

# **The rules of the Game**

## **Economic and governance perspectives**

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**86<sup>th</sup> GCLC Lunch Talk**  
**Brussels**  
**24 November 2016**

## Issues for discussion

- Economic characteristics of sport
- Organisation of sport competitions and sport leagues
- Governance of Sport Governing Bodies
- Code of Good Governance for Sport

# 1 Organization of sports competitions

## Types of sports

- **Individual sports** (Athletics, Tennis, Cycling, skating)
- **Team sports** (Football, Basketball, Icehockey)
- **Equipment sports** (Motor sport, Horseriding)

## Championships and leagues

- National and international tournaments and sporting events (Olympic Games, Grand Slam Tennis, Tour de France)
- Races, Racing seasons and championships (Formula 1, Ascot, Goodwood, Aintree)
- National team competitions (World Cup or Championships, European Championships)
- National club competitions (Premier League, Bundesliga, Serie A)
- International club competitions (UEFA Champions League, European Basketball League)













# International club competition: Type I

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Dienstag, 22. November

 ZSKA Moskau	18:00	 Leicester	20:45
 Leverkusen		 FC Brügge	
 BVB	20:45	 Dinamo	20:45
 Legia Warschau		 Lyon	
 FCK	20:45	 Sevilla	20:45
 FC Porto		 Juventus	

# International club competition Type II

## EuroLeague 2016-17 Teams

EuroLeague 2016-17

- |  |   |   |
|--|---|---|
| <br>Anadolu Efes Istanbul             | <br>Baskonia Vitoria Gasteiz | <br>Brose Bamberg              |
| <br>Crvena Zvezda mts Belgrade        | <br>CSKA Moscow              | <br>Darussafaka Dogus Istanbul |
| <br>EA7 Emporio Armani Milan          | <br>FC Barcelona Lassa       | <br>Fenerbahce Istanbul        |
| <br>Galatasaray Odeabank Istanbul    | <br>Maccabi FOX Tel Aviv    | <br>Olympiacos Piraeus        |
| <br>Panathinaikos Superfoods Athens | <br>Real Madrid            | <br>Unics Kazan              |
| <br>Partizan Mostar                 |   |   |



