



THE SOLIDARITY MODEL OF ORGANISED SPORT IN EUROPE AND BEYOND

A STABLE PLATFORM FOR COLLABORATION





Contents

Foreword	04
Introduction	06
Chapter 1 – The role of International Federations and of ASOIF	10
Chapter 2 – Safeguarding the solidarity model of organised sport and why it is so important	16
Chapter 3 – The transformation of sport: other models, recent trends and developments	24
Chapter 4 – Engaging in a new framework underpinned by clear solidarity commitments	32

Foreword



The mission of the Association of Summer Olympic International Federations (ASOIF) is to unite, support and promote the Summer Olympic International Federations (IFs), to preserve their autonomy, and to represent their common interests and goals. We also aim to act as an added-value provider to the Olympic Movement at large, and to clearly define and uphold the role of the IFs in an increasing complex sports world. This is core to ASOIF's remit and central to this paper.

IFs are a key stakeholder group of the Olympic Movement. IFs govern their sports worldwide, exercising regulatory power. There is only one IF per Olympic sport. This ensures the worldwide application of rules, the global development of the sport, and the integrity and safety of competition. Under the leadership of the International Olympic Committee (IOC), IFs are placed at the top of the international solidarity model of organised sport, which is also intrinsic to the so-called 'European Model of Sport'. Therefore, IFs are legitimate and competent dialogue partners on the future of sport, be it at continental or at global level.

The solidarity principle is at the heart of not-for-profit international sport. It nurtures a large sports participation base at grassroots level because any profit made through events and activities at elite level are reinvested at the lower levels into sport development. Therefore, it is a powerful catalyst for 'Sport for All', exposing as many people as possible to social, educational, and cultural values through sport. Looking at membership numbers, it is fair to say that organised sport is one of the largest societal movements in the world.

Equally, in our ever-changing world, the relevance of sport keeps growing. Every day, new stakeholders become involved in the sport sector. That is not necessarily a bad thing, but it renders the role and activities of IFs more complex. This situation also makes it more urgent to safeguard the values of the solidarity model of organised sport while still embracing progress and new ideas. I am convinced that the two can go hand-in-hand. However, I also believe that ensuring a healthy and sustainable future for not-for-profit sport can only be addressed through cross-sector collaboration and commitments. This task is larger than any one organisation or institution. We must work together if we are to succeed.

Public authorities and sport organisations have declared their good intentions in this regard, but we must have the courage to follow through on what we know must be done. With this paper, which is primarily addressed to political decision-makers in the European Union and beyond, the business sector and sport organisations, ASOIF sends a signal that it is ready to play its part. The document aims to go beyond declarations, setting out solutions that we believe are fast, solid and sustainable. Our paper was developed against the backdrop of ongoing discussions at European level on how to best safeguard values-based sport. In parallel, the IFs regularly face challenges to their operations, including proceedings and lawsuits in various territories. The critical global role of IFs in governing their respective sports is often overlooked. The sector-specific and unique characteristics of sport are not considered sufficiently in the development and application of laws. In such an environment, it is difficult for IFs to realise their full potential which,

in return, undermines sport development across the globe. This must be addressed efficiently and effectively. IFs will need to demonstrate good governance, transparency and accountability to earn the confidence of all key stakeholders. With this paper, ASOIF would like to contribute to a better understanding of the positive role IFs play, and to a more informed future debate.



Francesco Ricci Bitti
ASOIF President

Introduction



The world of sport is undergoing rapid and unprecedented transformation. Disruption to organisational, economic and administrative structures across the sporting landscape continues to gather pace, placing existing sport models under immense pressure and threatening to undermine key pillars on which the world of sport at all levels depends.

Commercial interests seeking greater control of sports and events, technological advances, breakaway organisations at elite and grassroots levels, government interventions and increasing competition from other forms of entertainment are just some of the issues driving the current transformation.

Other factors have also been at play. Over the last two years, the COVID-19 pandemic has further exposed the fragility of sport in terms of participation, scarce financial resources, and uncertain legal protections, highlighting fault lines and areas of vulnerability.

Yet, the pandemic also triggered new technological opportunities and illustrated the critical role sport plays in people's lives, in particular its impact on physical and mental well-being across society.

With new challenges and complexities inevitable, it is essential that structures and operational models across the sporting landscape evolve. These new structures must embrace progressive ideas and innovation. At the same time, it is also important to maintain fundamental sporting, commercial and solidarity mechanisms which underpin the participatory viability, heritage, social dimension, and authenticity of sport.

Such structures must allow the effective management of risk and the conversion of opportunities, while appropriately preserving the key pillars of international sport. In short, there is an urgent need to facilitate the formation of effective, well-managed partnerships and strategic alliances in the sport world under the direction of the International Olympic Committee (IOC), International Federations (IFs), commercial operators and public authorities within a collaborative framework. There has never been a more pressing need for all stakeholders to work together.



The “solidarity model of organised sport”, also often named “values-based sport”, remains critical. It is central to the principle of Sport for All (both now and for future generations). This is based on a long-established and carefully defined system which entails a pyramidal organisation of sport, it is rooted in Europe and applied globally. Financial solidarity through the redistribution of revenues from elite to grassroots sport, educational and social values, voluntary activity, autonomy, and the openness of competitions are at the heart of this system, and also inherent to the European Model of Sport. IFs play a key part in the organisation and delivery of this solidarity model worldwide.

Holistically, the role of IFs has evolved significantly over the last decades, from traditional responsibilities including overseeing rules, organising competitions and the international sports calendar, as well as ensuring sport development, to many additional requirements including the commercial delivery of events, legal expertise, technological innovation, esports, integrity protection and more.

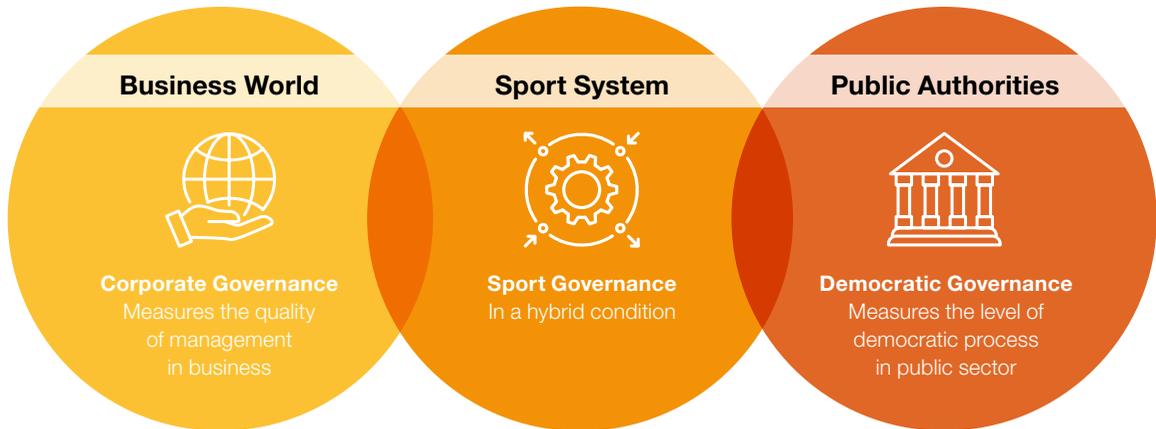
In recent years, the solidarity model of organised sport and the role of the traditional key stakeholders within it have come under increasing pressure from parties more interested in short-term commercial returns and not in long-term sport development. For instance, in football and basketball, there have been attempts to set up closed breakaway leagues, removing promotion and relegation to solely target revenue generation for the participating elite clubs.

It is not just team sports that are vulnerable to such moves, however. All sports (individual and team) face the growing risk of breakaways, fragmentation and loss of crucial development funding.

European institutions have reacted to these trends and recently published three important papers, all of which highlight the need to protect the solidarity model of organised sport inherent to the European Model of Sport. They are the [Resolution on the key features of a European Sport Model](#) adopted by the European Union's Education, Youth, Culture and Sport Council on 30 November 2021; the European Parliament's [Report on EU sports policy: assessment and ways forward](#), adopted on 23 November 2021; and the revised [European Sports Charter](#), adopted by the Council of Europe on 13 October 2021.



Figure 1: Sport Governance



These three documents align in key areas. All reiterate the need for protecting the solidarity model of sport and outline its important features. Despite some differences in focus, all three papers also highlight new trends and the need to evolve dialogue and collaboration between the various stakeholders, especially public authorities, sport organisations and the business world.

This paper is addressed to these three key stakeholder groups of sport governance. It aims to provide a proactive and constructive response to the Council Resolution, which asks the sport movement to support the key features of a European Sport Model. The Resolution also calls upon the sport world to further explore and continue ongoing discussions with all stakeholders and acknowledge the diversity of approaches and new developments across different types of sport, “in line with values-based organised sport”.

Time is pressing and joint action needs to happen quickly – for the good of society, athletes, and for sport overall. The proposed framework at the end of this document contains clear commitments on how IFs, public authorities and commercial entities can make this happen together. The proposal aligns with and expands on the reflections of the European institutions mentioned above. IFs, which govern their sports worldwide, are well placed to create stable,



globally co-ordinated public and private partnerships to secure the successful development of Sport for All in the short-, medium-, and long-term.

