

# LEUVEN



# Good governance in national sports organisations

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Routledge Tayte & Parent Comp

### The EU controls FIFA and UEFA: a principal—agent perspective

Arnout Geeraert and Edith Drieskens

ABSTRACT This article demonstrates that the European Union (EU) can curtail the autonomy of the Fédération Internationale de Football Association (FIFA) and the Union of European Football Associations (UEFA) by building upon insights from the principal-agent model. It explores and explains the EU's control over these organizations by mapping the actors and instruments that efficie EU control of FIFA and UEFA and discussing their activation and mitigation. In this light, it introduces a new perspective (ecogenous control) and instrument (steering). Whether or not the EU deploys the control instruments at its disposal is defined by a constant interplay between FIFA and UEFA, their political and forbuil principals and their EU supervisors. Activating and mitigating control within this triangulast-tup will discate whether on ro FIFA and UEFA (DEFA can expect their autonomy to be cutrailed if and when they break from good governance practices.

KEY WORDS Control; exogenous control; football governance; mitigation; principal-agent; steering.

#### 1. INTRODUCTION

Good governance in sport is a condition for the autonomy and self-regulation of sport organisations. (European Commission 2011: 10)

[S]ports bodies that do not have in place good governance procedures and

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## THE GOVERNANCE OF INTERNATIONAL SPORT ORGANISATIONS

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#### OVERVIEW-

- . What is an international sport organisations?
- What is governance?
- Governance as a concept to approach international sports
- Good governance in international sport organisations
   Can international sport organisations be held accountable.
- This chapter looks into the main dimensions of the concept of governance and the relevance of these dimensions for international sport organisations. First, we desired, the diversity among organisations that fall under the unbriefle of 'international sport organisations'. It then explores the meaning of 'governance', offering both broader definitions and three narrower exagensisations that emerge from the governance internature. By applying these three concepts, several issues connected to the governance of international sport organisations emerge, subsequently, the chapter focuses

on arguably the most topical issue in this regard, namely a lack of 'good governance', and discusses the challenges in assessing and improving the quality of governance

in international sport organisations. The chapter concludes by exploring the role of external actors in this realm.

#### SPORTS GOVERNANCE OBSERVER 2015

The legitimacy crisis in international sports governance

Report / October 2015

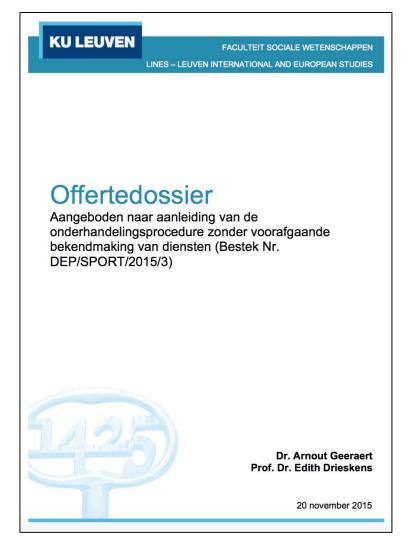


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# Assignment







Part I: Project

Part II: Status quo

Part III: Recommendations



# Deel I: Project

# Supply and demand

### **DEMAND:** New Flemish decree on sport

#### Goal:

- Flemish Federations: more performant, effective and efficient (2020)
- Flemish funding: more efficient and effective allocation

#### Means:

- Part of **funding** dependent on good governance:
   stimulate federations and let them take responsibility
- Instrument that allows for measuring and stimulating good governance

# Supply and demand

# **SUPPLY:** Project proposal Good governance in Flemish sports federations

- Focus: instrument to facilitate change via the development of good governance indicators
- Executors: Dr. Arnout Geeraert (project leader) and Prof. Dr. Edith Drieskens (project manager)
- Time frame: January June 2016



## Part II: Status quo

### What is good governance?

POLICY?
REALITY?
CAPACITY?

