation of statuses and roles:** Unpaid executives decide policy; salaried staff carry out operational management.
- **No differentiation with respect to status but differentiation with respect to roles:** Unpaid executives and salaried staff jointly decide policy, but only salaried staff carry out operational management.
- **No differentiation with respect to either status or role:** Unpaid executives and salaried staff work together to decide policy and to carry out operational management.

Sport federation professionalisation is a four-stage process during which the relationship between unpaid elected executives and salaried or seconded staff changes (Bayle, 2004). NFs often lead the way in the professionalisation process, which is why some NFs in major sporting countries are more professionalised than their international or continental federations.

#### Stage 1: **Initial structuring**

Federations enter the initial structuring stage when they recruit their first paid administrative staff, generally in the following areas: secretarial staff, accounting, processing membership applications and organising competitions. Power remains firmly in the hands of the federation's elected, unpaid executives, who keep control of political, managerial and (in some cases) operational management. There is little or no delegation of responsibility to salaried administrative staff. Federations at this stage have between five and ten salaried staff, who may or may not include an administrative manager. Tasks that are too technical to be carried out by a federation's volunteers and small group of paid staff may be outsourced to specialist service providers (communication agencies, funding agencies, law firms, accountancy firms, etc.). Due to the small number of paid staff, unpaid executives (on the board, executive committee and commissions) usually have to carry out managerial and operational tasks in addition to their political tasks.

#### Stage 2: **Functional specialisation**

In this stage, federations recruit specialist paid staff (or volunteers with the necessary time and skills) in areas such as communication, sponsorship, law, IT, event management, social media and sport (coaches, trainers, etc.). Due to their specialist knowledge, these administrative and development staff become important advisors to elected executives. It is at this stage that federations begin delegating operational and managerial tasks to paid staff, which can lead to the partitioning of a federation's sporting and administrative sections.

Federations at the second professionalisation stage have between 10 and 40 paid staff, including an administrative director. Appointing managers (employed either directly by the federation or by the state) to carry out specialist functions



can complexify relationships within a federation, as these managers take over tasks that elected executives previously controlled and coordinated, even if the tasks themselves were outsourced. Consequently, the federation's president or dominant actor plays a vital role in ensuring managers and elected executives accept the new boundaries to their powers. Federations with limited resources may achieve functional specialisation by asking state-employed technical directors to fill posts outside their initial areas of expertise and then training them in the competencies they need for their new roles (e.g., technical sports director becoming a development, marketing, or international relations director).

### **Stage 3: Coordinating management**

This stage involves appointing 'officers' to take on specific responsibilities (usually paid staff or volunteers with the necessary skills), increasing oversight of federation staff and recruiting marketing specialists, managers and coordination staff. Federations at this stage tend to have more than 50 paid administrative staff, including several department heads, sometimes coordinated by a general manager (or the president). Nevertheless, they may continue to seek outside advice on strategic management and on internal and external communication (help in drawing up a development project or a marketing and communication policy). When IFs reach this stage, their NFs begin recruiting secretarial staff and administration managers, partly financed by the IF, as well as coaches and technical managers.

Another characteristic of this stage is that the balance of power swings from unpaid executives to paid staff. Hence, unpaid executives, some of whom are rarely present at the federation's head office, may feel they are losing control of the federation and its decision-making processes. Their responsibilities are increasingly limited to steering strategy/policy and overseeing the federation, as salaried staff have taken over most managerial and operational tasks.

### **Stage 4: Quasi-general professionalisation of the federal network**

Task differentiation within the head office continues with the appearance of heads of departments and divisional directors (increased level of supervision). This stage is also characterised by the professionalisation of almost the entire federal network, from clubs upwards, and by a federation's reduced reliance on public funding. The diversification of a federation's activities and the high degree of professionalisation throughout its network modify the differentiation/integration balance, thereby creating a need for new modes of coordination. It may also profoundly change a federation's associative culture. Federations at this stage in the professionalisation process usually have more than 80–100 paid staff at their head offices, and their regional bodies tend to have at least 5–10 paid staff. Infra-regional bodies may also employ some administrative and coaching staff. Elected executives now play little part in a federation's day-to-day activities, their main role being to suggest projects and oversee their implementation (supervisory role). One or more elected executives (usually the president) may retain responsibility for overall coordination or for specific projects.

The changes associated with stage 4 of the professionalisation process further alter the balance of power between elected executives and paid staff and increase the risk of conflict between them. Therefore, it is essential for an organisation's political leaders to define each person's governance and management prerogatives. Management tools such as job descriptions, descriptions of powers delegated to elected executives and an organisation chart including both unpaid and paid staff<sup>23</sup> are essential for organising the federation's work. Indeed, executives must ensure that the level and forms of professionalisation are compatible with their development ambitions. Managerial and operational management must be delegated to professionals (federation employees, state employees, or volunteers with the necessary time and competencies) in such a way that it enables elected executives to (better) concentrate on their political role (define the federation's overall direction and objectives and supervise their realisation).

#### *4.3.1.2 Organisational Culture*

The organisational culture at most federations is based on their staff's desire to actively contribute to developing their sport (and to advancing the federation's mission).<sup>24</sup> Length of service is seen as a key indicator of a person's attachment to this culture, as it takes time to demonstrate one's commitment to shared values. It is rare for a person with no previous connections to a federation to be elected an IF, NF or even regional executive, as a person must first 'prove themselves' by showing their commitment to shared values at the club level before moving up to the regional, national and possibly continental and international levels. It usually takes a club executive 20 years to climb the federal ladder and obtain a senior position within an NF, such as president or general secretary (Bayle and Camy, 2003). Elite athletes at the end of their sporting careers and experts co-opted by executives may achieve senior positions more quickly, but such cases are rare.

Many sport federation management teams combine two characteristics that highlight a specific type of organisational culture:

- Some elected executives and volunteers are veritable 'unpaid professionals' who carry out specialist functions requiring high-level competencies (in law, financial management, communication, public relations, etc.). They work as (and alongside) professionals but without being paid. Federations often justify this situation by claiming they have insufficient funds to hire paid staff for every role. But this reluctance to recruit more paid staff may be due to worries about complete professionalisation undermining the richness of a federation's cultural identity, which depends on this ambiguity between statuses.
- As a corollary to the 'professional' dedication showed by some volunteers, many paid staff (managers employed either by the federation or by the government) share their federation's values and therefore show a volunteer-like devotion to their jobs<sup>25</sup> and a willingness to work long hours.<sup>26</sup> In return, these professionals may be given a say in defining a federation's policy.<sup>27</sup> Although

this role is rarely explicit and never negotiated, it can make professional managers feel that they are an integral part of the federation's life<sup>28</sup> and key contributors to its societal mission of developing sport, rather than just employees with tasks to complete. Some, thanks to their close ties with a federation's executives and/or their skills and/or opportunism, have moved into the political and, on rare occasions, become their federation's president.<sup>29</sup>

Most federations have a participative system of management based on personal dedication and commitment. Unpaid executives and, in many cases, paid staff, especially senior managers, have a strong feeling of belonging to their federation and identify with its objectives and values. Analyses of sport associations' participative mechanisms often show that their staff, especially senior managers, have mixed forms of commitment and attach great value to non-pecuniary rewards, such as contributing to a sporting or human 'adventure' and preserving or enhancing a sporting and cultural heritage. These motivations may explain people's willingness to work hard and give their time to a federation. For paid managers to be considered legitimate holders of their positions, they must not only have the competencies needed to carry out their functions but also be committed to the same values as the federation's unpaid executives. It is this commitment to values that justifies the trust placed in paid managers and a federation's moves to delegate technical aspects of its activities to paid staff. Indeed, the first paid senior administrators federations recruit tend to be either people who have done voluntary work as national-, regional-, or club-level managers,<sup>30</sup> referees, youth coaches or former elite athletes.

Most unpaid and many paid federation managers feel that they belong to a 'family' with a shared culture (a term often used within the Olympic movement) and are prepared to devote themselves to a system that, in some cases, they helped create. Indeed, some federations require candidates for certain positions to have shown they have the necessary skills and values by, for example, having helped to organise a world championship or having led an NF (a requirement for presidents of some sports IFs, e.g. World Rowing). This strong culture has numerous advantages (dedication, unity around shared values, willingness to work hard to accomplish tasks), and it is an essential binding factor in many federations. More negatively, it can lead to a lack of openness to the environment, inertia in the face of change and, in extreme cases, a clannish culture and a preparedness to turn a blind eye to serious breaches of ethics (corruption, psychological/sexual abuse, infringements of labour law, violent conflicts, etc.). The increased readiness of whistleblowers to come forward, the #MeToo movement in some countries and the appointment of safeguarding officers help combat this type of risk.<sup>31</sup>

#### 4.3.1.3 *The Partnership Approach*

A sport federation is a system with numerous partners (public bodies, commercial and non-profit organisations in and outside sport) who provide sponsorship,

subsidies or private funding. If a federation is to maintain or expand its relationships with these partners, it must prove its utility and legitimacy. Adopting a strategy based on multiple partnerships allows a federation to create a framework for improving its performance and facilitates the acquisition of expertise. Sport federations have three intertwined types of partnerships:

- **Vertical partnerships** within the federation's network (see Section 4.2).
- **Horizontal partnerships** with other federations in the same category of sports (e.g., water sports,<sup>32</sup> aerial sports, outdoor sports, racket sports, team sports, combat sports), with which it may develop synergies and pool strategic, administrative, development and marketing resources.
- **Systemic partnerships.** In the case of IFs, these partnerships are with international governing bodies (IOC and ASOIF in the case of Olympic sports). NFs' systemic partners include their country's Olympic committee and government ministries (sport, education, finance, etc.). Federations also have systemic partnerships with private partners (sponsors, patrons, etc.) and NGOs (for issues including human rights, social solidarity and inclusion). Beyond obtaining extra resources for developing its sport, partnerships with outside organisations, especially major sponsors, can promote change within a federation, lead it to become more professional and strengthen key activities.

#### **4.3.2 Failure Factors**

IFs and NFs are small to medium-sized organisations in terms of their number of paid staff (head offices rarely have more than 50 employees and often fewer than 10). Analysing their operational management shows three main difficulties that form differentiating factors: deficient information systems, insufficient control of management practices and inertia caused by political manoeuvring and electoral systems.

##### **4.3.2.1 Deficient Information Systems**

Because the quality of managerial decisions depends on the quality of the information an organisation has, all organisations must set up effective information systems. These systems must cover three main areas: strategy, marketing and management control.

Most federations know little about their markets (notably the profiles of their members and their clubs and, in the case of IFs, of their NFs). Often, it takes a reversal of fortune (falling membership, reduction in the number of clubs, falling finances, etc.), a crisis or adverse public-sector or private-sector studies to push federations to take a more systematic and organised approach to obtaining strategic and marketing information. Formal management control systems (beyond financial audits) and budget management systems are often partial and insufficiently developed.

The weakness of federations' information systems and their tendency not to implement formal processes is a result of their traditional reliance on volunteers, their small size and the fact that they are under less pressure than commercial organisations to be efficient. However, most federations have now introduced formal management tools in areas such as strategic planning, communication and marketing and financial control, and it is more the ways in which they apply these tools and monitor their results that lack professionalisation.

#### 4.3.2.2 *Insufficient Control of Management Practices*

Control is a fundamental management process. Theoretically, it operates on three levels.

- **Strategic** (achievement of objectives). Few federations have mechanisms for determining whether they are meeting their strategic objectives and those mechanisms that do exist are little developed.
- **Managerial** (cost control and budget tracking). The two main types of control generally involve checking:
  - Important accounting documents (orders, billing demands)
  - Documents relating to the federation's activities (notes, presentation documents).

Few federations have introduced true management control processes such as systematically comparing expenditure with approved budgets and evaluating a project's profitability and direct and indirect costs.

- **Operational** (realisation of tasks)

The extent to which a federation has implemented operational control depends on the formalisation of its administrative structure (procedures, minutes, reports, periodicity of meetings, directors' administrative culture, etc.). Moreover, volunteers' and paid employees' career progressions within their federation are not always linked to their commitment or the quality of their work (effective objectives-based management is rare). Even when federations introduce control systems, these systems are rarely linked to clear employee incentive programmes (salary scale, staff training, career development).

Evaluating the work done by volunteers and elected executives is often a taboo subject because it is synonymous with political sanctions.<sup>33</sup> One of the main difficulties for sport federations is to get people with different statuses and interests (volunteers, state-employed directors, salaried staff) to work together effectively. Global approaches to human resources management involving both paid staff and volunteers are often weakly developed and formalised, whether at the international level or at the local level, although professionalisation, training and experience-sharing policies are becoming more widespread.

#### **4.3.2.3 *Inertia Caused by Political Manoeuvring and Electoral Systems***

Because sport federation executives must be elected in order to gain or hold onto power, the need to build influence and support can have a major impact on their actions, and this is the case at all levels, from IFs to NFs (often less so at the local level, where it is often difficult to find people prepared to run clubs). It is also why a federation's governance and management depend on the dominant actors' political interests. In addition, executives' electoral concerns can lead to political inertia and internal conflicts and can cause major problems (e.g., impede effective project management in the run up to elections or 'politicise' sensitive decisions such as choosing staff for key positions and attributing major events to host cities/countries). Political inertia can affect both a federation's head office and its network:

- In many federations, inadequate and dysfunctional electoral systems lead to inertia and an absence of true democracy. For example, members of a federation's executive board may 'buy' the votes of regional officials by meeting a region's demands even if doing so is detrimental to the federation's interests. More generally, sport federation executives tend to find it particularly difficult to dissociate their personal interests from the interests of the federation or sport. Strategic and managerial behaviours in these organisations sometimes appear to be driven as much by political manoeuvring aimed at re-electing sitting executives, obtaining votes and gaining support as by a desire to improve the organisation's performance.
- Differences in the rates of organisational change, professionalisation and development between a federation's head office and its constituent organisations (continental, national and regional bodies and clubs) can lead to dysfunction and inertia in implementing the federation's actions. Such differences are at the root of some federations' poor efficacy and efficiency and can trigger conflicts between the base and the summit (e.g., criticism of the head office for becoming overly bureaucratic and for being out of touch with local needs and realities).

#### **4.4 Conclusion**

Analyses of sport federations show that their deficient information systems, insufficient control of management practices and political inertia restrict integration. These elements are characteristic of what Mintzberg (1986) called the 'missionary' configuration,<sup>34</sup> which he considered typical of NGOs.

The three success factors are powerful integrating mechanisms, whereas the three failure factors are differentiating mechanisms. These six factors form a combination of managerial practices that underlie an organisation's operational capacity and its capacity to implement its strategy. A sport federation's performance management depends on the interactions between its strategic and operational capacities, so its managers must understand and take into account these two capacities

if they are to obtain the differentiation/integration balance needed to improve performance. At the same time, they must not forget that this balance is a dynamic variable that interacts with changes in an organisation's environment.

Events that upset or challenge the differentiation/integration balance are the main vectors of change within sport federations. These vectors are of three orders:

- Departure of a dominant actor (president, sports director, senior executive, etc.) and, more widely, changes to the executive 'team' in charge of the federation's strategy. A dominant actor's departure is even more problematic when the organisation is insufficiently prepared for it.
- Arrival or departure of an important financial partner, such as a major sponsor.
- Changes to state regulation of sport federations, some of which are expected to carry out public service missions (political pressure, changes to a federation's legal and contractual framework, changes in direct and indirect funding and the associated uncertainty, etc.).

Detailed analysis of the interactions between a federation's strategic and operational capacities and these three vectors can show whether it has the adaptive capacity needed to preserve its differentiation/integration balance. Compared with commercial companies, many federations have a much weaker ability to adapt and react, largely because a federation is less likely than a company to go out of business.<sup>35</sup> A federation's ability to adapt depends more on a few key people, especially its president, than on the quality of its management systems and tools, and it often takes a crisis (political, media, financial, etc.) for a federation to activate this ability.

## Notes

- 1 France was eliminated at the end of the first round following a players' strike reported by the world's media ('Knysna scandal'). Widespread pressure, including from France's president, eventually forced the president of the French Football Federation to resign.
- 2 CNOSF (2012) *La RSO dans l'ADN du sport*. Available at : <https://rso.franceolympique.com/les-6-axes-d-action>
- 3 See the interview with F. Jany-Cantrice in *Jurisport*, July/August 2023, n° 243, pp. 31–35.
- 4 Not necessarily because they are dissatisfied, but for strategic, financial or other reasons.
- 5 In France, *Mediapart* and *Le Canard Enchaîné* have become increasingly critical on this issue. *FrancsJeux*, created in 2013, was the first French-language news website dedicated to the international sport movement. *Inside the Games*, created in 2005, also provides news and information about the Olympic world and sport institutions.
- 6 France's football newspaper, *So Foot*, provides this sort of information for the French Football Federation.
- 7 In 2024, the FFF decided to set up a 'compliance commission' (composed of independent figures from civil society but presided by an FFF official) to oversee the implementation of the FFF's policies, measure their impacts, suggest changes if necessary and present its conclusions to annual general assemblies.
- 8 This section and Section 4.3 are based on research carried out by Bayle and Robinson (2007).



- 9 For example, the IF for swimming (World Aquatics) has a 'Bureau' (or board), whose 43 members are mostly representatives of swimming's continental federations, and an 'Executive Bureau', whose 8 members include the federation's president, vice-presidents and treasurer.
- 10 The French government employs approximately 1,600 technical staff, whom it seconds to France's NFs (which are expected to fulfil a public service mission).
- 11 Most board and executive committee members in France's NFs are regional or *départemental* councillors who also have other jobs, so they often have little time to carry out their roles within the federation.
- 12 Mayaux's (1999) typology included a further two forms of governance – 'polarised volunteer core' and 'polarised salaried core' – which Bayle (2001) did not observe in sport federations.
- 13 Ludovic Royé, president of France's Union of National Technical Directors, 15 June 2023, Jurisportiva.
- 14 According to a 2018 study by Pôle Hippolia, France's equestrian sector has four sub-sectors: breeding (1 million horses, 30,000 breeders, world's fourth largest exporter of horses), horseracing and betting, riding (competition and leisure) and horse meat. These four sub-sectors have a combined turnover of almost €12 billion and support 75,000 jobs (almost 50% linked to racing) and 55,000 companies, often small and medium-sized companies.
- 15 Public resources/total receipts; public resources/total expenditure; net receipts; total receipts; total expenditure; net receipts/total receipts; total receipts/total expenditure; sponsorship/total receipts; subsidies/members; total revenues/members; revenues from members per member; expenditure not linked to management/total expenditure; sports ministry subsidies allocated to elite sport via an objectives contract/total subsidy; subsidies allocated to grassroots sport/total subsidy; subsidies allocated to grassroots sport/receipts from members; financial value of the technical managers provided/total receipts; and value of the technical managers provided/(direct) subsidies.
- 16 The ensuing media fiasco resulted in certain sponsors threatening to cancel their contracts and the federation's government funding being linked to a measure of the sport's image.
- 17 The rules and criteria governing how revenues are distributed between administrative costs and sport or between the federation's operating costs and its network (funding and services).
- 18 Lawrence and Lorsch (1989, pp. 32–33) defined differentiation and integration as follows: Differentiation describes 'differences in orientation between departmental managers, the different ways in which managers plan their actions over time in different parts of the organisation (short term/long term), the different ways senior managers behave toward colleagues in their department (interpersonal orientation), differentiation between operational units (departments) and their growing number (formal structure)'. Conversely, integration describes 'the quality of collaboration between departments that must combine their efforts to meet demands in the environment and to implement organisational strategies to achieve this goal'.
- 19 NF presidents may have other jobs or be retired. Some NF presidents receive compensation for their work.
- 20 The difference between compensation and salary is more semantic than legal. Sport federation elected officials prefer to talk about compensation (as in politics) than about salaries for performing their missions.
- 21 Executives' main roles are to determine the direction the federation should take, make decisions on major issues, represent the federation, lobby politicians and check whether objectives are achieved. Managerial and operational management should be delegated to permanent salaried staff and/or technical directors or volunteers.

- 22 Executives coordinate the work of permanent staff, key volunteers and/or department heads. They manage recruitment and day-to-day operations and monitor the work of the head office's departments. Executives may be required to take on these roles due to the absence of salaried staff, but some federations consciously decide not to give paid staff coordinating roles, often because elected executives want to keep control over a department's work and operational management.
- 23 Many federations draw up an organisation chart only for paid staff and do not have an overall organisation chart including volunteers.
- 24 A 2005 study by the French Olympic Committee (Bayle and Bruzek, 2005) showed that federation presidents spent, on average, almost 40 hours a week working for their federation (66% of presidents also had a salaried job). The means for federation general secretaries and treasurers were almost 30 hours and 20 hours, respectively.
- 25 Expressed by the idea that professionals cannot behave as if they were in a company; they must believe in the importance of the federation's mission.
- 26 Work longer hours than stipulated by labour laws.
- 27 For example, giving a general manager or technical director voting rights on the federation's executive board.
- 28 Even if they do not have voting rights on the board or executive committee, some of these professionals are highly influential and are listened to by the organisation's decision-making body.
- 29 General managers who have become IF or NF presidents include J. Blatter and G. Infantino at FIFA, J-L. Rougé at the French Judo Federation, P. Bana at the French Handball Federation, S. Poirier at the French Motorcycle Federation and N. Deschaux at the French Motorsport Federation.
- 30 Non-profit organisations outside sport also use this type of recruitment process, choosing paid directors from among members who actively contributed to the organisation as volunteers and who have shown their commitment to it.
- 31 Case of scandals at the French Ice Skating Federation and French Football Federation, whose presidents resigned following pressure from the sports minister.
- 32 A water sports centre offering introductory courses in skills needed for several sports and capable of catering to different categories of leisure sailors/rowers is an example.
- 33 Few federations use job and mission descriptions for volunteers (30% of cases) and they rarely evaluate volunteers' work.
- 34 Organisations with a very informal structure whose functioning is based on shared beliefs, culture and ideology.
- 35 IFs and NFs survive all but the most severe crises (e.g., the COVID-19 pandemic led to the American Rugby Federation going bankrupt), but they may become seriously dysfunctional (political conflict, debt, etc.).

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# **The Financialisation and Regulation of Professional Team Sports**

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Professional team sports owed their initial rise and popularity to a combination of historical and cultural factors, together with the simplicity of their rules and their accessibility for young people (no expensive equipment required, can be played in the street, adoption by schools). Historical and cultural factors also explain why football became the most popular sport in Europe, Africa and South America, and why it professionalised so early, first in England, in 1885, and in many European and South American countries during the 1930s (Szymanski, 2015). Rotating world cups between continents and massive growth in the football business since the 1990s have anchored the sport worldwide and led to the creation of national professional leagues in Asia (e.g., South Korea – 1983, Japan – 1993, Indonesia – 1994, Iran – 2001, China – 2004, India – 2013), the Gulf States (e.g., Qatar Stars League – 1972, United Arab Emirates Pro League – so named since 2006, Saudi Pro League – so named since 2007) and North America (Major League Soccer – 1996<sup>1</sup>). Football is now a truly global professional sport, but, somewhat paradoxically, it remains lightly regulated and has been unable to control the rise in star players' salaries and transfer fees. Professional basketball has also become truly international, albeit with a much smaller economy than football, and it remains dominated by the very powerful National Basketball Association (NBA). Baseball, another of North America's leading team sports, is also very popular in other countries, notably Japan, where it is the number-one sport, and Cuba.<sup>2</sup> In contrast, American football has struggled to take off elsewhere in the world, even though it is the United States' most popular sport and has the world's most lucrative professional domestic league (Oriard, 2010). Indeed, in 2023 the National Football League (NFL) signed the world's largest single-sport broadcasting rights deal when several American networks and Amazon agreed to pay \$100 billion for the rights to NFL matches from 2023 to 2033. This sum is almost five times greater than the amounts earned by the world's other big professional leagues, including the NBA (\$2.7 billion a year, through a contract worth \$24 billion between 2016 and 2026), Major League Baseball (MLB, \$1.7 billion a year) and English football's powerful Premier League (\$8.45 billion over four years starting from 2025).

For a variety of cultural and climatic reasons and because of the high cost of equipment and facilities, many other professional team sports remain centred in specific regions of the world. Ice hockey, for example, is very popular in North America, Russia, Scandinavia and Switzerland but a minor sport in most other countries. Cricket and rugby are now major professional sports in many Commonwealth countries, after being introduced when these countries were British colonies. Cricket is especially popular in the Indian sub-continent, where the Indian Premier League manages to generate almost €30 billion in revenues, despite the region being a relative newcomer to the sport business. Rugby union's two hubs are the United Kingdom, France and (more recently) Italy and New Zealand, Australia and South Africa (plus Tonga and Fiji, which train many professional players). In addition to its flagship Six Nations Tournament, Europe has three big domestic leagues: the English Premiership, Top 14 (France) and the United Rugby Championship.<sup>3</sup> Australasia's most important club competition is Super Rugby Pacific.<sup>4</sup> Rugby league is even more regional. It has two main professional leagues – the Anglo-French Betfred Super League and the mostly Australian National Rugby League – both of which have adopted a franchise system. Floorball, field hockey and netball, which also have British origins, are popular enough to take their first steps towards professionalism, but only in a small number of countries.

Although volleyball and handball are major sports in many countries, they are often associated with university and school sport, which may be why their professional economies developed later and tend to be small. Nevertheless, these two sports, together with basketball, stand out for the almost equal pace with which men's and women's sport professionalised, in contrast to male-dominated sports such as football, rugby and ice hockey, where the women's game has professionalised much more recently and to varying degrees. Europe and South America have semi-professional men's and women's handball leagues (e.g., Germany, Denmark Spain, France, the Balkan League, Argentina, Brazil), and Canada has semi-professional men's and women's volleyball leagues. North America gained a fully professional volleyball league (Real Pro Volleyball) in 2022, in addition to Athletes Unlimited, a network of professional women's sports leagues launched in 2020.

Because large national leagues and their most powerful clubs are now looking to internationalise their outreach and their markets as a way of growing their businesses, it seemed appropriate to include a chapter on national professional leagues in this book on international sport organisations. Sections 5.1 and 5.2 describe the regulation of major sport leagues and performance management by large clubs, some of which have become global brands. Section 5.3 presents the levers clubs and leagues, especially those in Europe, can use to grow their businesses, while Section 5.4 examines one of these growth levers in more detail by analysing the professionalisation of women's football and the move towards large mixed clubs in Europe.

## **5.1 The Central Role of Regulation by Professional Leagues**

North America and Europe have historically taken very different approaches to regulating professional leagues, although these differences are narrowing. This section presents these differences and discusses the success factors for the regulation of professional leagues.

### **5.1.1 *Convergence between American and European Approaches to Regulation***

The success of a professional team sport championship depends on two factors – sporting stakes and outcome uncertainty (Neale, 1964; Rottenberg, 1956). These two factors are major determinants of a competition's interest to fans and therefore directly impact the number of people who attend matches or watch them remotely (Fort and Quirk, 1995; Szymanski, 2003). Leagues create sporting stakes by attributing sporting consequences to a certain number of places in their championships. These consequences may be qualifying for a playoff phase (in North America), qualifying for a continental competition (the case for the top divisions in many European leagues), gaining promotion to a higher division or avoiding relegation to a lower division. In terms of outcome uncertainty, a degree of competitive balance is necessary to maintain fans' interest and hence the source of revenue provided by a spectacle co-constructed by the teams (Zimbalist, 2003). In other words, if the same team always wins, fans will lose interest and the league's revenues will fall.

In contrast to professional team sports in Europe,<sup>5</sup> North America's major leagues are all highly regulated. The risk of creating competitive imbalances and therefore having boring matches is one of the main arguments used to counter any attempt to regulate North America's major leagues (Rottenberg, 1956; Neale, 1964; Fort and Quirk, 1995; Szymanski, 2003). Indeed, these leagues have introduced a wide variety of rules to protect themselves from this danger, but their efforts have been only partly successful. They use three main types of interventions to avoid excessive financial and sporting imbalances between clubs: revenue-sharing mechanisms, labour market regulations and restrictions on the number of franchises and their locations. The major leagues share revenues in two ways. The first way is to negotiate broadcasting rights as a cartel and then divide them between franchises, as allowed under the 1961 Sports Broadcasting Act. The second involves home teams sharing a proportion of their ticketing receipts with visiting teams. However, some leagues have more equitable revenue-sharing systems than others. The NFL is the most egalitarian league, as each franchise receives an equal share of the league's national revenues (media rights and the league's national sponsorship, licencing and merchandising revenues), and visiting franchises receive 40% of the home franchise's ticketing revenue. The National Hockey League's (NHL) sharing agreement is more complex: The ten highest-earning franchises put their local



pre-season and regular-season revenues (ticketing, concessions, TV, etc.) in a pot (maximum of 6% of the league's total revenues), which is then redistributed to franchises in financial difficulty.

The major leagues' most important intervention in the labour market is the salary-cap system (Vrooman, 1995, 2000), which limits how much clubs can spend on players' salaries, both for the entire team and for individual players. Salary caps were instituted in response to the bidding wars for top players that beset some leagues following the introduction of the 'free-agent' system, which frees players whose contracts have ended or are cancelled by their franchise. These bidding wars led to an explosion in players' salaries and gave the richest clubs a major advantage in attracting talented players (Quirk and Fort, 1992). Salary caps were also designed to prevent leagues from self-destructing financially. The NBA was the first league to introduce a salary cap when it limited clubs to spending no more than 53% of the league's revenues on players' salaries during the 1984–1985 season (Dietl *et al.*, 2009). All of North America's major leagues now have salary caps. The NHL has both a salary cap (\$86.5 million per franchise for the 2022–2023 season) and a salary floor, that is, a minimum sum each franchise must spend on players' salaries (\$60.2 million per franchise for the 2022–2023 season). Although North American leagues often apply their salary caps very strictly ('hard cap'), the NBA and MLB allow exceptions through a 'luxury tax' mechanism, under which clubs that exceed the salary cap pay a financial penalty that is redistributed to teams that respect the cap. Although the salary-cap system leads to talent being distributed unequally across the league, Bastien (2023) found that:

The resulting competitive imbalance has little impact on the attractiveness of major competitions in the United States. It is partly balanced by the relatively intense competition for the top places in the league, which is a reminder that a minimum degree of competitive imbalance is desirable to make a league attractive. In addition, it is made up for by catering services and the entertainment franchises provide before, during and even after games. Although this durably satisfies the North American spectator, it is important to stress that Europe has a different culture in terms of consuming spectator sport.

The 'draft' is another mechanism for balancing the distribution of talent and avoiding a ruinous race to buy the most promising young players. Most players in the draft are college players, but they may also come from high schools (players must have graduated at least a year before the draft), junior teams/minor leagues (complying with age conditions) or other countries. To give weaker teams the best chance to strengthen their squads, the lowest-ranked teams at the end of a season get the first pick of players in the following season's draft, with players ranked according to their perceived talent. An undesirable side-effect of this mechanism is teams losing deliberately to improve their position in the draft (a practice known as 'tanking'), which the NBA has tried to overcome by holding a lottery to decide which of the bottom three clubs gets first pick. Nevertheless, some teams threw games during the 2023

season to improve their chances of drafting the highly coveted Victor Wenbanyama, the first French player to be number one in the 2023 NBA draft.