Chapter

1



The role of International Federations and of ASOIF

When identifying how International Federations (IFs) can contribute best to protecting the solidarity model of organised sport in Europe and beyond, it is vital to recognise their huge diversity in terms of history, size and resources, which heavily impacts their ways of operating. Some have hundreds of staff members, others a handful and while some IFs are rather young organisations, others were founded more than a century ago.

In some traditional sports, competitions between several nations often existed prior to the foundation of an international governing body. In this situation, the urgent need for a common set of rules (e.g. referring to technical requirements, such as field of play dimensions, heights of nets, goal sizes and scoring systems) and their consistent application by judges, referees and umpires at competitions with international participation, became quickly apparent. To that effect, the first IFs were set up mostly in the late 19th and early 20th centuries in Europe, some in the form of regional governing bodies. The European origins of these IFs and of the modern Olympic Movement explain the dominance of the solidarity-based European Model of Sport at a global

level, even if national systems may differ from it (see Chapters 2 and 3).

A key feature of the solidarity model of organised sport is one National Federation (NF) per country and per sport, affiliated to the one international governing body, the IF, of the respective sport. The structure of NFs being affiliated to one IF ensures the universality of the sport, the implementation of sport-specific development programmes across the globe and a well-established financial solidarity mechanism, which will be explained in more detail in the next chapter.

Today, a Summer Olympic IF has an average of 150 to 200 NFs – a number which keeps growing in line with the increasing relevance of sport and its impact on society. A larger number of NFs enables a wider access to sport at grassroots level. Depending on being practised at professional or recreational level, sport drives revenues, has a political dimension, promotes educational values and is a catalyst for social change and health promotion. Accordingly, the United Nations (UN) has recognised sport as an important tool to help achieve the Sustainable Development Goals.

Figure 2: Sport Relevance

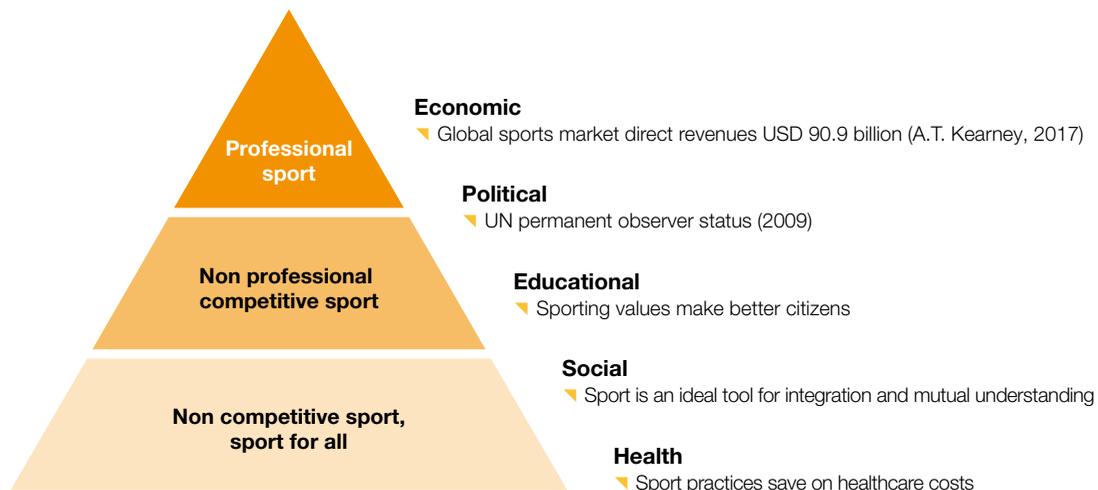


Figure 3: Sport Relevance

United Nations 2030 Agenda Sustainable Development Goals (SDGs)



In light of the ever-growing significance of sport, the traditional roles and responsibilities of IFs have evolved considerably over the years. Most importantly, enhanced governance has become the key to protecting the remit and unique values of IFs in a world of constant change.

ASOIF's report on the [Future of Global Sport](#), published in 2019, encouraged IFs to embrace a more entrepreneurial approach in order to remain relevant, with professionalism, openness for cooperation and partnerships, and organisational integrity at the heart of this.

Figure 4: Sport Complexity

Evolution of role and mission of sport organisations

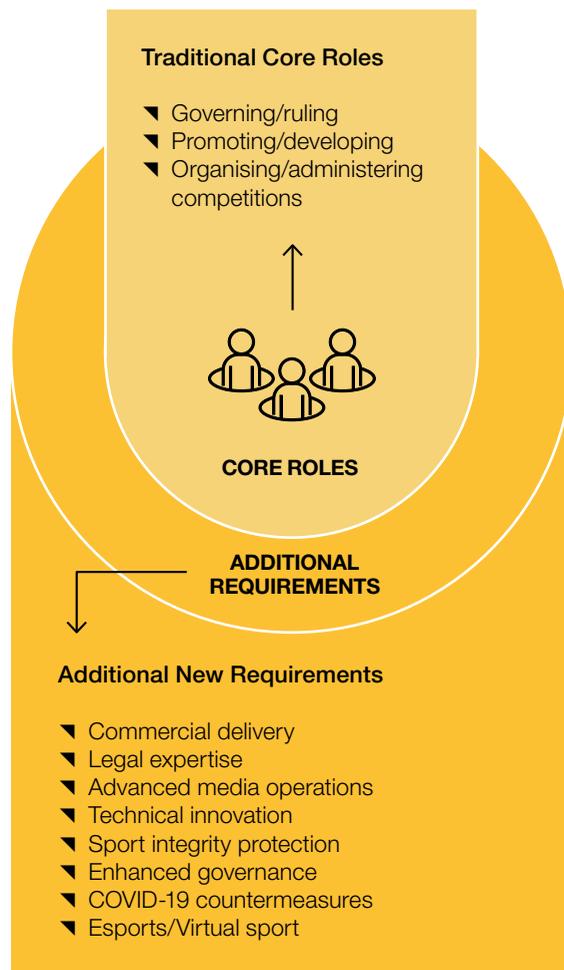


Figure 5: Future of Global Sport Finding/Recommendation

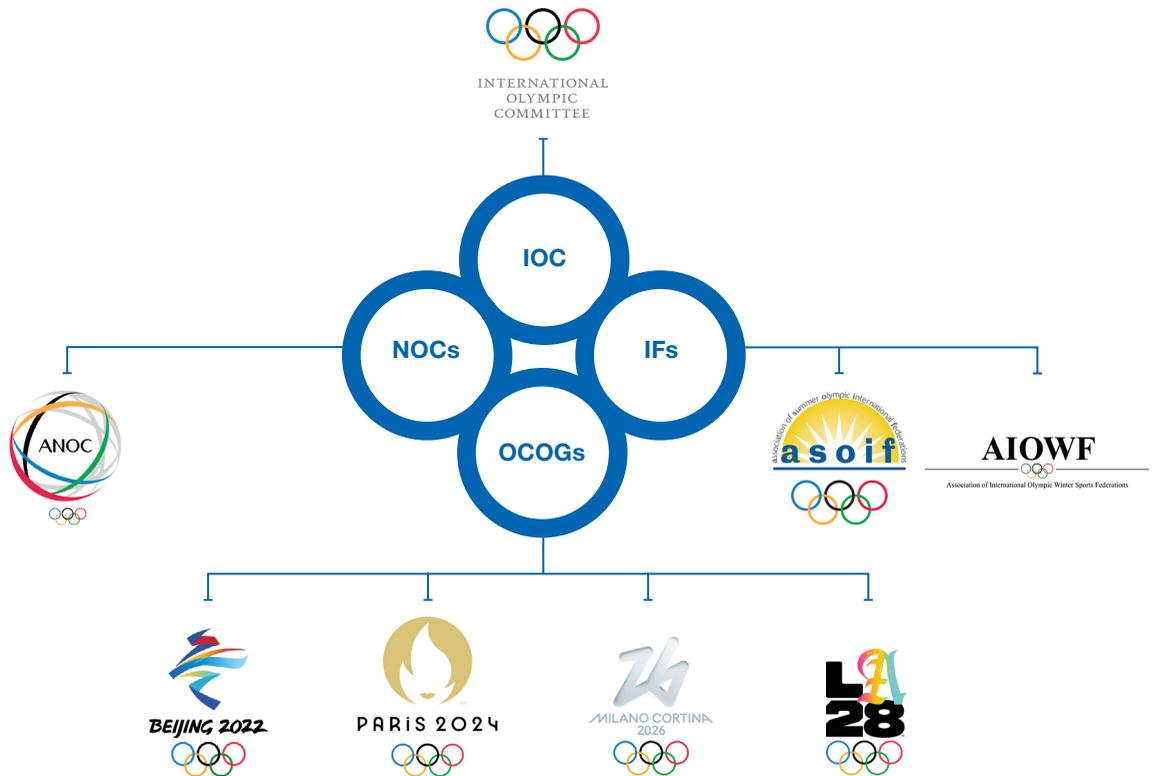
Entrepreneurial IF to remain relevant



IFs are one of the key stakeholder groups of the Olympic Movement and their role and responsibilities are clearly defined in the [Olympic Charter](#). The latter governs the organisation, actions and functioning of the Olympic Movement and establishes the conditions for the celebration of the Olympic Games. The Olympic Charter is based on the Fundamental Principles of Olympism, which reiterate the social and educational values of sport, and the principle of non-discrimination. It also highlights the autonomy of sport organisations, linked to certain rights and obligations.

