

# GOVERNANCE OF SPORTS IN INDIA

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This article illuminates key issues surrounding the present model of sports governance in India. Further, it seeks to examine the reasons behind consistently poor performance of Indian athletes in the Olympic sports and the role that the government can play in order to change the abysmal situation that prevails at the moment. The article goes on to examine the governance models used in some of the most successful sporting nations of the world and picks up cues from them to propose an alternative model of sports governance for India that would help address the issues identified.

## Introduction

Given the growing might of the Indian economy and the country's young demographics, India is fast emerging as a preferred venue for major sporting events such as Commonwealth Games, Asian Games and World Cups of Hockey and Cricket. High profile events such as these attract a lot of attention from around the world. However, barring a few popular sports like cricket and shooting, our country's performance in most of these events continues to be dismal. Even a large amount of public and private investment in sports has been unable to achieve any substantial improvement. These failures are often attributed to the model of sports governance in India. Allegations of nepotism, fiefdom, unaccountability and financial irregularities in sports federations have given credence to this view. Sporting performance is often associated with national pride and these systemic issues have dented it severely in the recent past. The debates have been raging in favor of and against government intervention to put things in place. In the light of all this, we found it interesting to look at this topic from the framework of law and governance.

## Why should the state be interested?

Since sporting activities have traditionally been recreational in nature, the obvious question to ask is – why should the State be involved? One constant theme in the evolution of sports over the past century is that it has become a means to demonstrate a nation's supremacy. Be it the US during the cold war era or China in contemporary times – countries have used sporting excellence as a signal of their overall might and world dominance. Even the United Nations, in its resolution 58/5 adopted by its General Assembly in 2003, has recognized sport as a means to promote education, health, development and peace. Closer home, we are a country of one billion aspiring people trying to prove our supremacy to the world, and sport is increasingly being seen as a medium to express it. Given such widespread public involvement and association of national pride with sports, the State cannot remain oblivious to it. As an entity dedicated to public welfare, the State has a definite interest in the promotion and governance of sports.

## Current Indian Model of Sports Governance

The model in India has stakeholders such as Ministry of Youth Affairs and Sports (**MYAS**), Indian Olympic Association (**IOA**), State Olympic Association (**SOA**), National Sports Federation (**NSF**), Sports Authority of India (**SAI**), etc. The role of every stakeholder is well-defined. A broad level graphical representation of the arrangements amongst them is as follows:

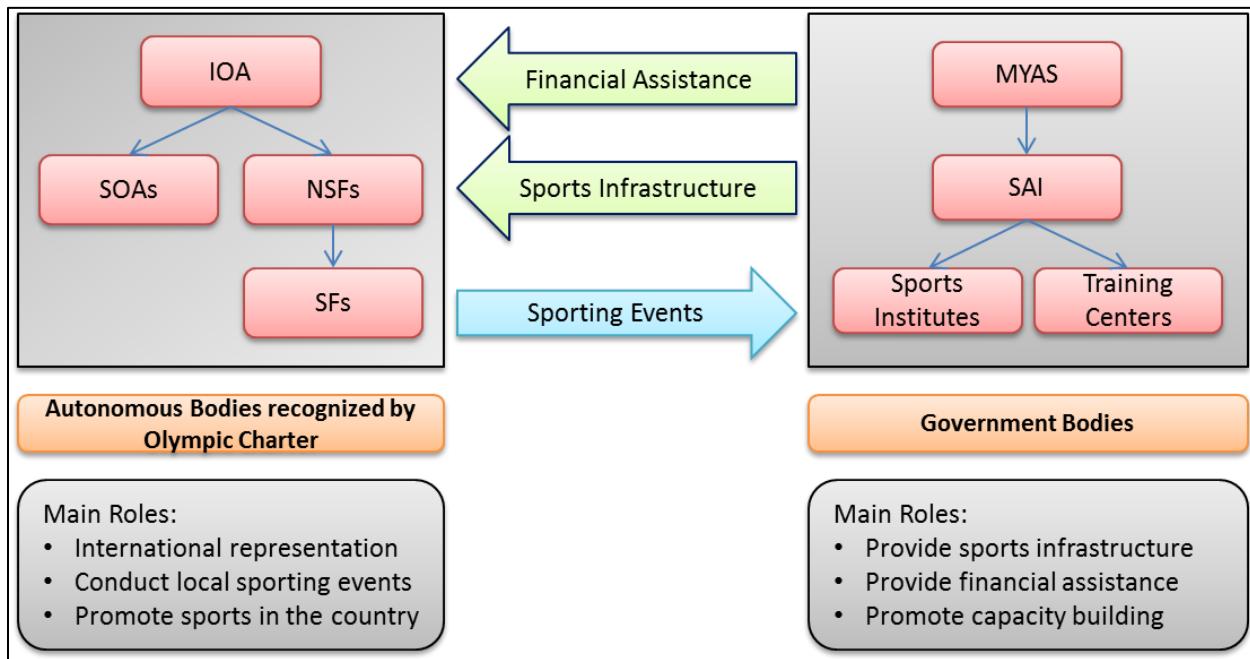


Exhibit 1: Indian Model - Existing scheme of arrangements

In accordance with the Olympic Charter that restricts government influence of sports federations, the sports bodies in India are autonomous entities. While the IOA is the umbrella body under which all the NSFs and SOAs conduct various sporting events in the country, government bodies operate under MYAS, playing a support role such as training and infrastructure management. In addition, there are federations for non-Olympic sports such as Board of Control for Cricket in India (**BCCI**) for cricket. These federations are directly affiliated to their respective international federations. Similar to the IOA and NSFs, government intervention is restricted by the charter of their respective international federations.

All the sporting governing bodies are registered as societies under the Societies Registration Act XXI of 1860. They are recipients of government aid in multiple forms ranging from direct financial assistance (as in case of NSFs) to indirect subsidies in the form of tax benefits (as in the case of BCCI). As a precondition for receiving direct financial aid, a body is supposed to have a government appointed observer who oversees its internal processes such as utilization of funds, team selections, etc. Almost all sports federations have eminent politicians or retired bureaucrats elected as their office bearers with the anticipation of utilizing their political clout in various matters.

## Key Issues

In any given sport, there are two key stakeholders:

- Sportsperson
- Spectator (the fan)

The key job of a sports federation is to facilitate identification and grooming of sporting talent and providing a platform for their interaction with the spectators. As simple as it may sound, it is one of the most complex tasks that involves activities ranging from creating sporting infrastructure and providing training facilities to promoting sports through platforms like sport events. In light of such complexity, the federations have repeatedly fallen short of public expectations and failed to carry out their jobs. It has largely been attributed to the way they are governed. We classify issues into the following categories:

### Accountability Issues

- Unlimited Discretionary Powers
- Non-transparent Decision Making
- Revenue Management Irregularities

### Administrative Issues

- Sponsorships & Media Rights Management
- Doping and Related Drug Abuse
- Discrimination based on Sex, Region, etc.
- Unauthorized Betting