Threats by a franchise to relocate put a lot of pressure on the city authorities to build or renovate a stadium/arena to the franchise's specifications (Andreff and Staudohar, 2000). In the NFL, for example, the Los Angeles Rams (who won the 2022 Super Bowl) were once the Saint Louis Rams, but they left Saint Louis for Los Angeles because of the latter city's much greater local potential. Leagues can also change the number of franchises to increase the league's sporting and commercial value. For example, in 2018 the NHL added a 32nd franchise, based in Seattle, in exchange for a \$650 million entry fee.

Several characteristics of the European model of sport make it much more difficult to strictly regulate leagues. First, using regulation to maximise profitability for team owners is a central component of the American model, but this is not the case in the European model. Second, rather than being franchises, European championships are 'open competitions' in which teams may be promoted or relegated between divisions. Third, Europe's domestic championships allow the best teams to qualify for highly lucrative continental competitions. Finally, Europe's domestic leagues must organise their calendars around national team matches. These factors and the resulting differences in individual actors' interests<sup>6</sup> make it extremely difficult to reach the compromises that regulation requires. Most European leagues are national, although a small number of professional leagues may cover two or more countries with small national markets and elite sport sectors. This is the case for basketball's BNXT League (Belgian and Dutch men's clubs) and Adriatic League. In handball, the Gazprom South-East Handball Association League includes the best clubs in the Balkans, which subsequently re-integrate their respective national championships at the playoff stage.

Rather than capping salaries or transfer fees (in football), most leagues in Europe try to preserve their sporting equity by making clubs respect the budgets they publish at the start of the season (financial guarantees from owners, payment of social security charges and taxes, requests for defeasance, etc.). Leagues enforce this rule by requiring clubs to accept independent management/financial audits (national management/financial audit office) and apply sanctions in cases of non-compliance. Penalties can range from recruitment limits or bans to relegation to a lower division.

UEFA's 'financial fair-play rule', introduced in 2011, was designed to prevent Europe's professional football clubs from spending more money than they earned (Durand and Dermit-Richard, 2013). However, clubs have found various ways of getting around the rule, including over-valuing their commercial contracts with parties connected with their shareholders (e.g., PSG, Manchester City) or paying their star players' salaries through offshore companies. The high level of debt contracted by European football clubs due to COVID-19 (estimated at €7 billion) led UEFA to modify the rule in 2022. Consequently, clubs no longer have to balance their accounts, but they must limit their expenditure on salaries, transfers and agents' commissions.<sup>7</sup> Some national leagues have tried to go further in regulating salaries. Since 2010, France's rugby league has imposed a salary cap restricting

the total amount clubs can spend on salaries (€10.7 million for 2022/2023). In 2023, Spain's professional football league introduced a financial fair-play rule that allows clubs to reuse just 50% of the salary freed when a player leaves. This figure increases to 60% if the departing player's salary accounted for more than 5% of the club's payroll when he was sold.

These initiatives – even if they are not always applied particularly strictly – suggest that European leagues are gradually adopting some of the regulatory principles and methods used in the United States. Although keeping professional competitions open to all clubs is a general principle of the European model, in reality many leagues are semi-closed because financial factors (budget, stadium/arena size, trading area, etc.) make it very difficult for clubs to move up or down divisions. In fact, many leagues now impose licencing requirements and/or specifications (stadium/arena capacity, minimum budget, degree of professionalisation, etc.) on clubs that wish to enter the professional championship or that achieve promotion to a higher division. Such requirements, which differ according to the sport and its professional maturity, are gradually turning Europe's professional leagues into de-facto closed competitions.

The final major difference between the two models is in governance oversight, which is ensured by commissioners in North America's leagues and by the league's boards, most of whose members are club executives, in Europe. In the United States, a league's commissioner oversees negotiations of multi-annual collective bargaining agreements and arbitrates between the interests of the franchise owners and of the players, who are represented by very powerful unions. These agreements cover numerous aspects of a league's operations, including the number of games to be played, the division of revenues between franchises and players, transfer rules, draft and free-agent rules, ethical and disciplinary rules for players, safety standards and measures to protect players' health. Failure to reach an agreement can lead to lockouts by the franchise owners (as occurred in the NFL<sup>8</sup> and NBA in 2011) or strikes by players, which can bring a season to a partial or complete halt (as occurred in the NBA in 1999 and in the NHL in 2004–2005).<sup>9</sup>

In Europe, league presidents, who are often former club presidents, are usually independent and assisted by qualified staff, but they must juggle the interests of the boards who appointed them, which also have the final vote on issues concerning regulation. This is a very different situation to the United States because the balance of power in Europe is clearly in the hands of the club owners, and players' unions (which do not exist in every sport) have little say in final decisions. Placing a league's governance in the hands of club presidents leads to conflicts of interest (between individual clubs and between 'big' clubs and 'small' clubs) with respect to key decisions such as the number of teams in the championship, the championship format (playoffs/playdowns, number of teams relegated, etc.), championship calendar (e.g., allowing space for European club matches and national team matches) and the criteria used to determine each club's share of media rights. For example, clubs that regularly qualify for European competitions may want to reduce the number of domestic matches they play, whereas clubs that rarely qualify

**Table 5.1** Differences between the North American and European Models of Professional Team Sports

<i>Characteristics</i>	<i>North American model</i>	<i>European model</i>
League structure	Cartel of franchises aimed at maximising revenues Professional sport is independent of national federations	Professional leagues are part of the federation system, alongside national teams and amateur sport
Admission to the league	Closed league (but franchises can change their location)	Open league (with promotion-relegation and qualification for continental competitions)
Clubs' objectives	Profit and club's valuation <sup>a</sup>	Maximise sporting results under 'soft' budget constraints
Regulation	Salary cap/luxury tax Egalitarian sharing of revenues Draft system Exclusive territories	European financial fair play and control of clubs' management (limits/bans on recruiting players) Redistribution of a proportion of player transfer fees to the club that trained a player Non-exclusive territories UEFA licences and criteria Sharing of media rights Professional sport/amateur sport solidarity mechanism 50+1 rule in Germany
Regulator	Commissioner (who oversees collective bargaining agreements)	League's board (dominated by its clubs)

a Although several authors (e.g., El-Hodiri and Quirk, 1971; Rascher, 1997) have challenged this hypothesis.

for Europe may want to play more domestic matches to increase their revenues. These weaknesses in European professional leagues' governance make it very difficult to introduce effective regulation. Table 5.1 summarises the differences in the governance of North American and European professional leagues.

### **5.1.2 Success Factors for the Regulation of Professional Leagues**

An analysis of France's three biggest professional leagues (basketball, football, rugby) enabled Scelles, Ferrand and Durand (2015) to identify 12 success factors for regulating a league and ensuring its product's sporting and financial success. They divided these success factors and 40 associated criteria (26–27 per sport) into four domains – communication, management, financial-legal and sport (Table 5.2). Some of these criteria are specific to the European model of sport.

Table 5.2 Success Factors for France's Three Leading Team Sport Leagues

<i>Domains</i>	<i>Success factors</i>	<i>Associated criteria</i>
Communication	Image	Identity/values New media Transparency
	Valourising partners	Event communication New technologies Awareness
	Valourising the product	Clarity National media coverage Video coverage
Management	Organisation	Respect for the organisation Human resources Structure Information systems
	Unity	Awareness of the need for competitors Dialogue Sharing
	Vision	Anticipation Business Ability to seize opportunities Openness to Europe President
Financial-legal	Competition framework	Legal protection Regulation Securing positions
	Environment	Economic and political context Relations with the federation Relations with the public sector
	Optimising demand	Internationally Nationally (large cities) Stadium quality
Sport	Attractiveness	Sporting stakes Outcome uncertainty Encourage attacking play
	Competitiveness	Ability to attract talent European International Team stability Training strategy
	Equity	Calendar Rules respecting sporting merit

Source: Scelles, Ferrand and Durand (2015).

On the managerial level, they found that France's leagues do not fully pursue their vision of making professional sport a true business, as they do not create the conditions needed to grow their businesses (openness to Europe and international opportunities). In the financial-legal domain, the leagues see controls

on competition primarily as a way of securing clubs' positions and establishing them in large cities (to increase revenues and ensure clubs are more evenly spread across the country), so the level of sporting risk (promotion/relegation, not qualifying for Europe, etc.) becomes acceptable for shareholders and investors. Other financial success factors include the presence of more than one powerful broadcaster, a situation Europe's 'Big Five'<sup>10</sup> football leagues have benefitted from since the 1990s. This competition allows leagues to increase their revenues, but it does not require them to improve the quality of the sporting spectacle or their sport's governance.

Within the sporting domain, it is essential to maximise a championship's attractiveness, as this factor both increases audiences and enables clubs to showcase their players/demand higher transfer fees and to attract and retain star players. Reducing a championship's size can greatly increase its attractiveness by ensuring its clubs remain competitive in European competitions and by improving the quality of the national team (fewer matches for national team players, better preparation for and results in continental competitions and the World Cup). However, a league may also pare down its top division for financial reasons (sharing TV rights between a smaller number of clubs) without necessarily considering the optimum number of teams and championship format. This was the case for French football's elite league (L1), which reduced its championship from 20 clubs to 18 clubs in 2023. French rugby has gone much further down this road than most other leagues, with the aim of increasing the sporting stakes and the uncertainty of the season and of each match. In addition to playoffs (direct elimination in the final phase) and play-downs (matches between clubs at the bottom of the table and clubs at the top of the division below), France's professional rugby union league has a system of offensive and defensive bonus points aimed at promoting more attacking play<sup>11</sup> (Terrien, Scelles and Durand, 2015). Although a league must try to maintain uncertainty by ensuring its championship's competitive balance, without making the rules overly complicated, it must also ensure the calendar is equitable for all teams and does not distort the impact of sporting merit. In rugby, for example, the fact domestic competitions continue during national team competitions disadvantages the best clubs, as they are most likely to have players absent on international duty. In 2005–2006, France's national basketball league qualified 12 clubs out of 18 for the playoffs, a move which some observers criticised as undermining sporting merit and discrediting the championship.

Finishing near the top of the table is very important in all professional leagues: The top places in European leagues give access to lucrative European competitions, and the top places in North America's leagues give access to the competition's playoff stage. The stakes at the bottom of the table are also high in championships with promotion-relegation systems, so it is the middle of the table that sometimes lacks interest. Conversely, geographical and historical-cultural rivalries between clubs (based on political, economic, sociological or religious differences) add excitement to matches at all levels in a championship, and such rivalries characterise all team sports in all countries. In football, these matches

include derbies between neighbouring clubs (Manchester United vs. Manchester City in the UK; Standard de Liège vs. Sporting de Charleroi in Belgium), matches between clubs owned by different monarchies ('Golfico' between Manchester City and Newcastle United) and matches between historic adversaries for the title of best club, sometimes known as 'classicos' (e.g., Barcelona vs. Real Madrid; Benfica vs. Porto). Such rivalries add spice to a championship, independently of the season's sporting stakes, and generate great excitement among fans and the media, both at home and abroad.

These success factors provide a valuable framework for analysing the governance of Europe's professional leagues, their regulation strategies and their ability to satisfy the sometimes-contradictory interests of their numerous stakeholders (league executives, club owners, broadcasters, players, national and continental federations, etc.). The nature and quality of the regulatory framework imposed by a league impact the strategies clubs draw up to steer and improve their performance.

## **5.2 Professional Clubs' Performance Management**

Working within their league's regulatory framework, which sets a championship's sporting, legal and financial rules, clubs try to optimise the revenue-generating possibilities offered by their local potential (Section 5.2.1). Their ability to do this depends on four types of expertise (Section 5.2.2).

### **5.2.1 Geomarketing and Sources of Revenue: The Key Variable<sup>12</sup>**

Franchises in North America's professional leagues try to base themselves in areas with good marketing potential, that is, areas with large and affluent populations (Danielson, 2001). Professional clubs obtain revenues from four main sources: fans, companies, local authorities and the media. Although fans have been replaced by media rights and sponsors as clubs' main sources of revenue (Andreff and Staudohar, 2000), they remain the cornerstone of every professional club (atmosphere, identity, etc.). Moreover, fans' willingness to buy products and services bearing their favourite club's logo enables clubs to earn substantial revenues from licencing rights to their brands and from selling club merchandise. When a franchise chooses a home city, the 'quality' of potential local supporters, measured via variables such as their disposable income, likelihood of supporting a team and inclination to consume, is at least as important as their quantity. Sport organisers throughout the world use segmentation marketing (VIP areas, limiting the number of season tickets, varying ticket prices according to the match, etc.) to 'select' the spectators who attend matches. This usually leads to increased ticket prices, a strategy that can result in some fans abandoning live matches in favour of watching on television or mobile devices (especially in North America's leagues and in English football).



Local businesses are another important source of revenue, as companies of all types now use sport as a channel for brand marketing and corporate promotion. Large sponsor companies buy advertising space in stadiums/arenas and in the media, whereas smaller companies tend to buy only public relations operations (boxes and VIP seats). Clubs also obtain revenues from business clients by selling associated services such as parking, catering and meeting rooms. Although some clubs attract sponsorship from national and international companies, the presence of powerful local companies remains a key success factor. This business clientele is less sensitive to pricing than individual spectators and therefore constitutes a good market for clubs. Most clubs will attract local and regional businesses, but the largest clubs, especially in football, attract business clients from throughout their home country or even abroad.

City and regional authorities are the third major source of revenue. Public authorities throughout the world provide professional sports clubs with various key resources ranging from building, renovating and maintaining facilities (stadiums, arenas, ice rinks, etc.) to direct and indirect financial subsidies (buying services, tax exemptions, introductions to sponsors or investors, etc.). The services a city is willing to provide can greatly impact a North American franchise's choice of location (Durand and Bayle, 2002).

The media (particularly television networks) are the fourth source of revenue for professional clubs. Collective negotiations by their leagues enable clubs in the most popular sports to obtain huge sums from national and international media rights to the extent that the media have become these clubs' and leagues' main clients. However, clubs in a championship's lower divisions and sports with smaller followings or smaller national markets benefit, at best, from a national or European solidarity system. The differences between larger clubs and smaller clubs/sports are exacerbated by the fact that substantial media revenues not only boost a club's business model and future financial value, they also help them attract national or international investors (shareholders, sponsors, etc.).

Analyses of local potential must also consider the competitive framework. Although sport clubs tend to be in competition with other forms of entertainment and leisure activities, some local markets may be split between different sports or different teams within the same sport. For example, London has six Premier League football clubs plus seven clubs in the professional championship's lower divisions. New York City is home to ten men's and women's major league franchises, even though the entrance fee each franchise pays guarantees it a territorial monopoly or duopoly within its sport. Thus, the competitive intensity of spectator sport varies greatly between countries and between territories.

Clubs draw on four types of expertise to optimise their local potential and ensure their sporting and financial success.

### **5.2.2 Four Types of Expertise: Marketing, Managerial, Sporting, Social**

Durand, Ravenel and Bayle (2005) showed that, by definition, a club's local potential depends on its market environment and the quality of its facilities (arenas for indoor sports, stadiums for outside sports). The present discussion extends this model by adding the institutional environment, which determines the political and social context in which a club operates. A club's economy is also defined by the social, cultural and political rules governing the production and circulation of its goods and services. If, as Granovetter (2000) argued, economic actions are 'embedded' in networks of social relations, it is also necessary to examine the extent and structures of these relations.

Clubs need four types of expertise to get the most from their local potential (Figure 5.1). Sales and marketing expertise enables clubs to turn their local potential into revenue, which they use to produce not only sporting and financial results but also societal results by engaging in activities that have positive social, economic and environmental impacts on the club's surrounding area and community. Managerial expertise is needed to manage processes and control expenditure, which determines financial results. Sporting expertise is key to ensuring sporting expenditure is productive, as sporting results impact a club's revenues by making it easier to sell tickets, merchandise and players (transfers). For clubs in Europe, domestic sporting success can result in a club qualifying for continental and international competitions and thereby bring in further revenues. For example, the revenues European football clubs earn by progressing from the Champions League qualifying stage to the group stage can represent up to 25% of a Big Five club's budget and even more for clubs in other leagues. These sporting and financial results impact a club's national and international reputation and affect its local potential by increasing or reducing its negotiating power within its institutional and market environment (e.g., with respect to obtaining public support for renovating, expanding, or replacing its facilities).

Two other aspects must be added to Durand, Ravenel and Bayle's (2005) initial model: regulation by the league and social responsibility. Regulation by the league impacts clubs' results/performance via negotiations concerning media rights and revenue redistribution mechanisms. It also determines minimum standards for arena/stadium size and levels of professionalisation with respect to certain competencies (qualifications and the number of sport support staff). Finally, many leagues impose financial rules (financial controls, payment of social security contributions and taxes), with sanctions for clubs that do not comply with these rules (e.g., recruitment bans/limits, relegation to a lower division).

Professional clubs also need expertise in social responsibility, which has become an essential aspect of their operations. Given the innumerable challenges surrounding them (social, political, financial, media), clubs must show that their contribution

to society goes beyond the quest for sporting financial performance. Kuper and Szymanski (2012) summarised this idea as follows:

Soccer clubs need to know what they are. They shouldn't kid themselves that they are Titanium Metals. Rather, they are like museums: public-spirited organizations that aim to serve the community while remaining reasonably solvent. It sounds like a modest goal, but few of them achieve even that.

Few clubs measure their societal results, and independent evaluations of their social impacts are even rarer. However, some of Europe's largest clubs will soon be obliged to do so under national legislation requiring companies above a certain size to issue social responsibility or sustainability reports.<sup>13</sup> Sport clubs may also start joining non-financial certification schemes developed for business by organisations such as B Corporation.

After analysing its economic and social impacts during the 2018/2019 season, PSG claimed that its economic impact on its home region (Île-de-France) was worth €182.2 million. This sum demonstrates both the club's ability to earn revenues outside its region and the fact that these revenues benefit its home region. Nevertheless, this benefit is quite modest compared with the size of the company (2,150 full-time equivalent staff during the 2018/2019 season, including 670 direct jobs), although the club and its players contribute significantly to public finances through their social security contributions and taxes (€1.9 billion between 2011 and 2021). Rather than evaluating the club's social impacts, the report quantified the actions carried out by its foundation and endowment fund, which impact around 14,000 beneficiaries every year. This study (Lepetit and Rougier, 2021) shows that the club's media, social and economic weight is much greater than its impacts, which are difficult to measure, especially in the case of its social impacts.

Forest Green Rovers, a fourth-division English football club, claims to be the 'greenest football team in the world'.<sup>14</sup> With an organic pitch, vegan catering and plans for a new stadium built almost entirely from wood and powered by green energy in the heart of a 400,000 square-metre eco-park, it is the only club to be certified climate neutral by the United Nations. It presents itself as a green enterprise using football to promote sustainability.

Social responsibility's growing importance in professional sport is due to clubs being de-facto public organisations, as defined by Laufer and Burlaud (1980), that is, they have a great impact on local, regional, national and even international public opinion. Hence, professional sport clubs in Europe and many other parts of the world must be considered managers of a common good that forms part of a territory's (shared) heritage. This is undoubtedly why some professional clubs in Europe have remained public or quasi-public non-profit associations or are looking into becoming community interest companies, as allowed for in countries such as the United Kingdom, Australia, Brazil and France.<sup>15</sup> Aviron Bayonnais (rugby), Lyon La Duchère (football) and ASVEL Féminin (basketball) were among the first

Franchises in the United States must be in cities with more than a million inhabitants (Durand and Bayle, 2002), as the size of the local population is a determining factor in a club's economic and geomarketing potential. Although European football

does not impose criteria relating to the size of a club's trading area, in 2004 UEFA created a licencing system, later modified, under which clubs wishing to compete in European competitions must fulfil criteria regarding their facilities (stadium size and quality), administration, professionalisation and financial fair play, as well as sporting criteria (they must qualify).

Bayle, Lang and Moret (2020) proposed a method for analysing and measuring the above model's dependent and independent variables.

#### *5.2.2.1 Operationalising and Measuring the Independent Variables*

A club's local potential depends on three independent variables: its institutional environment, its market environment and the characteristics of its stadium/arena. The following paragraphs describe these variables and ways of measuring them.

##### 5.2.2.1.1 INSTITUTIONAL ENVIRONMENT

A club's institutional environment can be assessed by examining political factors affecting professional sport, notably whether providing professional sport with public support is legal and considered acceptable by current political decision-makers. Demographic and sociological factors also affect a club's institutional environment. These factors include age distribution of the population, ratio of workers to retirees, number of families, number of children, population growth/shrinkage, social composition of the population (wealth/inequality), gentrification of certain neighbourhoods, size and type of immigration, security, sociability, sporting culture, social ties and networks between club executives and local politicians, business people and the sporting community. The institutional environment sheds light on a territory's institutional needs (image, identity, norms and values, need for inclusion and integration, etc.) and its historical ties with professional sport and local clubs. Are these clubs ingrained in the area and part of local heritage?

##### 5.2.2.1.2 MARKET ENVIRONMENT

The market environment can be measured via four indicators:

- Size of the conurbation (measure of the potential audience).
- Wealth of the conurbation (per-capita income), which indicates its ability to consume the club's services.
- Presence of other professional sports or forms of entertainment.
- Fiscal regime. Many federal countries allow each state/region to set its own fiscal policy, which can lead to large differences in taxation between regions (income tax and wealth tax for players; corporation tax for clubs).

#### 5.2.2.1.3 STADIUM/ARENA

Three indicators can be used:

- Stadium/arena capacity.
- The ability to exploit the stadium/arena (number of seats, number of VIP seats, number of boxes, whether it is multifunctional).
- Who owns the stadium/arena and the financial deal for operating it.

Not owning its stadium/arena is not necessarily a disadvantage for a club if it can operate it profitably, which depends on the stadium/arena's capacity<sup>16</sup> and functionality, and whether rent and maintenance charges are below market rates and/or lower than the true cost. City authorities charging low rents for a stadium/arena is a very common form of indirect subsidy in the United States and some European countries.

#### 5.2.2.2 *The Model's Dependent Variables*

The model's four dependent variables are the four types of expertise (marketing, managerial, sporting and societal) described in the previous section. They can be measured as follows:

##### 5.2.2.2.1 SALES/MARKETING EXPERTISE

Several indicators provide measures of the sales/marketing expertise that enables clubs to turn their local potential into revenue:

- Stadium/arena occupancy rate.
- Number of season-ticket holders and the ratio of season-ticket holders to stadium/arena capacity.
- Capacity for diversifying revenues from the stadium/arena during and outside matches.
- Contribution of sponsors to the club's budget.
- Number of social network followers.
- Club's media presence (number of broadcasts, TV audience, etc.).
- Injections of shares and/or funding by the club's investors/shareholders.

##### 5.2.2.2.2 MANAGERIAL EXPERTISE

Clubs need managerial expertise to convert their sales/marketing and sporting expertise into net revenues (with respect to expenditure) while preserving and developing their human capital (sport and administrative staff). This managerial expertise can be measured via:

- A club's budget and total income.
- Budget growth over the last five years (unless it is impacted by an event outside the club's control, e.g., COVID-19, war, political crises, economic crises, relegation or promotion between divisions in the case of European clubs).
- A club's dependency on certain sources of revenue (media rights) or actors (bank loans).
- Number of employees on its sporting and administrative staff compared with other clubs with similar budgets.

#### 5.2.2.2.3 SPORTING EXPERTISE

A club's sporting expertise comes from the quality of its training centre and its ability to develop the potential and performance both of individual players and of its team(s). This expertise can be measured via:

- Mean league position over the last five seasons.
- Titles won during the last five seasons.
- Mean league position compared with its budget over the last five seasons.
- Mean ranking of its training centre compared with its budget over the last five seasons.
- Titles won by young players at the training centre over the last five seasons.
- Number of young players trained by the club who have signed a professional contract with the club during the last five seasons.
- Transfer fees obtained for players trained by the club compared with the budget (in football).

Assessing data for five-year periods allows results to be measured over the medium term, reveals the true effect of policies and shows whether results are lasting.

#### 5.2.2.2.4 SOCIETAL EXPERTISE

A club's societal expertise can be measured via its economic, social and environmental contributions to the local and wider community.

- A club's economic weight.
- A club's economic impact.
- A club's and its foundation's social actions and their impacts on beneficiaries.
- Social impacts/social returns of a club's actions.
- Media coverage for the territory.
- A club's carbon footprint.

A league's sporting and financial regulation expertise can be measured via:

- The amount of media rights generated.
- The media rights redistribution system.



- Sporting regulation mechanisms and their attractiveness for fans (championship format and points system for league rankings).
- Financial regulation mechanisms and their efficacy (respect).
- Ethical regulation mechanisms (corruption, violence, racism, etc.).
- Social and community actions carried out and consolidated with those of the clubs.
- Media coverage and number of social network subscribers.

Clubs in North America's major leagues and Europe's Big Five football leagues have used these four types of expertise to build a new type of business model, which Andreff (2017) termed Media-Magnates-Merchandising-Markets-Global (MMMMG). Efforts to internationalise their operations have resulted in these clubs becoming truly global businesses. However, as Andreff noted, clubs in most professional leagues outside the United States continue to follow the Spectators-Subsidies-Sponsors-Local (SSSL or 3SL) model, in which a club's infra-national and, in some cases, infra-regional territory and its actors are a key variable in its financial viability. But these models may evolve depending on the development levers clubs and leagues activate.

### **5.3 New Growth Levers and Their Limits**

Clubs can move from an SSSL model to an MMMMG model by using digital technologies to increase their fan communities. These technologies also provide new ways of broadcasting sport, notably over-the-top (OTT) broadcasting by existing rights holders or by content-producing websites buying rights. As for television, OTT broadcasting can be free or provided as a subscription or pay-per-view service. Digital technologies are key growth levers for sport organisations and are at the heart of current changes to their business models. Professional team sport organisations have activated several other revenue growth levers in recent years with variable degrees of success. Although the explosion in traditional broadcasting rights and the development of digital rights have resulted in more-or-less continuous revenue growth for major sports and their best products, measures to regulate expenditure (players' salaries and transfer fees) are also necessary to ensure the long-term survival and legitimacy of sport businesses, notably in European professional football. Some development levers concern mostly clubs (Section 5.3.1.) whereas others concern mostly leagues (Section 5.3.2.), but they all include global risks (ethical, financial, dependency, etc.) for the professional team sports sector in general and for individual leagues and clubs, whether they are self-regulated or regulated by international bodies (UEFA and FIFA in football) and/or national and supranational authorities (e.g., national governments, European Union).

#### **5.3.1 For Clubs**

The levers clubs can use are linked to the four types of expertise described in the previous section.

### 5.3.1.1 *Training and Transfers (Mostly Football)*

This lever draws on clubs' sporting expertise. Recruiting promising players at a very young age and then training them within the club<sup>17</sup> is a relatively low-cost way of obtaining new first-team players. Clubs may also recruit raw talents (Africa and South America in football) or promising talents (Asia) on the open market (Feuillet, Terretaz and Terrien, 2023). Another approach used by many large clubs is to enter partnerships with or buy clubs in lower divisions (see Section 5.3.1.5 on multi-ownership) that they then use as 'farm' or 'nursery' clubs to train promising young players. Farm clubs are a well-established component of North American professional sport and have become more common in Europe since the 2010s. Some major leagues in North America own subsidiary leagues in which university-trained players can develop their skills with the aim of moving up to the major league (e.g., the NBA's Gatorade League or G-League). Secondary leagues (e.g., 2nd, 3rd division, etc.) play this role elsewhere in the world. Leading clubs often lend promising young players to clubs in lower divisions or less prestigious foreign championships so they can gain experience.

European football's transfer-fee system allows clubs to generate revenues by training and/or buying young players and subsequently selling them to richer clubs. These revenues have become a major component of some football clubs' business models (more than 30% of revenues for some non-Big-Five clubs that qualify for European competitions). Indeed, football transfers are a flourishing market, with the number of player transfers worldwide rising from 12,000 in 2012 to 18,068 in 2021, according to FIFA (2021). The sums involved have followed a similar trend, rising from \$2.66 billion in 2012 to a peak of \$7.35 billion in 2019 before falling to \$4.86 billion in 2021 (during the COVID-19 pandemic).

Although these transfers help keep the football economy buoyant and support clubs' business models, they can also lead to serious breaches of ethics (trafficking of minors from poor countries to western training centres: Gaillard and Gleizes, 2018) and integrity. In response, in 2007 FIFA banned international transfers of players below 18 years of age and tried to regulate transfers of players over the age of 18, while the European Union introduced a law requiring clubs to obtain work permits for players wishing to play professionally in Europe. But these regulations cannot prevent all types of misconduct. In 2009, the Financial Action Task Force warned that funds raised on the football transfer market often went through offshore accounts in countries where banking secrecy and the absence of taxation facilitate money laundering. The report also noted the central role of players' agents in illegal transactions, especially in the Balkans, Eastern Europe and South America, where there are rarely any serious checks on the transfer market.

Most development levers involve clubs' marketing and management expertise.

### 5.3.1.2 *Large Stadium/Multifunctional Arena*

It is essential for a club to own and/or operate a stadium or multifunctional arena of a size adapted to its trading area, and this stadium/arena must be connected so the

club can use digital tools to improve the fan experience. Having the right stadium allows clubs to increase their revenues both during (VIP boxes and seats<sup>18</sup>) and outside matches (annual naming rights, boxes, meeting rooms, events throughout the year, etc.), and to optimise receipts from cultural and sporting events held in the stadium/arena on non-match days. Clubs may increase a new stadium/arena's ability to attract large-scale private investment by adding other businesses unconnected to the stadium's main purpose, such as office complexes, housing, a shopping centre or a leisure centre (projects are sometimes sold to investors as global packages). Although many stadiums/arenas are financed by private investments, for projects to provide a financial return on investment they also require public investment in urban infrastructure (e.g., compulsory purchase of land, construction of public services, new housing) and transportation (roads, bus services, urban transit systems, etc.). This public investment greatly increases the value of the real estate in and around the stadium (possible development for business and housing). Financial deals may be highly beneficial to private actors, which raises questions about the role played by public bodies and sometimes lead to protests and litigation by people who were forced to sell their property, taxpayers and local politicians opposed to a project or its financing.

### 5.3.1.3 *Shareholders and New International Investors*

Until recently, most sport club owners were entrepreneurs or wealthy local figures, but globalisation and the explosion of the sport business since the 2000s have heralded the arrival of new types of shareholders and owners. A combination of clubs' growing financial needs and the emergence of more potential buyers, especially in major sports, has greatly increased the number of clubs being bought and sold.