As the “leader” of the Olympic Movement, it is for the International Olympic Committee (IOC) to recognise IFs (and associations of IFs), either provisionally or fully, “as international non-governmental organisations governing one or several sports at the world level”, which extends by reference to those organisations recognised by the IFs as governing such sports at the national level” (Olympic Charter, Rule 25).

Figure 6: Structure of the Olympic Movement





According to the Olympic Charter Rule 26, the most critical aspects of the mission and role of the IFs in the Olympic Movement are:

- ▼ to establish and enforce, in accordance with the Olympic spirit, rules concerning the practice of their respective sports and to ensure their application;
- ▼ to ensure the development of their sports throughout the world;
- ▼ to contribute to the achievement of the goals set out in the Olympic Charter, in particular by way of the spread of Olympism and Olympic education;
- ▼ to support the IOC in the review of candidatures for organising the Olympic Games for their respective sports;
- ▼ to assume responsibility for the control and direction of their sports at the Olympic Games;
- ▼ for other international multi-sport competitions held under the patronage of the IOC, IFs can assume or delegate responsibility for the control and direction of their sports;

- ▼ to provide technical assistance in the practical implementation of the Olympic Solidarity programmes;

- ▼ to encourage and support measures relating to the medical care and health of athletes.

It is important to note that assuming the responsibility for the control and direction of their sports at the Olympic Games also includes the IFs' authority in determining the Olympic qualification process.

IFs must comply with the Olympic Charter and can be sanctioned by the IOC in case of violations. Olympic IFs are also represented in the IOC membership structure, including at Executive Board level.

Over the years, IFs have set up different umbrella organisations to form synergies, better consolidate their expertise in the Olympic Games context and represent their interests in the Olympic Movement; for example, the [Association of Summer Olympic International Federations \(ASOIF\)](#) and the Association of International Olympic Winter Sports Federations (AIOWF). Similarly, the National Olympic Committees have set up the Association of National Olympic Committees (ANOC).



ASOIF was set up almost 40 years ago, in 1983. Its mission is to be the house of common interest of the Summer Olympic IFs, pursuing the vision to become a permanent added-value provider to the Olympic Movement. To get there, ASOIF strives to exploit the unique skills and excellence existing within its member federations.

Figure 7: Summer Olympic Games revenues contributed to IFs

in USD million



ASOIF, which started with 21 members and has 32 today (including Full and Associate Members), has taken great strides towards uniting the Summer Olympic sports and increasing their representation in all aspects of Olympic matters. In addition, ASOIF has established various [expert groups](#) to streamline valuable know-how from within its membership in important areas (medical, legal, commercial, technology and innovation, diversity, etc.).

ASOIF has also taken care of the appropriate Olympic revenue distribution to its member IFs, which is then re-invested into the running and development of their sports worldwide. The distribution is based on groups established by the IOC Executive Board, using criteria assessing the contributions of different sports to the success of the Olympic Games.

Currently, in terms of the Summer Olympic Games, around half of the IFs may be said to have significant reliance on IOC revenues, that is more than 25% of their revenues coming from their Olympic Games revenue share in any four-year cycle, with more than a third of the IFs relying on Olympic Games revenue share for more than 45% of their incomes. The general trend is that this reliance is steadily declining overall (from an approximate average dependency of 45% at the time of the Sydney 2000 Olympic Games, to around 32% following those of Rio 2016). This is remarkable, because the overall amounts of IF revenue shares have augmented significantly between 2004 and 2016 due to an increasing overall revenue generation at the Olympic Games during this period.

However, the COVID-19 pandemic has changed this optimistic picture at least in the short-term. With the postponement of the Tokyo 2020 Olympic Games and the subsequent delay of revenue generation, many IFs relied on financial support from the IOC and other financial loans during this challenging period. In addition, IFs have also generated less revenues with their own events (e.g. World Championships) during the pandemic. The consequences of these recent developments are outlined in Chapter 3.

Chapter

2



Safeguarding the solidarity model of organised sport and why it is so important

In order to efficiently protect the solidarity model of organised sport in Europe and beyond, it is important to spell out its key features and agree on a set of definitions. The nature of this model has been defined partly in different official policy documents, including the [Treaty of Lisbon](#) which anchored sport for the first time in the European Union (EU) Treaties, as well as the recent [Resolution on the key features of a European Sport Model](#) adopted by the EU's Education, Youth, Culture and Sport Council, on 30 November 2021; the European Parliament's (EP) [Report on EU sports policy: assessment and ways forward](#), adopted on 23 November 2021; and the revised [European Sports Charter](#), adopted by the Council of Europe on 13 October 2021. In this chapter, these key features are highlighted and expanded on by ASOIF.

Key features of the solidarity model of organised sport

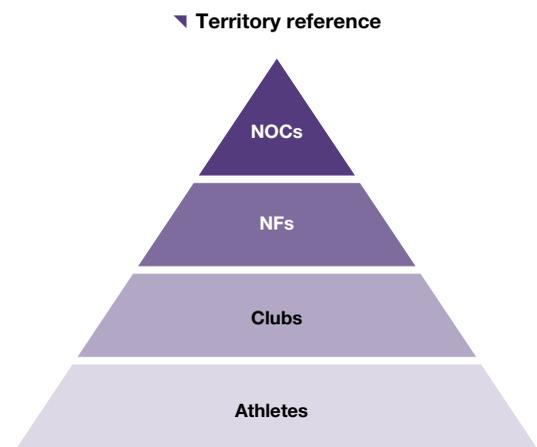
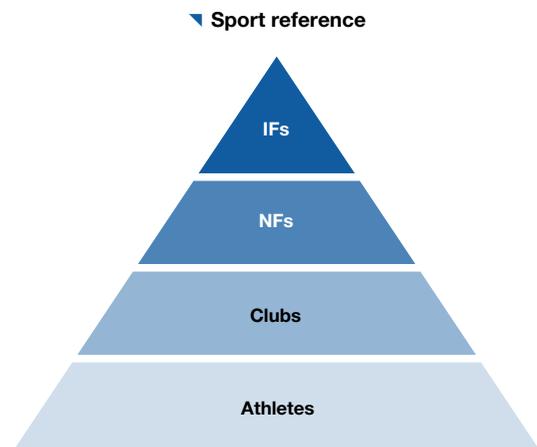
Pyramidal structure of sport

Importantly, it must be acknowledged that sport is organised globally and not only at European level. While the notion of a European Model of Sport is commonly referred to at EU-level, the reality is that the pyramidal structure of sport is organised internationally, integrating both references to the respective sport and territory.

National Federations (NFs) are affiliated to the International Federation (IF) of the sport and to the National Olympic Committee (NOC) of the country. In the same way it is important to have only one IF governing a sport globally, it is crucial there is only one NF per sport and per country. This plays a fundamental role in the consistent application of rules and regulations, standards of sports facilities and equipment; in ensuring the development of young athletes, and the education of referees and other facilitators of the sport; and the hosting of youth and development events.

Figure 8: Pyramidal Structure of International Sport

The pyramidal structures ensure autonomy and self-determination

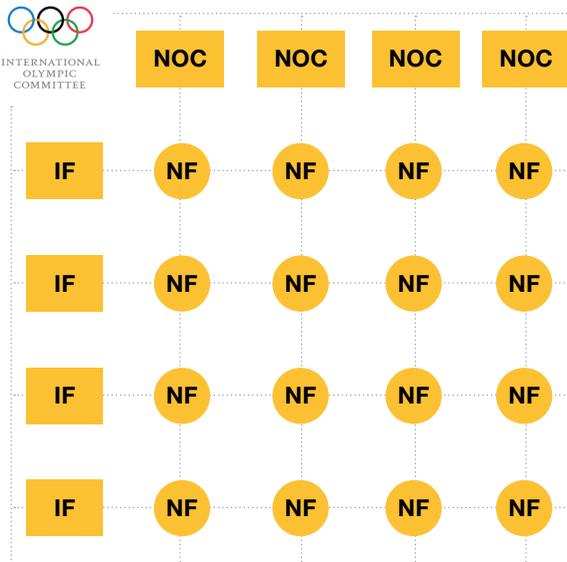


The basis of the dual stakeholder nature of the Olympic Movement



The IOC functions as the leader of the Olympic Movement:

Figure 9: Sport Movement Matrix



- ▼ The NFs are the core sport organisations and the basis of the duo-stakeholder nature of the Olympic Movement (NOCs & IFs)

This structure and the features that come with it are also inherent to the European Model of Sport. There is no discrepancy, but a simple explanation: the traditional model of the organisation of international sport has its roots in Europe, while sport organisations in virtually all other continents have elected to integrate into this global system (albeit partly operating different models at national level). Therefore, the solidarity model of organised sport referred to in this paper reflects both the international pyramidal system of sport and the European Model of Sport.

