



FEDERATED GROWTH

UNLEASHING INDIA'S SPORTS ECONOMY



December 2019



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FOREWORD BY **FICCI**



Dilip Chenoy
Secretary General
Federation of Indian Chambers of Commerce and Industry

It is widely acknowledged that in India sports can be used as an instrument to affect profound socio-economic change. Universal primary education, increase in basic incomes, rapid economic growth, world class infrastructure and a digitally empowered population are goals that India wants to meet – and fast. Sports can help the country fulfil these aspirations. Indeed, in the last few years, government has given the much-needed attention to sports. In 2016, NITI Aayog released a 20-point action plan to help win India 50 medals in the 2024 Olympics. In 2017, the Narendra Modi government launched Khelo India, a national programme that aims to integrate sports in everyday life.

The responsibility to fulfil these admirable goals of the government rests with state and national level sports federations. There are, therefore, questions to be asked. What is the health status of these nodal bodies? And what can be done to ensure that there are no hurdles in their growth?

Federations are the heart of India's sports industry. They nurture athletes, recruit new talent, maintain infrastructure, expand audience bases, liaise with governments and engage with demanding fans. A federation in any sport has to be a robust, well-oiled machine with high levels of operational efficiency.

In this first-of-its-kind report, we provide a detailed examination of how crucial federations are to India's sports economy. We also analyse six factors that affect the success of sports organisations. These include, sources of funding, the ability to identify and develop talent, opportunities to participate in international events, the state of sports infrastructure and medical support services.

Judicial disputes, insufficient government funding, lack of transparency, mismanagement and a clear demarcation of roles of different sports bodies hamper the functioning of India's sports federations.

This report has looked at the solutions to the federations' problems in detail. We hope that various stakeholders will analyse it in the right spirit. After all, the core of India's sports ecosystem needs to be reformed and strengthened to fulfil over a billion aspirations.



Vivan Sharan
Partner
Koan Advisory Group

Sports in India have grown phenomenally in the last decade, exemplified by the growth of private leagues promoted by federations.

The success of the Indian Premier League (IPL) for cricket laid the foundation for other similar leagues. Today, badminton, soccer, kabaddi, wrestling and volleyball have followed the IPL's lead and established new benchmarks for sports in India.

Apart from widening the popularity of these sports, private leagues have helped realise previously hidden economic value. Media companies can help monetise new content, sponsors have new properties to support, and consequently, the sports economy has deepened considerably. Moreover, players and athletes can realistically think of a career in sport in India today - the first step towards better international performance.

This report highlights that private sector investments in sport can solve some of India's most pressing concerns. They can help build human capital, justify investments in infrastructure, bring stability to otherwise uncertain income levels of sportspersons and provide a booster shot to the economy. In other words, private sector investment in sports can be among the priority steps to unleash animal spirits and revive the economy.

We hope that all stakeholders will pay due attention to the recommendations in this report, and help build India's sports ecosystem.



EXECUTIVE SUMMARY



Sports federations play a pivotal role in the sports ecosystem, as they engage directly with athletes, coaches, international federations, and other influential stakeholders such as the government, the media and sponsors. Six factors used to evaluate the condition of the sports ecosystem in India. These factors are funding, talent development, administration, competition opportunities, infrastructure, sports science and sports medicine support. Our analysis suggests that funding and governance are the two most important factors for successfully unleashing the Indian sports economy.

Funding enables the development of infrastructure and facilitates deployment of technical expertise such as sports medicine and sports science for the benefit of athletes. It also enables federations to conduct and attend competitions more frequently, which furthers athletic training and provides selectors with important information about players' performance under pressure. Importantly, many federations now organise league-format competitions which provide Indian sportspersons the chance to play with international competitors and allow federations to raise funds through media rights and sponsorship. Media rights are the largest source of revenues and must be protected and promoted.

Governance related issues pertain to the lack of accountability and transparency in the practices of sports federations, besides the lack of technical expertise among managers. While the Central Government has sought to ensure minimum standards of governance among national level sports federations, federations at other levels are not within the ambit of the code. To enable holistic development of the sports ecosystem in India, it is important to focus on improving the funding and governance of the ecosystem.