Sports clubs are targets for many types of buyers, including tycoons (many American billionaires have bought/would like to buy a franchise<sup>19</sup>), entertainment and associated companies (e.g., media companies, real-estate companies), investment funds (e.g., sovereign wealth funds,<sup>20</sup> pension funds, especially American funds,<sup>21</sup> private equity funds<sup>22</sup>), former star players (e.g., ex-footballers buying clubs in Europe or North America), rich celebrities (e.g., Bollywood actors buying cricket franchises in India), individual benefactors and local businesses. Supporters building collective shareholdings is another recent trend, but their aim is usually to help their club in times of financial difficulty or to gain a large-enough voice to influence its governance, rather than to take control.

Investors' motivations are extremely varied and not always easy to discern (Mauws, Mason and Foster, 2003). Decisions to invest in sports clubs are often taken for a combination of reasons, the most frequent of which are awareness raising/image building, expanding personal and/or business networks, growing or protecting an associated business, rooting an organisation's social responsibility in a region, obtaining a financial return on the investment through dividends and especially by increasing the club's value and reselling all or part of the stake, promoting a country (or one of its leaders) and using sport to gain influence.<sup>23</sup> Conversely, some investors are motivated solely by personal pleasure, their passion for the

sport and/or the club and its region. These investors see owning a club as a hobby and a personal challenge, rather than as a source of financial or reputational gain. Although the money invested boosts the sport business, club takeovers often raise questions about the origin of the funds invested, the new shareholders' stability and solvency, and whether they will respect the club's ties with its local area and/or its traditional values.

Rules governing the acquisition of sport clubs have become much more flexible throughout the world, especially in Europe. Germany and Sweden are notable exceptions because in 1998 they introduced a '50+1 rule' according to which 50% of a football club's shares plus one share must remain in the hands of the club's members, and these members must always have a majority of voting rights. The rule's aim is to prevent private investors, especially foreign investors, from obtaining a controlling stake in a club. Three German clubs are exempt from this rule: Bayer Leverkusen, owned by the pharmaceutical company Bayer; Wolfsburg, owned by the carmaker Volkswagen; and Hoffenheim, owned by a German billionaire. Four Spanish clubs are also unavailable for private takeovers because they are not commercial companies and are not listed on the stock exchange. These four clubs – FC Barcelona, Real Madrid, Atletico Bilbao and Osasuna – have remained associations owned by their members, known as 'socios'. Finally, a small number of European clubs are owned by foundations (Fondation 1890 in Geneva<sup>24</sup>), and some clubs in Eastern Europe are still public or semi-public bodies.

#### *5.3.1.4 Listing on the Stock Exchange*

Of the 700 European football clubs eligible to take part in UEFA competitions, 19 were listed on the stock market in 2023, half as many as in the 2000s. Opening a club's capital to investors by issuing shares is a way for clubs to raise funds to repay debts or to finance major investments (stadium/arena) aimed at boosting the club's owner's business model (usually it is the parent group that is listed rather than the company that owns the club). Many European football clubs, especially English clubs, used this strategy in the 1990s but later pulled out of the stock market. Aglietta, Andreff and Drut (2008) attributed clubs' stock market difficulties to the characteristics of the market, the impact of sport's unpredictability on a club's income, 'poor' governance by the clubs involved and, most importantly, the leagues' inability to regulate salaries and limit the amounts Europe's clubs spend on players' wages.

These factors made it very difficult for clubs to maintain their market values, as shown by the rapid collapse of Italian club SS Lazio's share price, which reached a high of €41 but subsequently plummeted to less than €1. Shares in the French club OL, floated in 2008, suffered a similar fate. In 2022, OL's new American owner announced he was going to withdraw the club from the French stock exchange with the intention of launching his international group of sport clubs on the American market. Manchester United had already adopted a similar strategy. First floated on the London Stock Exchange in 1991, Manchester United delisted its shares

14 years later, shortly after American businessman Malcolm Glazer's take over in 2005. It refloated in 2012, this time on the New York Stock Exchange, with a value of \$2.3 billion, and then sold almost 17 million shares (12%) to reduce its large debts. The share price spiked in 2022 when the Glazer family announced its intention to sell the club, with trading boosted further by news of American businessman Todd Boehly's takeover of Chelsea Football Club for a European-record sum of \$5.3 billion. This takeover brought the value of England's biggest clubs close to that of some of North America's largest franchises, including in American football (\$8 billion for the Dallas Cowboys, more than \$6 billion for the New England Patriots and Los Angeles Rams). Nevertheless, large clubs have turned to the stock market much less frequently since the 2010s, as it has become easier for them to find investors and put a market value on a club (see previous point on the increased financial interest in buying a club and international investors).<sup>25</sup>

### 5.3.1.5 *Multi-Club Ownership of Professional Sports Clubs*

Multi-club ownership occurs when an individual or private body has controlling shares in more than one club in the same sport or in different sports. This strategy has two main objectives: exchanging players between clubs (sporting advantage) and diversifying and optimising the activities and operations (sharing costs and expertise) of the clubs involved (financial advantage) (KPMG, 2020). Multi-club ownership has become much more common since the 2000s, especially in football. Play the Game (2021) identified 60 multi-club ownership groups in October 2021, and these groups owned 156 clubs worldwide, including 106 European clubs. To protect the ethics and integrity of competitions, UEFA has introduced a new rule banning two or more clubs belonging directly or indirectly to the same owner from playing in the same UEFA competition. French law goes even further by banning a single entity from owning two clubs in the same sport. Some multi-club structures are owned by individuals, but most are owned by corporations. For example, INEOS Group owns OGC Nice (France), Lausanne-Sport (Switzerland) and Racing Club Abidjan (Ivory Coast). King Power owns Leicester City (England) and OH Leuven (Belgium), while Red Bull owns five clubs on three continents.<sup>26</sup> The best-known multi-club operator is City Football Group, a holding company that manages the worldwide football investments of its partner company, Abu Dhabi United Group. City Football Group is majority owned by Sheikh Mansour, a member of the Abu Dhabi royal family and a prominent politician in the United Arab Emirates. On 1 June 2023, it owned 12 football clubs in 10 countries on 5 continents: Manchester City FC (England), ES Troyes AC (France), Lommel SK (Belgium), Girona FC (Spain), Palerme FC (Italy), Mumbai City FC (India), Sichuan Jiuniu FC (China), Yokohama F. Marinos (Japan), Melbourne City (Australia), Montevideo City Torque (Uruguay), Bahia EC (Brazil) and New York City FC (United States). This strategy shows the company's desire to globalise its brand and give it a distinct identity, to create links within its ecosystem and to enter the world's two most populous countries with a growing interest in football (China and India).

According to the economist Pierre Rondeau (2023), opening the door to multi-club ownership:

Durably alters competition, equity and competitive balance ... it blocks the free movement of players by forcing them to remain at clubs within the same family. It alters competitive intensity by allowing satellite clubs to improve by lending them players from associated clubs. It reduces market balances by allowing understandings between parties, between buyers and sellers. Moreover, there is no guarantee that supporters will welcome such an approach, preferring the owner or shareholders to dedicate all available resources to their club, rather than sharing them equally between the members of a group.

Multi-club ownership by powerful international groups (e.g., City Football Group, Qatar Sports Investments, Red Bull, INEOS) is controversial because its prime motivation is to increase a brand's value by creating sporting and financial synergies between the clubs it owns. Multi-club groups differ from multisport clubs, many of which were created at the beginning of the twentieth century as associations and subsequently gave birth to internationally successful teams in many men's and women's sports, including football, basketball and volleyball. Sharing services (facilities, administration, marketing, etc.) and creating synergies between their constituent sports have strengthened these clubs and resulted in some of them becoming global brands: Racing Club de France, Stade Français and, most recently, Paris-Saint Germain (boosted by QSI's investment since 2011) in France; Bayern Munich in Germany; Real Madrid and FC Barcelona in Spain; Fenerbahçe and Galatasaray in Turkey; Olympiakos in Greece; SS Lazio in Italy, CSKA Sofia in Bulgaria, Servette Geneva in Switzerland; Espérance Sportive in Tunisia; Maccabi-Tel-Aviv in Israel; Dinamo Tbilisi in Georgia; Flamengo in Brazil; River Plate in Argentina.

#### *5.3.1.6 Leisure and Entertainment Parks – from Real to Virtual*

Many professional clubs have adopted similar strategies to sports event and entertainment companies, in that they have built, in conjunction with their partners, veritable theme parks and entertainment complexes in and around their stadiums/arenas and brands. This offer, which may include events, stadium visits, sport and leisure offers and a museum, provides an additional source of revenue for clubs, whether they operate the offer directly or receive royalties from third parties using the club's brand. City Football Group executive Ferran Sorriano calls this the 'disneyfication' of football clubs (MacInnes, 2017), meaning that they have become global entertainment businesses with ever-increasing earnings, notably from their stadiums. The offer provided may be physical or virtual (e.g., video games, esports, virtual and augmented reality games) and provide more immersive and engaging personalised experiences (play and/or manage a team virtually). It can also be used to diversify the club's brand.



### 5.3.1.7 *Diversifying Clubs' Brands*

Diversification makes clubs less reliant on their sporting performance and on revenues from marketing the sport spectacle. For most clubs, the first step in diversifying their sources of revenue is to earn royalties by selling the club's image within associated businesses (catering, hotels, sports centres, travel agencies, training, etc.). Manchester United was one of the first European football clubs to adopt this strategy. OL followed suit in the 2000s by selling its fans branded products (OL coffee, OL telephones, etc.), but OL does not have the same worldwide network of supporters' clubs as Manchester United (Boli, 2005), and its initiative had only local success. Bern, Switzerland's biggest ice-hockey club, followed a slightly different path in 2002 when it created a company to run a chain of 17 club-branded restaurants in the Bern area. The business's annual turnover of €35 million (approx. 10% profit margin) means that the club now has a much larger budget than its competitors in the Swiss championship.

Internationalising the brand is a complementary strategy.

### 5.3.1.8 *Internationalising the Brand*

Clubs can use the strategies presented above to internationalise their brands (supporters' clubs, training players, attracting shareholders, multi-club ownership, social media, etc.), but they can also achieve this by doing international tours (pre-season matches and tournaments), selling their training expertise, running training camps, selling branded merchandise and buying/recruiting players in buoyant markets (e.g., a European football club may recruit an American, Korean, Chinese or Japanese player to boost interest in the club in the player's home country). Promoting a club's brand internationally can generate revenues from international merchandising, creating international digital fan communities and attracting international sponsors. It can also bring in international investors prepared to inject capital into or buy a stake in the club. For example, to establish its brand in the American market, in 2020 OL Group bought 90% of a women's football franchise in the United States (rebaptised 'OL Reign'), with help from one of its new administrators, the French basketball player and ex-NBA star Tony Parker, who bought 3% of the club. Buying OL Reign allowed OL Group to present itself as the first multi-club ownership company in women's football, as it already owned OL Féminin. It may also have helped Jean-Michel Aulas sell his highly indebted group to American investors in 2022, when John Textor's holding company Eagle Football, which owns football clubs in Belgium and Brazil and has minority share holdings in England, bought OL Group for almost €800 million. In 2023, OL Group's new CEO announced that he wanted to sell OL Reign for approximately €50 million to help service the group's debts. OL had already sold 52% of its women's section to Michele Kang, an American businesswoman and owner of the Washington Spirit women's football franchise in the United States.



### *5.3.1.9 Sponsorship by Online Betting Websites*

Online betting websites' massive investment in sports clubs accompanied the industry's spectacular growth during the 2000s, following the lifting of the state monopolies that many countries had placed on gambling.<sup>27</sup> There are now several hundred official betting companies worldwide, and the market continues to grow. In France, for example, the number of accounts registered with online betting sites rose from 842,000 in 2014 to 3.2 million in 2018. Worldwide, the industry has an estimated annual turnover (including illegal betting) of between €200 billion and €1,000 billion. Football is the largest sector of the online betting market, attracting around 60% of bets. Indeed, the 2022 Football World Cup broke new records for sports betting, including in France, where bets on the competition totalled €597 million.

Betting companies have injected large amounts of this money back into professional sport, often through main sponsor deals with Europe's largest football clubs. Designed to increase brand awareness, such deals have become widespread since they were first launched in 2006. In the United Kingdom, for example, 10 of the Premier League's 20 clubs have a sports betting company as their shirt sponsor. Nevertheless, greater regulation is needed to address the serious problems raised by sports betting, notably gambling addiction and the manipulation of competitions by criminal gangs. In the United Kingdom, where sports betting and games of chance are particularly popular (56% of British people play), media pressure has forced the Premier League and English clubs to address the issue of gambling addiction by banning betting companies from becoming front of shirt sponsors (the ban will come into force for the 2026–2027 season). The second problem encompasses two forms of manipulation: match fixing, that is, players deliberately losing a match, and spot fixing, which involves betting on an incident within a match (whether a football player will get a yellow card, the number of double faults a tennis player will serve, etc.). Spot fixing is much harder to detect than match fixing and therefore probably more widespread. A succession of high-profile cases of manipulation in sports ranging from handball to tennis and football have forced public and private actors to regulate sports betting by setting up watchdog agencies, and most sports have introduced prevention, monitoring and sanction mechanisms.

### *5.3.1.10 Social Media and Digital Strategy*

Clubs can use social media to increase their visibility, refine their image and build closer relationships with a wider community of people/fans than just season-ticket holders and spectators. Social media also enable clubs to communicate more effectively and more cheaply and to grow their commercial activities (online shop, marketing operations in conjunction with sponsors, greater media exposure for sponsors, etc.). Spain's two biggest clubs – FC Barcelona and Real Madrid – pioneered the use of web TV channels, mobile apps and social media and thereby

stole a march on Europe's other major clubs in this area. PSG quickly caught up with these two clubs by recruiting stars with several hundred million social-media subscribers (Beckham, then Mbappé, Neymar and Messi). This strategy enabled PSG to increase its social-media fan base from just 500,000 followers in 2011, when Qatar bought the club, to almost 200 million followers in 2023. In June 2023, the CIES Football Observatory published its ranking of the top 100 clubs in terms of their social-media communities (Twitter, Instagram, Facebook and Tik Tok). Real Madrid is in first place (363 million subscribers), followed by FC Barcelona (342 million) and Manchester United (203 million). The Brazilian club Flamengo is the first non-European club on the list (14th place with 49.7 million subscribers), whereas the presence of Cristiano Ronaldo has enabled the Saudi Arabian club Al-Nassr to move up to 19th place (32.2 million subscribers). The top 100 also includes clubs in Indonesia (Persib Bandung, Persija Jakarta), Iran (Persepolis) and Tanzania (Simba SC, Young Africans), ahead of many top European clubs. Many clubs combine their social-media strategies with sponsorship from tech companies wishing to reach clubs' fan communities.

#### 5.3.1.11 *Cryptocurrency and NFTs*

Like sports betting companies, which have used football to become household names, cryptocurrency firms have been investing in the sport business since the 2010s with the same objective. Financial opportunities associated with cryptocurrencies<sup>28</sup> and Non-Fungible Tokens (NFTs), both of which rely on blockchain technologies, provide different opportunities for leagues, clubs and players, even if NFTs also involve risks.

In addition to being the official sponsor of mixed martial arts' Ultimate Fighting Championship (UFC), Crypto.com (which has its own currency) has signed a €30-million sponsorship deal with PSG and a record-breaking naming contract for the Los Angeles Lakers' Staples Centre, now known as the Crypto.com Arena. Some athletes have embraced cryptocurrencies, notably the UFC fighter Kevin Lee, who has signed a contract under which he is paid entirely in bitcoin. During his first season at PSG (2021), the star footballer Lionel Messi received part of his salary in PSG fan tokens, and shares in some clubs can now be bought using cryptocurrency. Increased use of cryptocurrencies could lead to the creation and development of new financial instruments.

Southampton Football Club's contract with the Coingaming Group, owners of an online gaming and betting platform where all transactions are done in cryptocurrency, gives its players the option of receiving their performance bonuses in bitcoin. New products based on cryptocurrency technologies, such as fan tokens and NFTs, may redefine fans' relationship with sport. NFTs are non-exchangeable, digital art works representing a unique 'object', so sport NFTs can be considered a digital alternative to collectors' albums of player photographs. The NBA adopted this new trend in 2019 by auctioning iconic 'moments' from matches, such as a dunk by LeBron James, which then became the property of a single fan/collector.

Cryptocurrency-based companies such as Fanatics and NBA Top Shot in the United States and Sorare in France now generate billions of dollars in sales to fans, mostly through exclusive agreements with the biggest leagues, clubs and players. Sorare, for example, has signed exclusive licencing deals with the Premier League (for €37 million) and MLB to operate games based on ownable digital player cards. Created in 2018, by 2021 Sorare had achieved a market valuation of more than €4 billion, despite having a turnover of just €270 million. Numerous start-ups, some with professional players as shareholders, are entering the NFT market with the aim of presenting sport as an art form by creating digital collections of objects and iconic moments from matches they can trade using blockchain technologies. In September 2023, a report prepared by the British government's Culture, Media and Sport Committee in conjunction with the University of Liverpool Management School warned that the promotion of crypto assets in professional sport is putting fans at financial risk and potentially damaging the reputations of clubs.

#### *5.3.1.12 European Competition Rights*

Clubs competing in European competitions benefit from extra ticket sales, but most of their income from these competitions comes from the media and sponsorship rights negotiated by competition owners (UEFA for football, European Professional Club Rugby for rugby, Euroleague and FIBA for basketball) and redistributed to clubs. The amount each club receives depends on how far it advances in the competition, the number of matches it wins, its media profile and how frequently it qualifies for these competitions. These criteria favour the biggest clubs. Some European competitions are more lucrative than others (e.g., football's Champion's League is worth five times as much as the Europa League and ten times as much as the Europa Conference League<sup>29</sup>). As a result of increases in media and sponsorship revenues and changes in competition formats (mini championship) to guarantee clubs a greater number of matches,<sup>30</sup> European competitions account for a growing proportion of big clubs' budgets. However, the growing number of European matches forces national leagues to change their calendars and/or to reduce the number of clubs in the domestic championship. Large clubs' increased revenues from European competitions are also unbalancing domestic competitions.

#### *5.3.1.13 Social Marketing via the Sport Business: Responsible Partnerships or Social Washing?*

Professional clubs have begun implementing new social marketing strategies aimed at attracting new partners or conserving existing partners who may be deterred by the impact of scandals on the sport business's reputation. Consequently, clubs are keen to demonstrate their social responsibility by, for example, associating themselves with good causes. Giving back to society in this way is more in the blood of American businesses with their long history of social philanthropy, but it is becoming increasingly common within professional sport throughout the world.

It is a way of gaining legitimacy, which is an essential intangible resource for professional clubs with respect to their institutional environment and their stakeholders (local authorities, sponsors and supporters, but also their players and staff). All the franchises in North America's five major leagues have foundations, and most European clubs have established foundations and/or endowment funds since the 2010s to carry out their social and community actions. In addition, François et al. (2019) identified notable differences in the forms and modalities of European clubs' social engagement both between sports (engagement was more national/international in football and more local in rugby union) and between countries (less professionalism in France than in the United Kingdom).

The aim is not to generate income directly but to donate money and/or players' time and/or sports equipment to good causes (education, poverty, health, etc.). Nevertheless, these actions can benefit clubs financially by legitimising public subsidies and attracting sponsors who wish to enter more socially responsible partnerships (community sponsorship, sponsorship associated with philanthropic actions via the club) and who cover some of the costs associated with these legal and marketing arrangements. Enabling sponsors to be associated with a good cause is also a lever clubs can use to increase sponsorship amounts. One of the best-known and most-successful associations in this respect is FC Barcelona's partnership with UNICEF, set up in the mid-2000s. Having the UNICEF logo on the team's shirts raised the club's international profile and gave it a positive image that set it apart from other clubs, a little extra soul alongside its political role as a standard bearer for the Catalonia region of Spain. Moreover, Barcelona used the possibility of appearing alongside UNICEF to increase the fees it demanded from other shirt sponsors, notably Nike.

The NBA has one of the most structured social responsibility programmes in sport. Called NBA Cares, the programme coordinates social actions by the league, its clubs and its players, both in the United States and abroad (François and Bayle, 2011). However, observers sometimes criticise social responsibility actions within sport as being primarily marketing operations to counter the sport business's reputational problems and the perception that money trumps all other considerations. Many sport clubs have been accused of social washing due to inconsistencies between their human and social practices and their social responsibility claims and because of the very modest nature of their investments compared with their budgets.

#### *5.3.1.14 Collective and Individual Image Rights*

Clubs use collective and/or individual image rights to reduce the heavy social security and tax burdens that come with paying their players extremely large salaries. Although special tax regimes for collective image rights have existed for many years in some European countries (since the 2000s in France and Spain), where they were promoted as a way of attracting star players and increasing a country's competitiveness in international competitions, clubs have focused mostly on developing legal and fiscal arrangements based on players' individual image rights.

Successful legal challenges to some of these arrangements have resulted in clubs and players having to repay substantial sums in social security charges and taxes. The best-known cases in European football were brought by the Spanish authorities against Ronaldo, who received a one-year prison sentence and an €18.8 million fine for tax evasion in 2019, and Lionel Messi, who received a prison sentence and large fine for a similar offence in 2017. Similarly, a French court ruled that a legal arrangement adopted by Nike, PSG and its executives was unlawful.

Over the last few decades, professional sport, especially European football, has been engaged in a frantic race to uncover new sources of revenue while reducing tax and social security payments. These strategies aim to create value and thereby increase a club's worth for a future sale. Shareholders in many football clubs have achieved this, especially in the case of large clubs with global brands. For example, in 2023 the American investment fund Arctos Partners, which already has stakes in 17 American franchises, bought a 12.5% stake in PSG for a sum that valued the club at €4.25 billion, 60 times the club's value when Qatar bought it in 2011 (€70 million). Similarly, A group of American investors bought Chelsea Football Club for €5 billion in 2022, 25 times as much the Russian billionaire Abramovitch had paid for the club in 2003 (approx. €200 million).

However, these clubs are not particularly profitable because they systematically inject any financial surpluses into buying the players they need to ensure success on the field of play, as winning competitions is the basis of these new investors' strategies. Competition to recruit the very best players, who are rare but whose productivity is hard to predict, has led to spiralling inflation in transfer fees and players' salaries, which European leagues have proven unable to regulate. Nevertheless, this spiralling inflation is extremely damaging to clubs' finances (risk of bankruptcy) and football's image (unbalancing championships, clubs losing their local identities, etc.). The increasing number of international investors buying stakes in or taking over football clubs could provide the catalyst for the creation of a global, closed football super league, and result in football having a similar system of regulation to basketball (see Chapter 2).

### **5.3.2 For Leagues**

Although leagues encouraged or even helped put together some of the above-described financial arrangements, their main role is to manage the sporting and financial sides of their professional championships. On the financial side, their role is to negotiate media rights to the benefit of their clubs and to boost the championship's image and reputation.

#### **5.3.2.1 Media Rights Lots, International Rights and OTT Opportunities**

TV and digital media rights are a central component of major professional sports' financial models. Leagues increase their revenues from these rights by dividing

them into lots, such as the rights to selected regular-season matches and a match of the week, rights to playoff and play down matches, digital broadcasting rights, rights to individual matches on demand and international rights to matches. In 2023, France's Professional Football League reduced the number of lots it sold for the French market to two (a premium lot covering each week's top three matches and a second lot covering another six matches). It also sells international rights. The league's strategy involves choosing the most opportune moment, based on market conditions, for auctioning these rights with the aim of increasing their price by triggering a bidding war between operators (while setting a reserve price). Some operators cannot afford to lose this bidding war, as their business models depend on obtaining football rights to generate advertising, attract/keep subscribers or sell content on demand.

Leagues hold monopolies over their sports' professional championships, so they are in strong positions to negotiate with operators, which remain numerous despite a recent trend for media concentration. Operators include new actors in sport, notably the American and Chinese web giants (e.g., Amazon, Apple, Facebook, Baidu Group and Tencent Group) and specialist sport streaming platforms, as well as more-traditional international subscription channels (Canal+ Group, Altice Group, Disney Media Group, Paramount Global Group, etc.) and specialist sport channels (ESPN – Disney Group, Eurosport – Discovery Group, BeIn Sports – BeIn Media Group, etc.). In February 2024, America's three largest media companies (ESPN, Fox, Warner Bros. Discovery) announced their intention, subject to regulatory approval, to launch a joint sports streaming platform in the United States to counter moves by the big tech companies to enter the sports broadcasting market.

Broadcasting rights to the Indian Premier League (IPL), the world's leading cricket league, were auctioned in 2023 for the equivalent of almost \$6.2 billion, three times as much as in the previous five-year cycle. With 74 matches a year (94 matches as of 2026), each match in the championship brings in \$15 million, which is more than each Premier League football match (€11 million per match). This was the first time that Indian cricket's governing body, the Board of Control for Cricket in India, had sold the rights to the competition in separate lots for TV broadcasting, internet streaming, foreign rights and rights to co-broadcast a selection of matches. The bidding process took place online, with participants told the size of competing bids but not their competitors' identities. Disney+, the IPL's only broadcaster, paid approximately \$3 billion for the domestic TV rights to the competition, while Viacom18, a joint venture between Paramount and India's Reliance Group, which has a controlling interest, obtained the streaming rights. Viacom18, run by the Indian multibillionaire Mukesh Ambani, is entering the market at a time when smartphone-based consumption of sporting content in the world's most populous country (1.43 billion people) is likely to explode.

In the case of media rights, internet broadcasting now gives leagues the option of retaining control over broadcasting, rather than entrusting it to a third party (e.g., Canal+, Amazon Prime Video). For the moment, only sports that have difficulty



selling TV rights to a free-to-view or subscriber TV network have gone down this road. For example, in 2018, when the French TV channel L'Equipe did not renew its contract to broadcast men's and women's first-division volleyball matches, France's National Volleyball League (LNV) set up its own subscription web TV channel, which broadcasts every match from the three main divisions.<sup>31</sup> Faced with a saturated market in terms of the sports offer, producing its own broadcast content gives a league access to fans' data that they can use to target their marketing, offer fans more interactive experiences during broadcasts, widen its audience and generate revenues from advertising and sponsorship. Self-operated channels also enable leagues to complement the offers provided by traditional broadcasters and to generate revenue from subscriptions (in addition to fees for competition licences, for example).<sup>32</sup> In 2008, the NBA became the first league to launch this concept, based on a 'pass' that allows fans to buy only the matches they want via an OTT platform.

Leagues sell media rights to all their championship matches and then redistribute these revenues to their member clubs. North America's major leagues (notably the NFL) tend to divide these revenues equally between all their clubs, whereas European leagues redistribute different amounts to different clubs according to criteria defined in conjunction with the clubs. In football, for example, the English Premier League and France's L1 divide 50% of their domestic media rights equally between their clubs, redistribute a further 25% according to a club's league position and share the remaining 25% according to the number of times a club features in broadcast matches. These leagues used to redistribute international rights equally between clubs, but since the 2020/21 season they have applied a sliding scale which gives some clubs 1.8 times as much as other clubs.

Clubs in most countries (e.g., United States, United Kingdom, France) tend to negotiate television rights collectively, and examples of individual clubs negotiating television rights on their own are rare (Spain is an exception). But the falling amounts traditional broadcasters (which may create joint ventures or merge) are willing to pay for television rights, the larger role being played by the Tech Giants and the possibilities offered by online broadcasting may sweep aside these traditional models. We appear to be at a turning point from which traditional television outlets may quickly disappear from the professional sports broadcasting landscape.

### *5.3.2.2 Stakes in the League's Commercial Company*

Europe's NFLs are non-profit organisations, but most of them have set up commercial companies to maximise revenues from media rights, especially international rights, and from professional sport. Leagues also try to raise money by selling minority stakes in these companies to private investors. Thus, Ligue 1's announcement that it intended to increase its revenues from €774 million to €1.8 billion was undoubtedly intended to entice potential investors. Italy's and Spain's football leagues have also taken steps to raise funds to help their clubs repay debts and government loans contracted during the COVID-19 pandemic. Because French law



prevents Ligue 1 from selling more than 15% of its commercial company, in 2022 it sold 13.04% of the company to CVC Partners for €1.5 billion, €1.1 billion of which was redistributed directly to clubs according to their attractiveness coefficient (PSG received the largest sum – €200 million). CVC Partners, one of the world's largest private equity funds, has invested massively in international sport since the 2000s. After becoming one of the first companies to invest in Formula 1, via Bernie Ecclestone, it sold its stake to American Liberty Media in 2017 for four times the sum it had paid. Since then, it has bought shares in the company that runs rugby union's Six Nations Tournament and in MMA, and in 2021 it bought one of two new IPL franchises, for which it opened an office in Ahmedabad.

Although injections of cash from private investment funds can be short-term blessings for professional sport organisations, they can also reduce these organisations' independence in terms of governance and strategy and impact their profitability (because they have to share potential revenues and dividends with investors). This is why football clubs, notably two of Spain's biggest clubs, have objected to this type of scheme. Germany's professional clubs rejected such schemes in May 2023 but agreed to examine new proposals later that year.

### 5.3.2.3 *National Sponsorship and Other Deals*

Leagues can earn extra income by finding title sponsors for their competitions, even though the media do not always use the sponsor's name (e.g., Uber Eats Ligue 1 and Barclays FA Women's Super League in football, Liqui Moly Star League<sup>33</sup> in French handball, Liga Endesa in Spanish basketball). But adding a sponsor's name/activity/image can also blur or devalue the league's identity and image. Moreover, looking for national sponsors and selling tie-in merchandise with the league's logo is less developed in Europe than in America,<sup>34</sup> as Europe's national leagues tend to leave this business entirely to clubs. Leagues, especially Europe's football leagues, can negotiate substantial revenues (€552 million over six years for the Premier League in 2023) with the company producing the FIFA video game (Electronic Arts), which it renamed in 2023 when its contract with FIFA ended.

Fantasy leagues are another potential source of revenue and an effective way of increasing a championship's attractiveness and following around the world. A fantasy league is a virtual league in which players pretend to be team coaches with virtual budgets they use to put together their team. After each real match, the fantasy coach receives points according to how well each of their players performed in that match. At the end of the season, the league and its clubs reward the highest-ranked fantasy coaches with prizes that can be quite large, especially in the United States. Indeed, fantasy leagues have become firmly embedded in US sporting culture with 62.5 million players and a turnover of almost \$12 billion in 2023,<sup>35</sup> partly due to partnerships with the NFL, MLB, NHL and NBA. The Fantasy Premier League, owned and managed by the Premier League since 2002, had 11.5 million players in 2023, making it the world's biggest fantasy football league. Several large corporations entered the sector in the 2010s, starting with the American companies

FanDuel (2009) and DraftKings (2012), both of which have stock market values of several billion dollars. These corporations obtain revenues from subscription fees, advertising, partnerships and fees from online betting. Many powerful North American media groups and leagues have bought shares in these companies.