The advantages of this pyramidal structure are that:

- ▼ it reinforces financial solidarity mechanisms from elite or professional sport at the top to grassroots sport at the base;
- ▼ it ensures open access to sport for everyone at grassroots level; and
- ▼ it provides the possibility for athletes to move up from the base of the pyramid to professional levels and vice versa (open system of promotion and relegation).

It should be noted that physical activity is also organised independently from this structure at grassroots level – either informally or commercially. Examples include recreational running groups, offers by fitness studios, etc.

Financial solidarity with redistribution from elite to grassroots sport

The solidarity model of organised sport is based on a model of organic growth with sporting and social values at its core. Thanks to its pyramidal system, any profit made through events and activities at elite level are reinvested at the lower levels into sport development. Any profit made is treated as incidental, not central, which is an important difference to commercial sport event organisers.

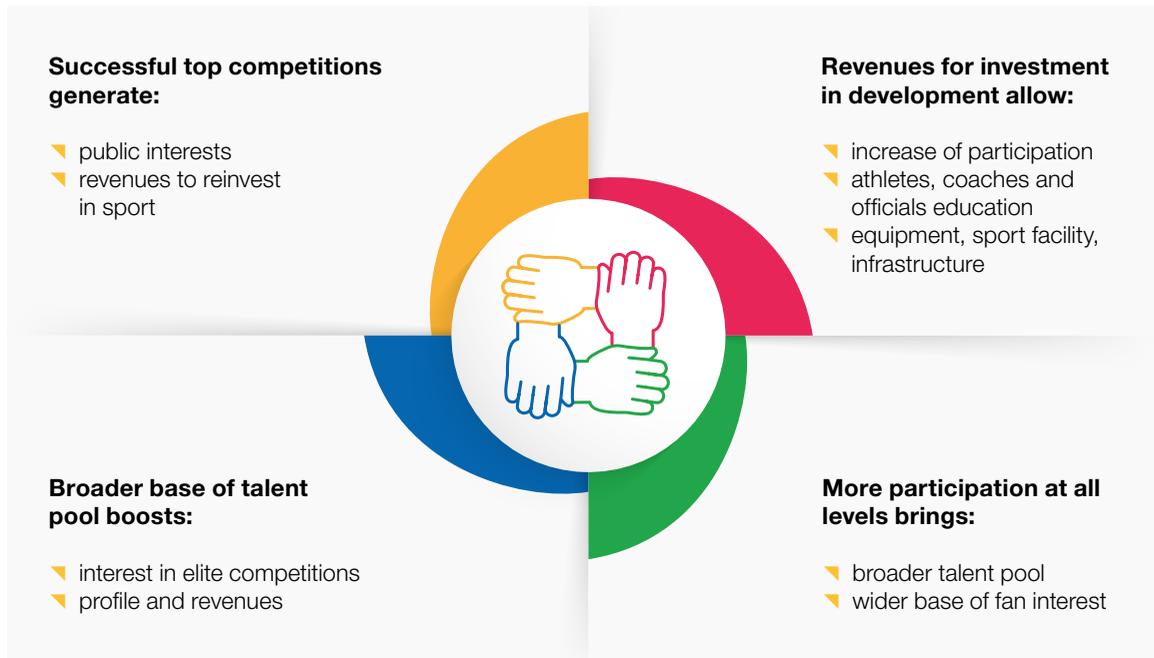
The Olympic Games remain the most important competition and respected catalyst to shape the solidarity mechanism of the modern sport and the inclusion of non-Olympic sport disciplines at national level. The IOC operates a sophisticated redistribution mechanism of Olympic Games revenues to the Olympic Movement stakeholders, in particular IFs and NOCs.

Autonomy of sport organisations

The autonomy of sport organisations operating in this solidarity model is another important feature, which requires urgent attention and protection. In general, it refers to the right and capacity to define legal norms independently. For sport organisations, it includes the following rights for self-determination:

- ▼ establish and apply “sporting rules” necessary for the conduct of sport;
- ▼ proper organisation and conduct of sport (i.e. competitions);
- ▼ draft and define own legal norms (i.e. statutes);
- ▼ independent management of internal affairs;
- ▼ selection of representatives and decision-making procedures without interference from third parties; and
- ▼ sufficient financial resources, including the possibility to obtain adequate funding from public or other sources.

Figure 10: Sport Solidarity Cycle



Protecting sport organisations' autonomy does not mean they are above the law or they should not be expected to adhere to principles of good governance. It simply implies the world of sport and sports administration should be free from direct political or government interference to ensure sport's universality, values, rules and the integrity of competitions. This autonomy enables international sport organisations, including IFs, to realise their full potential.

Sport governance structures vary across the globe. However, the autonomy of sport is inherent to the pyramidal structure of international sport, and it is also enshrined in the Olympic Charter. Therefore, it must be recognised globally.

Voluntary activity

Volunteers are the backbone of the solidarity model of organised sport worldwide and they operate across all levels of the pyramid. Without them, the entire system of not-for-profit sport would collapse. Through their social engagement, they also promote important values. It is crucial to protect, incentivise and retain volunteers in organised sport.

Promotion of educational and social values

The solidarity model of international organised sport is based on a range of important educational and social values, which are also enshrined in the Olympic Charter. When brought to life on and off the field of play, the Olympic values of excellence, friendship and respect are a driver for mutual understanding, inclusivity, fairness and perseverance. The founder of the modern Olympic Movement, Pierre de Coubertin, said: "Sport without values is only a military parade". In today's context, sport without values is just entertainment. Of course, sport must be entertaining, but it must be more.

Values-based sport can also be a catalyst for regional development and social cohesion. It has the power to provide a universal framework for learning values, thus contributing to the development of soft skills needed for responsible citizenship; and it promotes healthy lifestyles.

Openness of competitions

The pyramidal system of the solidarity model implies an interdependence between the different levels, not only on the organisational side, but also on the competitive side since competitions are organised at all levels. The openness of competitions provides the possibility to qualify for competitions based on sporting merit. It enables sportspersons to move up from the base of the pyramid towards the elite level and vice versa – following the system of promotion and relegation. For instance, a club playing at a regional level can qualify for championships at a national or even international level by winning promotion. On the other hand, a club will be relegated if it fails to qualify. Relegation and promotion are standard features of national championships and of the solidarity model of organised sport.

Importance of national identity

Sport has an important social relevance and plays a vital role in forging identity and bringing people together. While it is important for athletes and fans to be respectful of and friendly to other competitors and spectators, sport usually represents and strengthens national or regional identity by giving people a sense of belonging to a group. It unites athletes and spectators, giving the latter the possibility of celebrating their nations' representation during international competitions.



The concept of specificity of sport

The above key features help define sport's "specificity", a somewhat vague term also adopted in the Treaty of Lisbon. The European Commission considers in its [White Paper on Sport](#) that the specificity of sport can be approached through two prisms:

1. The specificity of sporting activities and of sporting rules, such as separate competitions for men and women, limitations on the number of participants in competitions, or the need to ensure uncertainty concerning outcomes and to preserve a competitive balance between clubs taking part in the same competitions.
2. The specificity of the sport structure, including notably the autonomy and diversity of sport organisations, a pyramid structure of competitions from grassroots to elite level and organised solidarity mechanisms between the different levels and operators, the organisation of sport on a national basis, and the principle of a single federation per sport.

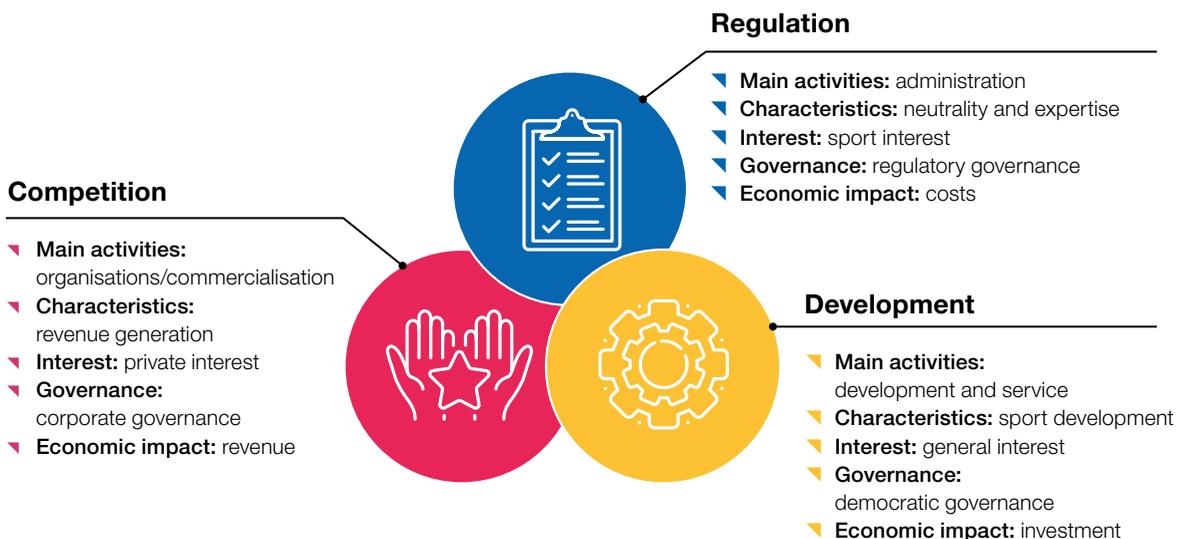
The Treaty of Lisbon calls on the EU to "contribute to the promotion of sporting issues, while taking into account the specific nature of sport, its structures based on voluntary activity and its social and educational function". It was hoped that this article