In this context, some of the key highlights of this report are:

- Sports is a state subject in India and state governments are responsible for funding infrastructure development, conducting competitions and awarding prizes to athletes. However, most states spend less than one percent of their Gross State Domestic Product on sports and youth affairs. The private sector is uncontestedly the engine on which India's sports ecosystem runs.
- Ticketing fees, merchandise, and sponsorship are all sources of revenue for sports federations. However, unlike developed economies, ticketing fees is not a major source. Moreover, federations which rely on grants for a majority of their funds have very low income. Federations which have high income earn a majority of it from media rights.
- Federations have also used leagues as an instrument to popularise sports and to expose players to high-quality competition. Close to a quarter of Indian Soccer League players are from other countries. Such exposure helps deepen the local talent pool and can attract top-tier coaches and trainers

- Currently, only national level leagues are monetised well. However, experiences from other countries indicate that leagues at sub-national levels can also be monetised. However, an absence of a clear delineation of responsibilities among National Sports Federations hampers fund mobilisation, sports development, and athlete promotion. Experts have suggested that including sports in the concurrent list is essential to ensure that a common governance framework applies to all sports federations. This is essential to develop a national sports strategy.

- The institution of a national sports regulator is another suggestion to ensure that national sports federations follow a minimum standard of governance.

- In recent years, there has been progress in India's international performance in other sports such as badminton, weight-lifting, shooting, wrestling, kabaddi, boxing, tennis, football, squash and even gymnastics. However, relative to countries like the US, China, Australia or even much smaller countries like Jamaica and Kenya, India's performance at the international level remains subpar. While the reasons for underperformance are many, the major structural deficits that contribute to it are a lack of sporting culture and low levels of funding.

- Lack of infrastructure is one such structural deficit. Public-private partnerships are key to enhancing infrastructural funding. Moreover, corporates now support several sports programmes that aim to develop talent, as part of their corporate social responsibility activities. Consequently, now there are major investments in academies, training centres and performance institutes across hockey, football, tennis, athletics, martial arts, etc. Such activities and channels of infrastructure support must be promoted in light of fiscal constraints to government spending.

- The Faculty of Sports Science established by the Sports Authority of India and the Army Sports Institute to identify sports talent, enhance their performance through scientific evaluation and implement modern methods of scientific training. Replicating such initiatives in other locations and expanding the scope of their services will help provide access to sports science services to a greater number of sportspersons and consequently help unleash the sports economy.

Finally, the report recommends that a conducive policy and legal environment for private sector investments is key to unleashing the sports economy. Elements of such a climate include policy certainty, ease of doing business and credible government commitment to create public infrastructure necessary for the growth of sports. Moreover, encouraging professional management of sports bodies is among the most effective ways to ensure that sports federations serve the interest of all stakeholders in the ecosystem.



INTRODUCTION



Sports is a ready avenue to improve health and fitness levels in the Indian workforce, which can augment labour productivity. It is a tool that can enable fundamental development objectives such as universal primary education by motivating children to attend school, introduce overall lifestyle changes and improve health standards. It is important for India to leverage sports as a tool for human capital development to sustain long term economic growth.

According to the United Nations, a quarter of the projected increase in the world’s working age population, aged 15-64 years, will occur in India. By 2040, India will add 30 crore more working age adults and would become the single largest contributor to the global workforce. The country has a demographic dividend window of 15 years and has the potential to reap considerable economic benefits during this period.

The sports ecosystem in India includes athletes, coaches, national sports authorities and federations, international sports federations, fans, state and central governments, and private investors. For holistic development of the ecosystem, it is essential to ensure that the interests and efforts of these stakeholders are aligned and synchronised.

Sports federations can have an instrumental impact on the sports ecosystem since they are closely associated with athletes, investors, and coaches, and can employ technical expertise to contribute to the overall development of the sports ecosystem in India. Currently, there are 56 recognised national sports federations in India, two regional federations and eight special federations. Besides these, there are many federations which govern sports development at the state and sub-state level, and national level federations which are not recognised by the national government.