#### *5.3.2.4 Centralisation of Global Rights with the Federation*

Combining rights to professional club matches with the federation's rights to national team matches can make it easier for professional leagues in sports with smaller economic sectors (e.g., handball, volleyball) to sell the rights to their sport. Similarly, it can be easier to sell rights to men's and women's competitions as a single package. This approach has the additional advantage of gaining greater coverage for women's sport, which often receives less attention from the media and public. Such strategies can increase a league's negotiating power, especially when it first starts trying to sell media rights, but they may be challenged in some countries under national and European competition law.<sup>36</sup>

#### *5.3.2.5 Professional Sport/Amateur Sport Solidarity Mechanisms*

In most European countries, professional leagues operate under agreements with their sport's national federation<sup>37</sup> that may include a clause requiring the league to redistribute a percentage of its revenues to amateur sport. Doing so is a legal requirement in some countries, including France, where professional sport organisations must redistribute 5% of broadcasting rights to amateur sport. Consequently, French professional football supports amateur sport via:

- Revenues redistributed to amateur football under the contract between the federation and the league.
- The 5% of broadcasting rights deducted by the state and redistributed to amateur sport.
- The percentage of online betting receipts redistributed to amateur sport (football is the largest sector of the sports betting market).

Although these solidarity rules can be viewed as a cost for leagues and clubs, professional sport benefits from amateur sport in several ways: it forms a nursery of young players trained by volunteer coaches, it helps build a sporting culture, and growth in grassroots sport increases the pool of fans who consume professional sport, etc.

#### *5.3.2.6 Lobbying*

Lobbying by leagues is key to improving professional sport's institutional (especially the legal framework) and market environments (persuading sponsors and local authorities to start or continue investing in professional sport). Lobbying

can also be used to obtain public support to save clubs from bankruptcy (e.g., the Spanish government cancelled football clubs' social security and tax arrears in the 1990s, the Italian government's 2002 *salve calcio* plan to save Italian football) or to obtain regional and local public and semi-public subsidies for clubs at risk of bankruptcy.

Lobbying can be done by individual leagues (sometimes in conjunction with the sport's federation) or by national associations of professional leagues, through which leagues can exchange experiences and 'good' practices. Associations of national leagues in the same sport (e.g., European Leagues, an umbrella body for Europe's 28 professional football leagues) may also carry out international lobbying. The aim of this lobbying is to defend professional sport's interests within public and private regulatory bodies (e.g., European Union, national governments, international and continental sport federations).

Two other potential growth levers for leagues and clubs have emerged in recent years. These levers are esports (setting up esports teams within professional clubs) and women's sport (creating a women's section within an existing men's club or linking a separate women's club to a men's club). The following section examines how European football clubs have begun activating the second of these two levers.

#### **5.4 The Professionalisation of Women's Football in Europe**

'In the early years, there will be losses to reach a certain level and become successful. Over time, the investment will create excellent value for the club through new partners and a differentiated fan base' (UEFA, 2022, p. 28). This quote from Jean-Michel Aulas, published in a 2022 UEFA report on European women's football, shows that women's football in large mixed clubs still has a long way to travel, both financially and culturally. Nevertheless, there are encouraging signs of progress in terms of media coverage and earnings, as live and off-live audiences are increasing rapidly. For example, 1.12 billion people watched official broadcasts of the 2019 Women's World Cup, with each match attracting an average of 17 million television viewers worldwide. In the 2023 Women's World Cup, China's match against England attracted a record audience of 53.9 million viewers, and 11.5 million Australians, almost half the country's population of 25 million, tuned in to their team's semi-final against England. The first leg of the FC Barcelona-Wolfsburg Champions League semi-final in April 2022 drew the largest-ever crowd for a women's football match, with 91,648 spectators, and 3.6 million people watched that year's Champions League final, between OL and FC Barcelona, via DAZN's YouTube channel and 11 free-to-view channels in Europe, an increase of 56% compared with the 2021 final. In November 2023 North America's National Women's Soccer League sold the broadcasting rights to its matches to ESPN, CBS, Prime Video and Scripps for \$240 million (approx. €225 million) over four years, a 40-fold increase compared with the current contract. In addition, the league's new partners have agreed to broadcast 118 matches per season, rather than the current

30 matches. Remuneration for women players is also improving. For example, FIFA increased the prize money for the 2023 Women's World Cup to \$152 million, to reward players and to encourage professionalisation, which remains faltering in some countries.

Despite this rapid growth, women's football still lags far behind men's football, with women's professional club competitions trailing men's competitions by a ratio of approximately 1 to 100 in terms of their media and financial weight. Many people who would not otherwise watch football take an interest in competitions between women's national teams, such as the Women's World Cup, Women's Euro and Olympic Games, often for patriotic reasons. Consequently, football's national and international governing bodies see women's football as a development lever and a new source of legitimacy for football (Section 5.4.1). The strategy currently being followed within European football is to set up women's 'sections' within men's clubs (Section 5.4.2) and thereby develop new resources in the form of synergies between the women's and men's 'sections' (Section 5.4.3).

#### **5.4.1 Women's Football: Growth Lever and Source of Legitimacy**

Football's aim is to make this traditionally male sport more mixed, as is the case in handball, volleyball and basketball, and thereby increase its sporting and financial value. For the last ten years, FIFA and UEFA have provided funding to help achieve this goal, but they have not aligned their policies or their efforts to help national federations develop and promote women's football at both the grassroots and elite levels.<sup>38</sup> FIFA launched its first global strategy for women's football in 2018<sup>39</sup> and allocated \$1 billion to achieve the strategy's five objectives for the period from 2019 to 2023. It has since published two reports, in 2021 and 2022, on the state of women's football worldwide, especially elite football. Similarly, UEFA set five strategic priorities for developing women's football between 2019 and 2024: 'drive participation', 'develop the game', 'transform competitions', 'enhance governance structures' and 'increase visibility and commercial value'. In 2023, it claimed that women's football had 144 million fans in Europe (a third of European football's new fans are women) and predicted that this figure 'could' rise to 328 million fans by 2033. In addition, it expects the commercial value of women's football (clubs, leagues, continental competitions) to increase sixfold between 2023 and 2033 to reach an annual value of €686 million (UEFA, 2022). This figure includes €135 million from matchday receipts (€12 million in 2023), €295 million from sponsorship (€69 million in 2023) and €256 million from media rights (€35 million in 2023).

Under pressure to draw up strategies for women's football, national federations are gradually (but at varying rates depending on the federation) creating the conditions needed to develop strong women's national championships. Women's football is a key strategic sector for the future of European football due to its positive impacts on youth football (UEFA's Disney Playmakers programme aims to double

the number of girls playing football by 2024), competitive football, marketing and values. Nevertheless, the professionalisation of elite women's football is still at an early stage (Williams, 2012), with great differences between countries.<sup>40</sup> Most of the biggest women's clubs are currently attached to a men's professional club, either because the opportunity arose and/or because of national federation rules. This is particularly the case in countries wishing to set up viable women's professional championships (e.g., Germany, England, France, Spain, Japan). One way of accelerating the professionalisation of women's football is to draw on men's clubs' facilities, expertise and networks. Thus, when England's Women's Super League relaunched as a professional league in 2018, 10 of its 12 clubs were mixed. The league subsequently sold its broadcasting rights for €8 million per season to the BBC and Sky Sports and signed a three-year sponsorship deal (2022–2025) with Barclays Bank for €35 million. At the same time, the English Football Association (FA) has brought in international rights by launching FA Player, a free app providing live coverage of every Women's Super League match (132 matches per season). This app allows the FA to capitalise on the growing popularity of English women's football, at home and abroad, partly driven by the England side winning the European Championship in 2022 and finishing runners-up in the 2023 World Cup.

The structuring and professionalisation of women's football are progressing, even though it remains highly variable, creating large competitive imbalances in some countries' national championships.<sup>41</sup> This professionalisation is very recent (less than 15 years in most countries) and could therefore develop very rapidly. Very few clubs other than the three pioneers – OL,<sup>42</sup> PSG and Wolfsburg –<sup>43</sup> plus FC Barcelona and a few English clubs (e.g., Arsenal, Chelsea) have truly professional women's teams with professional staff and players who give 100% of their time to football. Many clubs are semi-professional and have players on temporary contracts (six months during the season) with monthly salaries of around €1,500.

#### **5.4.2 Europe's Three Types of Women's Football Clubs**

According to UEFA, 437 women's clubs took part in elite-level national competitions in Europe in 2023. These clubs were of three different types: 201 clubs were completely independent of men's clubs, 51 clubs were collaborations with men's clubs and 185 clubs, including the best-known clubs (FC Barcelona, Wolfsburg, OL), were mixed.

An independent women's club manages all aspects of its operations separately from other clubs and without any input from a men's club. This is the format most women's clubs chose when they started. A collaborative women's club is run in partnership with a men's club (shares its identity and facilities, financial support, etc.) but is not legally attached to that club. In a mixed club, the senior women's team is an integral part of an entity that runs other football activities. The men's and women's teams within mixed clubs are often referred to as 'sections'. A mixed club

may take one of several legal forms: a women's section appurtenant to an existing association, a separate association, or a commercial company appurtenant to the group that owns the men's professional club.

Women's clubs in southeast Europe tend to be independent from existing men's clubs. This is the case for all the women's clubs in Israel, Kosovo, Moldavia, North Macedonia, Serbia and Ukraine. In contrast, all the first-division women's clubs in Belgium, England, Estonia, Iceland, Luxembourg, Norway, Slovakia and Switzerland collaborate to a certain degree with the club's men's section.

Mixed football clubs are becoming increasingly common in Europe, especially in the Big Five leagues and Sweden (in 2023 more than 80% of the clubs in the Big Five leagues were mixed, according to UEFA). This appears to be in line with young people's wishes,<sup>44</sup> but the ways these clubs are organised vary greatly between countries. Six of the 12 franchises in North America's National Women's Soccer League, created in 2012, are attached to a men's club. The other six franchises are independent.

### **5.4.3 Europe's Mixed Clubs on the Up**

All Europe's best-performing women's clubs, in terms of both sporting results and financial results, are mixed clubs. This type of business and organisational model, exemplified by the pioneering French club OL, facilitates the professionalisation of women's football, but it requires clubs to take an integrated approach to organising their sporting activities, administration and commercial/marketing activities. In other words, they must fully assimilate the women's section into the club's strategy, symbolically as well as in terms of sporting, commercial and marketing policy, rather than seeing it as a 'necessary evil' or an 'insurance policy'. In a study carried out for UEFA, Bayle, Jaccard and Vonnard (2013) identified three categories of mixed clubs: fully integrated, globally integrated and partly integrated.<sup>45</sup>

**Fully integrated clubs.** The Norwegian club Stabaek Kvinner has followed this route since 2012, under the slogan: 'One club, One strategy, One administration'. Stabaek Kvinner's men's and women's sections have the same head office and a single governance structure with a shared board of directors and the same treasurer, general manager and sports director. Both sections play in the same strip, in the same stadium and have the same goalkeeping coach, but each has its own technical staff. The club also sells partnerships and season tickets jointly for the two sections. Stabaek Kvinner's decision to adopt this strategy may be related to women's football having deep cultural roots in Norway, whose national federation has had a women's football development committee since 1978 (Skille, 2008). This committee, which has a particularly active woman member, Ellen Wille and is presided over by a club executive who is well-respected in Norway and Europe, greatly boosted women's football by attracting new women players, training coaches and referees, creating synergies with the federation's other committees and launching local competitions (Fasting, 2003). Creating such a favourable context for



developing women's football is quite specific to Scandinavian countries, which have a more advanced and more strongly rooted culture of gender equality than is the case in other regions (Andersson and Carlsson, 2009). Furthermore, the growth of Norwegian women's football has been facilitated by the low standard of men's professional football and by the strength of the women's national side, which is the only team to have won all three of women's football's major international trophies (World Cup, European Championship and Olympic Games). In comparison, Norway's men's side has never won a major title. In 2018, Norway became the first country in the world to introduce equal bonuses for members of the women's and men's national teams.

**Globally integrated clubs.** This is the most common model, although there are large differences between the clubs in this category. Globally integrated clubs are those whose men's and women's sections have a common strategy but separate management (sporting and administrative), although they often collaborate closely in terms of sales, marketing and communication. In addition, the men's club or its controlling group often provides direct and/or indirect financial support to the women's section<sup>46</sup> in the form of administrative, legal and financial resources, as well as relational resources (administrators, sponsors, experts, etc.). At OL, for example, although the club declared an official budget of €10 million for its women's side (the largest budget for a women's side in Europe), OL's new president, John Textor, admitted in 2022 that the club supports the women's team to the tune of €15 million a year. Legally, this can be done via the company that owns the professional club (the case for English clubs) or via the non-profit association that originally formed the club (the case for OL).

Globally integrated clubs have separate technical staff for their men's and women's teams, but they vary greatly with respect to their administrative and sales/marketing staff. In some clubs, the men's and women's sections have separate administrative and sales/marketing staff, but they often collaborate. Other clubs have one set of administrative and sales/marketing staff for both sections. Clubs can develop the structures needed to achieve good sporting results whether their men's and women's sections have separate or shared sports facilities and sporting, administrative and commercial expertise.

Most of the clubs that have adopted this model are large men's clubs in the Big Five leagues (e.g., Arsenal, Barcelona, OL, PSG, Wolfsburg) with solid resources, strong governance and stable ownership (e.g., OL, presided by Jean-Michel Aulas from 2004 to 2022; PSG, owned by Qatar Sports Investments since 2011; Arsenal, taken over by an American billionaire who continued the previous owner's strategy; Wolfsburg, owned by Volkswagen Group; and FC Barcelona, which is still a non-profit association). The position of the women's sections in these clubs' governance varies from club to club: Some women's section presidents sit on the men's club's board (e.g., Standard de Liège), other women's section presidents are also vice-presidents of the men's club's board (e.g., Arsenal, Freiburg), and some women's section presidents play no role in the governance of the men's club (e.g., OL).



External partners/investors see the presence of a women's section as a medium- to long-term advantage for a club and its controlling group because a strong performance by the women's section can compensate for a poor performance by the men's section and vice versa. Although some leading clubs (Arsenal, Barcelona, Chelsea, Liverpool, OL, PSG, Wolfsburg) could move towards a fully integrated model, many large mixed clubs in Europe allocate too few resources to their women's section for them to attain a high level of professionalisation.

***Partly integrated clubs.*** Clubs are partly integrated when the women's and men's sections collaborate (same premises, general manager paid by the men's club), but the women's section has separate management, and its administration and marketing are run by volunteers. The men's section ensures the women's section's financial security. For example, Dutch club Ado den Haag's women's team has its own administration, mostly staffed by volunteers, but it plays in the same stadium as the men's team and the club has just one website for both sections. In Denmark, Brøndby's women's team is managed by the men's club's support association, with much of the work carried out by volunteers, who have well-defined roles and do the work to a high professional standard. Nevertheless, both clubs have the same sponsors, the women use the men's stadium for Champions League matches, and the two teams have the same goalkeeping coach and physical trainer.

Clubs may adopt a partly integrated model, with its weak synergies and limited collaboration, because of disagreements or conflicts between the two sections (e.g., Ado den Haag) due to power struggles, unmet demands, unstable governance or changes in ownership, or because of the men's section's precarious finances (e.g., Zurich, Brøndby). These clubs find it difficult to offer and put together more professional services which the women's section can capitalise on in the long term.

Dividing clubs into these three categories has its limits in so far as clubs' legal and accounting statuses are not always easy to separate. Similarly, the three categories do not take into account the complex power relations between men's and women's sections, which may facilitate or hinder closer collaboration between them.

#### **5.4.4 Potential Synergies between Women's and Men's Football**

The ways mixed football clubs operate are the products of recent history, and most clubs are still in the construction and professionalisation phase. OL is an example of a particularly successful collaboration between men's and women's clubs. The competitive advantage OL built for its women's team, in a sector that is poorly structured and professionalised in Europe, has allowed the team to achieve excellent sporting results in both the domestic championship (French champions every year since 2007 except for 2021) and Europe (winners of the Champions League in 2011, 2012, 2016, 2017, 2018, 2019, 2020, 2022). In light of this success, women's football has been one of the five themes of OL Group's 2013 strategic plan.<sup>47</sup> This

plan's focus on social responsibility may have been a response to the club's failure to meet many of its previous, more business-oriented plan's objectives due to a ten-year delay in building a large, new private stadium, the sharp fall in the group's share price after it floated in 2008, the relative failure of the OL brand in terms of merchandising and selling licences, poor choices in the transfer market and the men's team's disappointing results since the early 2010s.

Viewed from a resource-based perspective (Wernerfelt, 1984), a women's section is clearly a new resource for clubs' strategies and for men's professional football in general, which is going through a crisis of values and legitimacy (violence, racism, focus on money, caprices of stars, controversial international investors, loss of the notion of local common good, etc.). Women's sections can contribute substantially to clubs' tangible resources (new sources of income, media coverage, sharing costs, etc.) and, most importantly, to the intangible resources (legitimacy, reputation,<sup>48</sup> relationships, etc.) that underpin clubs' efforts to pursue more global or more societal strategies.

Bayle, Jaccard and Vonnard (2013) identified five areas in which being a mixed club and collaboration between men's and women's sections can produce new resources and competencies: strategy, use of equipment and facilities, sales, communication/marketing and human resources.

#### 5.4.3.1 *Strategy*

- Develop a global and more socially responsible project (sporting performance, social responsibility, etc.) centred around the mixed club, not just the men's club.
- Cushion sporting uncertainty (good results by the women's team can compensate for poor results by the men's team and vice versa), thereby smoothing the club's sporting image (e.g., OL since the 2010s).
- Encourage positive sporting emulation between the women's and men's sections (the idea of a psychological effect may seem illusory given the media gap between women's and men's football, but it could become more likely).
- Raise brand awareness in new international markets at a relatively low cost, especially by recruiting young players from promising markets for the club,<sup>49</sup> qualifying for the Women's Champions League and collaborating with American and Japanese clubs.
- Create a women's section to increase the club's financial value in the case of a foreign buyout (e.g., OL with American investors in 2022).

#### 5.4.3.2 *Use of Equipment and Facilities*

- Share facilities and running costs (stadium, training centre, administration department, etc.) => save resources for the club and the stadium owner, allow the women's team to use the men's stadium for Champions League matches and big domestic matches or share the same stadium throughout the season, as

occurs in countries with smaller stadiums, such as Norway (Stabæck Kvinner) and the Netherlands (Ado den Haag).

- Fill the stadium and build solidarity between the two sections' supporters (atmosphere, support for the team, shared culture, etc.).
- Facilitate sharing experiences: locate all sports facilities and administrative services in the same general area (e.g., Stabæck Kvinner).

#### 5.4.3.3 Sales

- Centralise the sale of sponsorship to save resources and achieve a better deal. Clubs with the same sponsors for the men's and women's sections include PSG, Wolfsburg, Brøndby, Stabæck and Young Boys.
- Attract community-oriented sponsors who share the values of women's sport = > gender diversity, or even gender parity, provides an extra community-oriented angle for sponsorship activations (all clubs) => creates a firewall protecting the image of major sponsors with social responsibility strategies (via the message: we encourage mixed and inclusive elite sport).
- Attract a wider variety of sponsors (those focusing specifically on women's sport, e.g., GDF Suez sponsors OL's women's team and women's sport in France).
- Manage a sponsor's disengagement strategy from the men's team to the women's team (e.g., Renault Trucks, OL's main sponsor during the 2000s went on to sponsor the women's section) => message 'we are still partners with the club'.
- Share or combine ticketing and season-ticket strategies to increase stadium attendance for women's matches => allow holders of season tickets for the men's team to watch women's team matches for free (e.g., Wolfsburg, OL) => have a single season ticket for men's and women's matches (e.g., Stabæck Kvinner)
- Attract new supporters and new types of supporters (young girls, families) to the stadium by allowing season-ticket holders to invite guests when the women's team plays in the men's stadium (e.g., OL).
- Justify the public subsidies the club receives (e.g., OL), especially when subsidies given to the men's club are contested (e.g., PSG – Paris city council has transferred its support to the women's team).
- Expand the club's trading area. For example, supporters (of both sexes) come from further afield to watch Ado den Haag's women's team than to watch the men's team.

#### 5.4.3.4 Communication/Marketing

- Share client databases.
- Grow the club's digital fan community: website and social networks attract new clients (women and/or families).

- Strengthen the brand by having a single visual identity => identical strips and the same sponsors for the men's and women's teams, as at Arsenal, Slavia, Stabaecck and Servette de Genève.
- Revamp communication => Re-centre communication around the game, spontaneity/pleasure and sport, rather than business (added soul and meaning).
- Develop new communication and marketing opportunities around a mixed image combining male and female stars, emblems/ambassadors (e.g., PSG and OL since the 2010s).

#### 5.4.3.5 *Human Resources*

- Build a female talent pool (career transition/experience) for the men's and women's sections and in the fields of sport, marketing, administration, etc. (e.g., Wolfsburg) => staff who are passionate about football and who share the club's values (greater professional commitment and diversity of human resources).
- Recruit female staff or run a mixed training academy to increase diversity/improve parity as part of the club's social responsibility programme (e.g., Servette de Genève).

These potential synergies show that creating a women's section can generate extra strategic and organisational resources and competencies for a club's men's section, as well as for its women's section. These resources can have a beneficial effect on performance for both sections and for the club overall. However, the cost of coordinating the two sections and, in some cases, the cost of the men's section subsidising the women's section, can reduce the impact of these new resources. Moreover, the cultural, financial, media and structural chasm between men's and women's teams and strategies, with some clubs treating its women's section as a surety measure (as indicated by the sometimes-low level of investment in women's sections), can have a counter-productive effect.

Since the 2010s, many European clubs have turned themselves into large mixed clubs, thereby promoting the gradual professionalisation of women's clubs, women players and women's leagues and championships. Variations in professionalisation and competitive imbalances are still pronounced both nationally and across Europe. OL, often cited as a pioneer and an example to follow, is a particularly enlightening success story for other clubs to imitate. Nevertheless, each club must find the most suitable path to developing women's football according to its local and national political, economic and cultural (identity) environments. There is no universal model for collaboration that suits all clubs. Rather, there are good practices, such as developing a long-term vision and imposing more professional management to give greater stability, which clubs must adapt to their local conditions, potential and resources.

## 5.5 Conclusion

The principles and tools used to regulate and manage professional team sports in Europe are becoming more ‘Americanised’, as showmanship, economics and financialisation become ever-more central to the system’s general functioning. However, the European model of sport continues to differ from the American model in three important respects: competitions are open, player transfers (in football) involve compensation for the clubs involved and professional sports retain close links with their federations, which control grassroots sport and national teams (Part 1, Chapter 3).

Professional team sports are receiving ever-more media coverage, but only a few sports and leagues can command huge sums in media rights. Consequently, the financial gulf between these clubs/leagues (e.g., NFL, NBA, European football’s Big Five championships, IPL) and other sports and competitions continues to widen. New actors (pension funds, private equity companies, sovereign wealth funds, billionaires, international entertainment groups, etc.) are taking over globalised flagship products (biggest clubs, most lucrative commercial competitions, etc.) as part of larger globalisation and geopolitical strategies with increasingly complex objectives and modalities. These takeovers are threatening the ability of traditional local actors and federations to govern their clubs/sports independently and to set their own strategies. Current competition formats may change, and new competitions may emerge as the sport business becomes ever-more globalised and financialised. This evolution raises questions about the legitimacy of public funding and of efforts to combat breaches of ethics (should money be able to buy everything?) and to protect sport’s integrity (doping, match fixing, violence, harassment on social media, etc.). Digital strategies are also disrupting and internationalising clubs’ links with their local areas and their communities.

The traditionally masculine world of professional team sports is gradually reaching out to women’s sport. Having begun with basketball and, to a lesser degree, volleyball and handball, this can now be seen most concretely in football. However, women’s sport has still not achieved the same degree of professionalisation as men’s sport, and there are large differences even within sports. This raises the question of whether women’s professional sport will adopt a similar, club-based model to men’s sport but perhaps with innovations in rules of play and competition formats to attract more fans. In contrast to most professional individual sports, where women now receive the same prize money as men, the prospect of equal pay for women and men footballers is still a long way off, except in the case of national teams, which are moving in this direction.

## Notes

- 1 After the failure of several predecessors, notably the North American Soccer League (1968 to 1984), Major League Soccer has grown steadily since 1996.
- 2 Thanks to its Olympic status, baseball is popular in numerous countries, including China, South Korea, Mexico and Venezuela.

- 3 The United Rugby Championship was set up in 2001 as a joint elite league for Irish, Scottish and Welsh clubs. They were later joined by two Italian clubs and, in 2018, by two South African franchises.
- 4 The southern hemisphere's first international club competition was launched in 1996 under the name Super 12. It was renamed Super 14 in 2006, then Super Rugby and then Super Rugby Pacific. It comprises franchises from Australia, New Zealand, Fiji and the Pacific Islands. It has also included teams from South Africa, Japan and Argentina.
- 5 Some European and Asian leagues have adopted a North American-style franchise system (e.g., European rugby league's Super League; China's CBA basketball league, which follows the NBA model) and some leagues outside Europe have adopted a European-style system of promotion and relegation (e.g., most of the world's professional football leagues except in North America). Other leagues have adopted hybrid systems, combining North American principles of regulation with the European model of sport (e.g., Lithuania's Betsafe LKL basketball league, ice hockey's supranational Kontinental Hockey League and basketball's supranational Euroleague. These leagues are closed competitions, but they do not have a draft system or a salary cap. They must also organise their competition calendars and major events around the needs of their national teams).
- 6 Some actors put the professional championship's interest ahead of the national team's interests and vice versa; some actors prioritise European competitions over the domestic championship and vice versa.
- 7 UEFA is going to double the authorised deficit over three years (to €60 million), but, in return, clubs must limit their payrolls to 90% of their revenues in 2023–2024, to 80% in 2024–2025 and to 70% in the 2025–2026 season, by which time current contracts will have expired.
- 8 The dispute was resolved via a ten-year agreement increasing the minimum salary for players but giving franchises a larger share of the league's revenues (53% rather than 50%), thereby reducing the players' share to 47%.
- 9 The players' strikes in several leagues in 2020 were different because they were political and aimed at highlighting the issue of racist violence by police officers in the United States.
- 10 The Big Five are European (and world) football's five biggest leagues: the Premier League (England), LaLiga (Spain), Serie A (Italy), Bundesliga (Germany) and L1 (France).
- 11 Winning teams that score at least three more tries than their opponents gain an extra point in the championship table (offensive bonus), as do losing teams that lose by fewer than seven points.
- 12 This section is based on Bayle, Lang and Moret (2020).
- 13 For example, French companies with more than 250 employees, turnovers of more than €40 million and assets of more than €20 million will be obliged to issue social responsibility reports as of 2024.
- 14 Forest Green Rovers, The world's greenest football club. Available at: [www.fgr.co.uk/eco-park](http://www.fgr.co.uk/eco-park)
- 15 This term refers to companies whose prime objective is to benefit the community ahead of commercial objectives.
- 16 Despite its recent renovation, the Parc des Princes stadium does not have a large enough capacity for PSG.
- 17 Most national federations and professional leagues in Europe require professional clubs to set up their own training centres.
- 18 VIP tickets are highly profitable for clubs and can provide 80% of a match's ticketing receipts, even if they account for just 20% of seats sold. Clubs must find the right balance between season tickets, VIP seats and boxes, and seats available for individual

- matches. Moving into a new stadium can double or triple ticketing receipts (O2 Arena, Groupama Stadium).
- 19 Billionaires own 62 sports clubs/franchises, many of which are in the United States. See: <https://apolloomagazine.fr/ces-20-billionaires-proprietaires-de-clubs-de-sport/>
  - 20 A sovereign wealth fund is an investment fund held by a state. Many emerging countries with rich reserves of natural resources (e.g., Gulf States) have sovereign wealth funds that invest in foreign assets as levers for diversifying their countries' economies.
  - 21 The term 'pension fund' refers both to the systems private insurance companies use to manage and pay pensions and the companies that do this.
  - 22 Private equity (risk capital or investment capital) involves investing in non-listed companies that need cash to fund a project or boost their growth.
  - 23 Examples of states using sport to wield soft power include the Gulf States hosting major football tournaments and Chinese and Russian investors close to their countries' leaders buying stakes in Europe's biggest football clubs (Llorca, Gao and Bayle, 2017).
  - 24 Fondation1890 owns Genève-Servette Hockey Club, Servette Football Club and Servette Rugby Club. It also supports Servette's women's football team (Servette FC Chênois Féminin), as well as football, rugby and ice hockey academies. It is part of the Hans Wilsdorf Foundation, which owns the powerful Rolex Group.
  - 25 Sport Strategies (2023) *Les cryptomonaies dans le sport – investissements massifs*. Available at: [www.sportstrategies.com/les-cryptomonnaies-dans-le-sport-investissements-massifs-redefinition-du-fan-engagement/](http://www.sportstrategies.com/les-cryptomonnaies-dans-le-sport-investissements-massifs-redefinition-du-fan-engagement/)
  - 26 Red Bull Salzburg and FC Liefering in Austria, RB Leipzig in Germany, New York Red Bulls in the United States and Red Bull Bragantino in Brazil.
  - 27 France lifted its state monopoly on gambling in 2010.
  - 28 A digital currency that uses cryptography to secure transactions and which provides a digital payment system that does not use banks to check transactions.
  - 29 For 2023–2024, UEFA redistributed €2,732 million to participating clubs, with €2,032 million for the Champions League, €465 million for the Europa League and €235 million for the Europa Conference League (source UEFA).
  - 30 This new format, which will come into effect from the 2024/25 season, will involve 36 clubs (rather than 32 clubs) split into 4 'pots' of 9 teams. As a result, the number of matches will increase from 96 to 180. In the league phase, each team will play 10 matches (rather than 6). Increasing the number of matches will ensure the clubs involved obtain substantial ticketing revenues and guarantee extra income for Europe's biggest clubs.
  - 31 Three automatic mobile cameras, placed on either side of the court and in line with the net, film the action. This simple system requires few means but allows the league to continue generating revenue and offering fans content.
  - 32 Sport broadcasting rights holders' main objectives for OTT according to a 2019 study by PwC.
  - 33 German motor oil manufacturer.
  - 34 The NBA sells almost one billion items of branded merchandise.
  - 35 US fantasy leagues had 30 million players and a turnover of \$3 billion in 2013. Figures compiled by Mordor Intelligence.
  - 36 For a sport rule with financial consequences to be exempt from competition law it must meet a legal criterion called a 'proportionality test', which considers the context in which the rule will be applied, the rule's objectives, and whether it is proportionate and necessary. However, the proportionality test does not guarantee that all sport rules will be exempt from competition; decisions are made on a case-by-case basis. Not providing a blanket exemption to all sport rules is in line with Europe's willingness to recognise



- sport's specificity but not to exempt it from all EU law. For example, UEFA submitted its rules for cartelising Champions League television rights to the proportionality test in the early 2000s. The European Commission granted UEFA's request, accepting that the rules were legitimate and proportionate with respect to their aims of protecting consumers and promoting solidarity between clubs.
- 37 This league is sometimes an internal body of the federation, with no legal personality.
  - 38 UEFA (2012) *Une année pleine de promesses pour le football féminin*. Available at: <http://fr.uefa.com/uefa/aboutuefa/organisation/generalsecretary/news/newsid=1908207.html>  
About 47 of UEFA's 55 member nations hold a women's championship.
  - 39 Strengthen the image of the Women's World Cup; qualify junior and senior teams for competitions; develop youth competitions; create new competitions for clubs and national sides; supervise international professional championships in order to protect the integrity of women players and women's football.
  - 40 The financial resources of clubs in tier 1 countries, such as Germany, England, Spain, France, Italy, Norway and Sweden, are almost eight times greater than those in tier 3 countries (UEFA 2022).
  - 41 In the mid-2010s Germany seemed to have achieved the best balance thanks to the federation negotiating the redistribution of TV rights, so every club received €200,000 (by selling TV rights for the national team and women's clubs as a single package). The mean budget for clubs in Germany's first division is €900,000, a much higher sum than in other major championships.
  - 42 In 2013, the mean salary at OL was €4,000 per month plus fringe benefits. By 2023, this figure had risen to €14,000 before tax (the club's star players could earn up to €40,000 before tax). In addition, the mean age of the players – 25 years – has long been much higher than at Europe's other leading clubs.
  - 43 This club offers its players an unusual situation: They all sign a professional contract with the club, but they also have a contract with the club's partner company, Volkswagen, and the city of Wolfsburg (which pay all or part of each player's salary). Moreover, they receive individual training for their career transition at the end of their professional football career.
  - 44 About 63% of people below the age of 35 years believe all clubs should have a women's team (UEFA, 2022).
  - 45 Much of the information in the following paragraphs is drawn from Bayle, Jaccard and Vonnard (2013).
  - 46 According to UEFA (2022), 'For women's teams founded after 2015, the average annual set-up cost was €434,000 for the first three years, compared to €198,000 for teams established before 2010'. The cost for large clubs is much higher. OL (officially) spends 3% of its budget on its women's team, that is, approximately €10 million a year.
  - 47 In 2013, OL's president set out a new strategic plan, underlain by the club's values (family and loyalty) and aimed at revitalising the club's finances. The plan focused on five themes: 'elite sport' (professional team), 'looking to the future' (women's football), capitalising on the club's expertise (training academy), exemplarity (CSR) and innovation (operating a privately funded new stadium (source: OL Group brochure, 2013, *Nous Sommes OL Groupe*, p. 2).
  - 48 About 87% of clubs said that their involvement in women's football had a positive impact on their brand and reputation (UEFA, 2022).
  - 49 Case of OL, which recruited two of women's football's biggest stars in the 2020s – the Japanese striker Shinobu Ohno and the American midfielder Megan Rapinoe. Similarly, PSG recruited the 18-year-old American star Lindsay Horan.