### Developmental Issues

- Cultural Impediments
- Infrastructural Impediments

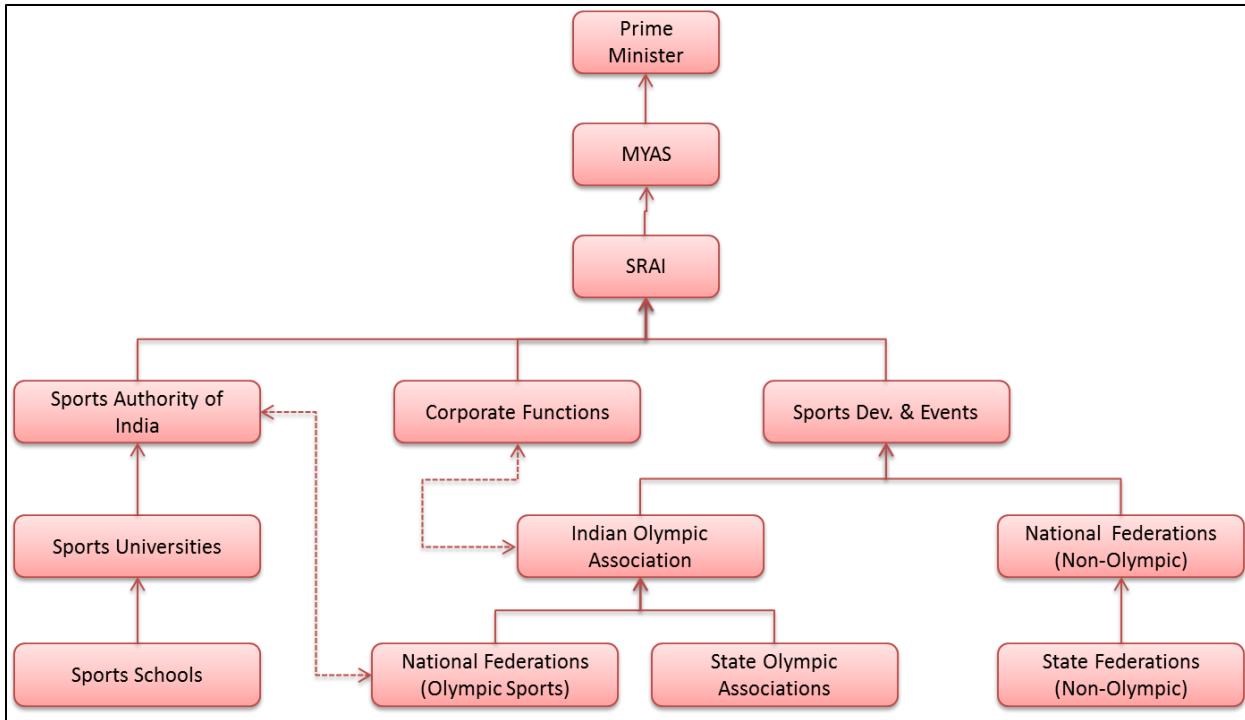
## Successful Models in Other Countries Studied

The following models were studied as part of our research to find a good model for India:

- The USA Model
- The Australian Model
- The Chinese Model

## Proposed Optimal Model for India

Given the democratic setup of India with a diverse cultural heritage, it is difficult to adopt the Chinese model as it involves a lot of indirect state authority. On the other hand, the US model is completely open, just like their economic culture with minimum role of state in sports governance. However, India can take a lot of cues from the Australian model. The model proposed by us can be graphically represented as below:



**Exhibit 2: Proposed model of Sports Governance for India**

Operating under the Prime Minister of India, MYAS should constitute an independent sports regulator called Sports Regulatory Authority of India (**SRAI**). Although SRAI will operate under MYAS, it will have an independent role similar to that of SEBI and TRAI. Under the supervision of SRAI, the following three arms will operate:

- **Sports Authority of India (SAI):** This arm will oversee the training of athletes and coaches, and would be responsible for sports infrastructure development. The sports universities and schools will function under the aegis of SAI.
- **Sports Development and Events:** This arm will focus on planning, funding, supporting and servicing relationships with national sporting organizations. Organizing sporting events at the district, state, national, and international level will be the primary responsibility of this arm. The existing IOA (representing Olympic sports) and other Sports Federations (like BCCI, IHF, etc., representing the non-Olympic sports) shall report to it. For the Olympic sports, the respective NSFs and SOAs will be under the IOA. The State Sports Federations will have a dual affiliation towards the SOA as well towards their NSFs.
- **Corporate Functions:** This arm will be responsible for marketing, sponsorships, finances and business aspects of the sport and will support all divisions of the SRAI to enable it to deliver on its strategic plan.

