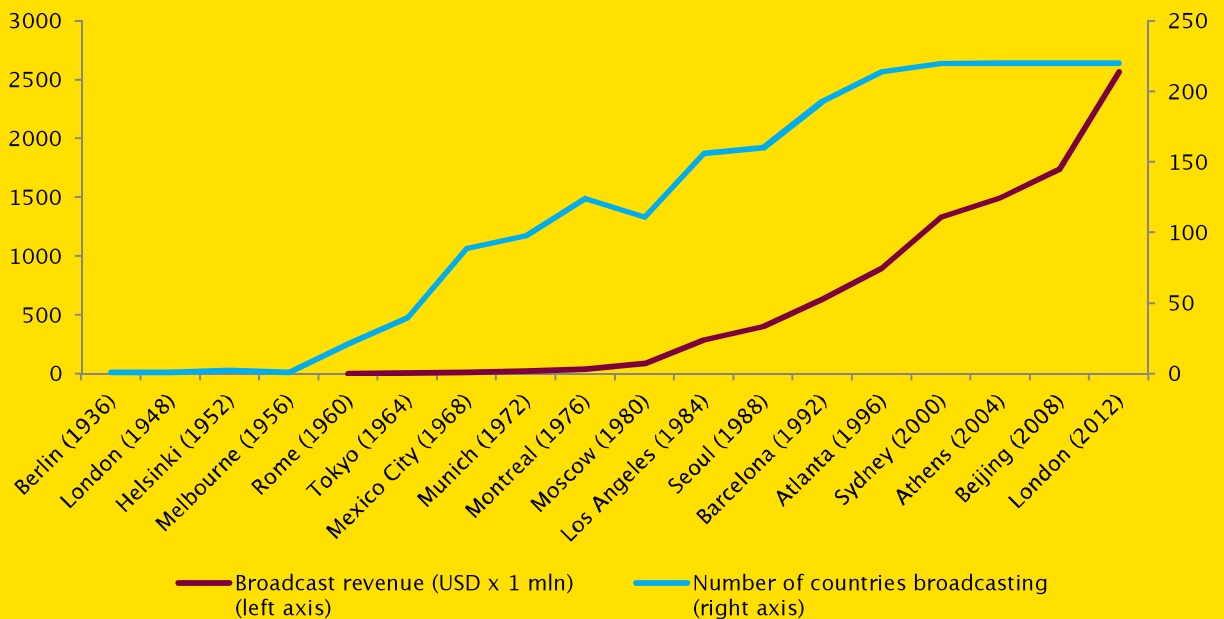


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Rising exposure of mega sport events: broadcast revenue and number of countries broadcasting the Summer Olympic Games



Introduction

In recent decades, there has been increased interest in sport events of all sorts. Smaller, less popular events may still need to actively search for hosts and sponsors. Larger, more popular events, are very much in demand and are fought over by cities and nations to act as hosts.

As the requirements for such events have increased (e.g. bigger stadiums), major and mega sport events have attracted more attention from politicians, the media and the broader public. Bidding for such events has increasingly become a political issue, requiring greater support from political allies and the tax-paying general public.

Sport events are appreciated as important sources of inspiration and positive energy. Yet, for a growing number of people, the negative aspects of sport events have come to cast a shadow over sport events as a positive experience.

In recent years, questions and doubts have been raised about the transparency and good governance of the different processes surrounding sport events as well as the integrity of the actors involved.

The aim of this report (of which this is the management summary) is to shed light on these developments; to show how issues of integrity have altered people's attitudes towards sport events; and to address how governments and the EU can use their resources to restore faith in the integrity of major and mega sport events.

In order to do so, the authors reviewed the literature on integrity and sport events and analysed a number of recent cases (such as the Summer Olympic Games, London 2012, recent experiences of cities like Hamburg and Oslo on bidding for the Olympics, as well as different smaller sport events).



Integrity

In societies all over the world, there has been an increasingly louder call for 'integrity'. Fostering integrity and preventing corruption in the public and private sector supports a level playing field and is essential to maintaining trust in these sectors and their institutions.

The call for integrity and good governance seems to have reached the sport movement later than other sectors, due to the traditional closed hierarchic self-governance ('autonomy') of the actors involved.