## National team championships –Olympics

**FIBA.com** ☰

Rio2016 6 - 21 August

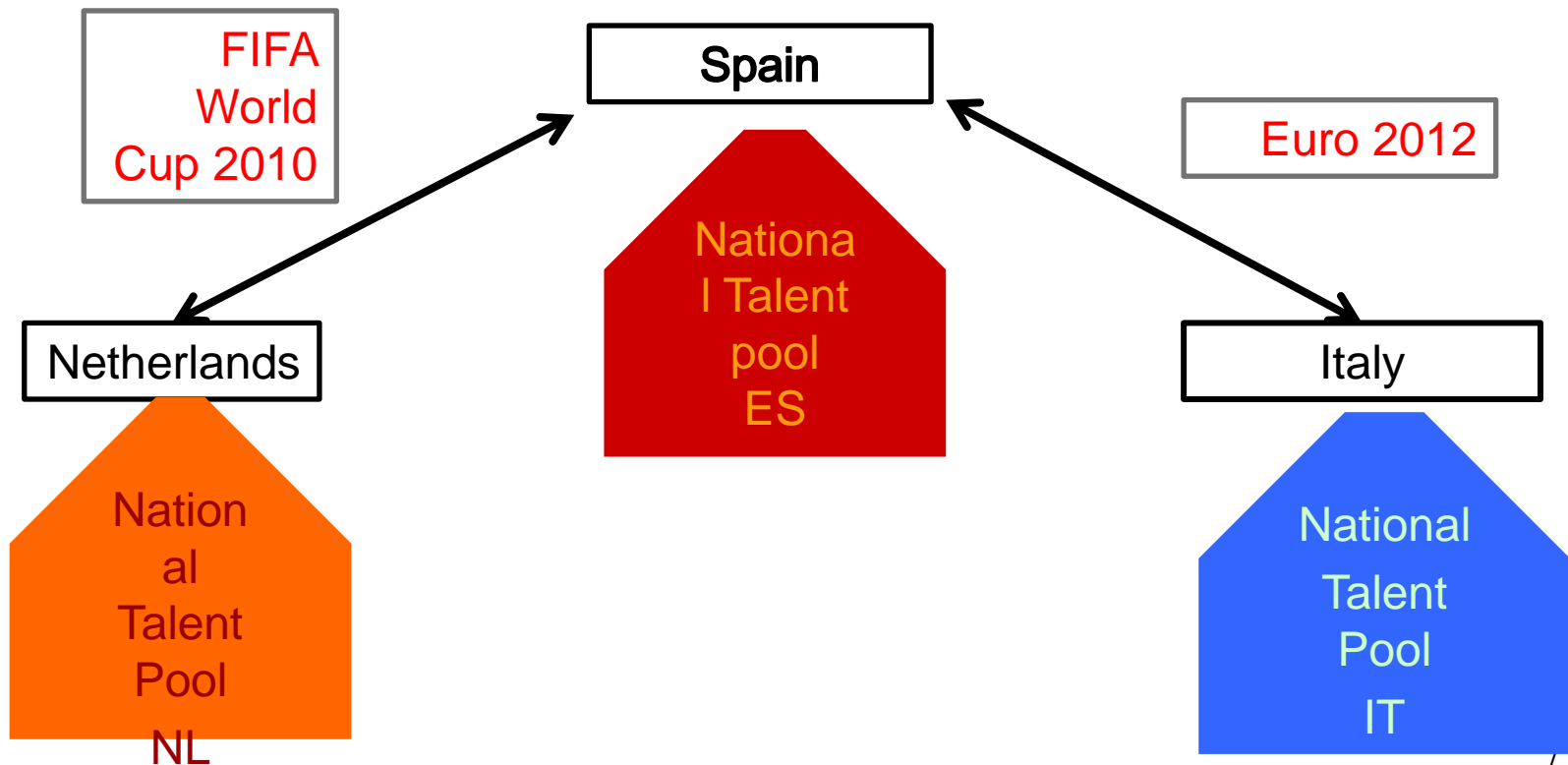
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21/08/2016 **GAME REPORT** Share this   

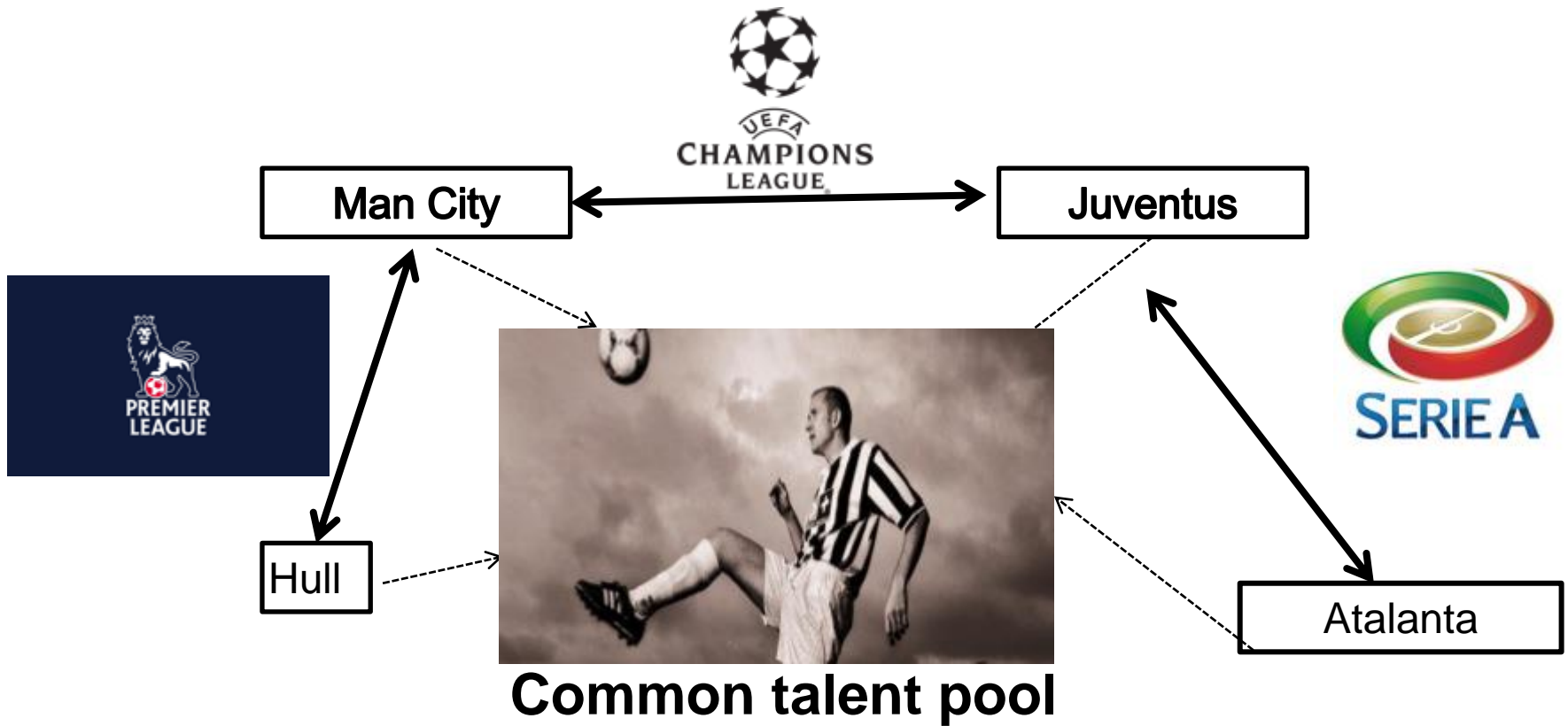
### USA beat Serbia to take third gold medal in a row