would finally bring the legal certainty at EU-level which has been lacking since the legal concept of specificity had emerged in the 1990s. The intention was not to obtain an exemption from EU law, but a specific application of EU law to sport in recognition of its unique characteristics. However, the wording of the article remains vague and leaves some room for interpretation, which continues to pose problems at EU-level, especially regarding legal cases dealt with by the European Court of Justice. The implications of Article 165 are difficult to assess from a legal point of view. On the one hand, the specificity of sport is explicitly mentioned. On the other, the article contains no clear reference to the autonomy of sport organisations and does not provide a clear-cut definition of the "specificity of sport". It therefore does not provide the sports movement with certainty over their legal position and has led to defensive regulation undermining the delivery of key integrity imperatives such as competitive balance.

Key roles of IFs in delivering the solidarity model of organised sport

Under the leadership of the IOC, IFs operate at the top of the pyramidal solidarity model described above. They look after regulation, competition and development, as further specified in the figure below. The image also highlights in which areas revenues are either generated or reinvested:

Figure 11: IFs' Key Functions



The interdependence between autonomy and good governance

Whereas the autonomy of sport was not really questioned until the 1990s, currently the concept is closely linked to the notion of good governance and accountability. The assumption that autonomy must come with a demonstration of organisational integrity is widely accepted among public authorities and the Olympic and Sport Movements alike. This point has been also highlighted across the recent Council Resolution, European Parliament's report and the revised European Sports Charter. Sport organisations do not operate in a vacuum, and they should not stand above law. Any claim for autonomy, or self-determination, must be justified and demonstrated with sport's added value to society. This added value can be provided thanks to the key features of the pyramidal solidarity system of international sport.

Public scrutiny and the demand for accountability of any organisation or institution represent the new norm, which was not the case a few decades ago. It is an important evolution, which applies to sport just as to any other sector of society. Society has continued to progress and so have sport organisations, as the following examples showcase.

Olympic Movement initiatives

In February 2008, the IOC organised the Seminar on the Autonomy of the Olympic and Sport Movement and defined the [Basic Universal Principles of Good Governance of the Olympic and Sports Movement](#). A year later, during the Olympic Congress in Copenhagen, these basic universal principles were integrated into the [official recommendations](#) from the event (Recommendation 41).

Good governance and sport's integrity have also been addressed prominently by [Olympic Agenda 2020](#), and, more recently, [Olympic Agenda 2020+5](#), the IOC's strategic roadmap for the future of the Olympic Movement, initiated by incumbent IOC President Thomas Bach. For instance, in 2017, it was decided to create the [Olympic Movement Unit on the Prevention of the Manipulation of Competitions](#), which supports IFs, NOCs, multi-sport event organisers and other sport organisations in their efforts to protect the integrity of sport competitions. Likewise, the [International Partnership Against](#)



[Corruption in Sport \(IPACS\)](#), of which ASOIF forms part, was launched in 2017 on the initiative of the IOC and governments.

Public authorities, as well as sport organisations, have undertaken significant steps to raise awareness of the importance of good governance in general and regarding its relevance for autonomy in particular. However, both a number of corruption scandals in renowned IFs and cases of government interference have continued to undermine efforts to enhance the recognition of sport autonomy in recent years.

ASOIF action in the field of governance

Due to these events, good governance was addressed as a key topic during the IF Forum in November 2015. Following the discussions, Forum participants who represented Olympic as well as non-Olympic IFs agreed to issue the following statement:

“Today the IFs welcome and accept the IOC’s invitation to work together to not only establish indicators and assessment mechanisms, but to promote their use within their respective sports. The objective of this undertaking is to ensure that the state of governance within sports institutions can be readily assessed publicly and monitored on an ongoing basis. This will be done in an inclusive manner, taking into account best practices and using the most appropriate available tools so as to not only establish the right processes, but to promote and ensure a CULTURE OF GOOD GOVERNANCE within all sport federations.”

As ASOIF’s role is not only to represent its member IFs, but also to help them continue to thrive in the future, it took the lead in implementing the above statement. In 2016, the ASOIF General Assembly established the [Governance Task Force \(GTF\)](#) which subsequently developed a widely recognised methodology to evaluate the governance of ASOIF’s member federations on a regular and consistent basis. The principles of good governance in sport,

published in 2013 by the EU Expert Group on Good Governance, served as a valuable reference during this process. The methodology is based on five principles and ten indicators per principle and, in 2016, it was endorsed by the 14th Council of Europe Conference of Ministers responsible for Sport, and by IPACS. It has been also used by the Winter Olympic IFs, as well as by a number of non-Olympic IFs. The [Third Review of IF Governance](#) was published in June 2020 and acknowledged the significant governance progress made by the IFs over the years. The findings of the fourth review, which is underway, will be published in June 2022. In 2021, ASOIF also launched a pilot study on organisational culture within IFs, thereby looking beyond rules and regulations in place, and studying the behaviour and actions of people in a sample of IFs.

Another important piece of work was ASOIF’s [International Federation Anti-Doping Processes And Expenditure Report](#) published in 2016, which gave important impetus for the set-up of the International Testing Agency in 2018.

ASOIF believes that the key features and benefits of the solidarity model of organised sport as outlined in this chapter are clear, should be appropriately safeguarded and continue to provide the foundation on which to develop more collaborative models of operating between IFs, the business sector and public authorities.



Chapter 3



The transformation of sport: other models, recent trends and developments

The only constant in today's world is change and this is also very true for the sport sector. While the solidarity model of organised sport outlined in the previous chapter prevails internationally, there are other models at national level which are exerting a growing influence. In addition, new parties entering the world of sport emerge every day, which has both positive and potentially negative effects. On the positive side, there are new partnership or commercial opportunities, which can further encourage International Federations (IFs) to become more effective, innovative and adopt a more corporate approach for their institutional management to make themselves more attractive for investment.

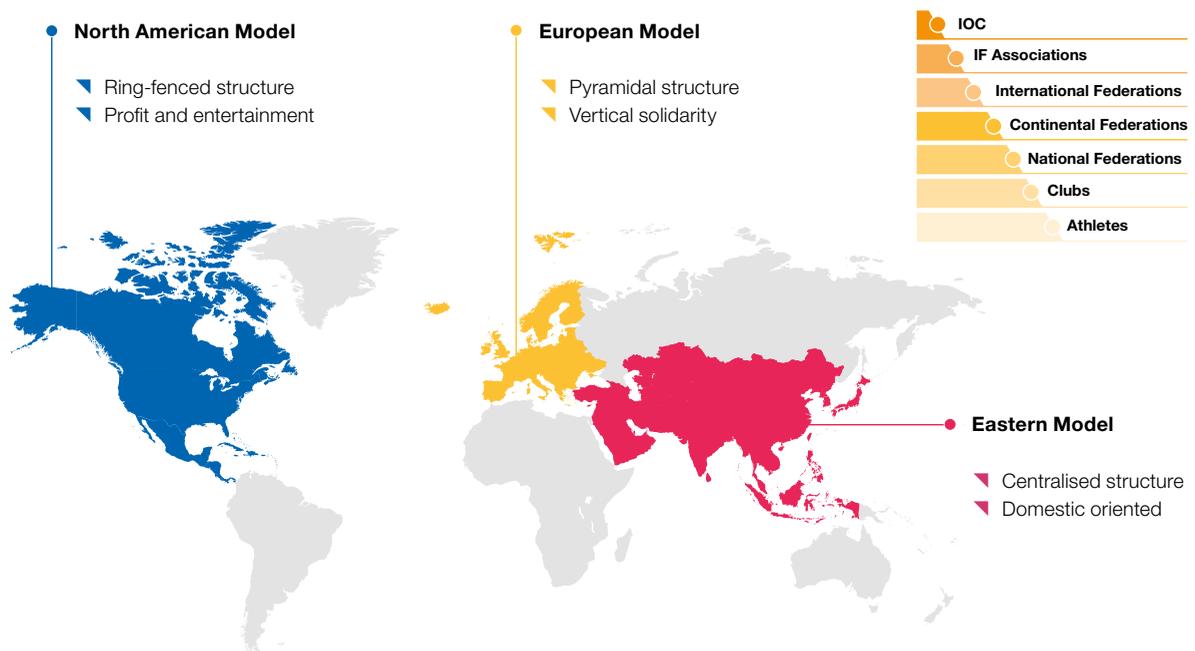
Without effective oversight of new entrants, however, there is a risk that revenues of the IFs may decline if their elite competitions are taken over

without appropriate redistribution arrangements and control mechanisms in place. Moreover, the image of a sport may be impacted without assurances on integrity and participant safeguards being provided.