Integrity in sports often refers to issues of fair play and (in negative sense) to the use of doping, match fixing or sexual harassment, but is applied here to the organisation of sport events.

Defining integrity

According to the Cambridge English Dictionary, 'integrity' means 'the quality of being honest and having strong moral principles that you refuse to change'.

Related to sport events we define organisational integrity as the basic social obligations that organisers and stakeholders of sport events (in particular, international sport federations and governments) have to meet in order to be regarded by many people as honest, truthful and accurate.

Good governance can be seen as one of the cornerstones of organisational integrity and refers to the institutional design, rules and regulations (e.g. an effective legal framework, efficient accountability mechanisms, an ethics co-ordinating body and workable codes of conduct). In addition, integrity is achieved through behavioural and cultural challenge (applying rules and adhering to them). At this point, little is known about the culture and behaviour within and between organisations with regards to the governance and organisation of sport events.

Dimensions of organisational integrity

Standards for good governance and organisational integrity have been developed elsewhere, especially in the development sector, the sustainability sector and the financial sector. In addition, guidelines for reporting on sustainability by event organisers have been developed.

Still, to date, there are no academically founded guidelines or standards with regards to the governance and organisational integrity of sport events. This is critical since achieving a culture of integrity requires coherent efforts to update standards, provide guidance, and monitor and enforce them in daily practice. It also requires stakeholders to anticipate risks and apply tailored counter-measures.

Nevertheless, four dimensions appear to be relevant to the organisational integrity of sport events.

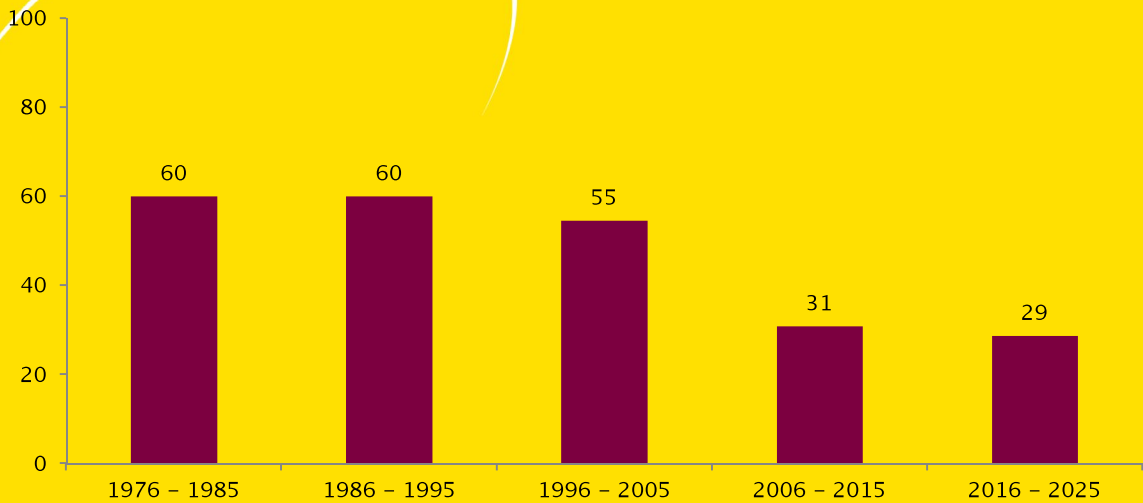
Public value: bidding for and organising sport events should be circumscribed by the need to achieve a positive social and economic legacy and contribute valuable solutions to major societal challenges, such as health, social cohesion, sustainable growth and security.

Transparency: full disclosure of requirements for bids and contracts and of decision-procedures.

Democratic processes: secure stakeholder participation, democratic procedures and support from the broader public.

Checks and balances: control procedures, opportunities for whistle-blowers to step forward, independent monitoring and evaluation.

Share of the European Union in the market of World Championships for athletics, football and swimming (in percentages, 1976–2025)



Sport events

The emerging market for sport events has given rise to an economy of event-organisers and consultancy-companies. The driving forces behind this 'eventisation of elite-sports' are threefold: cultural, technological/economic, and political.