## National team competitions – national talent pools



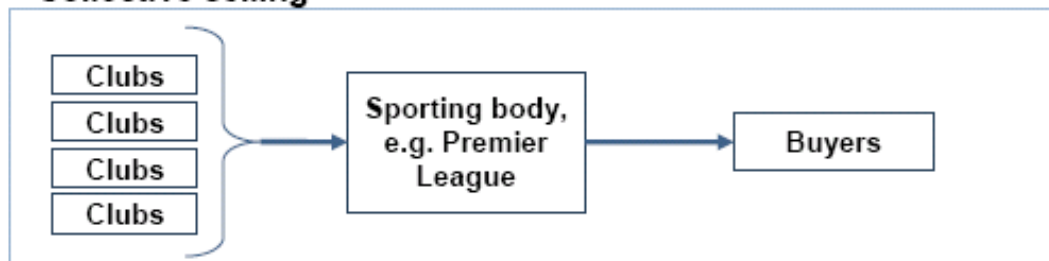
## Domestic and international club competitions - international talent pool





# There are three main ways in which rights are sold

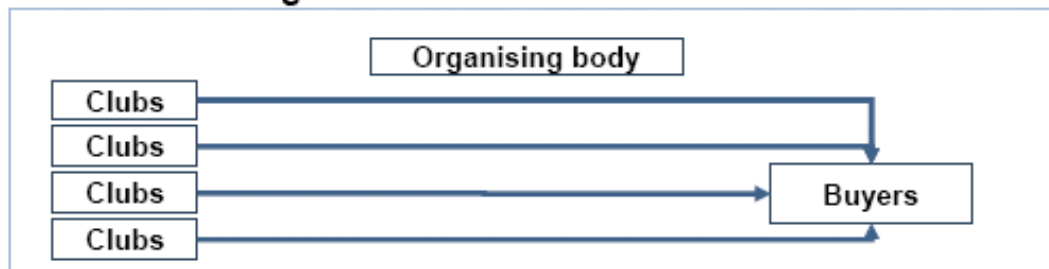
## Collective selling



- Rights are sold by the sports organising body/league on behalf of its members
- Income generated from rights sale is redistributed to clubs  
- e.g. Premier League



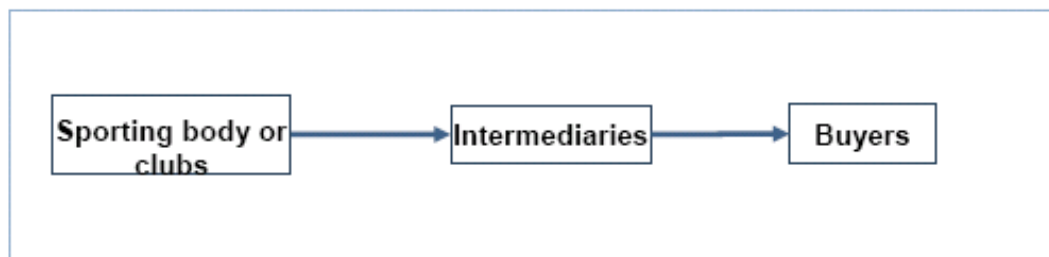
## Individual selling



- Rights are sold by clubs/teams directly to buyers
- Often this favours the stronger teams in a league / competition who own more valuable properties  
- e.g. Serie A, Italian Football