Finally, the sport world is of course not immune, but exposed to external, higher forces as the global COVID-19 pandemic has clearly demonstrated. With climate change and health emergencies more likely to impact sporting events, in future contingency plans built on solidarity become increasingly important across the sport sector.

To protect the solidarity model of organised sport globally and in the long-term, it is important to anticipate and mitigate a number of trends and risks, some of which are outlined in this chapter.

Figure 12: Different Models of Sport Organisations – Geographical Reference





Impact of other models of sport organisation

Two other models, the American and the Eastern models of sport, emerged after the solidarity model. They are currently being applied in certain territories at national level.

While largely respecting the international sport pyramid, features of the 'American Model of Sport' are increasingly emerging across European sport and exerting an influence from a commercial point of view. This model is essentially an outcome of commodity production of sport where commercial values predominate. Sport is sold as an entertainment product, especially to broadcasters, which constitute the primary consumer with massive bargaining power. It is organised in a way to accommodate TV and franchises relocate to capture new and larger fan bases and viewers. Elite athletes are promoted as celebrities. These features have inspired especially some of the bigger IFs to professionalise their operations, in particular their revenue generation. Generally, this is a positive development. However, it must be noted that in the American Model, closed championships and multiple sport federations are standard. Sport is regarded and treated the same as any other business venture. While IFs, NFs and NOCs located in America generally have integrated into the pyramidal structure of international sport, the American model is still predominant nationally.

One example of how the American model has impacted international sport is with the National Hockey League (NHL) in North America. The NHL decided not to interrupt its season, and therefore its players were not able to participate in the men's ice hockey competitions and represent their countries at the Olympic Winter Games PyeongChang 2018 and Beijing 2022, even though it had done so for the previous five editions.

Observation: The American model and its success at national level has inspired business entities in Europe interested in exploiting the commercial benefits of sport. While commercial interests are an opportunity to provide resources necessary to develop sporting activity, they should not interfere or dictate any key decision related to the sport.

The so-called 'Eastern Model of Sport' has also begun to play a bigger part in the sport ecosystem. In light of rapid globalisation, Russia (prior to its invasion of Ukraine) and a few Asian countries have turned into emerging sport markets in recent years. At national level, the Eastern model reflects a centralised system. Public authorities provide a juridical frame and resources to sport, which usually results in very efficient operations, led by the NOCs' and NFs' governing structures. However, the self-determination of the NOCs and NFs is limited due to their strong dependence on national legislation (not always compliant with the Olympic Charter) and on state funding (distributed by the sport ministries most of the time).

Observation: The Eastern model has put into question the notion of autonomy, which is inherent to the European solidarity model of organised sport. Public authorities are welcome to provide a juridical frame and resources to sport activities, but they should not attempt to undermine by law sport's right to self-determination as set out in the Olympic Charter.



Figure 13: Different Models of Sport Organisations – Cultural Reference

	Solidarity (Europe)	Commercial (North America)	Centralised (Asia, Russia)
Organisational motive	Competition	Profit and entertainment	To be part of the international competitions
League structure	Open pyramid; Promotion and relegation	Closed, ring-fenced leagues	Domestic, limited commercialisation
Role of governing bodies	Vertical solidarity; Sport for all	Profit maximisation; Promote elite athletes as celebrities	Organise competitions; Standardise rules and regulations; Olympic pathway
Cultural identity	National leagues, local teams; Opposition to relocation of teams and transnational leagues	Transnational or global leagues composed of franchises	Domestic-oriented
International competitions	Important for national identity	Non-existent or minimal	Focus on top competitions for national image/reputation
Governance	Pyramidal structure; Cross-border engagement and multiple legal frameworks	League or commission which regulates itself	Vertical structure; policies implementation
Development	Primary purpose	Left to community and school system	Centralised decision; sport academies (elite sport), grassroots development (school and region)
Funding	Hybrid (private & public)	Private	Public

The table above highlights the more relevant characteristics of the three models and the benefits of the European model.

As previously mentioned, the structure of the European model prevails internationally, and even within IFs, which govern sports with roots outside of Europe (e.g. baseball). However, the cultural influence of the two other models is significant, especially at the professional level and when it comes to legislation and public funding.

Breakaway leagues

In recent years, the solidarity model of organised sport has come under increasing threat from parties interested mainly in commercial benefits and not in long-term sport development. For instance, there have been attempts to set up closed leagues largely removing the principle of promotion and relegation to enhance revenue generation for the participating elite clubs and investors. A recent and prominent example is the failed attempt by 12 leading European-based football clubs to set up their own European Super League. Another illustration of the problem is the EuroLeague, a closed basketball league set up by a few European clubs, which intrudes into the work of European basketball, making it almost impossible to organise national team events. A further dispute has emerged with the International Swimming Federation (FINA) having to manage the emergence of the newly established International Swimming League.



Observations: Breakaway leagues or competitions imply a range of serious risks to the solidarity model, including:

- ▼ a lack of openness of competitions with invitation-only participation of athletes or teams – no system of qualification based on sporting merit nor promotion and relegation, hence there being no equal and fair access to the event;
- ▼ financial profit is typically not redistributed to lower levels and not reinvested into sport development – absence of a financial solidarity mechanism;
- ▼ conflicts with the international sports calendar – timing of events can threaten the organisation of national and international competition as athletes or teams are not available for qualifiers or tournaments;
- ▼ neglecting the importance of national identity – closely linked to the previous point;
- ▼ congestion of the international sports calendar can pose serious risks to athletes' health; and
- ▼ sport integrity is at risk if the competition is not held in compliance with global IF rules and regulations aimed at protecting the athletes and fair play.

The recent Resolution on the key features of a European Sport Model adopted by the EU's Education, Youth, Culture and Sport Council, in November 2021, asks member states to “draw attention to the consequences closed sport competitions could have on organised sport in Europe, such as fundamental change in the sport qualifying processes usually based on sporting merit” (point 28).

ASOIF feels that this item requires stronger attention and action to create the stable foundation for a new collaborative model of sport between IFs, governments and the business sector. The many negative consequences of closed competitions for the solidarity model of organised sport are clear. All key stakeholders must work together to prevent breakaways in the long-term interests of sport.

This approach is clearly supported by the European Parliament, whose Report on EU sports policy: assessment and ways forward from November 2021 calls “for a European Sports Model that recognises the need for a strong commitment to integrating the principles of solidarity, sustainability, inclusiveness for all, open competition, sporting merit and fairness, and accordingly strongly opposes breakaway competitions that undermine such principles and endanger the stability of the overall sports ecosystem; stresses that these principles should be encouraged by all sports stakeholders and national authorities”.



Commercial interests in sport

Recently, an increasing number of IFs have been sealing long-term commercial partnerships involving equity investments, license agreements and joint ventures as [research from the Deloitte Sports Business Group](#) from April 2021 confirms. While private equity investments in the sports industry are not new, the involvement of not-for-profit IFs is a novelty. Clearly, the pandemic has accelerated the openness of IFs to enter into such partnerships as these deals provide security, cash flow and specific external expertise to the IFs. However, such arrangements can lead to questions concerning the control of the sport and its governance. The Education, Youth, Culture and Sport Council's Resolution mentions the increasing commercialisation of sport and related risks to the values of sport.

Nevertheless, with increasing competition emerging from new sport formats, esports and other entertainment forms, there is a pressing need for IFs to embrace commercialisation. In ASOIF's view, the commercialisation of sport and upholding sporting values can be compatible if the revenues generated through professional sport are reinvested at the lower levels for sport development, applying the solidarity model. In fact, IFs can thereby become more professional and develop their sport in a holistic way. A further essential element of an effective partnership for IFs is to ensure the agreement entered into with an investor allows the IF to retain an appropriate level of control and autonomy in key areas.

Observation: Regarding long-term commercial investments in IFs and their respective sports, clear internal regulation is required from the IFs on how to apply the highest standards of governance, retain autonomy in key areas of the sport or event, and maximise in the most ethical way achievable commercial returns.



Gaming and esports

Gaming and esports have become critical sectors within entertainment and media (as flagged by ASOIF as early as 2019 in its report [Future of Global Sport](#)), and the COVID-19 pandemic has further fuelled this trend. For reasons of clarity, gaming implies leisure or entertainment activities whereas esports refers to organised gaming competitions (online or in-person) at a professional level, including both one-off events and season-long league structures.

According to Newzoo, a leading global provider of gaming and esports market data, the global gaming and esports market would have generated USD 175.8 billion in 2021, with additional growth in media rights and the livestreaming market. In fact, the pandemic led to viewing spikes across all livestreaming platforms with people required to spend time at home during lockdowns. Gaming and esports activities expanded into markets where there had previously been little activity. However, like traditional sport, the industry suffered from the cancellation of many in-person events.