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# The Competition between Private Circuits and Federation-Run Events in Individual Sports

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The present chapter presents the different forms of regulation within professional individual sports (Section 6.1), which shape the strategies adopted by competition/circuit organisers (Section 6.2) and the ways athletes manage their careers (6.3).

## 6.1 The Regulation of Private Circuits and Federation-Run Competitions

### 6.1.1 *The Economic Value and Professionalism of Circuits*

#### 6.1.1.1 *Definition of Professional Athlete in Individual Sports*

The term professional athlete is widely used to describe a person who is able to earn a living from competing in their sport.<sup>1</sup> The term may also refer to a legal status with mandatory social and fiscal obligations or an official status bestowed by a sport governing body (in their statutes and/or regulations for major circuits and competitions) or other actors with the power to set rules within a sport (e.g., operators of private competition circuits). It is also a psychosocial construct, as whether athletes consider themselves professional (or semi-professional) depends on their perception of the term and how they see themselves.

However, professional athlete is not synonymous with the elite athlete because the latter term designates a status accorded (in most cases) by a government and/or national sport institution to athletes who have attained a certain level in their sport (e.g., worthy of national team selection). Hence, an individual can be an elite athlete without being professional in the economic and legal sense of the term. This is the case in sports such as rowing, fencing, wrestling, archery and pentathlon. Similarly, a professional athlete may not be an elite athlete, because not all professional athletes are good enough to represent their country. This is particularly the case in team sports such as football. Most athletes accorded elite status receive certain benefits (state or private grants/income/support, socio-professional support, specialist study programmes, etc.) that may be set down in national legislation. These definitions and nuances show that the boundaries of professionalism can be fuzzy or porous in some sports, notably those with few resources. They

also raise the issue of an athlete's ability to earn a living from their sport, which means having access to the resources and environment needed to make the best of one's sporting talent (reach the highest level) while preserving one's physical and mental health and achieving a good life balance (personal life, studies, career transition, etc.). Turning professional generally involves taking part in circuits whose structures and rules support professionalism. Individual sports differ greatly in this respect. Some sports have one or more professional or semi-professional circuits (main, secondary, tertiary; international, continental) owned either by private commercial operators or by an IF. In contrast to many professional team sports, which have lucrative national competitions, circuits in professional individual sports must be international to be economically viable. Other large tournaments may exist alongside a sport's international circuit and may or may not be officially associated with it. These tournaments (e.g., golf's majors,<sup>2</sup> tennis's Grand Slam tournaments,<sup>3</sup> world/continental championships) may be annual (but some annual competitions are not held in Olympic years), bi-annual or quadrennial, and most are owned by the sport's IF. Unlike the Olympic Games, most organisers of world championships now give prize money to medal winners and/or finalists (top eight), but rarely to all participants. Consequently, different sports have very different legal and economic rules concerning professionalism, although most commercial professional circuits enable athletes to qualify (via political and/or legal agreements) for world and/or continental championships and the Olympic Games (in the case of Olympic disciplines), according to quotas set by the sport's IF. For most sports, this results in a clear hierarchy of competitions according to their importance and their symbolic value within the sport's ecosystem, notably for fans, broadcasters and sponsors. However, this is not the case in sports such as golf (although the possibility of launching a single main circuit in 2024 is under discussion), boxing, triathlon, windsurfing, padel and trail running, where the existence of several competing circuits/organisations muddies the hierarchy of competitions and world rankings.

#### *6.1.1.2 Three Categories of Individual Sports in Terms of Competition-Circuit Revenues*

Individual sports can be divided into three categories according to the size of their competition circuits' revenues (including media rights, sponsorship, ticketing and public subsidies): sports with major circuits (annual revenues of billions of euros), sports with emerging circuits (annual revenues of tens of millions of euros) and sports with non-professional circuits (annual revenues of a few million euros or less). There are, of course, major variations within each category.

**Sports with major circuits** generate billions of dollars in revenue every year. Top athletes in these sports can live off their prize money alone, although most of them also have other sources of income (generally from sponsorship and advertising). The sports in this category are as follows:

- Golf: Professional Golfers' Association of America (PGA, 1948) and LIV Golf (2022), Ladies Professional Golf Association (LPGA, 1950)
- Tennis: Association of Tennis Professionals (ATP, 1972), Women's Tennis Association (WTA, 1973)
- Motor racing: Formula 1 (F1, 1950), MotoGP (1949)
- Boxing: World Boxing Association (1962, created under another name in 1921), World Boxing Council (1963), World Boxing Organisation (1988), International Boxing Federation (1983)
- Mixed martial arts (MMA): Ultimate Fighting Championship (UFC, 1993).

The launch dates of these professional circuits show that some were created long before their sport officially embraced professionalism. They also show that women golfers and tennis players quickly followed in their male counterparts' footsteps by setting up their own professional organisations, although the women's circuits had much less earning power. Moreover, some more recent circuits clearly drew on the experience of pioneering circuits in other sports (e.g., tennis and golf, MMA and boxing).

Most major circuits are controlled by commercial organisations (e.g., F1, MotoGP, UFC) or by non-profit organisations whose objective is to grow their player/tournament-organisier owners' businesses (e.g., ATP/WTA, PGA/LPGA, professional boxing's international federations). These organisations are independent of the Olympic movement's sport federations and have aggregate economies (revenues of the circuit, local organisers and athletes) of several billion dollars. This is why the North American investment fund Strategic Sports Group was prepared to inject \$3 billion into the PGA (thereby valuing the circuit at \$12 billion) as a way of countering the growing threat from LIV Golf. Major circuits' largest sources of revenue are international media rights and global sponsorship (the circuit's main sponsors and sponsors of its top athletes). Local organisers receive a proportion of these revenues, but they obtain most of their income from local sponsorship, public relations operations and ticketing. Some sports have a small number of highly prestigious tournaments with much higher revenues than the other tournaments on the professional circuit. This is the case in men's professional tennis, where the four Grand Slam tournaments' combined turnover (approx. \$1.5 billion) is as large as that of all the ATP circuit's main tournaments (9 ATP 1000 tournaments, 13 ATP 500 tournaments and 40 ATP 250 tournaments in 2023).

Each sport's business model allows it to redistribute individual prize money (known as 'purses' in boxing and MMA<sup>4</sup>) of several million euros to the winners of major events. Hence, top golfers and tennis players earn large sums from their sport's major tournaments, which they supplement with income from less prestigious tournaments. The highest-profile players and those selected for the Olympic Games and/or for prestigious international team competitions, such as golf's Ryder Cup (1927) and tennis's Davis Cup (1900, renamed in 2017<sup>5</sup> and turned into a tennis world cup) and Laver Cup (2017), also receive income from individual



sponsorship and advertising on their social networks. By combining these revenues, the world's most 'bankable' athletes can achieve annual incomes of up to \$100 million. However, only a relatively small number of athletes (approximately 100 tennis players, 100 golfers, 20 F1 drivers and a few hundred boxers and MMA<sup>6</sup> fighters, across all weight categories) gain access to these major circuits.

Secondary circuits/competitions offer much smaller amounts of prize money, with total prize pools that may be ten-or-more times lower than those offered by a sport's major circuit. Consequently, it can be difficult for athletes who compete mostly or solely on their sport's secondary and tertiary circuits to make a living from sport. In fact, taking part in secondary competitions can cost athletes money due to the fixed costs they have to pay (travel and accommodation costs for the athlete and his or her coach, cost of physical and mental training, health costs, etc.). On the other hand, competing on the secondary circuit is an essential step for all professional athletes, as they are launchpads to their sport's major circuit(s). Such secondary circuits include tennis's Challenger (2nd division) and ITF (3rd division) Tours; men's golf's DP World Tour (Europe), Korn Ferry Tour (America) and Asian Tour; women's golf's JLPGA (Japan), KLPGA (South Korea) and LET (Europe) circuits; motor racing's Formula 2 and Formula 3 circuits; boxing's World Boxing Professional Federation fights and MMA's Bellator, PFL, Cage Warriors, One Championship and Ares circuits. However, very few athletes rise through these secondary circuits to their sport's major competitions: around 200 tennis players (both sexes combined) and several hundred golfers (secondary circuits are more lucrative in golf than they are in tennis), approximately 20 drivers in motor racing, a few hundred boxers and around 300 MMA fighters across all weight categories.

Despite their dominant positions, major circuits are vulnerable to attack from new competitions. The most recent example of this occurred in 2022, when LIV Golf, bankrolled by Saudi Arabia's sovereign wealth fund, tried to entice leading golfers away from the very powerful PGA Tour by offering much higher prize money: \$20 million for each of the 12 tournaments in the 2023 and 2024 seasons, with each tournament involving just three days of competition, rather than four days for PGA tournaments. This financial opportunity immediately attracted 17 PGA players, including several leading American golfers.<sup>7</sup> The PGA reacted by excluding these players from its prestigious PGA Tour and increased the prize money for PGA tournaments to try and avoid other star players moving to LIV Golf. It also pays bonuses to the circuit's best and most-popular players via its Player Impact Program, with the sums paid depending on a player popularity index.<sup>8</sup> A major turnaround occurred in 2023 when the PGA Tour, Europe's DP World Tour and LIV Golf began discussing the possibility of creating a joint competition, called the World Golf Series, with a final stage played in Saudi Arabia. Nothing has been finalised, but the combined circuit would probably involve Saudi Arabia investing more than €1 billion dollars in a new commercial company owned by the PGA Tour. However, the chair of a special US Senate's commission has strongly criticised the project's legal and financial structure because it would result

in a ‘foreign government entity’ with ‘a disturbing human rights record’ ‘assuming control over a cherished American institution’ (Blumenthal, 2023). This political controversy echoes the outcry (in the West) over Saudi Arabia’s equally sensational entry into professional team sports.

Episodes of conflict/cooperation have occurred on numerous occasions in the history of professional sport, often following the arrival of new financiers (shareholders, media organisations and/or sponsors). Current concerns revolve around the growing interest many emerging geopolitical actors are showing in the world’s largest and most lucrative sports. The authoritarian nature of some of these countries, notably China (whose main interests are tennis and F1) and the Gulf States, raises important questions for the governance, ethics and economies of major circuits, which are often faced with the dilemma of whether they should move into potentially lucrative markets at the risk of bolstering regimes with poor human rights records. For example, the WTA finally agreed to hold the 2024 to 2026 editions of its Masters’ tournament in Saudi Arabia despite its concerns about the country’s treatment of women. The WTA has also softened its position on China, which is one of its most important markets. After withdrawing from the country over the Peng Shuai affair in 2021, the WTA decided to return in 2023, albeit with fewer tournaments (7 instead of 11). The WTA’s fragile financial position following the COVID pandemic and its withdrawal from China may explain why, in 2023, it sold a 20% stake in its new commercial subsidiary, WTA Ventures, to the investment fund CVC Partners for \$150 million.

In contrast, in line with its opportunistic globalisation strategy, Formula 1 accepted offers from these new geopolitical actors in the sport business and signed deals to hold Grand Prix races in China and Bahrain (since 2004), Abu Dhabi (since 2009) and Qatar and Saudi Arabia (since 2021). The deal signed with Saudi Arabia will earn F1 \$650 million over 10 years.

**Individual sports with emerging circuits** have one or more professional circuits with consolidated annual revenues of tens to hundreds of millions of dollars. Prize pools in these sports are generally large enough for a sport’s top athletes to make a living from competing, but this is not the case for all the athletes on these circuits. An increasing number of individual sports, some of which were entirely amateur until recently (e.g., judo, swimming, taekwondo), have emerging circuits. The main sports and circuits in this category are as follows:

- Athletics: Diamond League (2009), renamed the Wanda Diamond League (after its Chinese main sponsor) in 2020
- Show jumping: Longines FEI World Cup (1978), Longines Global Champions Tour (2006), Rolex Grand Slam of Eventing (2013)
- Swimming: Swimming World Cup (1989), International Swimming League (2019 to 2021)
- Judo: World Tour (2009)
- Skiing: Alpine Ski World Cup (1967)

- Freeride skiing: Freeride World Tour (2008)
- Triathlon: Super League (2017), Triathlon World Championship Series (2009), Ironman (1978)
- Yachting: SailGP (2019), World Match Racing Tour (2000), Louis Vuitton America's Cup World Series and America's Cup (1851) several, major single-handed yachting races
- Table tennis: World Tour (1996)
- Padel: Premier Padel (2022), World Padel Tour (2013–2023), APT Tour (2021)
- Beach volleyball: Beach Pro Tour (2002), FIVB Beach-Volley WT (1987–2022)
- Surfing: World Surf League (1976)
- Figure skating: ISU Grand Prix (1995)
- Biathlon: World Cup (1978)
- Gymnastics: FIG World Cup Series (1975)
- Badminton: BWF World Tour (2018)
- Taekwondo: WT Grand Prix (2023)
- Squash: Professional Squash Association World Tour (1992)
- Trail running: UTMB World Series (2022), Golden Trail Series (2018)
- Curling: World Curling Tour (1992)
- Skateboarding: Street League Skateboarding (2010) and Vans Park Series (2016)
- Windsurfing: Professional Windsurfing Association World Tour (1996), International Windsurfing Tour (2010).<sup>9</sup>

In contrast with established major circuits, which are all controlled by commercial organisations, most of these emerging circuits are run by an IF. Exceptions to this rule occur in show jumping, triathlon, surfing, trail running, yachting and skateboarding, whose circuits are owned by commercial actors, and squash and windsurfing, whose circuits are owned by groups of athletes. Some sports have two or more important circuits, with competition between an IF-controlled circuit and a commercial circuit. In triathlon, for example, private companies own the long-distance Ironman circuit and the Super League circuit, but the sport's IF owns the World Triathlon Championship Series. Many emerging circuits offer relatively little prize money, so even the best athletes are reliant on sponsorship (notably by sports brands) and/or other sources of revenue (e.g., from a club, company, city/country offering employment in the police or armed forces, federation or from advertising links to their online fan communities) for most of their income.<sup>10</sup> Another difference with major circuits is that most emerging circuits include both men and women (except for alpine skiing), and they generally award men and women equal prize money. This is the case for all IF-run circuits and for most commercial circuits (squash since the 2010s, surfing since 2019, windsurfing since 2021 and Freeride World Tour since 2020). The Winter and Summer X Games have awarded equal prize money to men and women since 2009.

Athletics (1998), surfing (1976), alpine skiing (1967) and biathlon (1978) have economically more advanced (and often older) circuits. For example, each of the 14 meetings that make up World Athletics' Wanda Diamond League, the sport's

highest-level competition, awards prize money of \$30,000 per discipline (\$10,000 to the winner). The circuit final in Eugene, United States (home to Nike's global head office), has a prize pool of \$70,000 per discipline (\$30,000 to the winner). World Athletics also provided \$8.5 million in prize money for its 2022 outdoor world championships. Prizes were \$70,000 for a gold medal, \$35,000 for silver and \$22,000 for bronze. The first eight athletes in each discipline won a prize. Any athlete who broke a world record won an additional \$100,000. These sums are increasing, but they concern only a small number of athletes. Athletes who do not regularly achieve podium finishes must find other sources of income to make a living from top-flight athletics.

Circuits in many other sports are struggling to gain momentum, as they are recent or have very modest turnovers (e.g., badminton, judo, figure skating, swimming, taekwondo, table tennis). These sports are still only semi-professional, but they are setting up annual international circuits with growing prize pools of \$1 million or more. These sums are enough for the very best athletes to make a living from competing and to accumulate the points they need to qualify for world championships, which now also award prize money, and the Olympic Games. For example, in 2009 the International Judo Federation launched a new Judo World Tour to promote this increasingly globalised sport, which faces increasing competition from MMA. International judo competitions have adopted a similar model to tennis, including a world ranking and a new competition hierarchy. Each year, elite judo players face off at four Grand Slam tournaments, five Grand Prix tournaments, the World Judo Championships and a World Masters event involving the top 16 judokas in each weight category. The annual (except for Olympic years) world championship has the largest prize pool: a total of €1 million (€26,000 for a gold medal, including €5,200 for the coach). However, this sum is but a small percentage of the approximately €8 million judo's IF earns from marketing the event. Paris's Judo Grand Prix has an even more modest prize pool of €154,000. The winner in each category receives €5,000 euros, including €1,000 for the accompanying coach, the runner-up receives €3,000 (€2,600 for the athlete, €400 for the coach) and the two players in third place each receive €1,500 (€1,200 for the athlete, €300 for the coach). Judo is unique in directly allocating a proportion of the prize pool to coaches. Despite the existence of this better-structured circuit, financed mostly by the events' host cities, it is difficult to make a decent living from judo without having another job, income from sponsors/benefactors, or help from a club (via inter-club championships) or other public bodies (national/regional/local authorities). Even the very best judokas earn no more than €5,000 per month from prize money.

In 2021, the International Table Tennis Federation (ITTF) copied judo's events model by launching a World Tour with annual tournaments at three levels: four Grand Smashes, eight WTT Champions tournaments and six WTT Star Contenders tournaments. The Singapore Grand Smash has the largest prize pool: \$2 million. WTT Contenders (not to be confused with WTT Star Contenders) is a secondary circuit of 14 tournaments that include players who are not good enough to take part

in higher-level tournaments. The WTT Cup Finals (world championship) involves the best 16 singles players and the best 8 doubles team.

In figure skating, a sport that receives extensive media coverage and which attracts large TV audiences, each of the six competitions in the 2022 ISU Grand Prix, including the final, had a prize pool of just \$180,000. Professional ice skaters are not current elite skaters but former elite skaters transitioning into new careers and who have contracts with the Holiday on Ice touring show.

**Individual sports with non-professional circuits** do not have (officially) professional international circuits (e.g., a world cup with stages leading up to continental and world championships) that enable athletes to earn a living directly from their sport. Competitions may award prize money, but the sums are extremely modest and insufficient to live on, so even the best athletes must have other sources of income (grant/emolument, sponsorship, protected job – often within a state or public organisation – or salaried position with flexible working hours, etc.). Sports in this category include rowing, canoeing, climbing, fencing, weightlifting, wrestling, pentathlon and archery. These sports' most important competitions are their world championships, organised by a sport's IF, and the Olympic Games.

For example, wrestling's IF (United World Wrestling) awards prize money to the top wrestlers in its annual world ranking (a few hundred-thousand dollars in total for all categories) but not to the winners of its world championship and three annual Grand Prix. This reluctance to embrace semi-professionalism is surprising given wrestling's globalised nature and the fact that the best wrestlers are from countries with large markets (China, United States, Russia, Iran, Turkey, etc.). Moreover, wrestlers' skills and training mean they are highly valued and do well in MMA and professional wrestling. Neither the opportunity provided by large potential markets nor the threats of losing wrestlers to other sports or of wrestling being removed from the Olympic Games have yet been enough to convince United World Wrestling or most of its elite athletes to move towards greater professionalism.

The small prize pools available on some emerging professional circuits and on non-professional circuits result in many athletes remaining 'state-sponsored' athletes (professional status giving them a minimum wage or a job in a public organisation) or living below the poverty line. According to France's National Sport Agency,<sup>11</sup> this was the case for 40% of the French athletes who competed at the 2016 Rio Olympic Games. Similar statistics for Switzerland in the early 2010s (Kempf *et al.*, 2021) showed that financial precarity could affect elite athletes even in the West's richest countries if governments do not take steps to support their athletes, especially those in individual sports. France has recently taken such steps, introducing new legislation that guarantees elite athletes better socio-professional support and better social protection. As a result, the proportion of elite athletes living below the poverty line had fallen to 10% by 2023. Athletes in some sports can complement their income from official competition circuits by taking part in galas (e.g., ice skating, gymnastics), exhibition matches (tennis)<sup>12</sup> or demonstrations in clubs (judo, taekwondo, etc.).

Motor racing,<sup>13</sup> cycling<sup>14</sup> and esports (De Moor *et al.*, 2022) are special cases, as they are team-based individual sports (Aubel and Ohl, 2015) in which athletes are employees of their teams. Consequently, the regulation of these sports is similar to that of team sports.

### 6.1.2 The Regulation of Circuits

The issues involved in regulating professional individual sports and their competition circuits can be grouped into five domains: governance, competition structure and rules, integrity, finance and marketing and social responsibility.

#### 6.1.2.1 Governance

There are three main types of circuit owners:

- Athlete associations (e.g., ATP/WTa, PGA/LPGA, WSL, PSA), generally run as non-profit organisations.
- Private entrepreneurs (e.g., Endeavor Group, IRONMAN Group, Liberty Media, Thrill One Sports and Entertainment, etc.).
- IFs (e.g., World Athletics, World Aquatics, International Biathlon Union, International Judo Federation).

Professionalism is a complex issue for IFs that govern several disciplines (motor-sport, sailing, skiing, etc.), as some disciplines may generate larger economies and have larger prize pools than others. This is the case for the International Ski and Snowboard Federation (FIS), which governs seven disciplines: alpine skiing, cross-country skiing, ski jumping, Nordic combined, freestyle and freeski, snowboarding and freeride skiing.<sup>15</sup> Athletes generally have a greater say in strategic decisions in the case of athlete-run circuits than in the case of private commercial and IF-run circuits, but such decisions are always taken in consultation with tournament/competition owners.

Sports must decide how best to regulate their circuits and ensure their future while fulfilling their stakeholders' expectations. To do this, they must ensure their governance frameworks combine three types of governance: systemic (involve major stakeholders in decisions), political (maintain good relations with the public bodies that set legal frameworks and provide funding) and organisational (oversee the way the circuit is governed, managed and controlled).

Sports can involve stakeholders in their international governance by systematically consulting key stakeholders and/or by setting up official working groups. For example, tennis's T7 group, created in 2021 following the COVID-19 pandemic, brings together the sport's seven most important actors (ATP, WTA, four Grand Slam tournaments and the International Tennis Federation) to ensure they serve the interests of the sport and its stakeholders. In the case of padel, since 2023 major decisions concerning the sport's unified world circuit (Premier Padel)



have been taken by its three main actors – International Padel Players Association, International Padel Federation and Qatar Sports Investments (main funder, which bought the competing circuit – World Padel Tour – in 2023).

Political governance concerns the relationship between international/national legislation (e.g., European laws on competition and freedom of movement, national fiscal legislation) and a circuit's rules and regulations. Circuit owners sometimes have to lobby politicians to try and relax legislation or the way it is applied. Political governance also involves building partnerships and commercial relationships with public bodies (national, regional, municipal) by highlighting the media (awareness/image), economic (e.g., tourism) and/or (geo)political (exposure and image of the country/ regime and its leaders) benefits an event can bring.

A circuit's organisational governance refers to the functioning of its board, its staff's management practices and its performance assessment and reporting mechanisms (especially financial, media and fan-experience performance). A chairperson and/or general manager (known as a commissioner in the PGA) may be asked to steer and regulate the entire circuit. The objective for this person and their board is to provide a strategic vision for developing the professional circuit and ensuring its long-term viability.

In tennis, the ATP's board comprises a chairman, four player representatives and four tournament representatives. The player representatives are chosen by the 13 members of the players' council (all active players). However, the neutrality of certain board members can be questioned, as some of them work for marketing and events groups with stakes in several tournaments (even though the ATP limits their number to five) or are agents who represent several players and manage the sale of media and data rights. This is the case for IMG Group, which is a major stakeholder in international professional tennis. In 2022, the ATP published a strategic plan called OneVision, which came into operation in 2023. OneVision's aim is to fulfil the ATP's missions 'to serve men's professional tennis worldwide by showcasing the greatest players at the best tournaments, to entertain millions of fans around the globe and inspire the next generation of fans and players by offering the world's most innovative and most inclusive fan experience and generating long-term growth for tennis as a whole'.

Governing circuits on these three levels (systemic, political, organisational) are complex and depend on the interests of the circuit's internal and external stakeholders, which can vary as opportunities and crises arise. Hence, compromises must be found on all three levels to prevent different interests destabilising the entire circuit.

#### *6.1.2.2 Competition Structure and Rules*

Circuit owners must define the rules of play, organise a calendar, set up a world ranking and draw up infrastructure and logistics specifications for the circuit's tournaments/events.

Rules must be clear and easy to understand but unique to the circuit(s). They must evolve in line with changes in the sport (e.g., adapt to increases in the speed



of play) to increase its attractiveness (make events more aesthetic, spectacular and exciting) and guarantee athlete and spectator safety (weather, venue layout and services). Rules must also ensure a balance between equity, integrity and attractiveness, which may mean embracing new technologies such as goal-line technology (used in football since 2012) and the Hawk-Eye system developed in tennis and other sports to assist referees/umpires/judges. The introduction of ten-point tie breaks in the fifth set of Grand Slam Tennis Tournaments in 2023 has both harmonised the length of matches (protect players' health and give them longer to recover between matches, meet the needs of broadcasters, organisers and fans) and made them more attractive by creating suspense. Event organisers' rules on equipment and clothing aim to protect equity between participants and ensure records are meaningful (e.g., high-tech swimsuits were regulated in 2010 as their initial introduction had resulted in 130 swimming records being broken in just two years). Judo's 'golden score' rule (if a match goes to overtime, the first player to score wins) makes matches more spectacular and exciting by promoting offensive play. Rules can also modify a discipline for reasons of integrity, as has occurred in pentathlon, where allegations of mistreatment, doping of horses and the need to reduce costs have resulted in obstacle racing replacing show jumping as one of the sport's five disciplines following the 2024 Olympic Games.

A sport's international calendar must be clear (published in advance) and coherent (travel, weather, continental realities, global warming) to its ecosystem's stakeholders. The number of competitions is increasing in all sports, but a sport's calendar must factor in preparation time and recovery time between competitions in order to protect athletes' health and enable them to optimise their performances. IFs and event owners organise the annual calendar around their most important events and the need to maintain suspense over the final rankings. Ranking systems must attribute points in an easy-to-understand way that favours competition by creating uncertainty throughout the season.

Circuit owners must also ensure high-quality and safe conditions for everyone involved in their events (quantity and quality of facilities, logistics, accommodation, transport, etc.) by requiring event organisers to meet a detailed specification. They must also set up a system to measure both the technical quality of each event and user satisfaction (players, spectators, sponsors, etc.).

### 6.1.2.3 *Protecting the Game*

Protecting the game means protecting sport's reputation by avoiding misconduct and ethical failures such as doping, match fixing, cyberbullying, psychological and sexual harassment and abuse. Sports must also provide athletes with safe conditions in which to train, monitor athletes' health and protect them and other key actors (e.g., coaches, referees, agents) from social and economic precarity. Many countries have passed laws addressing these aspects of sport.

Ethics and sportsmanship are key notions in sport and a large part of sport's attraction. Elite athletes must be exemplary in this respect, so their performances

and sportsmanship remain sources of inspiration and excitement. Circuit owners protect their sport's integrity by setting rules of play and codes of conduct/ethics (behaviour on the field of play, respecting opponents, referees and other fans, etc.) and imposing sanctions on athletes who break these rules (from fines to exclusion from competitions). Efforts to combat threats such as doping, match fixing, violence, racism, harassment and abuse include self-regulation measures (e.g., educating athletes about the need to respect the rules of play and codes of ethics), setting up international watchdogs (e.g., World Anti-Doping Agency, International Testing Agency, Court of Arbitration for Sport; see Chapter 1) and passing national legislation. National anti-doping and sport integrity agencies also play a role. In addition, some sports have set up their own international integrity systems, such as the Athletics Integrity Unit, created by World Athletics in 2017, and the International Tennis Integrity Agency, established by the ATP/WTA, ITF and Grand Slam Board in 2008.

The physical safety of athletes, officials and spectators is another important aspect of protecting the game. Providing safe conditions in which to compete, officiate and spectate is becoming increasingly expensive for competition organisers. In addition, sports must protect athletes' mental and physical health by monitoring the number of matches/competitions they take part in, scheduling events at times of the year with appropriate weather conditions, factoring recovery times into competition calendars and providing medical supervision to prevent and treat specific pathologies.

A more recent concern, triggered by a series of major scandals, is the need to protect young athletes (especially young women) from potentially harmful relationships with coaches or other members of their entourage (risk of psychological and sexual abuse). National governments have begun passing legislation on these issues, while circuit operators and federations have up portals for whistleblowers, provide information and training, and ensure young athletes have separate accommodation from coaches during training camps. Cyberbullying, via aggressive or violent social-media posts or via sports gamblers threatening and pressuring athletes, is another potential source of distress.

A final aspect of protecting the game involves taking measures to ensure athletes do not suffer from social precarity and vulnerability during or after their careers. One way that sports can do this is by providing athletes with training that will help them with their career transitions when they can no longer compete at the highest level (social security). For example, in 2023 the ATP, in conjunction with LaLiga (Spain's top-flight football league), launched a Business Education Programme 'to build ATP players' knowledge of the sports industry and open professional opportunities following their playing careers'.