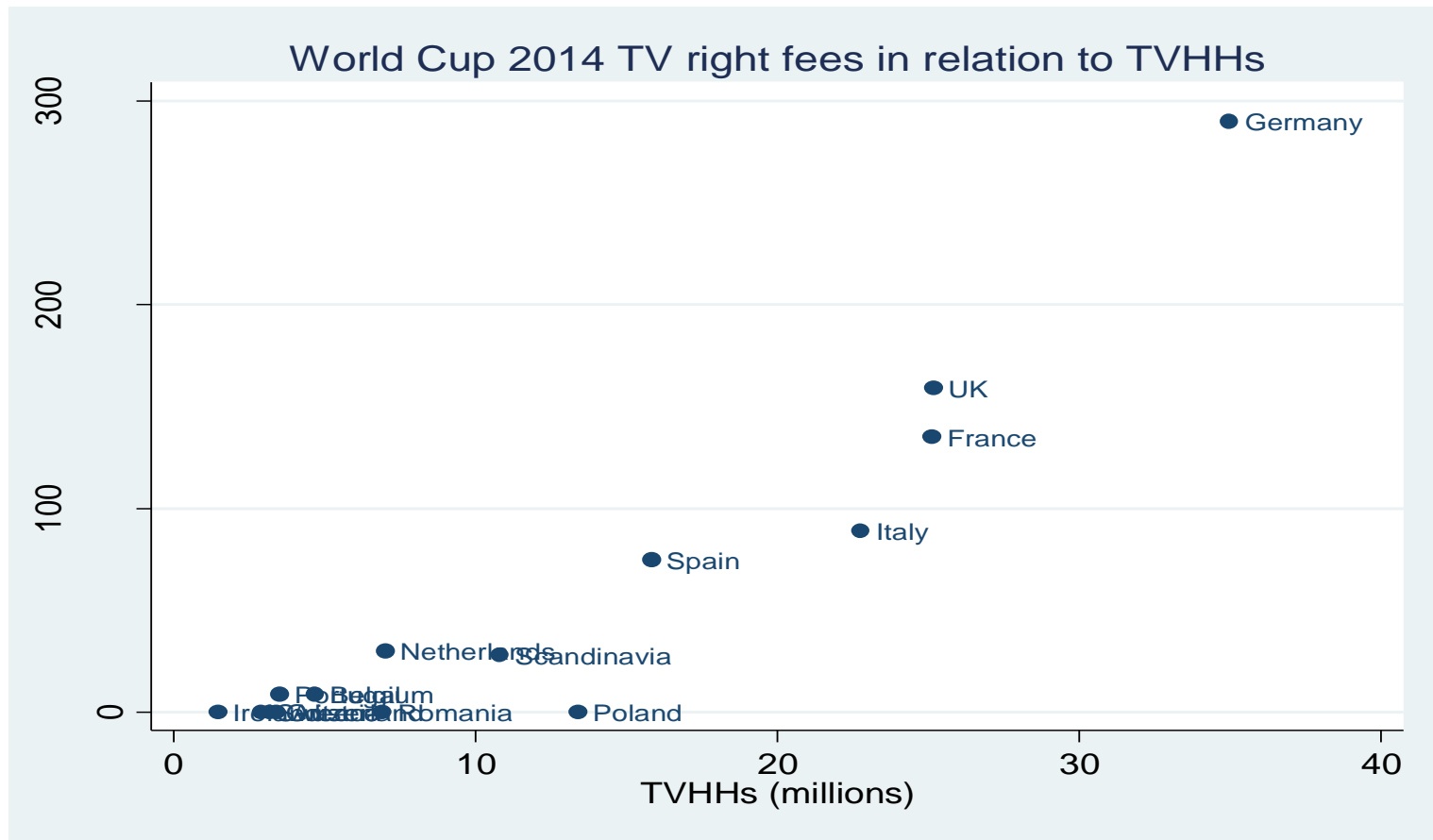
## Use of intermediaries



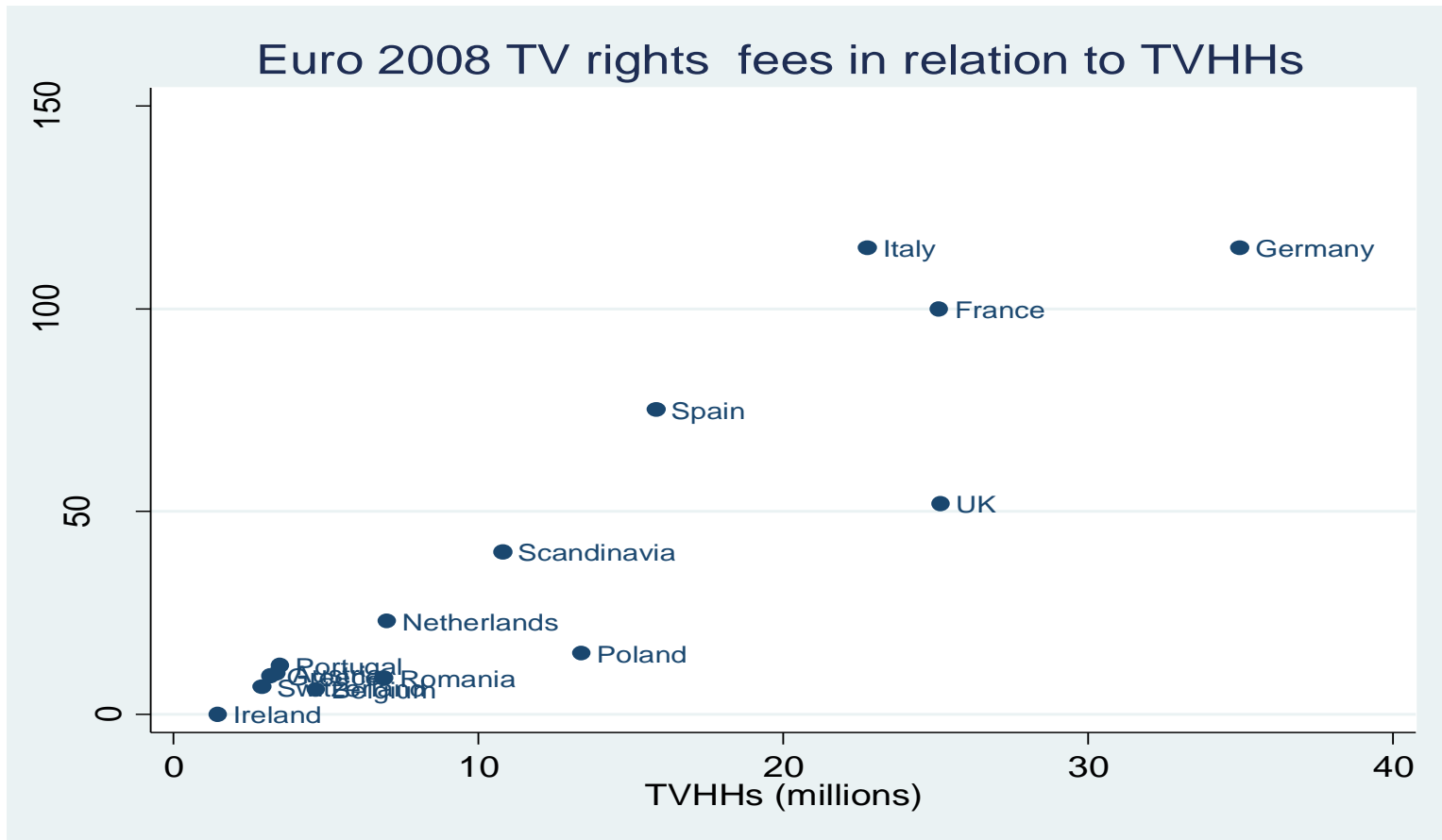
- Rights are sold to specialist intermediaries who sell on rights to buyers  
- e.g. FIFA's use of rights intermediary "Kirch" in the sale of the 2002/06 World Cup tournament