### Normative angle

- Sport federations are (directly and indirectly) dependent on public means
- Sport federations have a monopoly on the regulation of a public good

### Positive angle

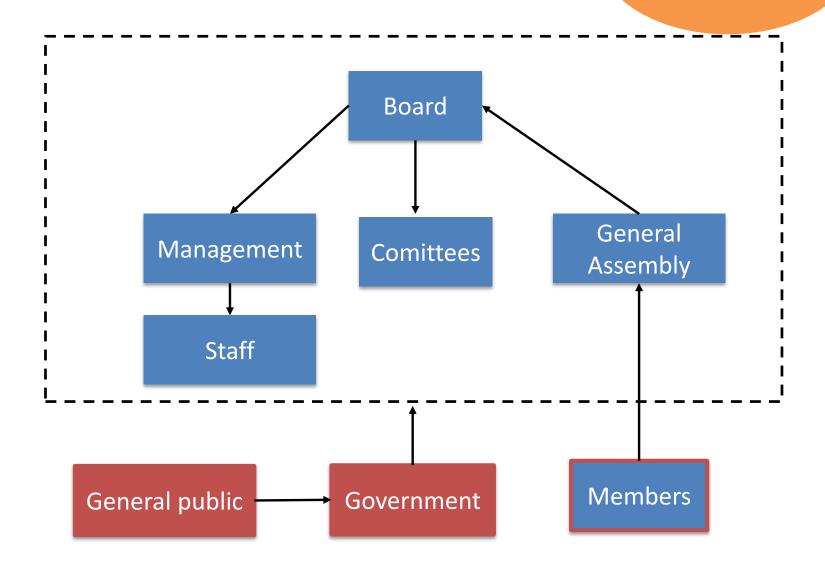
- Good governance: impacts performance (growth, stakeholder confidence, efficiency and effectiveness)
- Increased importance of market actors and networks: confidence is key

#### Increased attention

- EU: Expert Group Good Governance + Dutch Presidency
- IOC: Basic Universal Principles of Good Governance
- Local level: good governance codes and policy initiatives

# What is good governance?

POLICY?
REALITY?
CAPACITY?



# What is good governance?

POLICY?
REALITY?
CAPACITY?

#### **Components of good governance**

- Transparency: allows external actors to monitor the workings of an organisation and therefore decrease the likelihood of opportunistic behaviour
- Democracy: increase the accountability of organisations because it increases stakeholder scrutiny
- Checks and balances (financial comittee, code of conduct, conflict of interest rules, control procedures): allows for monitoring/controlling the activities of those that hold decision-making power
- Solidarity: Expressing responsibility towards internal and external stakeholders
  creates stakeholder goodwill and positive employee attitudes and behaviour, resulting
  in a win—win scenario for ISFs and their environment.

### Status quo

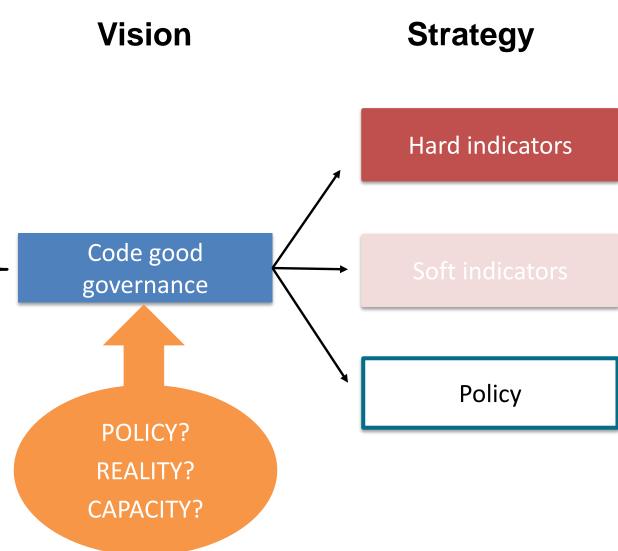
Literature review + good practices (32 codes of GG)