Culture-wise, the increased significance of sport events is related to the rise of an experience economy, and a need for excitement and a sense of belonging and identity. This culture is shaped in part by changes in technology (transportation, Internet) and economy (media-industry, sport-industry). Thirdly, changing geo-politics shape the world of sport-events as new economic powers have risen and seek to play a leading role on different platforms including sports. As sport events have come to play a more central role in society, issues of integrity have become more important.

Categories

Sport events vary in terms of size and impact. A common academic categorisation is:

1. Local sport events (national championships)
2. Major sport events (European or world championships outside football and athletics)
3. Hallmark sport events (e.g. Wimbledon)
4. Mega sport events (World Cup football, athletics, Olympics).

It is not uncommon to see the last three categories grouped together under the heading 'major sport events'.

Phases

The 'event life cycle' consists of four phases:

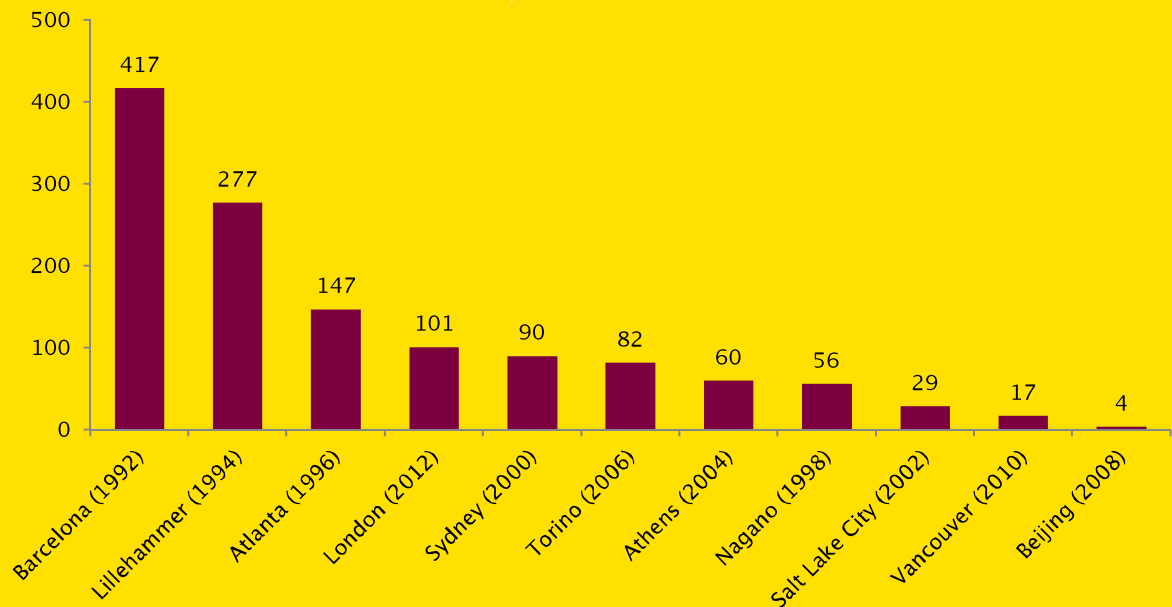
1. Bid process (incl. feasibility studies);
2. Event preparation;
3. Event organisation;
4. Legacy-phase.

Phase 2 starts when a bid is granted. The period between the opening and closing ceremony is the 'core period' of an event (phase 3). After the closing ceremony, securing a sustainable legacy still demands time and effort (phase 4). Issues of integrity, good governance and transparency may play a key role in all four phases, though different actors are involved in different phases.

EU market share

Over the past forty years, the market share of the EU for World Championships has been stable at approximately 50% - seven times higher than Europe's share in the world-population, and double its share in the world-economy. In three of the leading World Championships (football, athletics and swimming), the market share of the EU has dropped from 60% between 1976 and 1985, to an expected 29% in 2016-2025. As for the Summer Olympic Games and Winter Olympic Games, the market share of the EU varies between 17% and 40% (1-2 Games per decade). So far, no Olympic Games have been allotted to the EU for the 2016-2025 period.

Sources of concern: cost overruns Olympic Games (1992–2012, sport-related costs only, in %)



Organisational integrity and sport events

From the scientific literature, it appears that in each phase there are best practices that deserve mentioning, but also clear issues that may confound the integrity of the actors and stakeholders involved.