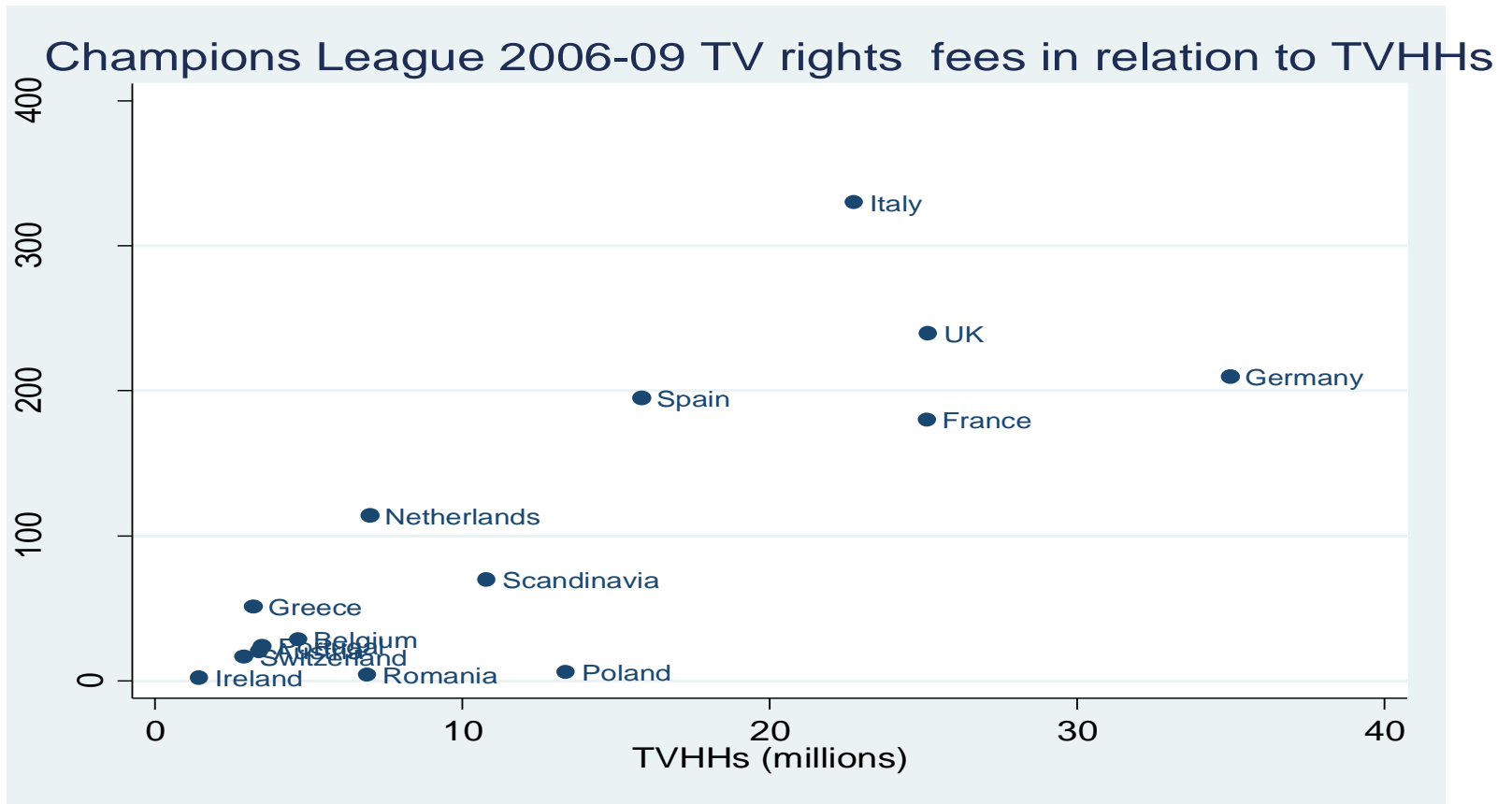
# World Cup 2014 TV right fees in relation to TVHHS



## Euro 2008 TV rights fees in relation to TVHVs



## UEFA Champions League rights fees 2006-2009 in relation to TVHH





European Olympic Committee



Fédération Internationale de l'Automobile

HERBERT SMITH

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*"The Rules of the Game"*  
*Conference Report & Conclusions*

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# "The Rules of the Game"

Europe's first conference on the Governance of Sport  
Brussels, 26 & 27 February 2001



Conference Report & Conclusions

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## Six fundamental governance principles:

### 1. ROLE AND FUNCTIONS

Governing bodies must provide a clear statement of their role and the functions they perform to support their members and other groups with a legitimate interest in their activities.