Each of these three functions will have to submit its Financial Statements, Annual Report, Annual Operational Plan and Reporting on Compliance to SRAI, which in turn will submit a consolidated report to the ministry. All the bodies as depicted in the chart above will come under the purview of Right to Information Act (**RTI**), and will have to publish their own set of separate reports. The entire structure should be implemented by an Act of Parliament, thereby laying down the rights and duties of each element.

## How does this model address issues?

The proposed model has two components at its foundation:

- A powerful and well-defined sports legislation
- Democratic sports institutions

The biggest concern regarding these bodies so far has been a complete absence of checks and balances. In the pretext of autonomy, they have been allowed to function in the most whimsical manner. The new model proposes to bring in a healthy level of control; at the same time, it attempts to give sufficient autonomy to each arm to formulate and execute its own decisions. This would be done by clearly outlining the rights and duties in the sports legislation and making the public disclosure of information mandatory, thereby making the system transparent. The legislation will also seek to curb the abuse of power by clearly defining the norms for selection and retention of the members in these bodies. This will ensure the true democratization of institutions instead of the prevalent nepotism and favouritism.

The issue with respect to financial irregularities and revenue management will be addressed (to a large extent) by the formation of the separate ‘Corporate Functions’ group. A clear role for this body with respect to management of sponsorships, media rights and government funding will help fix the responsibility. In addition, the legal obligation on these bodies to file their financial reports and other disclosures with SRAI, similar to what the companies do in the present context with SEBI will subject these bodies to greater public scrutiny and thereby bring in greater accountability. The problems of media and sponsorship rights can also be adequately handled by this function.

Once all the sports universities and sports training academies are brought under the aegis of a unified SAI, uniform codes and procedures can be implemented across these institutions. This will help to simplify the implementation of international best practices in sports training and education across these institutions, helping eliminate the issues of doping and discrimination. A well-defined role for SAI in this arena will also foster uniform and all round development of infrastructure right from the grass-root level, which is another issue that has been holding back Indian sports from a long time.

## Conclusion

Given the close association of sports with national pride and the kind of influence it has on the psyche of the nation, a role for the State is imperative in sports governance. However, this role has to be subtle so that it does not violate the Olympic charter. The proposed model shows one of the ways to achieve this. It is very clear that the existing model has failed to achieve its objective and a new model is long overdue. In addition, it is quite clear that our culture and our attitude towards sports is the biggest stumbling block in improving sporting standards. The change has to begin from the primary education level to build a sporting culture in the country. The education system should be revamped to give sports an equal, if not higher importance in the holistic upbringing of a child – rather than just doing lip service. The state and its entities must provide at least basic, bare minimum facility at the grassroots level, in villages and small towns, so that those who want to play are encouraged to come out and play. The quality of infrastructure can be scaled up at major towns and regional centers are made available for those who are serious about sports as a professional option. Education of athletes must come on the priority list – they should be made aware about the right use of sports-medicines. In the end, the attitude towards sports administration has to undergo a major change in India with a strong dose of professionalism. The ideal scenario would be reached when the players and spectators are so empowered that it is impossible for the sports administrators to blatantly ignore them.

## Keywords

Sports, Governance, India, Regulator, Federations, Olympics

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## Acknowledgement

The student contributors would like to thank Prof. Anil B. Suraj, Professor in Center for Public Policy at Indian Institute of Management, Bangalore, for his guidance in their work. He can be reached at [absuraj@iimb.ernet.in](mailto:absuraj@iimb.ernet.in). They would also like to thank Mr. Nandan Kamath, Legal Expert on Sports, Media, Technology and IPR and Mr. K Ramachandran, Director, Sports Authority of India, Bangalore Center for their valuable suggestions.

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