#### *6.1.2.4 Finance and Marketing*

Finance and marketing must be at the heart of a sport's regulation if it is to generate the economy and media coverage needed to make professionalism viable.

A circuit's attractiveness to the media, spectators, sponsors and fans, which is a key factor in obtaining revenues from these stakeholders depends on the sport's renown, the reputation of its events and athletes (ranking, personality, fame/image, etc.) and whether events are exciting (which is, by definition, uncertain, as no one knows what will happen during a match/competition).

A sport's appeal is an essential criterion for circuits and their component events to consider when designing their business models, which generally revolve around centralised marketing strategies (as in team sports), and negotiating with stakeholders. In addition, having a monopoly over a sport's major competitions gives circuit owners greater bargaining power and allows them to generate larger revenues. Circuit owners/managers generally negotiate media rights and major sponsorship deals for all the events on their circuit and then redistribute a proportion of these revenues to event organisers. For example, in 2023 the ATP redistributed \$300,000 to each ATP 250 tournament organiser and paid them \$325,000 for the rights to player and match statistics, which the ATP could then sell to online betting companies. Local event organisers must work within this framework to develop a business model that allows them to attain their objectives (make a profit, attract partners, grow the sport, etc.). Another aim of circuits' commercial and marketing strategies is to expand their businesses internationally by entering new markets and attracting new fans. The number of events, the level of each tournament and the amount of prize money available must be chosen with the aim of making professionalism viable. To this end, the ATP has raised the prize money available to professional players by increasing the number of ATP 500 events for the 2024 season from 13 to 16 (by merging ATP 250 tournaments). Media coverage, via either classic media or the internet and social networks, and globalisation are key to boosting a circuit's fame and enhancing its image, while better quality images and data capture systems explaining differences in athletes' performances give fans a more immersive experience. Having well-known and well-respected champions makes it easier to market a sports event, which is why sports such as Formula 1, cycling and tennis cooperated with Netflix to produce documentaries<sup>16</sup> showcasing their best and most bankable athletes so they become known to a wider audience (especially young people and women). By providing glimpses into top athletes' lives, streaming companies are following cinema's tradition of marketing and glamourising its biggest stars.

Circuit owners and event organisers must create 'fan experiences' that do not rely solely on the sporting spectacle, which is, by its nature, uncertain. Moments of sporting drama remain an important part of fan experiences, but owners/organisers also use non-sporting attractions such as music shows, opportunities to win prizes (cash, memorabilia, non-fungible tokens, etc.) and behind-the-scenes visits to create fan loyalty.

How the money a circuit generates is redistributed is a key issue for the circuit owner-operator to negotiate with event organisers and players, as is the distribution of revenues between athletes (from stars to more modest athletes). Events must also decide whether to redistribute (usually via sport federations) some of

their revenues to grassroots sport as the source of the next generation of athletes, referees and volunteers. Athletes redistribute a proportion of their revenues to their 'team' (coach, physical trainer, mental trainer, agent), unless they belong to an academy (sometimes the case in tennis) or have a manager/agent (often the case in athletics). What is the right balance to achieve between these actors and what compromises should each actor be prepared to make? IFs tend to keep a large proportion of the revenues their competitions generate and redistribute relatively small amounts to athletes and local organisers. They justify this by pointing out that they use this money to finance international competitions for young athletes, which are by their nature loss-making, and to grow the sport around the world. However, athletes may contest this distribution given the luxurious working conditions of some international sport executives (e.g., VIP treatment at events), which raises questions about whether development and solidarity funds redistributed to NFs are used well. Event organisers and athletes are better able to defend their interests in the case of commercial circuits because they control their events' governance. In tennis, the ATP, after taking its share, redistributes revenues 50/50 between players and tournament organisers. And tennis players have forced the Grand Slam tournaments to redistribute more of their revenues to players, resulting in a 14-fold increase in prize money between 2000 and 2023.<sup>17</sup> Nevertheless, the tournament owners (the Australian, French and American Opens are owned by their host country's NF; Wimbledon is owned by a club) still take a much larger share of the profits than the players (ratio of approx. 6 to 1). Grand Slam tournaments now have equal prize pools for men and women and allocate more prize money to players who finish lower down the tournament rankings (qualifiers and first round) to help them finance their season. Players have several options when it comes to redistributing revenues to their entourage. Generally, this redistribution is aligned with the athlete's revenues. For example, a player's coach may receive a fixed weekly, monthly or annual salary or 10% of prize money (plus expenses and performance-linked bonuses) and the player's agent may receive 20% of the sponsorship contracts the agent negotiates. In some cases, these sums are not fixed and may vary within maximum and minimum limits set by the sport's governing body or national legislation. This is the case in athletics, where the managers of African long-distance runners may take more than 50% of the athletes' revenues (from marathons and road races). Some tennis players in the ATP Top 100 travel with a physical trainer and physiotherapist/osteopath, as well as a coach, and must therefore cover these extra staff members' travel expenses.<sup>18</sup>

In this case, the dominant actors' ability to concentrate a circuit's revenues is explained by a combination of the 'winner-takes-all' and 'superstars' economic theories. Feuillet, Scelles and Durand (2018) found that the imbalance in players' revenues is greater in men's tennis than it is in men's golf, but this is not due to differences in the way these sports distribute prize money. Rather, it is a result of tennis having a lower turnover in sporting rankings than golf. Consequently, a small number of tennis players earn a particularly high proportion of the sport's prize money over several seasons. More specifically, during the 2010s the lion's share of

prize money, guarantees,<sup>19</sup> exhibition fees and worldwide individual sponsorship went to just four players: Djokovic, Federer, Murray and Nadal. Even though each of these players won more than €100 million in prize money during their careers, most of their revenues came from sponsorship (between €20 million and €70 million a year). Federer was particularly successful in monetising his image, earning almost three times as much from sponsorship as Nadal and Djokovic in 2020. These sums made him the world's highest-paid athlete that year, with total earnings of more than \$100 million.

#### 6.1.2.5 *Social Responsibility*

Social responsibility actions enable professional sport to justify its place in society and in host territories and to show that it can be a responsible business. The International Standards Organisation defines organisational social responsibility as an organisation's contribution to sustainable development and its willingness to take responsibility for and report its activities' impacts on society and the environment (ISO 26000). For sport organisations' social responsibility to be truly effective, it must involve and be shared with other stakeholders, including athletes (some of whom have their own societal foundations), sponsors (e.g., via eco-responsible partnerships) and suppliers (choosing suppliers with responsible management practices, such as companies who use/provide organic and local products).

The National Basketball Association – probably the most advanced sport organisation in terms of social responsibility (François and Bayle, 2011) – has created an integrated and consolidated social responsibility strategy called NBA Cares. Professional individual sports can draw up similar strategies, as the PGA did in 1978 when it founded the PGA Foundation to run its social responsibility actions. However, the PGA Foundation operates on a much smaller scale and is less professionalised than NBA Cares.

Social responsibility has three dimensions: societal, economic and environmental. In terms of the societal dimension, circuit owners must develop an international strategy and promote their event organisers' initiatives and good practices. Event organisers can undertake civic and solidarity actions (e.g., make their events easily accessible to people with disabilities, provide free tickets for young people in difficulty, support and promote charities, etc.), promote and encourage amateur sport (encourage volunteerism, organise sports demonstrations for young athletes, etc.). Many of these actions can be carried out with public and private partners, who can use sport and sport events to showcase their policies and social responsibility.

Economic social responsibility involves demonstrating an event's beneficial effect on its host territory, often by conducting economic and media impact studies whose results can be used to justify public investment in the event (economic and social returns on investment). The economic dimension also involves developing more responsible event-management practices, such as building partnerships

focused on solidarity and environmental responsibility, adopting a human resources policy based on diversity, integration and inclusion (social diversity, percentages of women, people with disabilities, young people, older people) and adopting responsible purchasing practices.

Sports events/circuits can demonstrate their environmental social responsibility by reducing their carbon footprints, notably by encouraging spectators, staff and players to use more-sustainable means of transport (public transport, non-polluting vehicles, etc.), recycling waste, reducing water, electricity and gas consumption, avoiding plastics and cardboard, and using digital communication rather than paper. Organisers can also review the lifecycles of the buildings, materials and products they use.

Sport organisations can seek certification for their social responsibility actions by meeting standards such as ISO 20121, which was conceived specifically for sports events. They can also formalise their social responsibility actions by setting up a foundation or similar mechanism. Partner organisations may contribute to a sport's social responsibility actions, as BNP Paribas has done in the case of tennis. Its 'Aces du Cœur' initiative<sup>20</sup> enables the bank to present itself as a 'partner for the whole of tennis' from the global to the local level (elite tennis, professional tennis, amateur tennis, women's tennis, youth tennis, adaptive tennis, socially responsible tennis, etc.).

Athletes, especially a sport's biggest stars, must also demonstrate their social responsibility. Many of the world's most famous athletes have set up foundations to carry out social and solidarity actions – e.g., Tiger Woods Foundation (created in 1996), Roger Federer Foundation (2003), Nadal Foundation (2007), Kelly Slater Foundation (2007), Ignite Foundation (created by Lewis Hamilton and Mercedes in 2021) and so on – and/or become an ambassador for local, national or international causes (UNICEF, WWF, etc.).

Table 6.1 summarises the domains, sub-domains, success factors and success indicators for the regulation of professional individual sports.

Circuit owners must negotiate and adapt their actions within these five domains in accordance with the interests and expectations of its sport's key stakeholders (IF, event organisers, athletes, referees, agents, TV, sponsors, fans). Thus, they must regulate their circuits on three levels: macro-level regulation concerns the sport's entire ecosystem; meso-level regulation focuses on the circuit's events, whether they are organised by commercial operators or by associative bodies; and micro-level regulation considers a circuit's individual components (athletes, agents, referees, event organisers) and detailed rules (e.g., eligibility rights/conditions for circuits).

Some issues, such as combatting the socio-economic precarity of players outside the world's top 100,<sup>21</sup> require circuit owners to take action on all three levels of regulation. On the macro level, circuit owners could change the way they distribute revenues so more money goes to players lower down the world rankings. For example, the ATP could put aside 10% of the prize pool for its largest tournaments (ATP 1000, 500 and 250) to fund a system guaranteeing players ranked

Table 6.1 Summary of the Success Factors and Key Indicators for the Governance of Professional Individual Sports

<i>Domain</i>	<i>Sub-domain</i>	<i>Success factors</i>	<i>Key indicators</i>
Governance	Systemic	Involve stakeholders in decisions	Dialogue (federation, circuit owner, event organisers, representatives of players, referees, commercial stakeholders, etc.) Absence of conflicts
	Political	International legal framework Partnerships with and funding from public bodies (cities/regions)	Absence of controversies Public support (services/subsidies) for professional sport
	Organisational	Strategic vision Leadership	Long-term strategic plan Experience and expertise of the leader and board
		Management systems	Quality of strategic, marketing and financial information systems
		Professionalism	Number of staff and level of expertise
		Evaluation of success and ability to explain success to stakeholders	Publication of performance indicators (media/economic results and impacts)
	Competition structure and rules	Clarity, unity and innovations	Unity and international recognition Absence of contestation by stakeholders
Competition	Calendar	Clarity and internationalisation	Number and hierarchy of tournaments Geographical distribution Harmonisation with the world championships and Olympic Games calendar
	Ranking	Sporting importance of each tournament and during the season	Uncertainty of outcomes and rankings Easy to understand by all Rankings published regularly
	Facilities/stadiums	Number and types of facilities	Quality of stadiums and infrastructure
	Logistics and security	Organiser's specification	Quality control to ensure specification is met

(Continued)



Table 6.1 (Continued)

<i>Domain</i>	<i>Sub-domain</i>	<i>Success factors</i>	<i>Key indicators</i>
Protecting the game	Ethics	Code of ethics/conduct	Number and nature of sanctions
	Anti-doping	Prevention and control policy	Number of doping cases and ratio of number of controls to doping cases
	Match fixing	Prevention and control mechanisms	Number and size of cases of match fixing
	Other (racism, violence, harassment, corruption)	Prevention and control mechanisms	Number of cases of violence, racism, physical/psychological harassment-abuse, etc.
	Overall safety and health	Safety of facilities Prevention mechanisms and medical and psychological care	Absence of problems for athletes, officials, spectators, etc. Number of athletes injured every season and length of absences Psychological support (number of problems during and after sporting careers)
	Social and economic status of professionals (players, referees, etc.)	Social protection and socio-professional support Support to avoid financial precarity and vulnerability	Number of athletes with social security and legal insurance and pension plans Number of athletes who have followed career retraining Post-career situation/satisfaction and retraining of athletes
Finance and marketing	Commercial attractiveness	Revenues generated	Total revenues Number of tickets sold Number and loyalty of partners Diversified business models Profitability of the circuit and its events
	Development and internationalisation	Gaining new markets and audiences, notably via social networks and streaming sites	Number of new markets and international media rights Number of new fans

Table 6.1 (Continued)

<i>Domain</i>	<i>Sub-domain</i>	<i>Success factors</i>	<i>Key indicators</i>
Social responsibility	Media coverage	Visibility (fame and image)	Quality of broadcasts Competition's fame and image Star athletes' fame and image Total worldwide audience – market share and % of audience Number of fans on social media
	Fan experience	Quality of the sporting spectacle and of the experience off the field of play (events, music, decor, statistics, etc.)	Athlete line up Quality of images Spectator satisfaction and loyalty Satisfaction and loyalty of remote fans
	Redistribution	Equity and solidarity	Total prize money Revenues/costs collected/ deducted by the regulator Ratio of organisers' revenues to total prize money Gender parity in prize money Fairer distribution of prize money (reduce the revenue gap between stars and other athletes) Funding the next generation (secondary or junior circuit)
	Societal	Social and civic engagement in and through sport	Number of societal and civic actions taken and promoted (circuit and players) Funding of and solidarity with amateur sport
	Economic	Responsible economy	Purchasing, HR, etc., measured by labels/norms and by supplier's labels/norms Economic and media impacts of the circuit's events
	Environmental	Climate impact and biodiversity	Carbon footprint Number of environmental controversies (NGOs, media, etc.)

between 100 and 300 in the world a minimum income and social protection (social insurance/pension). On the meso level, the ATP could do more to cover athletes' and their coaches' expenses (board and lodging, healthcare, etc.) at Challenger tournaments. On the micro level, it could do more to improve social protection for players and give them a guaranteed minimum income. Ways of doing this include apprenticeship contracts for young players trying to break into the professional circuit and guaranteeing players a minimum revenue and a minimum level of social protection, notably in the case of injury. These are issues that the ATP could negotiate with a players' union to ensure the interests of players below 100 in the world ranking are heard.

In 2020, tennis's governing bodies (ATP, WTA, ITF and the four Grand Slam tournaments) agreed to create a joint solidarity fund to help players facing financial hardship due to the cancellation of tournaments during the COVID-19 pandemic. At the same time, Novak Djokovic and Vasek Pospisil founded a players' union called the Professional Tennis Players Association (PTPA) with the idea of promoting the growth, innovation and defence of players' rights for the top 500 singles players and top 200 doubles players. One of the PTPA's main goals is to defend the interests of the tennis world's least well-off players, notably by lobbying for a more equitable distribution of the Grand Slam tournaments' and ATP's revenues. In 2024, the PTPA launched a free, online medical consultation service (MedNet) for all professional tennis players.

It was undoubtedly this threat that led the ATP to announce, in August 2023, a three-year trial programme to give the top 250 singles players more financial security. The programme, baptised 'Baseline', has three 'pillars'. Its first pillar guarantees players minimum income levels, depending on their ranking, so they 'can plan their seasons with greater certainty'.<sup>22</sup> The second pillar involves providing support to players who are unable to play more than nine ATP and Challenger tournaments in a season because of injury.<sup>23</sup> The third pillar provides a boost to up-and-coming players, who will receive \$200,000 of funding, offset against future earnings when they break into the Top 125.

## **6.2 A Wide Variety of Events Models**

Owners of circuits and major events must find reliable local organisers with the technical and financial resources needed to deliver the event in accordance with their specifications. Event organisers may be of various types:

- 'Local' sports event entrepreneurs.<sup>24</sup>
- International event management and athlete marketing groups (e.g., Amaury Sport Organisation, International Management Group, a subsidiary of Endeavor, Wanda Sports, Octagon).
- Small, generalist or specialist events companies.
- Companies outside sport that own and organise their own sport events and which control the entire value chain. Red Bull, for example, is a sports event creator

(e.g., Cliff Diving World Series, Crashed Ice), broadcaster (Red Bull TV), football club and motor racing team owner, marketer, commentator, sponsor (of 500 athletes), athlete trainer (junior teams/academies) and athlete promoter.

- sport federations (which usually delegate the organisation of their events to local operators or clubs), local associations and bodies created to organise a specific event.<sup>25</sup>
- Public bodies (city/region/state<sup>26</sup>).

Some events (e.g., world championships) are one-offs and are allocated to host cities via a bidding process. Other events are held in the same location at regular intervals. Commercial organisers run events with the aim of making a profit (revenues/dividends) and/or of increasing the company's market value before selling all or part of the company. Non-profit event organisers aim to balance their budgets and possibly make a profit they can redistribute to develop the sport and/or grow and professionalise the event.

### **6.2.1 Types of Events, Business Models and Partnerships**

Sport event organiser is a risky profession because an event's success depends on the quality of the sporting spectacle, which is, by definition, uncertain (presence and performance of the best international and local/national athletes) and, in the case of outdoor events, on the weather (risk of cancellation or poor conditions for the competition). Event organisers cannot control either of these factors, although they can minimise the first risk by paying participation guarantees and performance bonuses (e.g., for breaking records), and they can take out insurance against weather-related risks and/or plan indoor alternatives. Fluctuations in the economic situation are another risk for event organisers, as major partnership contracts are often signed for three years to give both partners medium-term visibility. Finally, the sport event business also depends on the state of a circuit (popularity, reputation, business model, star athletes, etc.) and its media coverage (free-to-view or pay-to-view, on television or via the internet). Most event organisers adopt a strategic position centred around promoting the host territory and delivering a high-quality and environmentally responsible event that will give fans a unique experience.

Event organisers' strategies depend on the characteristics of the event(s) they organise (one-off/recurring, size, legal status, owners' objectives, key stakeholders, etc.) and their socio-economic rationale.<sup>27</sup> The following paragraphs outline a typology of the socio-economic rationales of events within individual-sport international circuits, based on the main sources of income and objectives of the circuit's 'owner'. Events can be divided into seven categories according to the pretext for which an event is used. These pretexts are to encourage mass participation, provide a platform for public relations, build exclusive business relationships, produce spectacular images for broadcasting, market the host territory, raise (geo)political visibility and promote social solidarity/eco-responsibility.

An eighth category contains the world's most prestigious sport events, known as 'hallmark' events, whose characteristics or histories give them great symbolic value.

#### *6.2.1.1 Events as a Pretext for Mass Participation*

These events allow dedicated and talented amateurs to compete alongside their sport's best professional athletes. They involve large numbers of participants (several thousand) while maintaining a high standard by imposing qualifying standards for all competitors (usually based on points acquired by competing on a national and/or international circuit open to both amateurs and professionals). The mean age of participants is much higher than it is for competitions in Olympic sports (e.g., the mean age of the 10,000 participants in the 2023 Dacia Ultra-Trail du Mont-Blanc was 40 years). This allows event organisers to adopt business models based on high entry fees, as older participants are more likely than young athletes to have the financial resources needed to pay these fees.<sup>28</sup> The very lucrative accommodation and catering business associated with these events may also form part of the organiser's business model (e.g., Ironman triathlon competitions), with organisers acting as sports travel agencies by selling participants and their entourage board-and-lodging packages. Event organisers generally seek sponsorship from business-to-customer companies (B2C) wishing to market their products to the event's participants and fans. The large number of participants/tourists these events attract may bring economic benefits to the host territory, but they can also cause problems (noise, waste, transport, etc.).

**Examples:** Hawaii Ironman (5,000 participants), Dacia Ultra-Trail du Mont-Blanc (10,000 participants), The Mud Day Paris (world's largest obstacle race, 20,000 participants).

#### *6.2.1.2 Events as a Pretext for Public Relations*

Some sport events are pretexts for companies to develop their business relationships. In other words, they are large-scale public relations operations in which the sporting competition provides a platform for networking with other businesses (B2B) and/or customers. These events can attract large numbers of companies (150 or more), so receipts relating to these companies' public relations account for 50% or more of an organiser's revenues. In contrast, ticket sales to spectators contribute just a small percentage to these revenues (approx. 20%). Most of the companies involved are local or regional, but events can also attract national/international companies, sometimes thanks to mediation by public bodies wishing to demonstrate the area's economic attractiveness. These events act as ephemeral chambers of commerce for building personal relationships in a prestige setting (e.g., private boxes, VIP areas, fine dining, gifts, souvenir photos/videos, receptions, etc.). Consequently, sponsor loyalty depends on the attractiveness of the public relations

services an event provides. The idea is to enable companies to build or strengthen relations with other businesses and individual clients.

**Examples:** ATP/WTa 250 tennis tournaments, PGA-DP World Tour and LPGA golf tournaments.

#### **6.2.1.3 Events as a Pretext for Building Exclusive Business Relationships**

These events are similar to those in the previous category except that they centre around a single brand, which may be a title sponsor and therefore appear prominently in an event's name (sometimes alongside the name of the circuit). In return, the brand provides a large proportion of the event's revenues (30%–50%). Sponsor brands incorporate these events into exclusive marketing operations that generally focus on all four aspects of their partnerships: visibility, relationship, participation and implication (Maltese, 2011). Title sponsors usually do not own the event, but some brands have created, bought or reconfigured an event (e.g., Red Bull created the Red Bull BC One breaking competition). In such cases, the event owner may organise the event itself (dedicated internal department) or in conjunction with a specialist firm that must understand the main or exclusive sponsor's expectations, functioning and company culture.

Events in this category may have other partners and sometimes ticketing receipts, but these sources of revenue are relatively minor components of its business model. Title/main sponsors invest heavily in an event with the aim of obtaining returns on its investment in three areas: brand awareness and image, commercial relations (prestigious setting in which to invite clients and build close relationships) and human resources (use invitations to the event as incentives and rewards for staff).

**Examples:** Red Bull BC One, Rolex Grand Slam of Show Jumping.<sup>29</sup>

#### **6.2.1.4 Events as a Pretext for Broadcasting**

Some events are a pretext for producing breath-taking images capable of creating a 'wow effect' among fans. These competitions take place in spectacular settings and/or involve sports that expose athletes to a high level of physical risk and mental pressure (e.g., surfing, kite surfing, freeride skiing, MMA, skateboarding). The combination of thrilling action and photogenic locations makes these events interesting to watch long after they are over, and the result is known. Red Bull sponsors many such competitions. Most fans experience these events via the internet, either live or after the event, when the images produced may be taken up by partner brands. Spectators and remote fans watch these events more for the thrilling nature of the spectacle than because they are interested in the sporting outcome. Remote fans watch events, either live or recorded (event highlights, season highlights, etc.), via internet (e.g., YouTube, Facebook), pay-per-view

television or a subscription streaming service (e.g., DAZN, Eurosport Player, BT Sport, Astro). Organisers must be creative and innovative in terms of the images they produce and broadcast, but also in the partnerships activated via the images, which the event's partners and athletes (who are often associated) may also use in their marketing/advertising. In addition to 5G and augmented and virtual reality, organisations involved in this type of event are making increasing use of platforms that allow direct access via internet ('over-the-top' media service). Global fan communities, measured by the number of subscribers on Instagram and Facebook and the number of videos watched on YouTube are much more important for evaluating an event's popularity and success than the number of spectators or the traditional media audience.

Showcasing athletes/fighters (e.g., Netflix's 2023 series on MMA fighter Conor McGregor, 'McGregor Forever') and storytelling (e.g., Apple TV+'s 2022 surfing documentary, 'Make or Break') are the two main communication channels these sports and competitions use. Their business models depend almost entirely on partners (Freeride World Tour and World Surf League) or on media and digital rights (UFC). The American television network ESPN paid \$300 million a year for five years (2018–2023) to broadcast UFC fights in the USA, either to subscribers or on a pay-per-view basis, whereas DAZN has bought the rights to broadcast UFC fights in several European countries. In 2017, the World Surf League became the first major professional individual sport circuit to sign an exclusive agreement with Facebook to provide fans with free live broadcasts of events. Surfing's 12 major events attracted a total of 13 million views in the deal's first year. Although freeride skiing is a niche sport, almost two million people subscribed to the Freeride World Tour's social-network sites in 2023, partly thanks to the circuit's innovative digital fan experience.

**Examples:** Freeride World Tour, World Surf League, Street League Skateboarding, UFC.

#### *6.2.1.5 Events as a Pretext for Promoting the Host Territory*

The events in this category were conceived as or have become a pretext for marketing a territory to tourists and in general.<sup>30</sup> Over time, a successful event can also become a marker of a territory's identity (e.g., Tour de France, Gstaad Open, Boston Marathon, Xtreme Verbier, Paris-Roubaix, ATP Masters 1000, Monte-Carlo Grand Prix) and become an indelible part of its image in the minds of the public. Thus, the event becomes part of and characterises the host territory's heritage (Pinson, 2019). As a result, these events can obtain large sums from their host territories' public authorities, as illustrated by the amounts French cities are prepared to pay to host a stage of the Tour de France. Events created specifically for promoting a territory include Egypt's two major professional squash tournaments – the Egyptian Open (founded in 1997 and relaunched in 2019), which is held in front of the Pyramid of Giza, and the El Gouna International, founded in the eponymous seaside resort in



Table 6.2 Examples of Events Used as a Pretext for Promoting the Host Territory

<i>Event</i>	<i>Position (target)</i>	<i>Marketing association</i>	<i>Objectives</i>
Tour de France	Popular and festive (general public)	France's cultural and geographical diversity	Attract as many spectators as possible (more than 10 million) and national and international television viewers (3.5 billion in total)
Xtreme Verbier	Fun and extreme/risky (young people)	Upmarket and 'technical' international ski resort	Create a young, fun and dynamic international image Grow the community of young fans on internet platforms
Open 13 Provence	Enterprising and socially responsible (entrepreneurs with socially and environmentally responsible businesses and projects)	Region with opportunities for all types of entrepreneurs (businesses, associations, etc.)	Create an enterprising dynamic and attract businesses/projects

2010. Both events are designed to attract tourists to Egypt and to make the country a hub for squash, a very popular sport in Egypt.

Many mountain resorts have begun incorporating sports (and cultural) events into their marketing strategies with the aim of attracting more visitors outside the ski season, particularly in summer. However, coherence and fit are key factors in creating an association between a territory and an event, so host territories must choose the events they host based on the event's positioning, the marketing association they would like to create and their main objectives as Table 6.2 illustrates.

#### 6.2.1.6 *Events as a Pretext for Raising a Territory's (Geo)Political Profile*

Events fall into this category when they are used to raise the host territory's geopolitical profile, as well as to market the territory to tourists and potential investors. Host governments use these events to extend their soft power and as diplomatic tools to improve their country's image (e.g., soften the image of an authoritarian regime, distract from human rights abuses or the controversial exploitation of natural resources). In addition, showing off 'local' team's/athletes' performances and victories helps build national pride and national unity and thereby strengthens

support for the government. In this respect, the 2012 London Olympic Games were a great success for Great Britain, the world's sixth-largest economy, as the country finished third in the medals table. Similarly, Qatar finished second in the 2015 World Men's Handball Championship, which it hosted, albeit thanks to its massive use of naturalised players. It also won two medals at the 2019 World Athletics Championships in Doha, a feat several Western countries with a long athletics tradition were unable to emulate. China headed the medals table at the 2008 Beijing Olympics and, even more surprisingly, placed third at the 2022 Winter Olympics, also hosted by Beijing. Russia finished at the top of the medals table at the 2014 Sochi Winter Olympics, albeit with help from a state-sanctioned doping programme (later uncovered and sanctioned). Hungary hosted the World Aquatics Championships in 2022 and the World Athletics Championships in 2023 and finished 7th and 39th in their respective medals tables. The former Soviet republics of Azerbaijan, Georgia, Kazakhstan and Uzbekistan have drawn on their sporting culture and their prowess in judo, fencing and wrestling to host several major competitions in these sports, which receive a lot less media attention, but which are cheaper to host than competitions in many higher-profile sports. For countries such as Hungary and Qatar, hosting international sport events is part of a longer-term strategy to demonstrate the country's ability, alone or with partner countries, to one day host the summer Olympic Games and to international sports diplomacy to place their country on the global chessboard.

**Examples:** Hosting major judo tournaments: Azerbaijan (2018 World Judo Championships), Uzbekistan (2022 World Judo Championships), Georgia and Kazakhstan; staging world championships in major Olympic sports: Hungary (2017 and 2021 World Judo Championships, 2019 World Fencing Championships, 2022 World Aquatics Championships, 2023 World Athletics Championships), Qatar (2015 World Handball Championships, 2019 World Athletics Championships, 2022 Football World Cup, 2023 World Judo Championships, 2027 Basketball World Cup) and China (numerous world championships since 2000. Beijing is the only city to have hosted both the Summer and Winter Olympics). Great Britain and France adopted similar strategies a decade before obtaining the 2012 and 2024 Olympic Games.

#### *6.2.1.7 Events as a Pretext for Solidarity and/or Eco-Responsibility*

Socially and/or environmentally responsible mass-participation events (especially road races) are becoming more-and-more common. They are often promoted by NGOs and supported by companies, but they are rarely part of an official international circuit. In fact, although all professional international circuits must now demonstrate their social responsibility, which they often do by engaging in their host communities, few circuits have made profound changes to make their business models and objectives more socially responsible. Some events highlight their environmental credentials (Eco-Games, Tour Alternatiba, etc.), but there is still no

form of independent control to verify an event's social engagement and sustainability and thereby avoid instances of social-washing and greenwashing. Another trend is for participants in major sport events to promote causes, rather than just brands. Many skippers in offshore yachting races have embraced this trend while also questioning the sustainability of major yachting races (materials used in boats, logistics, etc.).

*Examples:* Eco-Games.

#### 6.2.1.8 *Iconic Mega Events That Guarantee Great International Prestige*

A small number of events have become particularly iconic thanks to their history, their traditions (golf's Ryder Cup, yachting's America's Cup), their sporting aura (pinnacle of the sport), their size and their rarity (every four years for Olympic Games and the America's Cup). As such, they are very special occasions for everyone involved, from athletes to fans to tourists, and they confer great prestige on their hosts, whether they stage an event just once (e.g., Olympic Games) or regularly (e.g., Tennis Grand Slams, golf majors, Tour de France). All these events also fall into one or more of the six categories described above. For example, cycling's flagship event, the Tour de France is a pretext for promoting France and a pretext for public and commercial relations (event sponsors, team sponsors, advertising caravan), as well as an iconic mega event. Thanks to its status as one of the world's biggest sports events (third largest in 2022, after the Men's Football World Cup and the summer Olympic Games, with a TV audience of three billion viewers), cities inside and outside France bid to host stages of the Tour de France, knowing that they will attract large numbers of spectators and a huge global TV audience.

