SPORTS GOVERNANCE OBSERVER 2015

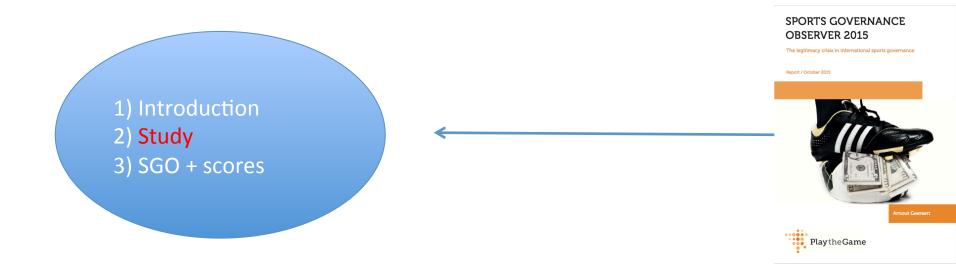
The legitimacy crisis in international sports governance



Sports Governance Observer 2015 report The legitimacy crisis in international sports governance

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Legitimacy of ISFs is under threat

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

Danger

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

Solution: improve institutional design (1)

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

Solution: improve institutional design (2)

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

Conclusion

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

Conclusion

Origins

✓ AGGIS project produced checklist

What is it?

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

The scoring scale
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Goal

- \checkmark Informing and stimulating debate
- ✓ Exercising pressure

Study on the basis of the SGO data (2)

Screenin			
•	✓	Four federations (11%) have nominations committee that performs integrity and professional checks.	2
•	\checkmark	12 federations (35%) publish externally audited annual financial reports.	2
Monitori	~	None of the federations publish reports on remuneration, including per diem payments and bonuses, of its board members and senior officials.	
• • Administ	✓	Six (17%) federations have clear conflict of interest rules. Seven (20%) federations do not have conflict of interest rules.	
• • •	✓	In none of the federations, the selection of host candidates for major events takes place according to a transparent and objective process, in which bidding dossiers are reviewed independently and assigned a score on the basis of pre-established criteria.	even ent n of
Institutio •	~	12 federations (34%) do not have an ethics committee in place. Five federations (14%) have independent ethics committee with the power to initiate proceedings on its own initiative.	ower
• • Elections	~	Six federations (17%) have an internal audit committee that has a clearly defined role and has the authority to oversee the internal audit and assesses the quality of the internal control system	sion.
•	✓	11 federations (31%) have some form of limitation of terms for elected leaders in place.	e