Expert group

Questionnaire: all Flemish sports federations

Focus groups

Own expertise SGO

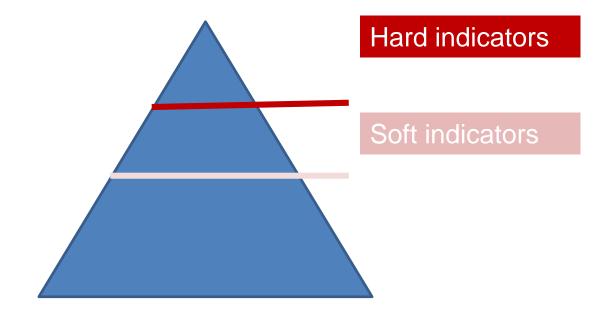


### Status quo

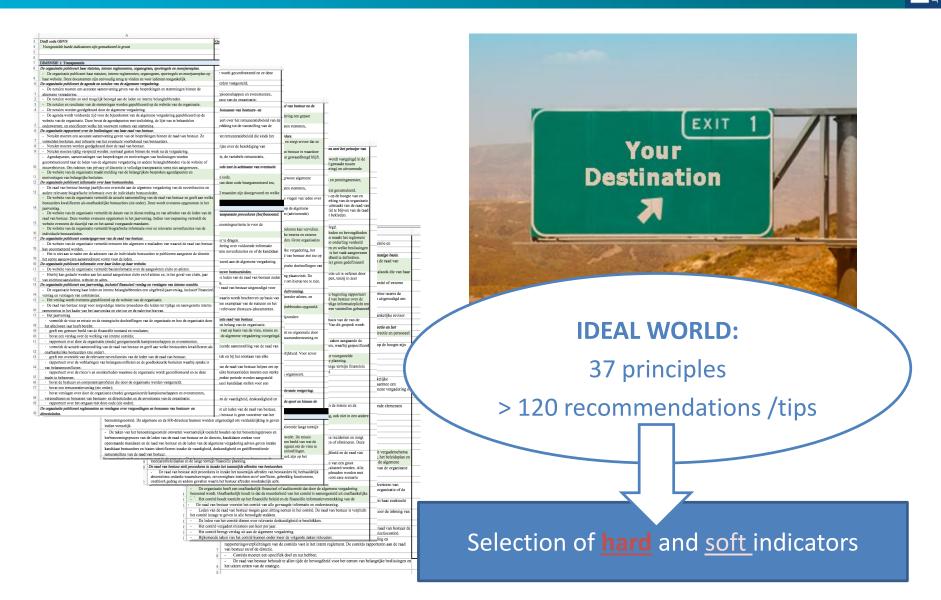


### **CODE GOOD GOVERNANCE**

37 principles
> 120 recommendations
/tips



# Good governance code



### 28 hard indicators

- → Strict minimum conditions operationalised on the basis of the code of good governance.
- → Applicable to all federations.
- → Binary indicators with financial implications.

Binary scoring system because of range of problems with scaled indicators

- Not suited when evaluation has financial implications.
- Leave room for interpretation and necessitates comprehensive testing.
- Average or lowest indicator scores give a distorted picture.

### 28 hard indicators

Dimension 1: Transparency						
Indicator		Criteria for evaluation	YES/ NO			
1.1	Indicator text	Criterium 1				
		Criterium 2				
1.2	Indicator text	Criterium 1				
		Criterium 2				
1.3	Indicator text	Criterium 1				
		Criterium 2				
1.4	Indicator text	Criterium 1				
		Criterium 2				
		Criterium 3				
1.5	Indicator textt	Criterium 1				
		Criterium 2				
		Criterium 3				
		Criterium 4				

### 13 soft indicators

- → Scaled indicators operationalised on the basis of the code of good governance
- → No financial implications
- → Indicate the steps a federation should undertake to implement elements of good governance
- → Give a more nuanced view of reality
  - Can inspire policy initiatives on good governance: conferences/ lectures, sharing of best practices/ templates, projects, bilateral advice,...
  - Creates awareness of the importance of broader implementation of good governance and induce cultural change.

### 13 soft indicators

The organisation involves internal stakeholders in its decision-making

Step/	0 = not in place	1 = emerging	2 = developing	3 = implemented	4 = optimised
score					
Status	Action X	Action X	Action X	Action X	Action X
quo		Action X	Action X	Action X	Action X
			Action X	Action X	Action X
				Action X	Action X
				Action X	Action X
					Action X



### Deel II: Recommendations

### Recommendations

#### Monitoring

- Supports decision-making and increases accountability
- Self-evaluation does not provide an objective picture of the status-quo
- Need for strictly defined pre-established criteria, tailored to specific context
- Different methodological options: scaled indicators/ binary indicators

#### Support

- Need for supporting policy
- Role for government and sports confederation

#### Time and resources

- Implementing good governance takes time and resources
- o Choices



### Thank you

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