Competitors in these events are selected individual athletes, who sometimes compete as part of a team (e.g., Ryder Cup, Davis Cup, Billy Jean King Cup, America's Cup, etc.). Events have a very strong commercial dimension, but their traditions and staging often manage to eclipse the commercial aspect. To this end, events draw attention to their history and traditions by inviting former champions, following certain rituals and protocols (e.g., for medal ceremonies) and, most importantly, by harnessing the power of symbols, such as the yellow jersey presented to the winner of the Tour de France during a ceremony on the Champs-Élysées; the green jacket presented to the winner of the US Masters in Augusta; displaying the America's Cup's 'Auld Mug' (sport's oldest trophy); playing in white at Wimbledon, whose centre court has no advertising; lifetime membership of the All England Club for winners of Wimbledon, who receive their trophies from the Princess/Prince of Wales; the Olympic Games opening and closing ceremonies with the lighting and extinguishing of the Olympic flame; Olympic Games medals ceremonies; and the start of the 24 Hours of Le Mans, the world's number one endurance sports car race, created in 1923.

Iconic mega events may target the whole population (e.g., Tour de France, Olympic Games) or a more select group (e.g., Wimbledon, Roland Garros, Ryder Cup, America's Cup, Grand Prix races). Because they obtain most of their revenues from international media rights, they are designed to appeal to a wide television audience. Moreover, they are subject to pressure from both governments and sports bodies to ensure live coverage and/or recorded highlights are available on free-to-view networks. Partnerships with a small number of powerful multinational corporations (e.g., IOC's Top partners) are another important source of revenue, so these events take great pains to ensure sponsor loyalty. In return for the large sums they demand from sponsors (several million euros a year), events must provide innovative services and opportunities to ensure their partners obtain a worthwhile return on their investment (advertising equivalents and global commercial benefits). At the same time, long-standing partners can become dependent on the events they sponsor (e.g., BNP Paribas and Roland Garros, Rolex and tennis and golf, Coca-Cola and the Olympic Games, Crédit Lyonnais and the Tour de France), as can the territories that host them (fame/image and tourism impacts).

Each of the six categories of events described above is an ideal type, and many events fall into two or more categories. For example, Open 13 Provence, an ATP 250 tennis tournament held in Marseille, is both a pretext for promoting the host territory (Bouches du Rhône *département* and the Provence region, where tourism is an important sector) and a pretext for public relations for local companies. The Amundi Evian Championship, one of women's golf's five majors, is a pretext for building exclusive business relationships (between Amundi, Europe's largest asset management company, and its clients) and a pretext for promoting the host territory (as one of the world's most beautiful golf destinations). When the Dakar Rally left Dakar, it wanted to keep the event's name and spirit. Although it is still a pretext for mass participation (high entry fee) and broadcasting (centred around the desert landscape and sporting difficulty), it has become a pretext for territorial marketing and for raising the host territory's geopolitical profile, rather than a pretext for solidarity (help the people of Africa escape from extreme poverty, improve access to clean drinking water). Indeed, since 2020 the Dakar Rally has taken place in Saudi Arabia, which became one of the event's main sponsors through a ten-year contract worth €15 million (although it contains an opt-out clause for both partners – the owner-organiser and Saudi Arabia – after five years). This sum was large enough for the organiser to accept the risks of being associated with Saudi Arabia (potential terrorist attacks on the race, Saudi Arabia's poor human rights record).

Table 6.3 lists the different types of event owners, their events' objectives and archetypal examples for each category of event. Some events are recent creations; others are much older and have become 'heritage events' by building very strong associations with their host territories.

An event's socio-economic pretext (as listed in Table 6.3) forms the core of its business model and determines its resource structure and success indicators.

Table 6.3 Socio-Economic Pretexts and Success Factors for Events in Individual Sports

<i>Socio-economic pretext</i>	<i>Types of owners (objective)</i>	<i>Success factors</i>	<i>Archetypal examples (date created)</i>
Encourage mass participation	Small companies or private international events groups ( <i>commercial</i> )	Attract large numbers of elite athletes and dedicated amateurs to take up a sporting challenge	Hawaii Ironman (1978) Ultra-Trail du Mont-Blanc (2003) Patrouille des Glaciers (1943) Boston Marathon (1897)
Provide a platform for public relations	Small companies or private international events groups ( <i>commercial</i> )	Attract private partners	ATP and WTA tennis tournaments Professional golf tournaments
Build exclusive business relationships	Company/brand or events company ( <i>commercial</i> )	Strengthen relationships between the company or brand and its main partners/customers	Red Bull Cliff Diving World Series (2009), Red Bull BC One (2005), Rip Curl WSL finals; Rolex Grand Slam of Showing Jumping (2013)
Produce spectacular images for broadcasting	Private international events group ( <i>commercial</i> )	Produce beautiful and breath-taking images (for TV, internet, or social networks)	Freeride World Tour (2008) Red Bull Magnitude (2020) MMA Ultimate Fighting Championship (1993) Street League Skateboarding (2010)
Market the host territory	Private commercial company, association, or public body ( <i>tourism</i> )	Promote a territory to potential tourists	Montpellier International Festival of Extreme Sports (1997) Gstaad Swiss Open (1915) Tour de France (1903) Open 13 Provence (1993) Xtreme Verbier (1996) El Gouna International Squash Open (2010)

(Continued)

Table 6.3 (Continued)

<i>Socio-economic pretext</i>	<i>Types of owners (objective)</i>	<i>Success factors</i>	<i>Archetypal examples (date created)</i>
Raise the host's (geo) political profile	Public body or body under public control ( <i>political</i> )	Raise a country's (and its leaders') international profile and soft power	Astana Judo Grand Slam (2014) Bahrein Formula 1 GP (2004) Glaive de Tallin (1971) 2019 World Athletics Championships, Doha, Qatar 2022 World Aquatics Championships and 2023 World Athletics Championships, Budapest, Hungary
Solidarity and/or eco-responsibility	Company/association/NGO ( <i>philanthropic</i> )	Support a worthy cause	Eco-Games (2005)
Iconic mega event	Non-profit organisation <sup>a</sup> ( <i>non-profit</i> )	Benefit from the prestige granted by hosting an exceptional event	Summer Olympic Games (1896) Winter Olympic Games (1924) America's Cup (1851) Wimbledon (1877) Davis Cup (1900) 24 Hours of Le Mans (1923) Tour de France (1903) British Open (1860) Ryder Cup (1927)

a The Tour de France is an exception because it is run by a commercial company – the press, media and events group ASO. The event was created by the sports newspaper L'Auto, the forerunner of L'Equipe, which is owned by ASO.

Whether the resulting business model is oriented towards customers (B2C), towards businesses (B2B), or towards both customers and businesses, depends on the type of event (see Table 6.4).

Sports events of all types can be very profitable, with many commercial events having gross margins of 20%–30%. Consequently, event owners with the skills and expertise needed to exploit the resources available can make large sums of money from their events, either directly or by increasing an event's value and then selling all or part of its stake. The buying and selling of events by commercial, public and associative owners is gradually leading to sport events being concentrated in the hands of international event-management companies controlled by large media

Table 6.4 Business Models Adopted by Individual Sports According to Their Socio-Economic Pretext

<i>Socio-economic pretext</i>	<i>Core of the business model (target partners)</i>	<i>Structure of the business model</i>	<i>Success indicators</i>
Encourage mass participation	Entry fees and consumption (B2C)	Entry fees (50%), consumption (20%), partnerships (25%), merchandising (5%)	Number of participants Satisfaction of participants and their entourage Consumption by participants and their entourage
Provide a platform for public relations	Public relations (B2B)	Partnerships-public relations (60%), ticketing (20%), other revenues (e.g., media rights)	Number and satisfaction of sponsors Quality of public relations Partner loyalty Client/network contacts
Build exclusive business relationships	Funding from the title sponsor (B2B)	Funding by the title sponsor (50%-100%), other sponsors/host city (10%-20%), ticketing-merchandising revenues (10%-20%)	Satisfaction of the company and its spectators/guests (VIP)
Produce spectacular images for broadcasting	Partnerships (B2C) or media rights	Partnerships (90%) or media rights (80%)	TV/pay-per-view audience Number of internet views Digital audience and fan community
Market the host territory	Public partnerships (naming the event) B2B and B2C	Public partnerships (50%) and other partners linked to public partners and tourism	Fame and image Tourism-related economic benefits
Raise the host's (geo) political profile	Public partnerships (event naming) B2C and political world	Public partnerships (60%): country, region, city	Regional, national or international success with the public Sport washing and/or sport diplomacy (world championships in authoritarian countries)
Solidarity and/or eco-responsibility	Eco-responsible and socially responsible partnerships B2B and B2C	Donations from partner companies and participants	Funding and promoting a cause
Iconic mega event	National and international media rights	Media rights often more than 50%, top sponsors (30%), ticketing (20%)	Spontaneous recognition and international image International TV and digital audience and market share Demand for sponsorship and ticketing exceeds the offer



and entertainment groups. For example, Wanda Sports Group bought Ironman Group in 2020 and Endeavor bought UFC in 2016, followed by World Wrestling Entertainment (the world leader in professional wrestling, which has signed a ten-year, \$5-billion contract with Netflix to broadcast wrestling matches as of 2025). World Wrestling Entertainment merged with UFC in 2023 to form TKO.

### **6.2.2 Resources, Competencies and Expertise Associated with Different Types of Events**

Implementing strategies and developing business models require event owners to manage four types of resources and assets: partnerships, reputation, relationships and physical assets (Table 6.5). Managers must have the competencies and expertise needed to combine and optimise these resources to ensure their event's long-term future by achieving financial success (business model/profitability), popular success (number of spectators/audience size, renown, image, social and regional benefits) and sectoral success (diversify by buying other tournaments or selling expertise, etc.). An event that endures may become a heritage event and make partners dependent on the event, rather than the event being dependent on partners. These resources and competencies may be totally internal (specialist salaried staff) or partly or completely outsourced to management companies with expertise in several sports (e.g., ASO) or that specialise in one sport (e.g., Tennium, IMG and Grand Chelem for ATP tennis tournaments).

It is within this international circuit context, with its different types and levels of competition, that athletes must build their professional careers. To make the most of their careers, they must acquire (increasingly) specialist career management competencies and skills.

## **6.3 The Need for Elite Athletes to be Entrepreneurs**

Professional athletes in individual sports often have complex socio-economic statuses due to their hybrid legal situations and diverse sources of revenue. Moreover, athletes in individual sports must manage their own careers, as do increasing numbers of athletes in professional team sports, although this latter group has the advantage of a regular salary. As a result, at a very young age they find themselves at the head of a small 'sporting-media-financial' enterprise that they must decide how to manage (pay experts, whether to coordinate sporting, administrative and marketing aspects themselves or engage specialists to do these tasks, etc.).

### **6.3.1 Diversity and Hybridity of Athletes' Socio-Economic Statuses**

Top-class athletes in individual sports may have several socio-economic statuses depending on the resources they can earn from their sport, which depends on their sport's economy. These statuses are as follows:

Table 6.5 Resources, Competencies and Success Factors for Event Owners

<i>Resource</i>	<i>Characteristics</i>	<i>Competencies and expertise</i>	<i>Key success indicators</i>
Partnerships	Contract/specification with the event organiser Sponsorship Public partnerships	Find and retain partners	Number of partners Partner satisfaction Partner loyalty Amount of direct and indirect investment <sup>a</sup> Services delivered in line with the specification
Reputation	Event Actor Site	Build a lasting reputation	Age Rank among players' favourite tournaments Reputation of the tournament organiser and director Professionalism of the teams Beauty and functionality of the site
Relationships	Social capital Networks Public relations	Attract charismatic athletes and/or athletes with potential (level and personality) – ties with their agents – and ensure support from key actors (public decision-makers, sponsors, company heads)	Quantity and quality of relationships with key stakeholders (owner, director, specialist manager) in the athlete, political and business fields
Physical/territorial	Infrastructure, culture	Ensure facilities are good enough to deliver a quality event and valorise/strengthen the region's sporting culture	Functionality Adaptability Cost/revenue ratio Absence of problems The sport's place within the region (popularity, number of players, etc.)

<sup>a</sup> Sports ground or sports hall provided by a local authority either free of charge or at a reduced rate. The local authority may also cover running costs (e.g., internet access, lighting, cleaning).

- Professional athlete. This status applies to athletes who make their living from sport, essentially through two sources of revenue: competitions (prize money, appearance fees, results-based bonuses) and individual sponsorship.
- Elite athlete. This status, generally granted by the state, gives top-class athletes certain benefits, such as grants, social protection and bonuses based on performances at the Olympic Games and, sometimes, at world championships and other major international competitions.
- Employee. Some top-class athletes are full-time or part-time employees of companies, public bodies, organisations, or sports clubs, or are considered students. These athletes may benefit from flexible working conditions or study programmes.

Thus, a top-class athlete's legal status can be highly complex – a combination of wage-earner, self-employed worker and grant recipient, who may be exempt from social-security charges and income tax if their earnings are below a certain threshold. Consequently, the social and economic situations of athletes in individual sports vary widely, depending on the size of their sport's professional economy and their place in the sporting and media hierarchy.

The size of a sport's professional economy is the first factor impacting an athlete's status. Some sports lack a professional circuit, so even the best athletes are unable to make a living from competing (e.g., wrestling, archery, canoeing, weightlifting). Other sports have emerging professional circuits with large enough economies for the very best athletes to be able to make a living from competing (e.g., athletics, judo, swimming, show jumping, triathlon). Finally, sports with well-established and well-endowed professional circuits have large enough economies to support relatively large numbers of professional athletes.

The second factor is an athlete's position in the world ranking. The elite individual sport labour market contains five categories of athlete: icon or star (recognised leader based on results, charisma/personality and popularity), potential champion, established professional, fledgling professional and (semi) professional athlete in a secondary or tertiary circuit hoping to accede to the three segments above.

*Stars* capture most of a sport's prize money (through their performances in the biggest tournaments), have the largest sponsorship deals (due to the commercial value of their fame and image) and earn large amounts from tournament participation guarantees<sup>31</sup> and exhibition matches. They are the most popular and best-known athletes in the traditional and social media and often have several million fans. Not all professional individual sports have a global icon, whereas other sports have several icons. Having a global star is a key driver for a professional sport's economy, but it can also result in a circuit becoming dependent on one or more major athletes (e.g., Usain Bolt in athletics). A global icon who dominates a sport and who has exceptional sporting charisma can earn exceptionally large sums from sponsorship, even in sports that are not truly professional. Examples include the swimmer Michael Phelps (who earned more than \$10 million in certain years of

his career), the judoka Teddy Riner and the gymnast Simone Biles (who earned more than \$5 million in 2023). Some athletes have strong enough auras and reputations as sporting legends to make them stars far beyond sport. They can become national icons (e.g., Djokovic – Serbia, Federer – Switzerland, Bolt – Jamaica, Pacquiao – the Philippines, etc.), lifestyle icons (Federer, Slater) or beauty icons (Maria Sharapova, Lindsey Vonn). More rarely, athletes have become international symbols of a political cause (Mohamed Ali for civil rights and ending the Vietnam War, Billy Jean King, Serena Williams and Lindsey Vonn for gender equality; Billy Jean King for gay rights; Naomi Osaka for her support for Black Lives Matter and for elite athletes' mental health (and because of her mixed-race background – Japanese mother and Haitian-American father –and her intention to return to tennis after becoming a mother). Other athletes have become models of social engagement (promoting their foundations and social responsibility actions) or symbols of courage and fortitude (e.g., Simone Biles, who was sexually abused by the American Gymnastics Federation's doctor).

Examples: Tennis: Roger Federer, Rafael Nadal, Novak Djokovic, Serena Williams, Naomi Osaka, Maria Sharapova; Golf: Tiger Woods; Judo: Teddy Riner;<sup>32</sup> Athletics: Usain Bolt; Gymnastics: Simone Biles, Swimming: Michael Phelps, Surfing: Kelly Slater, MMA: Conor McGregor, F1: Michael Schumacher, Lewis Hamilton, Jos Verstappen; Alpine skiing: Lindsey Vonn, Biathlon: Martin Fourcade, Boxing: J.-C. Chavez, Manny Pacquiao.

*Potential champions* often achieve top-ten finishes and may occasionally win a major competition. Consequently, they capture a large proportion of the prize money and sponsorship earnings not taken by their sport's biggest stars. They are well-known in their home countries and have growing international reputations, although they remain in the shadow of their sport's icons (still competing or retired), whose achievements and images appear out of reach.

*Established professionals* capture part of the available prize money and can find sponsors within their national markets, notably sporting goods manufacturers (United States, China, Japan, India, United Kingdom, Germany, France, etc.) attracted by the athlete's image and/or their sport's place in the country.

*Fledgling professionals* are starting to earn prize money from the main circuit, which is much more lucrative than the secondary circuit. Promising young athletes can attract substantial sponsorship revenues to help them quickly move up the hierarchy.

*(Semi-) professionals on the secondary or tertiary circuits* are budding elite athletes or athletes who do not have the ability to access the higher-level circuits and generate enough income to make a living from their sport. Nevertheless, they can call upon other sources of financial and material support (patrons, sponsors, club/NF, academy, etc.) to finance their careers.

Each category in this hierarchy is characterised by specific sporting and marketing objectives and by level of income (from prize money, sponsorship, exhibition matches, working with clubs, national team appearances, etc.), as illustrated by the situations of players at different levels in the men's professional tennis ecosystem.

**Stars:** ATP top 3 (long-term)

*Objectives:* Win several major international titles (Grand Slam, ATP Masters 1000, Davis Cup, Olympic gold medal), headline ATP 250/500 tournaments and command large sums in appearance guarantees (up to €1 million per tournament), be invited to the most lucrative exhibition tournaments, generate more income from sponsorship than from prize money by becoming a global marketing icon/brand, become a legend in one's sport and in sport in general.

*Annual revenues:* between €10 million and €100 million.

**Potential Champions: World top 4–10**

*Objectives:* Win, or come close to winning, major international titles (Grand Slam, ATP Masters 1000, Olympic medal), headline ATP 250/500 tournaments and command appearance guarantees (several thousand euros per tournament), be invited to lucrative exhibition tournaments (Laver Cup), generate substantial revenues from sponsorship by becoming a national brand and subsequently an international brand.

*Annual revenues:* between €5 million and €10 million.

**Established Professionals: World top 10–70**

*Objectives:* Win secondary titles (ATP 250, direct access to Masters 1000 tournaments), sometimes achieve good results in Grand Slams (last 16 and quarter-finals) and become one of their country's most recognised athletes (sponsorship revenues with large differences depending on the size of the country's sport's market: e.g., United States/France/Germany versus Chile/Bosnia/ Thailand), guarantee a pension from the ATP by playing on the main circuit for the required number of years.

*Annual revenues:* between €1 million and €5 million.

**Fledgling Professionals: Top 70–150**

*Objectives:* Stabilise one's position on the main circuit and regularly qualify for the main draw at Grand Slam tournaments (increase earnings and move up to the 'established professional' category). Generate revenues (tens or hundreds of thousands of euros) from sponsorship contracts (notably from sports equipment companies).

*Annual revenues:* Between €200,000 and €1 million.

***(Semi) professionals on the secondary circuit:*** Below the top 150

*Objectives:* Take part in qualifiers for Grand Slam and other tournaments on the main circuit; win Challenger tournaments (secondary circuit); find sponsors to cover the costs of competing for a season and compensate for variations in income (due to fluctuating results or an injury). Obtain revenues (tens of thousands of euros) from small sponsorship contracts (sports equipment companies) and from playing inter-club matches and/or national tournaments in paid championships (e.g., France, Germany, Switzerland) or, more rarely, from federation grants to young athletes.

*Annual revenues:* Less than €200,000.

The following list of prize money shows the huge gap in earnings potential between men's tennis's main circuit (first round of a Grand Slam tournament) and secondary and tertiary circuits. A player who qualifies for the main draw in the Australian Open is guaranteed 64 times more than a player who qualifies for the first round of an ATP Challenger tournament. The difference in revenues between star players and players on the secondary circuit is even greater. Novak Djokovic, for example, earns 1,000 times more than the player ranked 200 in the world. Moreover, the sums shown below are winnings before deducting social-security charges and income tax (deducted at source by the tournament organiser) and players' costs (paying a coach/academy, physical trainer/physiotherapist, travel expenses, etc.). Consequently, net earnings for players on the secondary circuit are even more modest than these figures suggest and can sometimes be negative.

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First-round prize money in 2023

On the tertiary circuit (ITF):

ITF tournament \$15,000	\$156
ITF tournament \$25,000	\$260
ITF tournament \$100,000	\$926

On the secondary circuit (Challenger)

ATP Challenger 100	\$1,160
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On the main circuit:

ATP 250	\$6,035
ATP 500	\$10,615
ATP 1000	\$23,100
Australian Open qualifiers	\$26,000
Australian Open main draw	\$74,313

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The amount of prize money available influences the programme players choose for the season. For players on the secondary circuit, the aim is to earn enough ATP ranking points to either qualify directly for the Grand Slam tournaments (be in the ATP top 100 before the tournament) or at least be eligible to take part in Grand Slam qualifiers (be in the ATP top 230 before the tournament). A priori, it is easier to earn the points needed on the Challenger circuit, where the standard of play is lower than on the main circuit, where players eliminated in a tournament's early rounds earn very few ATP points.

In contrast, star players plan their seasons around the Grand Slam tournaments, which provide the most ATP points (winning a Grand Slam provides twice as many points as winning an ATP 1000 tournament) and the most prize money. Most importantly, Grand Slam tournaments ensure the most media attention and widest international exposure – essential factors when negotiating international sponsorship contracts, which can be worth millions of euros. To prolong their careers at the highest level, star players play a relatively small number of tournaments. ATP rules oblige players to take part in a minimum number of tournaments every year, although players may play fewer tournaments without being sanctioned if they have played 600 matches on the professional circuit, have been on the circuit for 12 years or more, or are over the age of 30.

Earnings from sponsorship also contribute enormously to differences between athletes' total income. An athlete's ability to generate revenues from sponsorship depends on their age, sporting potential, image (playing style, personality, look, etc.), popularity and nationality. In addition, some athletes prioritise the sporting aspects of their careers over commercial contracts or are unwilling or unable to optimise their international marketing potential.

Consequently, professional athletes' financial situations range from extremely precarious (little revenue, or even a deficit, for funding a career with no social security or retirement cover) to extremely comfortable (star athletes with multi-million-dollar revenues from their sporting performances and their marketing as an iconic global brand). Athletes must arrange their legal and fiscal affairs in such a way as to optimise their financial situations. In contrast to team sports, where athletes are necessarily tax residents of their club's country, professional athletes in individual sports can use their international mobility to choose the most advantageous location in which to base their enterprise and declare their earnings. For example, they may take up tax residency in a country with no income or wealth taxes (e.g., Dubai in the United Arab Emirates, Monaco<sup>33</sup>) or with low rates of personal taxation (Andorra, Cyprus, Switzerland – due to its lump-sum taxation scheme). Prize money is taxed according to the rules of the country in which it is won and generally deducted at source by the tournament organiser at a rate of between 15% and 20% (30% in many states in the United States, but the Gulf States do not tax sports events). Athletes may also take steps to reduce the amount of tax they pay on their estate and advertising revenues, by channelling these revenues through companies based in tax havens. These mechanisms are legal, but



some may be contested depending on the legislation in force in the places where an athlete earns their advertising revenues.

### **6.3.2 Between Sporting Performance, Online Presence and Branding**

Professional athletes in individual sports (and increasingly in team sports in the case of athletes who market their image) are self-employed entrepreneurs who may manage their activities in their own name or through one or more companies. As the heads of sporting-performance enterprises (which athletes sometimes refer to as their ‘team’), they must surround themselves with people with competencies and expertise in four main fields:

- Sport/performance (e.g., coach, video/statistical analyst, physical trainer, mental trainer, nutritionist, training partner).
- Health/well-being (e.g., doctor, physiotherapist, osteopath, sleep specialist).
- Administration (e.g., lawyer, accountant, tax advisor, wealth and investment manager, insurance and social-security advisor, logistics/planning advisor, travel advisor).
- Marketing/communication (e.g., sports agent, image agent, spokesperson, social-network community manager, social responsibility manager, foundation director).

The IOC’s Athlete 365 website includes a ‘toolkit’ to help athletes manage their personal brand.<sup>34</sup> Table 6.6 proposes a synthesis of all areas of expertise, key skills, objectives and indicators for professional athlete career management.

Professional athletes may manage all or some of these aspects of their careers, either alone or in conjunction with a member of their entourage (parent/partner/friend). However, most athletes call upon experts, sometimes employing an expert in each field who knows and understands them and their needs. Some athletes engage career-management specialists (e.g., IMG, Octagon). Sponsors with ‘stables’ of athletes (e.g., Adidas, Red Bull) generally provide expertise in some or all the areas described above. Because few athletes have either specialist training in career management or the time to manage every aspect of their careers, they must delegate these tasks to a team of experts so they can focus on their sporting performance. At the same, they must find specialists they can trust, as Fabrice Santoro noted in an interview with *L’Equipe* in June 2023, during which he looked back on his 21-year career on the ATP circuit (1989 and 2010):

I realised when managing my affairs with friends that I did it better than my bankers, who had 15 years of study behind them. Of course, I don’t have their competencies, but I wanted to do the best for me, etc. For me, an elite-level coach is not an employee. If you want a guaranteed salary over the long term,

you don't become an elite-level coach. Because elite players don't have either the comfort or guarantee of an income. They don't know what the future holds. So, the coach must have the same mindset.

It is relatively easy for high-earning athletes to engage the experts they need, but athletes with smaller incomes often have to share coaches, physical trainers, physiotherapists and managers. Sharing the services of experts results in athletes becoming part of a group, which has benefits in terms of emulation and solidarity that can help avoid the sense of isolation felt by many athletes in individual sports.

Some athletes manage their careers without any outside support, but most athletes receive some financial and/or practical help. In the Netherlands, for example, the government pays almost 400 Olympic-class athletes a salary equivalent to 120% of the minimum wage and has signed contracts with universities to allow these athletes to follow flexible study programmes (Kempf *et al.*, 2021). Several types of actors provide financial, logistic/material or technical assistance. These actors are as follows:

- Sport federations may provide access to facilities and associated services, and/or to a federation-employed coach. They may also contribute to the cost of equipment, pay travel expenses for taking part in certain competitions, cover the cost of training for junior athletes and help athletes market themselves.
- NOCs distribute financial support (often funded by the state or a sponsor), notably to help athletes prepare for the Olympic Games.
- The IOC and IFs provide career-management guidance.
- Family members, friends or other patrons (fund all or part of an athlete's career without expecting anything in return).
- Sponsors may fund all or part of an athlete's career in return for marketing opportunities.
- Private academies (such as Bollettieri – now IMG Academy<sup>35</sup> – Mouratoglou and Nadal in tennis) train promising young athletes with the aim of obtaining a return on their investment either directly (percentage of the athlete's subsequent earnings) or indirectly (attract future athletes by embellishing the academy's reputation).
- The state and other public bodies may provide subsidies or grants or help athletes obtain jobs in the army, education service, local administration or public companies with flexible working conditions.<sup>36</sup>
- Universities (epitomised by American universities) cover all or part of future professional athletes' training costs via grants covering coaching, physical training, food, accommodation and university fees.
- Investors, who aim to recover or make a profit on their initial investment.
- Crowd funding: appealing to public generosity and an athlete's extended networks via specific digital platforms (see Leroux-Sostenes and Bayle, 2019).

Table 6.6 Professional Athlete Career Management: Areas of Expertise, Key Skills, Objectives and Indicators

<i>Expertise/fields</i>	<i>Key skills</i>	<i>Objectives</i>	<i>Indicators</i>
Sport	Coach-trainer (especially playing skills and tactics) Physical trainer Mental trainer Performance analysis (videos and statistics for the athlete and their competitors, etc.) Nutritionist	Help the athlete to fulfil their potential Innovate/adapt depending on the competition	Ranking Sporting record Quality of play Style of play Victories over higher-ranked players Ratio of victories to matches Sports statistics
Health/well-being	Sports doctor Physiotherapist/osteopath Other specialists (sleep, heat, injury, etc.)	Preserve the athlete's health and manage injuries Optimise preparation, recovery and performance while avoiding doping	Number and nature of injuries per annum Results of specific medical tests No positive drug tests
Administration	Administrative and accounting Legal (contracts) Fiscal Wealth management	Secure and optimise the social, financial and wealth situation in line with legal constraints and life choices	Social insurance and injury insurance Size of the estate and level of risk (investments in shares, real estate, etc.) Rates of income tax and wealth tax
Marketing/ communication (personal brand management)	Commercial/marketing agent (representing the athlete) Communication and community manager Social and civic engagement*	Optimise the athlete's fame and image Optimise revenues other than sporting revenues while respecting the athlete's values and personality	Revenues generated in addition to prize money Number of social-network subscribers Fame and image Reputation Network of relationships Media exposure Social and civic engagement (number of actions taken and their targets) Foreign language and communication skills Satisfaction with the sport/marketing balance Career-transition plan

Note: \* An athlete may or may not call upon this competency/activity or it may be covered by a partnership/sponsorship contract.

Athletes have recently begun using digital technologies in innovative ways, as shown by tennis player Oleksandra Oliynykova's decision to auction an area of her arm as a non-fungible token (NFT). The buyer can do (almost) what they like with the area, including having it tattooed with a personal design or a brand logo. In addition, the blockchain game OliCrypto gives fans the opportunity to buy tokens in her career and thereby share a proportion of her prize money and contribute to decisions concerning her career. NFT collections, such as the one marketed by Andy Murray, are another emerging source of revenues (albeit unpredictable and speculative).

Despite failing to win any of their sports' flagship events, some athletes (e.g., Benoit Paire and Nick Kirgyos in tennis) have used their images, social network presence and ability to create a buzz to generate substantial revenues. There are also 'sports influencers' (e.g., Domingo, Zerator, Squeezie) who set up events on Twitch in cycling,<sup>37</sup> tennis<sup>38</sup> and motor sport.<sup>39</sup>

The support and funding mechanisms available to athletes differ according to whether they are in the initial stage of their career (vying to become an elite athlete), in the middle of their career (career lengths vary between sports, but they tend to get longer) or at the end of their career. Athletes must make different choices and compromises at each stage in their careers depending on their portfolio of competencies and the nature of their sport.

The possibility of injury and ensuing loss of revenues makes elite individual athlete a risky career to pursue. This is why having supportive parents is even more important than it is in team sports, where training centres provide young athletes with more structured support. Athletes must have a solid long-term project and a clear vision of success founded on personal fulfilment as well as professional satisfaction. From the outset, athletes must think carefully about what they want from their lives, taking into account their personalities and values. The nature and uncertainty of an athlete's life, combined with the pressures and vagaries of media attention, can be destabilising for young people, as can hyperactivity on social media (saturation, anxiety/fear, harassment, etc.).