### 2. SEPARATION OF POWERS

Good governance requires that there should be a separation between the roles of:

- (i) making and amending of sporting rules as the primary legislative function;
- ii) making and reviewing executive decisions regarding the management of financial resources and organisation of sporting events; and
- (iii) resolving disputes between members, sporting participants and other relevant third parties.

### 3. BOARD STRUCTURE

Clear rules determining admission and register of members of the governing body. Members shall choose representatives to hold office by democratic elections. Term limits of a maximum of two or three terms?.

## Six fundamental governance principles (continued):

### 4. TRANSPARENCY AND ACCOUNTABILITY

Governing bodies will provide sufficient reasoning for all of their actions and decisions.

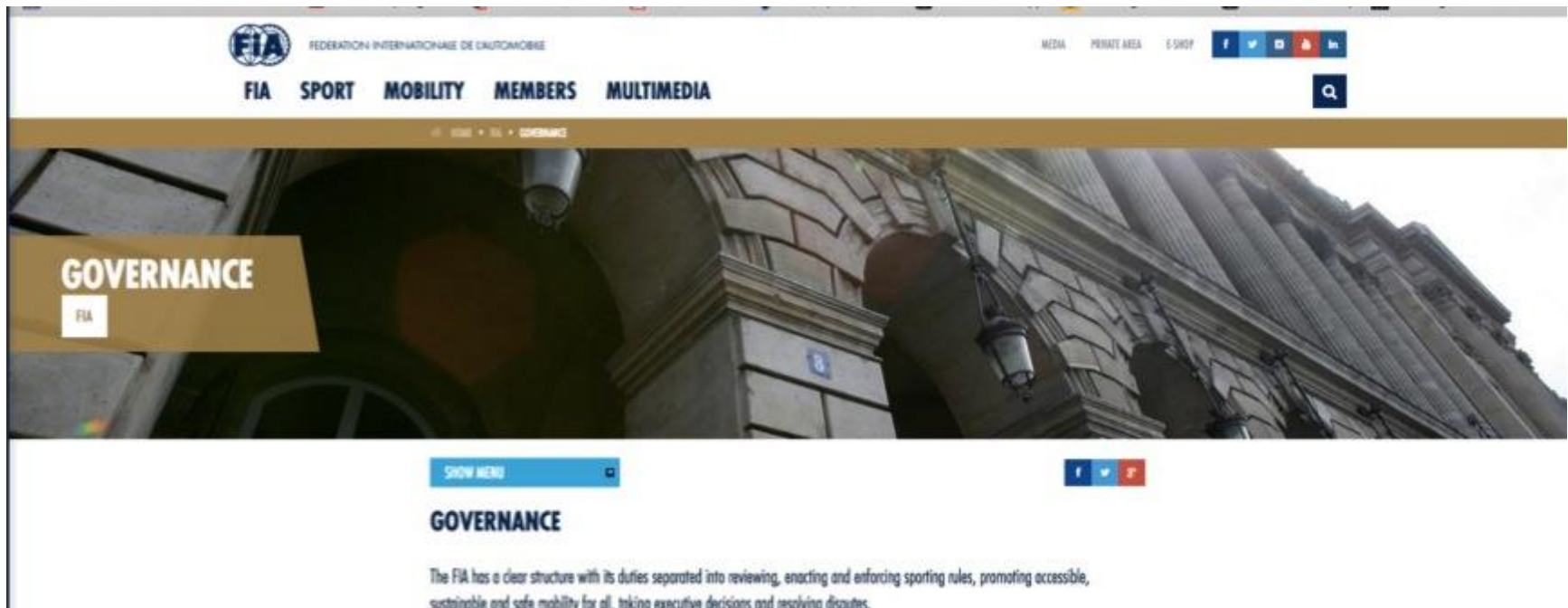
### 5. DISPUTE RESOLUTION

Governing bodies shall ensure that a procedure exists for resolving differences.