Observations: Esports, its growth and its societal relevance, must not be ignored as it provides opportunities, but also poses risks to traditional sport, including:

- ▼ the opportunity for IFs to use the virtual simulation for raising interest in the physical component of their respective sports, engaging with younger audiences and exploring new revenue streams by leveraging their Intellectual Property;
- ▼ the risk relating to investing significant financial and human resources in gaming and esports, which some IFs simply don't have;
- ▼ the risk of people turning to activities in front of screens instead of being physically active and benefitting their health;
- ▼ the risk of sponsors and brands turning away from traditional sports and investing into the booming gaming and esports sectors.

Nevertheless, the trend is that an increasing number of IFs recently have become involved in gaming and esports. Four ASOIF member federations (International Cycling Union, World Baseball Softball Confederation, World Rowing and World Sailing) participated in the first edition of the IOC's [Olympic Virtual Series](#), held successfully from May to June 2021 ahead of the Tokyo 2020 Olympic Games. In September 2021, ASOIF published a [new report on IF gaming and esports strategy](#), which highlights the different types of game-plays; provides a structured approach for IFs to define a vision for their role in gaming and esports; and outlines concrete strategic options.

The recent creation of Metaverse by Meta (formerly known as Facebook) and Microsoft's acquisition of Activision Blizzard (a major video game publisher) provides further evidence that the significance of online consumption will increase in the future. The virtual world already provides – and will do so increasingly – an important gateway for future generations of sport participants, and continues to be a key part of the entertainment sector, occupied also by traditional sports and physical sport events.

The impact of the COVID-19 pandemic on sport

As already highlighted, the global health crisis caused by the COVID-19 pandemic has had a massive, multi-faceted impact on sport. Firstly, many sport events and activities across all levels had to be cancelled or re-scheduled, which has led to significant shortfalls in revenue generation as well as in sports participation. The snowball effect is that sport organisations have become more dependent on public and private funding. In addition, the activities of sport organisations have been heavily impacted by national regulations during the pandemic. When governments across the globe started to decide how to control the pandemic, sporting events were among the first gatherings to be cancelled or postponed. Sport organisations then put together plans to resume activity under governments' strict COVID-19 measures. Of course, everyone would agree that this was a natural and necessary thing to do, given the extraordinary circumstances, but there have been repercussions.



Observations:

- ▼ Sport organisations' increasing dependency on public funding and governments' strict COVID-19 measures for sport activities have unarguably enhanced the supervisory powers of public authorities over sport organisations and therefore impacted their autonomy.
- ▼ At the same time, the pandemic has highlighted sport's positive impact on people's physical and mental wellbeing and a healthy society at large.



The need to protect and enhance the solidarity and redistribution features of values-based sport has now become more urgent, in order to ensure Sport for All for current and future generations. Sport for All has become more important during the pandemic, as sport has proven to be a low-cost, high-impact tool that helps all nations with their recovery efforts towards mentally- and socially-fit societies. Without solidarity among the sport movement, associations and clubs at the base of the pyramid cannot survive; and the huge contribution they make to their communities and to elite sport would be lost.

Encouragingly, in December 2020, during a plenary meeting of its General Assembly, the UN adopted a [resolution](#) by consensus, which reaffirms the role of sport as a global accelerator of peace and sustainable development for all, and in building global resilience to address COVID-19. Importantly, the resolution recognises the impact the COVID-19 pandemic has had on all aspects of sport. It encourages “member States to include sport and physical activity in recovery plans post COVID-19,

to integrate sport and physical activity into national strategies for sustainable development, taking note of the contributions sport makes to health, to promote safe sport as a contributor to the health and wellbeing of individuals and communities”. This call was also supported by the [Sports Ministers of the 27 EU Member States](#).

At the same time, the UN resolution acknowledges the Olympic Charter and the principle of non-discrimination, and “supports the independence and autonomy of sport as well as the mission of the International Olympic Committee in leading the Olympic Movement and of the International Paralympic Committee in leading the Paralympic Movement”. It recognises the important role of the Olympic Movement and its key stakeholders – which includes the IFs – in sport development and promoting Sport for All.

Organised sport remains one of the biggest global, societal movements thanks to the international solidarity model.

Chapter

4



Engaging in a new collaborative framework underpinned by clear solidarity commitments

ASOIF believes the unique characteristics of sport, the rapid transformation taking place across the sector and the critical need to preserve sport's viability and values for current and future generations necessitates the protection of the solidarity model as part of an overall collective solution.

This is not intended to be a justification to exercise any form of monopolistic activity, but rather to provide the stable and necessary platform for a new collaborative framework between sport organisations, public authorities and the business sector in light of several challenges.

This approach will preserve the essential elements of the solidarity model and facilitate appropriate private investment and public funding, which in turn will allow sport across the world to continue to innovate, develop, flourish and grow at all levels in an efficient and coordinated fashion.

The key responsibilities of International Federations (IFs), which ASOIF believes need to be appropriately recognised, are shown below. These IF responsibilities provide a coherent and strong platform for the evolution of sport by protecting financial solidarity, promoting the future development of sport, enhancing integrity across all levels of participation, and delivering the safety and wellbeing of athletes.

Figure 14: IFs' Roles to be Preserved

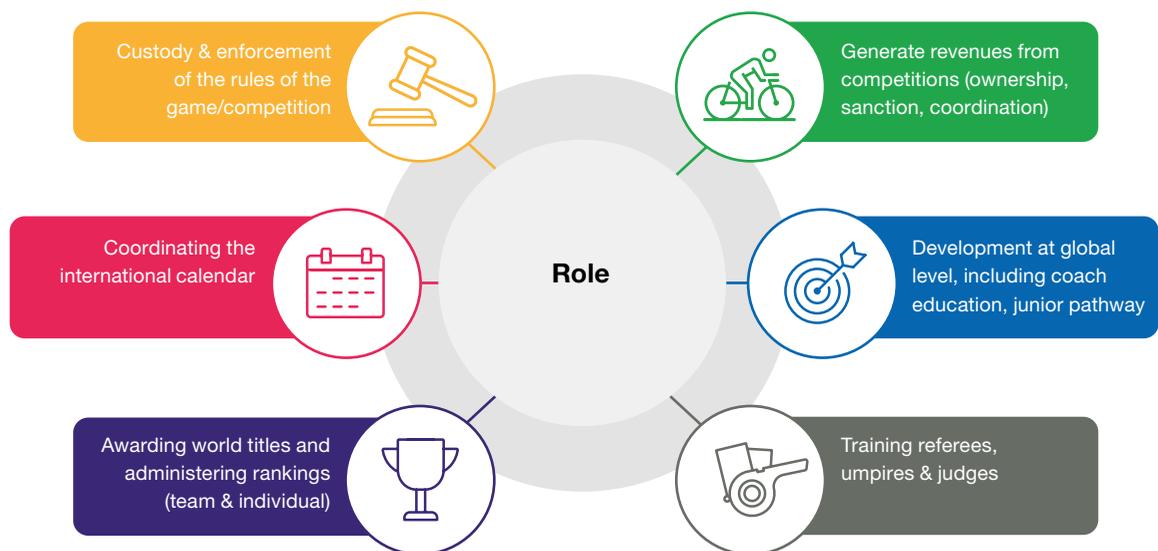
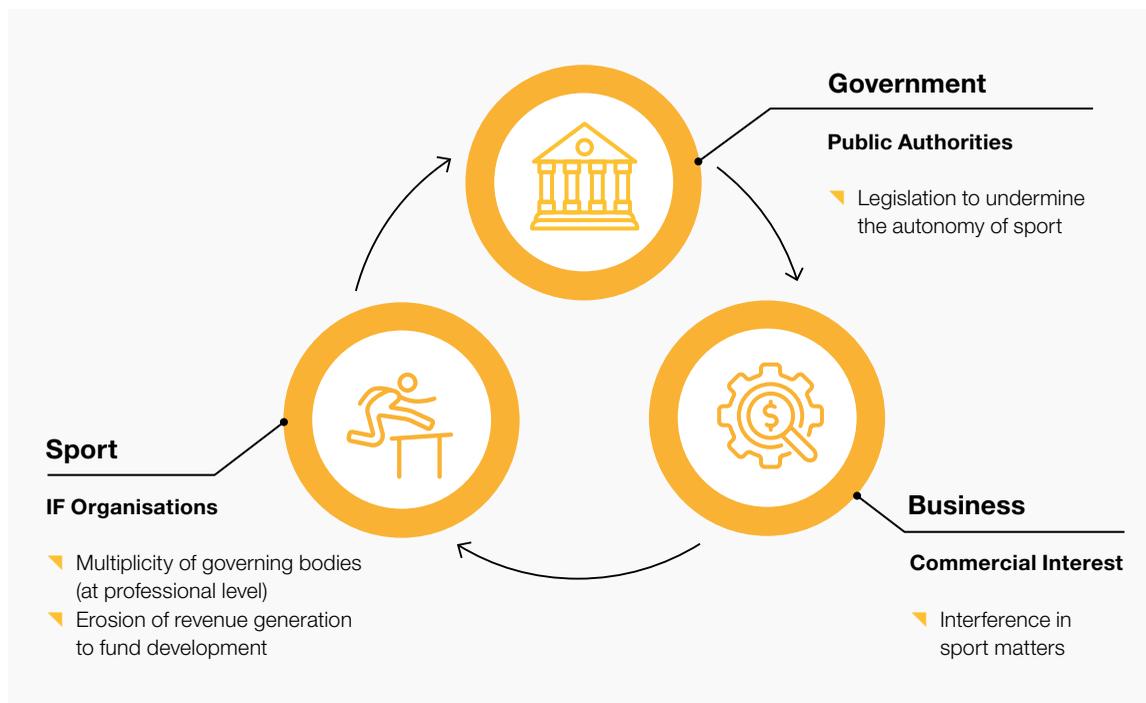


Figure 15: Major Challenges to the “European Model of Sport”



This proposal is made against the backdrop of numerous challenges to IFs’ operations via lawsuits in various territories. In recent years, legislators, courts, European institutions and judicial bodies have not given sufficient acknowledgement to the critical role IFs play in governing their respective sports globally, nor consideration of sport’s specific and unique characteristics in the development and application of laws.