An athlete's overall project is a combination of sporting project, professional project and personal project. The compromises and balances between these components differ at each stage in the athlete's career.

- Sporting project: achieve one's short-, medium- and long-term sporting goals.
- Professional project: undertake studies/training and develop the skills and networks needed to manage one's sporting career and prepare for retirement from competition.
- Personal project: enjoy life, travel the world, have a family, spend time with friends, find an acceptable work–life balance.

University students and graduates in the German team at the 2016 Rio Olympic Games achieved proportionally better results than their non-university-educated

teammates, winning 52% of the team's medals and 59% of its gold medals even though they accounted for just 44% of the team's members (Schneider and Fischer, 2019, cited by Kempf *et al.*, 2021). Similarly, students won 58% of the Danish team's medals but accounted for just 38% of the team's members (Bundgaard, 2 May 2018). These results show that pursuing a university education is no obstacle to competing in sport at the highest level. Digital technologies, the wider use of online training and access to adapted higher-education programmes have made it easier for athletes to combine a sporting career with studies.

The demands and intensity of an elite athlete's life mean that they must optimise their training/competing time and have sufficient time for recovery (quantity and quality of sleep, using relaxation techniques to rest their body and mind, etc.). Most athletes can do this only by living in a 'bubble', which is why so many of them have difficulty finding a new life balance after retiring from competitive sport. In recent years, athletes have become more willing to talk publicly about their psychological and sociological problems (feelings of anti-climax, depression, etc.), which are widely recognised by sports psychologists.

Nevertheless, according to Park, Lavalée and Tod's (2012) systematic review of professional athletes' career transition programmes, only 16% of athletes interviewed had had problems at the end of their competitive careers. Kuettel, Boyle and Schmid (2017) identified factors that contribute to successful career transitions, with one of the most important factors being the reason why an athlete ended their career (personal choice, injury, lack of motivation, etc.). However, another study found that 21% of Swiss athletes interviewed had gone through a period of unemployment at the end of their sporting careers (Kuettel *et al.*, 2018) and that the least important factor facilitating occupational integration is career support. The competencies acquired during a sporting career and their transfer to the corporate world (Ratten, 2011), vocational training and the athlete's personality have a much greater impact on career transitions.

These studies show the importance of sporting, socio-professional and psychological support. An athlete's entourage, sport federation, academy, independent experts and sponsors all play key roles. In fact, sponsors such as La Française des Jeux (FDJ Sport Factory) and BNP Paribas (Team BNP Paribas Jeunes Talents) have begun providing global career support as a way of showing that they take a responsible approach to sport.

## 6.4 Conclusion

Professionalism is growing in individual sports in response to the demands of elite sport and the market opportunities that all the sector's stakeholders – whether athletes and their advisors, the media, sponsors, sports marketing agencies, local authorities, public bodies, international investors, private event organisers and IFs – are seeking to exploit. After long restricting themselves to managing their world championships, in the 2000s many IFs began organising professional or semi-professional circuits to meet the demands of elite athletes, grow their sport

by increasing its media presence, strengthen their business models and counter competitors' initiatives.

Circuit owners' strategies focus on internationalising their circuits' economies. Some sports with well-established private circuits (golf, tennis, boxing, MMA) have done this in very professional and innovative ways. They are now marketing a business model that is turned much less towards Western countries in terms of media coverage, sponsorship and events. Instead, they are establishing events on every continent and targeting highly profitable countries and 'new' markets in Asia and the Gulf States. Their business models are centred around growing media rights and offering more visibility to the ecosystem's stakeholders. These changes explain the explosion in the largest events' and biggest stars' popularity and revenues since the 2010s. Greater use of digital technologies to build fan communities on social networks and create new types of social, marketing and commercial interactions with them has strengthened this trend. The ever-increasing revenue gap between a sport's stars and its other professional athletes is another consequence of these changes.

Emerging circuits are in a variety of situations. Olympic sports such as judo, table tennis, badminton and figure skating are taking their first, timid steps towards professionalism, centred around their world championships, which remain the high point of their professional season. Other sports, notably triathlon, trail running, surfing, squash, padel, windsurfing and freeride skiing, are building commercial professional circuits and are trying to internationalise their events, but the geographical and weather conditions they require restrict them to certain regions of the world. Professionalism in some emerging sports has been triggered by new commercial operators arriving in the market and destabilising the traditional federation-run system and forcing it to change (swimming and show jumping). The IFs for two major individual Olympic sports – athletics and skiing – set up professional circuits quite early and have so far managed to keep control of these circuits and keep out commercial operators. However, these circuits' economies and levels of professionalisation allow only their very best athletes to make a living from competing.

Elite athletes in amateur or semi-professional individual sports must combine revenues from several sources (government grants, micro-sponsorship, support from local authorities, federations, clubs and/or universities, advertising revenues from the online community). They may be students, self-employed-athletes or salaried employees with flexible working conditions. Some IFs are too strongly attached to their sport's historic values (amateur ethos/student-athletes) to adopt a more lucrative approach to sports events and have maintained event systems centred on continental/world championships and the Olympic Games. With their Coubertinian vision of sport, these IFs rely on elite sport paving the way to other professional opportunities for athletes. In fencing, rowing and kayaking, for example, many former top-class athletes have taken up important positions in their country's sports ministry, the international Olympic movement and, sometimes, the worlds of politics and business. In fact, many athletes in these sports hold university degrees in

prestigious fields such as medicine, law and engineering, or have used their status as elite athletes to gain places on courses in subjects such as business management, sport professions and physiotherapy. Indeed, sporting prowess can facilitate access to higher education, including to the world's best universities, especially in the United States and United Kingdom.

Several major trends can be seen in the evolution of professional individual sport. Competition is becoming more intense both between different individual sports and between individual sports and professional team sports, especially football, which have successfully occupied the media space (numerous matches every day of the week and at all times of day during weekends). As predicted by economic theory, fierce competition within an uncertain global economic context (aftermath of COVID-19, war in Ukraine, inflation, climate emergency) has led to mergers in several sports with directly competing circuits (mergers of this type occurred in golf, padel and windsurfing in 2023), the aim being to create a single, economically viable international circuit that the public can understand. This context also encourages more open systemic governance (dialogue on ways of building a common future), shared between a sport ecosystem's stakeholders (circuit owners, IF, professional athletes, organisers, broadcasters, financiers) (e.g., tennis, golf, squash, padel).

In some sports (e.g., trail running, triathlon, MMA), the prize money redistributed to elite athletes is a (very) small proportion of the revenues generated by the circuit owners. This makes these circuits more profitable for their owners, but it can result in athletes becoming dissatisfied and increase the attractiveness of new or existing circuits with different competition formats.

Mimicry, learning effects and ever-more standardised management between all these sports have led to the gradual homogenisation of circuit owners' practices in terms of competition types and formats, ranking systems, media operations (selling rights in lots, broadcasting events via specialist internet platforms, digital communication and marketing, storytelling), business models (ways of remunerating athletes, equal prize money for men and women, management practices) and legal protection (optimising efforts to protect integrity). This situation is a concrete example of the homogenisation of practices in an 'organisational field', as predicted by neo-institutional theory and DiMaggio and Powell (1983) and described in Chapter 1.

Asia's and the Gulf States' rapidly growing economic and geopolitical power is leading to major changes in the culture and identity of several traditionally Europe-centred (tennis, Formula 1) or America-centred (golf, boxing, MMA) professional individual sports. Similarly, emerging professional sports with strong Asian identities (judo, badminton, taekwondo, table tennis) are trying to globalise their commercial opportunities by expanding into the west and, most recently, the Gulf States. Large broadcasting and entertainment groups continue to invest in sport to control the spectator sport industry's global value chain. In addition, the burgeoning interest of large capital investment funds (notably the American companies CVC Partners and Arctos Sports Partners) in the sport business and international



sport events is increasing opportunities while challenging the current governance system by buying minority or controlling stakes in athlete-run leagues (CVC Partners and WTA) or IFs and creating joint commercial companies to develop the sport business.

Investment in sport has grown rapidly and become much more internationally mobile since the 2020s, with a large proportion of this investment originating from other parts of the world, not just the west. The professionalisation of sport and the development of the sport event business (also fostered by the potential provided by new technologies) creates opportunities but also threats (hyper-competition, dependencies, instrumentalisation, destabilisation) for all event owners, whether IFs, long-established operators or newcomers to the market. The financial and geopolitical globalisation of the individual professional sports business raises fundamental questions about ethics (can money buy everything?), integrity (will you do anything to win?), sustainability (is it a priority for everyone, everywhere in the world?), human rights (can they be applied universally?), permanent exposure through social networks (is it possible for athletes to manage this extra pressure?) and the sport business's increasingly tenuous relationship with grassroots sport and children's sport (have sport events become just another form of entertainment?).

## Notes

- 1 At the minimum wage or mean wage, depending on the country's standard of living.
- 2 Women's golf has five 'majors', three in the United States and two in Europe: ANA Inspiration, US Women's Open, Women's PGA Championship, The Evian Championship, Women's British Open. Men's golf has four majors, three in the United States and one in the United Kingdom: Augusta Masters, US Open, PGA Championship, the British Open.
- 3 Australian Open, Roland-Garros, Wimbledon, US Open.
- 4 The term 'purse' designates the sum negotiated by a boxer's agent when organising a fight. Boxing and MMA's biggest stars can command purses of several million dollars. In 2017, the 'fight of the century' initially guaranteed \$100 million to the boxer Mayweather Jr., while MMA star McGregor received \$30 million.
- 5 Since this date, all players who reach the final phase have received prize money.
- 6 In 2023, the UFC listed 578 fighters (465 men, 113 women), but they did not all fight and many did not earn enough to make a living from MMA.
- 7 Phil Mickelson, Brooks Koepka, Dustin Johnson and Bryson DeChambeau.
- 8 The five criteria for drawing up this ranking are: Internet searches, number of separate press articles mentioning a player's name, the length of time a player's sponsors' logos appear on the screen during weekend television broadcasts of PGA Tour competitions, a player's general name-recognition score among Americans and a 'social network score', which measures the audience and engagement rate for each player's posts. The first PIP distributed \$40 million to 10 players in 2021, then \$100 millions to 20 players in 2022. Tiger Woods topped the rankings despite his injuries and poor performances.
- 9 These two circuits merged in 2023.
- 10 For example, the 2023 UTMB World Series comprised 36 events with around 100,000 runners, but only the first ten athletes in each race won (€10,000 for first place, €1,000 for tenth place).

- 11 Damgé, M. and Amsallem, N. (2013) 'Paris 2024: les sportifs de haut niveau vivent-ils de leur sport?', *Le Monde*. Available at: [www.lemonde.fr/les-decodeurs/article/2023/08/13/paris-2024-les-athletes-de-haut-niveau-vivent-ils-de-leur-sport\\_6185271\\_4355770.html](http://www.lemonde.fr/les-decodeurs/article/2023/08/13/paris-2024-les-athletes-de-haut-niveau-vivent-ils-de-leur-sport_6185271_4355770.html)
- 12 Netflix has adopted this strategy. Its first event, a golf tournament between four professional golfers and four Formula 1 drivers, called the Netflix Cup, was broadcast live in 2023. Its next step was to hold a tennis exhibition match between Rafael Nadal and Carlos Alcaraz in Las Vegas on 3 March 2024.
- 13 For example, in 2021 Formula 1 followed the lead taken by certain team sports and imposed a cost cap of \$145 million per team. Drivers' salaries are supposed to be capped at \$30 million per season.
- 14 Fincoeur, B. (2023) «Le problème dans le cyclisme n'est pas l'argent mais sa répartition inégale», *Le Temps*, 3 October. Available at: [www.letemps.ch/sport/cyclisme/bertrand-fincoeur-le-probleme-dans-le-cyclisme-n-est-pas-l-argent-mais-sa-repartition-inegale](http://www.letemps.ch/sport/cyclisme/bertrand-fincoeur-le-probleme-dans-le-cyclisme-n-est-pas-l-argent-mais-sa-repartition-inegale)
- 15 FIS bought freeride skiing's international circuit (Freeride World Tour) from an independent commercial operator at the end of 2022.
- 16 F1: 'Drive to Survive', released in 2019; Tennis: 'Break Point', released in January 2023; Cycling: 'Tour de France Unchained' released in 2023.
- 17 For Roland Garros: €3.53 million in 2000, €6.2 million in 2008, €42.6 million in 2019 and €49.6 million in 2023.
- 18 ATP tournaments pay travel expenses only for the player and one other person.
- 19 Sums paid by ATP 500 and 250 tournaments to guarantee the presence of the best/most bankable players. For these four stars, guarantees cost tournament organisers around €1 million, which may represent 20% to 25% of the tournament's budget.
- 20 Initiative launched in 2015. For every ace served in one of its partner tournaments, BNP Paribas donates between €50 and €100 to a hospital or a charity involved in education through sport.
- 21 For more on the precarious and vulnerable situations of professional tennis players, see Bayle and Fincoeur (2019).
- 22 \$300,000 for the top 100, \$150,000 for 101st to 175th place and \$75,000 for 176th to 250th place.
- 23 \$200,000 for the top 100, \$100,000 for 101st to 175th place and \$50,000 for 176th to 250th place.
- 24 Often as part of a former professional athlete's career transition. For example, at the end of his playing career French tennis player J.-W. Tsonga bought a majority stake in Pampelonne Organisation, which organises ATP tennis tournaments, by buying the shares of another former tennis player, J.-F. Caujolle. Some former players become tournament directors rather than owners.
- 25 The Swiss-based association Athlétissima was set up to organise one of World Athletics' 14 Wanda Diamond League meetings.
- 26 Numerous large cities' sports departments include an events department.
- 27 Chantelat, Bouhaouala and Champeley's (2001) analysis of the income and expenditure of French amateur sport clubs provides a useful framework for categorising sport organisations' socio-economic rationales.
- 28 The entry fee for the 2023 UTMB was €355 euros. Every participant received a competitor's tee-shirt (plus a jacket for finishers) and a personalised souvenir video (based on webcam footage), and benefitted from race tracking on UTMB Live, feed stations, timing, transport back to the start for those who abandoned and the presence of almost 250 medical and paramedical staff along the course.
- 29 Rolex Grand Slam of Show Jumping was created by the organisers of show jumping's four biggest international competitions: Aix-la-Chapelle (Germany), Calgary (Canada), Geneva (Switzerland) and Bois-le-Duc (Netherlands).

- 30 L'Equipe's predecessor newspaper created the Tour de France in 1903 to boost the paper's circulation in July, when there was little sports news. With the advent of television, it gradually became a vehicle for promoting France (showcasing the country's scenery and cultural heritage) as the world's number one tourist destination.
- 31 Their participation is essential to a tournament's attractiveness for fans – case of the WTA and ATP 250 and 500 circuits in tennis.
- 32 In a sport considered amateur and with little media coverage, Riner earned an estimated €5.6 million in 2019, mostly from sponsorship, thanks to his position as France's favourite athlete.
- 33 French citizens are exceptions, as, under a tax agreement between the two countries, they must pay taxes in France, even if they live in Monaco.
- 34 IOC (2023) Athlete365. Available at: <https://olympics.com/athlete365/personalbrand/> (Accessed: 13 June 2023).
- 35 Pompliano, J. (2013) 'How IMG Academy Became A \$1 Billion Sports Powerhouse', *Huddle Up*. Available at: <https://huddleup.substack.com/p/how-img-academy-became-a-1-billion>; Nick Bollettieri founded the academy in 1978 but sold it to IMG in 1987. Initially just a tennis academy, it added golf to its portfolio in 1993, followed by most of North America's university and professional team sports, with the goal of helping promising young athletes turn professional.
- 36 For example, in the mid-1980s the French government, in conjunction with the country's sport federations, launched a programme to encourage private companies to employ elite athletes in conditions that allow them to train and attend competitions. Around 600 elite athletes benefit from this programme every year.
- 37 Domingo (2021) *ILS VIENNENT AFFRONTÉ L'ÉCHAPPÉE ! (30km de course à vélo)*. Available at: [www.commeunvelo.com/echappee-domingo-velo/](http://www.commeunvelo.com/echappee-domingo-velo/); [www.youtube.com/watch?v=jleXqjd4dEQ](https://www.youtube.com/watch?v=jleXqjd4dEQ)
- 38 Ouest France (2021) *Roland-Garros. Monfils et Paire ont joué un match avec Domingo et ZeratoR diffusé sur Twitch*. [www.ouest-france.fr/sport/tennis/roland-garros-monfils-et-paire-ont-joue-un-match-avec-domingo-et-zerator-diffuse-sur-twitch-06f2ff68-1910-11ec-9157-8f6c96dcb1bb](http://www.ouest-france.fr/sport/tennis/roland-garros-monfils-et-paire-ont-joue-un-match-avec-domingo-et-zerator-diffuse-sur-twitch-06f2ff68-1910-11ec-9157-8f6c96dcb1bb)
- 39 Wikipedia, 'GP Explorer'. [https://fr.wikipedia.org/wiki/GP\\_Explorer#:~:text=La%20premi%C3%A8re%20%C3%A9dition%20du%20GP,renouvel%C3%A9%20et%20une%20%C3%A9curie%20suppl%C3%A9mentaire](https://fr.wikipedia.org/wiki/GP_Explorer#:~:text=La%20premi%C3%A8re%20%C3%A9dition%20du%20GP,renouvel%C3%A9%20et%20une%20%C3%A9curie%20suppl%C3%A9mentaire) (Accessed: 15 November 2023).

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# Conclusion

## Pending Future Developments

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What are the main themes and issues that emerge from this journey to the heart of international sport? How can current developments be used to predict and decipher future changes?

### **C.1 Recent Developments in the World: Demographic, Economic, Social, Technological, Environmental and Geopolitical**

Operating within a context of general economic globalisation, sport has evolved greatly since the 1990s, with sport organisations embracing market liberalisation, professionalising their operations, internationalising their activities and creating innumerable new events. The resulting hyper-competition has been exacerbated by technological advances, especially the new opportunities offered by digital technologies and the internet since the 2000s, and by geopolitical changes, which have led to the emergence of new markets, especially in the BRICS countries and the Gulf States. At the same time, the digitalisation of society, young people's increasing sedentarism, climate change and human rights have generated new pressures for international sport. To which must be added the effects of the COVID 19 pandemic and the wars in Ukraine and the Middle East. These developments are accelerating the fragmentation of society and laying the foundations for a more multipolar world order.

Indeed, the world appears to be at a tipping point, with the West inexorably losing its dominant position in the face of Asia's and Africa's rising economic and demographic power (Asia is home to 60% of the world's population; China's GDP should overtake that of the United States by 2030; Africa will have a population of 2 billion, including 840 million young people, by 2050; and Muslim countries, especially Turkey and the Gulf States, are growing in strategic importance). Moreover, the financialisation of economies may generate further instabilities by exacerbating the inequalities within Western countries and between the Global North and Global South. This new world order offers both opportunities and risks (migration, poverty, conflict, etc.).

## C.2 Impacts on the Olympic Movement and International Sport

The Olympic movement, whose institutions (IOC, IFs, NFs, NOCs, OCOGs) came together during the late nineteenth and early twentieth centuries, began adopting a much more commercial and professional outlook in the 1980s and 1990s. However, sport organisations, notably the IOC and FIFA, have frequently been mired in scandals and crises and become entangled in contradictions and challenges. As a result, they face a climate of suspicion, especially from the public, regarding their governance practices and their ability to stamp out the various ethical problems afflicting the increasingly commercialised and financialised world of elite sport.

Internally, issues such as autonomy, ‘good’ governance, and sporting ethics (corruption, doping, match fixing, treatment of athletes, integrity of competitions), as well as demands for sports events to be more inclusive and sustainable and to provide durable legacies, have forced these organisations to change their priorities and find ‘institutional responses’ that allow them to deal with issues internally. The aim of these institutional responses is to prevent scandals from growing within the public domain by neutralising what Dobry (1986) called multisectorial mobilisations. FIFA managed this quite successfully until the American justice system’s revelations of generalised corruption by around 50 FIFA executives triggered the FIFagate scandal in 2015 (Bayle and Rayner, 2018).

Although the world has become much more multipolar, Europeans continue to control most of international sport’s governing bodies, including 70% of Olympic IFs, and Western sources still provide most of the Olympic Games’ revenues. Indeed, two-thirds of the IOC’s 15 TOP sponsors are American or European companies, and the American TV network NBC still provides 80% of Olympic broadcasting rights. Nevertheless, some IFs and private international circuits have diversified their international competitions’ business models since the 2010s by turning towards Asia and the Gulf States, and many IFs have set up commercial companies to manage their media and marketing rights. While this enables them to attract investors and to speed up and professionalise decision-making and implementation processes, it also reduces the independence of their governance.

International sport organisations have to continuously adapt to their ever-changing environment. To this end, their institutional work, that is, ‘the purposive action of individuals and organizations aimed at creating, maintaining and disrupting institutions’ (Lawrence and Suddaby, 2006), has intensified greatly. This institutional work has led to greater ‘coopetition’ and the homogenisation of management practices, governance policies and regulation. Sport organisations have also intensified their political lobbying both to promote the benefits of hosting international sports events and to boost these events’ business models and business environments by obtaining fiscal, regulatory and commercial advantages.

A key issue for sport organisations is to demonstrate to the public and decision-makers the integrity of their governance and management practices and the societal impacts of their actions and sports events. Olympic organisations, in partnership

with government institutions, focus on promoting the unity and universality of the European model of sport (primacy of sport federations, key role played by volunteers, partnerships with public authorities), together with sport's values and positive impacts for society. In contrast, the aim of commercial sport organisations is to demonstrate their events' media, economic and social impacts, their contributions to host regions and individuals and their financial and exposure benefits for sponsors and the media.

All these strategies include social responsibility initiatives in and through sport, aimed at anchoring sport organisations more firmly in their host communities. Thus, sport organisations have begun taking a more structured approach to social responsibility, often by setting up specialist foundations to deliver social responsibility actions. Nevertheless, observers sometimes decry the modest scale and/or limited effects of many of these actions and accuse sport organisations of social washing or greenwashing, that is, using misleading communication about their social and/or environmental initiatives to distract attention from underlying shortcomings and inconsistencies.

In this more complex and uncertain institutional context, sport organisations are increasingly adopting a multi-partner approach to organisational and systemic governance with the aim of finding responses that are acceptable both to international sport's ecosystems and to the wider public. To do this, organisations must align their governance/regulation principles and mechanisms with their internal management practices, taking into account macroeconomic considerations (international/national sports systems) and inter-organisational factors (complex competition/partnership situations). As international sport organisations professionalise their social responsibility programmes, they must assess their actions' effects, preferably via independent evaluations carried out by third parties using specialist reporting and accountability tools. Such tools include societal audits, social and economic returns on sport-related investments, carbon footprint calculations, economic impact studies, product-lifecycle analyses and environmental or social traceability mechanisms for products/services. Assessing impacts is particularly important for major sports events. However, accountability is a complex issue that raises numerous questions: Who is accountable? For what? To whom? And why should an organisation feel obliged to report its actions when there is no legal requirement to do so? (Lafargue, 2016).

Bovens (2007, p. 3) defined accountability as 'a relationship between an actor and a forum, in which the actor has an obligation to explain and to justify his or her conduct, the forum can pose questions and pass judgement, and the actor may face consequences'. He maintained that accountability always has three stages:

- An information stage in which the actor informs the forum (journalists, researchers, NGOs, citizens, politicians, etc.) of its conduct, for example, by publishing more detailed annual reports.
- A debating stage in which the forum can question the adequacy of the information provided or the legitimacy of the conduct.



- A consequences stage in which the forum may pass judgement on the actor's conduct and, if necessary, call for political, financial or symbolic sanctions.

Every sport organisation, whether it is a non-profit association or commercial company, is subject to scrutiny by its numerous stakeholders, some of whom may have contradictory interests. The media, which are now a key part of international sport's forum, frequently question the legitimacy of leaders' decisions, the way organisations take and implement decisions and the results of these decisions. This exposure can be very damaging to sport organisations, although any resulting sanctions tend to be institutional (delegitimisation) or symbolic (image/reputation), rather than financial (although it can prompt sponsors or investors to withdraw). Indeed, sport organisations rarely disappear because:

- Public authorities will generally support professional clubs, even if they face bankruptcy. This is due to the contribution clubs make to local communities and their region's identity. Some clubs are considered 'too big to fail' because of their symbolic importance (key component of local heritage), rather than their economic importance.
- Olympic IFs, even when poorly governed or in financial difficulty, survive thanks to their monopoly position and the solidarity of the Olympic Movement.

International scandals and crises resulting from cases of corruption, mistreatment of athletes and doping also raise questions about sports' governance, integrity, sustainability, responsibility and accountability. At the same time, such scandals can be opportunities for public catharsis (Bovens, 2007), introducing new external/internal regulation practices and setting in motion an organisational learning process.

### **C.3 Legitimacy as a Key Measure of Performance**

The present book's thesis is that the IOC must continually prove its legitimacy if it is to maintain its dominant but precarious position within world sport. This legitimisation is both an action and a process aimed at making the organisation and its activities/events acceptable to the public. International sport's three intertwined regulation systems, presented in Part I, bring together five key components, whose interactions enable sport organisations to generate performance(s) and legitimacy (Figure C.1). These components are as follows:

- Autonomy and self-regulation of international sport.
- Better governance of international sport organisations.
- More professional management of sport organisations.
- The need to heed athletes' demands (stronger voice in decision-making processes, better services, etc.)
- The need for better reporting and greater accountability.

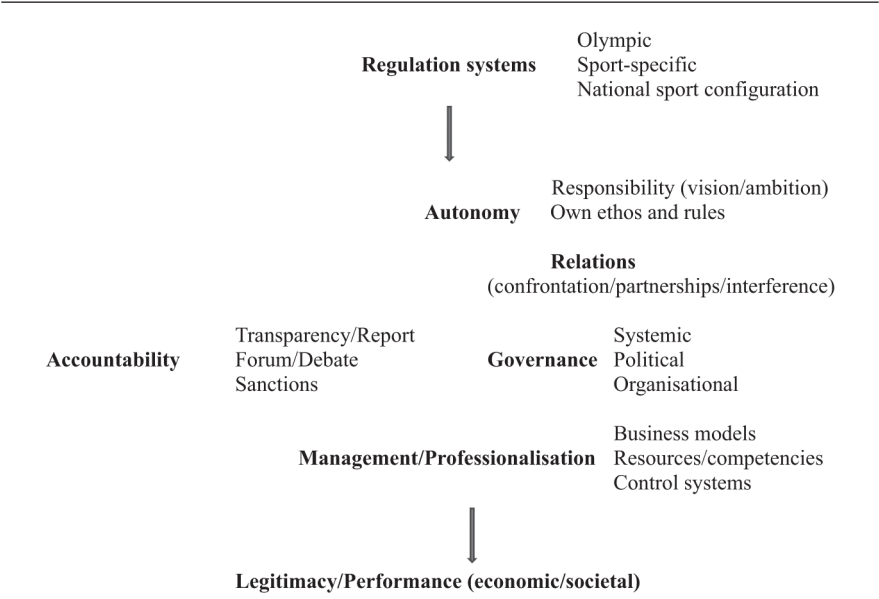


Figure C.1 The components involved in building sport organisation legitimacy and performance.

This legitimisation process varies as internal and external contexts evolve. It involves arrangements and compromises, in the form of institutional responses (or ripostes in the case of crises), aimed at keeping the system in balance and enabling a sport organisation to continue functioning. As well as being a central concept in strategic analysis (Crozier and Friedberg, 1977), compromise appears frequently in contractual theories of the corporation, especially agency theory, where it is defined as a necessarily provisional agreement resulting from a negotiated consideration of individual economic and political interests. However, the idea of ‘legitimate convention’ (*convention légitime*, Eymard-Duvernay *et al.*, 2006), that is an agreement based on shared interests and visions of the world, rather than self-interest, raises the possibility of a higher level of compromise – one that goes beyond individual interests and a strict ‘bargaining’ logic. In other words, the governance and regulation of sport must rise above the world of give-and-take, the quest for commercialisation and the culture of ‘you scratch my back, and I’ll scratch yours’, and prioritise principles such as justice, values and the common good.

Organisations responsible for goods (mixed, public, private) such as sport and culture can adopt this higher-level approach to finding acceptable compromises. In fact, the 2005 UNESCO Convention on Diversity of Cultural Expressions recognised the need to protect ‘cultural diversity’ by allowing cultural goods to benefit from ‘exceptions’ on a global level. The Convention clearly states that

cultural activities, goods and services ... must therefore not be treated as solely having commercial value' and authorises countries to take 'measures that they deem appropriate for the protection and promotion of the diversity of cultural expressions on their territory.

(UNESCO, 2005, p. 7)

Thus, it legitimises and ringfences public funding and specific legislation for cultural objects.

#### C.4 Three Possible Scenarios for International Sport

Given the power of new geopolitical actors, the central role played by commercial actors in the entertainment business and the impacts of rapidly developing technologies, can traditional institutions maintain their control over international sport? How will they have to change if they are to hold onto this control? How can world sport build a more cooperative governance model that takes into account very different national and continental cultures?

The crises that have shaken the world since 2020, notably COVID-19, the climate emergency, the wars in Ukraine and the Middle East and the growing tension between China and Taiwan, will undoubtedly accelerate ongoing changes to the current multi-centred regulation of international sport. These changes may take sport in three different directions, with hybrid scenarios possible depending on the situation within each sport: The current system may survive (*status quo*), Olympic sport may be protected (ringfencing) or control of sport and individual sports may be split between numerous actors (fragmentation).

The **status quo** may survive if international sports organisations respond to external and internal crises by making the sector-specific changes and compromises needed to maintain current balances and their autonomy and self-regulation.

**Ringfencing** will occur if public international bodies (UN, European Union, expanded BRICS, etc.) and private organisations (NGOs) decide to protect Olympic sport as an essential common good for communities and for humanity in general. In this scenario, the IOC and IFs would become the 'guardians of the temple' whose key pillars are promoting human rights and sustainability. In this case, states could impose co-regulation or a stronger right of inspection.

**Fragmentation** will occur if traditional actors fail to stamp out misconduct and curb the desire for new forms of organising international sport. Such a failure would pave the way for extensive liberalisation and privatisation. Authoritarian regimes could introduce other models for organising sport and international competitions, thereby ending Olympic universalism and bringing about a new world order in sport. Massive investment in the sports and leisure market by America's and China's internet giants (GAFAM<sup>1</sup> and NATU<sup>2</sup> in North America, BATX<sup>3</sup> in China) would increase the likelihood of this type of fragmentation occurring by

opening the way for artificial intelligence and digital disruption to fundamentally transform sport.

## Notes

- 1 GAFAM is the acronym for America's most powerful technology corporations: Google, Apple, Facebook, Amazon, Microsoft.
- 2 NATU stands for Netflix, Airbnb, Tesla, Uber – four American tech companies founded in the 2000s whose disruptive models revolutionised their business sectors.
- 3 BATX stands for Baibu, Alibaba, Tencent, Xiaomi – China's four largest internet companies (counterparts to GAFAM).

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