### 6. COMMERCIAL ACTIVITIES

There should be a clear demarcation between the governing body's governance function and any commercial activities.

## Governance in Practice - FIA



FIA FEDERATION INTERNATIONALE DE AUTOMOBILES

MEIA PRIVATE AREA E-SHOP

FIA SPORT MOBILITY MEMBERS MULTIMEDIA

GOVERNANCE

GOVERNANCE

SHOW MENU

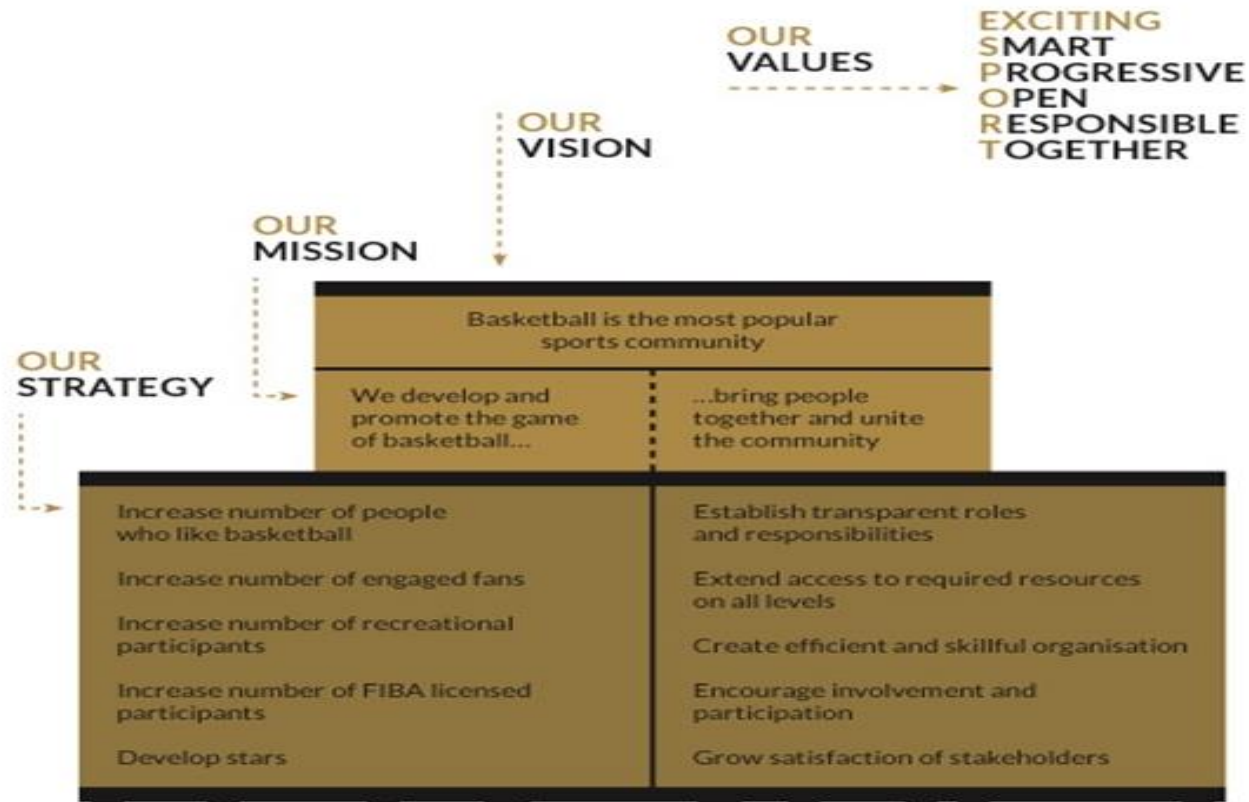
The FIA has a clear structure with its duties separated into reviewing, enacting and enforcing sporting rules, promoting accessible, sustainable and safe mobility for all, taking executive decisions and resolving disputes.

**The FIA has a clear structure with its duties separated into reviewing, enacting and enforcing sporting rules, promoting accessible, sustainable and safe mobility for all, taking executive decisions and resolving disputes.**



# Governance in practice - FIBA

## Strategy



- Questions?