Bidding phase

In the bidding phase, from the side of right-owners, lack of transparency over awarding criteria and voting-procedures and exorbitant demands have appeared to be causes for concern for politicians and the broader public.

From the side of the bidding entities, briberies, lack of possibilities to get or be involved, lack of trust in intentions of the planmakers, disbelief in the overpromised effects of the event, and worries over costs getting out of hand, have all played a role in the public's increasingly critical standpoint towards sport events and have started to raise questions about the integrity of the stakeholders.

Preparation and organisation phase

In the planning and organisation phase, the violation of human and workers rights have been reported in different continents and have added to the concerns over the broader public (also in the EU) over the desirability of hosting sport events. Other issues in this phase appear to elicit fewer questions from the broader public (e.g. issues of sustainability and accessibility of the event, or the influence of sponsors).

Legacy phase

In the legacy-phase, there are worries over the infrastructural legacy of events and over a disappointing legacy as regards increasing sport-participation. In addition, economists have started to contest claims of economic gains of hosting events. Moreover, an uneven distribution of costs and revenues is starting to raise eyebrows. This has added to the scepticism among the broader public over the desirability of hosting sport events. In part, this scepticism appears justified, as legacies that were promised during bidding phases often fail to materialise, partly because of a lack of proper legacy-management. Legacies appear hardly to be subjected to objective and independent evaluation.

Overall

Clearly, all four dimensions of organisational integrity (public value, transparency, democratic process and checks and balances) apply to sport events. Many of the integrity-issues discussed here are most salient to major and mega events, and appear to be of less significance to smaller events. Still, these practices do colour people's attitude towards sport events in general. Hence, one must conclude that there is more than enough ground nowadays for people - politicians, journalists, the broader public - to be critical of sport events and the actors and stakeholders involved, and hesitant over granting support.



The Mulier Institute is an independent research agency dedicated to social science sports research. As such, it works closely with universities and statistics agencies in the Netherlands (as well as throughout Europe). The Mulier Institute closely monitors developments in Dutch sports, carries out both academic and applied sports research and organises debates and conferences on subjects related to sports & society. Funding for these programs comes from the Ministry of Health, Welfare and sports (VWS), from scientific councils and from contracted research.

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Conclusion

There appears to be an increasing discrepancy between what society expects of sport events in terms of integrity, and what these parties currently offer in this respect. The transparency and principles of governance as demanded today, are as yet ill-embedded in the international sport-sector. The world of sport events needs to adapt to a position in the centre of the public debate.

Recently, the sport-sector has acted upon these changes. IOC, FIFA and other international federations have started adapting their policies. These are much needed first steps, but more action is called for.

Responsibility for enhancing integrity in sport events does not reside solely with one single party. It resides with the total consortium: right owners (international sport federations and other licensees); host-cities/countries and national federations; and media, suppliers and sponsors. Enhancing integrity in sport events encompasses all four phases of the event life cycle. It involves introducing principles of good governance, but also - especially - a change in behaviours and organisational cultures.

Governments need to play a role in this. National governments can use their influence to warrant that the four dimensions for organisational integrity described in this report are being met.

Governments need to support their national federations in this, and need to be explicit on their own criteria for becoming involved. The EU needs to use its resources to establish common ground among nations and the international sport movement; to exchange best practices; to initiate research; and to formulate guidelines. These are the actions that are needed to restore faith in the integrity of major and mega sport events.

Background

This factsheet contains the management summary of a report on 'Integrity & sport events' to be published by the end of March 2016. The report was commissioned by the Dutch ministry of Health, Welfare and Sports (VWS).

The report was put together by an independent group of Dutch experts. Drafts of the report were reviewed by academics in 17 EU countries.

*Full reference to the report:
P. Hover, B. Dijk, K. Breedveld, F. van Eekeren, M. Olfers, W. Keijsers and J.H. Boersma (2016). Integrity and sport events. Position paper. Utrecht: Mulier Institute & Utrecht University.*

The full report will be available by the end of March at www.mulierinstituut.nl, www.allesoversport.nl and www.minvws.nl.