In Europe, for example, the inconsistency between the judicial bodies and other institutions leaves not-for-profit IFs exposed to an increasing number of legal challenges from wealthy private entities or individuals. IFs’ not-for-profit nature, their cultural values and social contribution all over Europe (and globally) are not always acknowledged by the market-based approach pursued by the courts and legislators. These matters must be allowed to evolve and recent reports from the European institutions indicate there is now a willingness to adopt a new sport-specific approach.

New framework with clear commitments by the key stakeholders

By appropriately protecting the solidarity model and its role as the foundation of a new collaboration framework across IFs and sport organisations, public authorities and the business sector, a pathway to a clearer defined framework opens.

For the first time, the proposed framework outlined on the next page would give concrete expression to the Treaty of Lisbon, which stresses the significance of sport in Europe, calls for the recognition of its specific nature, and defines the promotion of sport as a community objective. If an effective solution can be identified and implemented in the inter-governmental setting of the EU, then this may pave the way for a broader international consensus on the specificity of sport for the long-term benefit of the not-for-profit Olympic and Sport Movement.

It is crucial that public authorities invest in constructive dialogue with IFs, also at continental level. Continental Federations (CFs), like European Federations, are mostly fully funded by IFs to oversee the respective sport's development in their regions and look after the coordination of non-professional competitions. IFs clearly are the bodies with legislative and regulatory power, and it should be noted that not all IFs have affiliated CFs. Accordingly, NFs are not bound to continental bodies but to IFs, and they refer to IF rules instead of the continental ones. To that effect, the following framework outlines the necessary commitments by the IFs, public authorities and the business sector as key players in the sport governance ecosystem and implies an agreement to enter into regular constructive dialogue by all parties:

The commitments by **International Federations** to deliver on good governance, integrity and collaboration, including:

- ▶ explicitly acknowledging that all IFs must continue to improve on recent enhancements to their governance practices, accountability, transparency and the independence of their judicial structures, in line with ASOIF GTF's governance assessment;
- ▶ continuing to invest in comprehensive regulatory frameworks in fundamental integrity areas including anti-doping, match-fixing, safeguarding and inclusivity;
- ▶ collaborating with public authorities and the business sector, in order to coordinate the international sport calendar, ensure the best conditions for athletes; promote Sport for All and health benefits; maximise the social and educational values of sport; ensure sport development; and remain receptive to the emerging sport market ideas and innovation;
- ▶ ensuring reasonable, proportional IF rules; and
- ▶ engaging in constructive and regular structured dialogue with governments and public institutions, and the commercial sector at elite and grassroots levels.

The commitments by **public authorities** to ensure correct application of the specificity of sport and the protection of the solidarity model of organised sport, including:

- ▶ formally recognising and protecting IFs as the worldwide governing bodies for defined sports responsible for the custody and enforcement of globally applicable rules; generating revenue from competitions (ownership, sanction, coordination); coordinating the international sport calendar; awarding world titles and administering rankings (team and individual); developing the sport at global level including coach education and youth pathway; and overseeing the training of referees, umpires and judges;
- ▶ ensuring sporting rules, designed to preserve integrity, maintain competitive balance, and protect the openness of sporting competition based on performance, are not subject to EU competition laws;
- ▶ formal recognition that other rules, policies and practises of IFs must be assessed in the light of (i) the necessity to apply a globally coordinated and centralised approach to the administration, promotion, funding, and development of their respective sports, in their entirety across a worldwide membership; and (ii) the unique not-for-profit, hybrid structure of IFs, which support sporting and public interest initiatives such as the reinvestment of commercial revenues in the future development of their sports for the benefit of participants and wider society;
- ▶ ensuring that any legislation respects the Olympic Charter; and
- ▶ obliging commercial entities, interfering with professional sport and the international sports calendar in one way or the other, to respect and support the solidarity model of organised sport.

The commitments by **the commercial sector**, including:

- ▼ recognising IFs as the worldwide governing bodies for defined sports responsible for the custody and enforcement of globally applicable rules; generating revenue from competitions (ownership, sanction, coordination); coordinating the international sport calendar; awarding world titles and administering rankings (team and individual); developing the sport at global level including coach education and youth pathway; and overseeing the training of referees, umpires and judges;
- ▼ respecting the international sport calendar by closely collaborating with IFs in the planning stage of any applicable event;
- ▼ agreeing to apply an open system with the principles of relegation and promotion as standard features in order to comply with the solidarity model of organised sport and ensure fair access to the competition;
- ▼ applying the rules and regulations of IFs to ensure safety, fairness and integrity at any applicable events; and
- ▼ agreeing on a solidarity contribution, which requires third-party event organisers to pay a certain, proportionate amount of profits (and potentially other appropriate solidarity contributions) of approved events in support of IFs' sport development activities and in compliance with the solidarity model of organised sport.

With most IFs located in Europe, and the urgent need to protect the solidarity model of organised sport inherent to the European Model of Sport, the proposal is first and foremost addressed to the EU institutions and EU Member States. However, in time, as the benefits of a certain and stable structure for the evolution of sport become apparent, these principles should be recognised and applied worldwide.

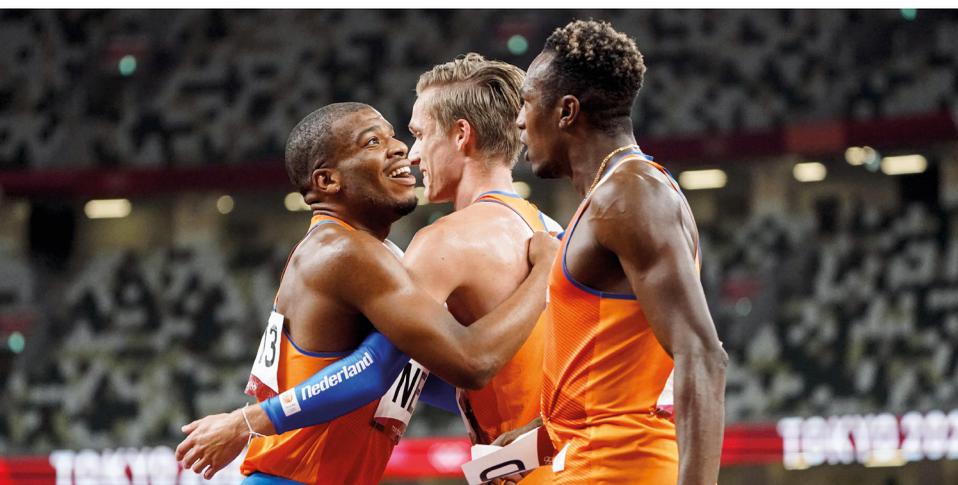
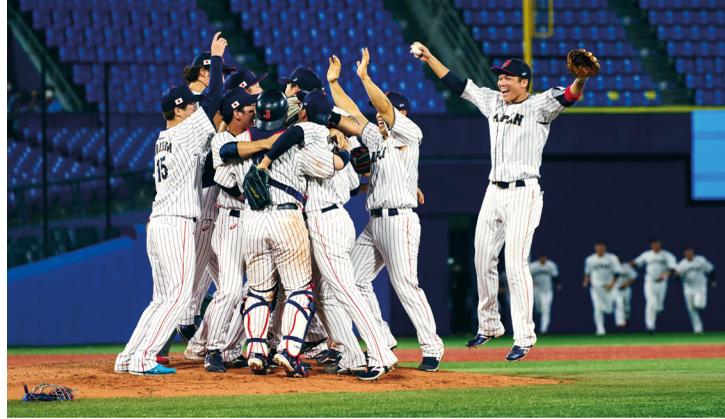
From a pragmatic point of view, ASOIF proposes to establish continuous dialogue between public authorities, sport organisations and the commercial sector. This will enable a constructive debate with concrete discussions on the suggested commitments.

ASOIF firmly believes that a collaborative approach, which also considers new stakeholders in the space, is the best solution to jointly address pressing challenges for the benefits of athletes and society at large.



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