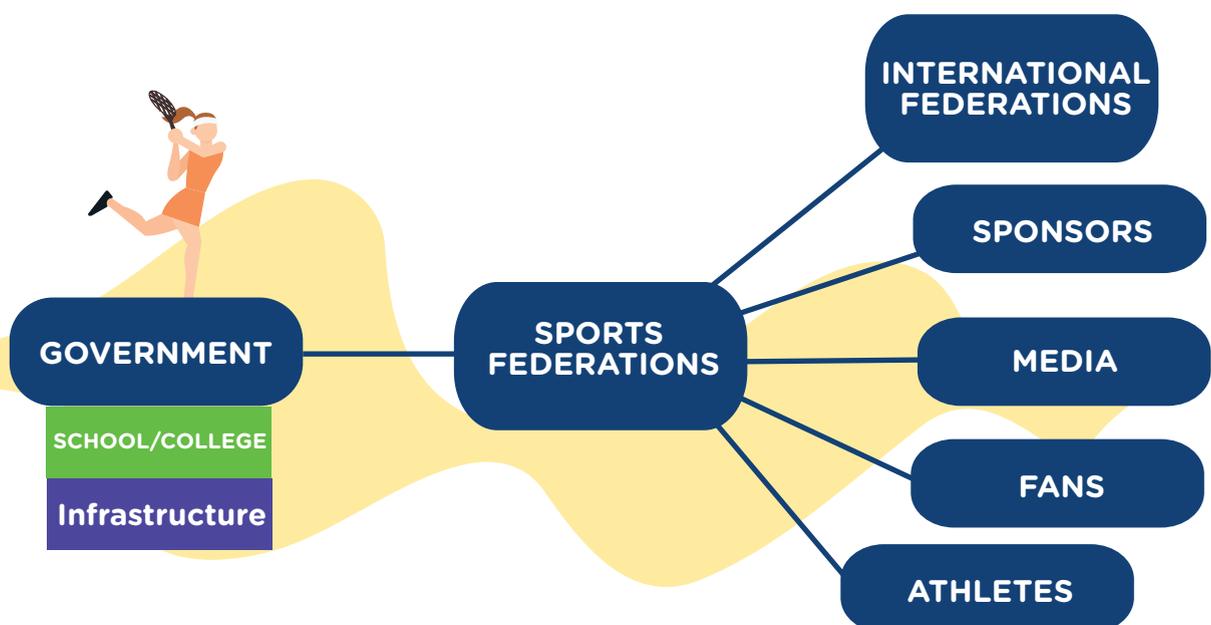


Figure 1: Sports Ecosystem in India

For sports to prosper in India, it is imperative that National Sports Federations (NSFs) which govern them are in good health. Indeed, these governing bodies are the heart of a robust sports ecosystem. It is the job of NSFs to ensure player prosperity, maintain infrastructure, generate revenue, attract public and private sector investments, widen audience bases and recruit new talent. These are the pillars on which any sporting environment stands. In order to achieve their stated objectives, NSFs need to be in sound financial health. However, that is easier said than done.

Research by De Bosscher et al (2006) classifies factors which can affect sporting development in a country among three levels: macro, meso and micro level factors . Macro level factors include a country's demographic endowments, cultural practices and economic development. Policymakers can influence them to a limited extent and usually only in the long run. Meso level factors are those which can be affected directly through sports policies, such as the development facilities and regular competition opportunities to sportspersons. Micro level factors include factors such as genetics, team dynamics, etc.

Among the macro and meso factors, academic research has identified six factors important for the success of sporting organisations:

1. Funding
2. Talent development and talent identification
3. Clear understanding of the role of different agencies and simplicity of administration
4. International competition opportunities
5. Infrastructure
6. Sports science and sports medicine support services

In the remainder of this report, we discuss each of these factors in detail in the Indian context. We investigate the role of the sports federations in contributing to the improvement of each of these factors in India, and identify the challenges that federations face for contributing to sports development.



FUNDING



Funds are the most important factor for the success of a sporting organisation as they determine the quality of support facilities, healthcare, coaching and the level of competitions that athletes gain access to. Financial resources also determine rewards that potential athletes can expect from a career in sports.

There are two primary sources of funding in the sports ecosystem: private and public. The former includes investments in private leagues, sponsorships, broadcasting rights and contributions under Corporate Social Responsibility, among other charitable contributions. Public investments in sports are aimed at human capital development, fostering social comity, and instilling a sense of national pride and unity.

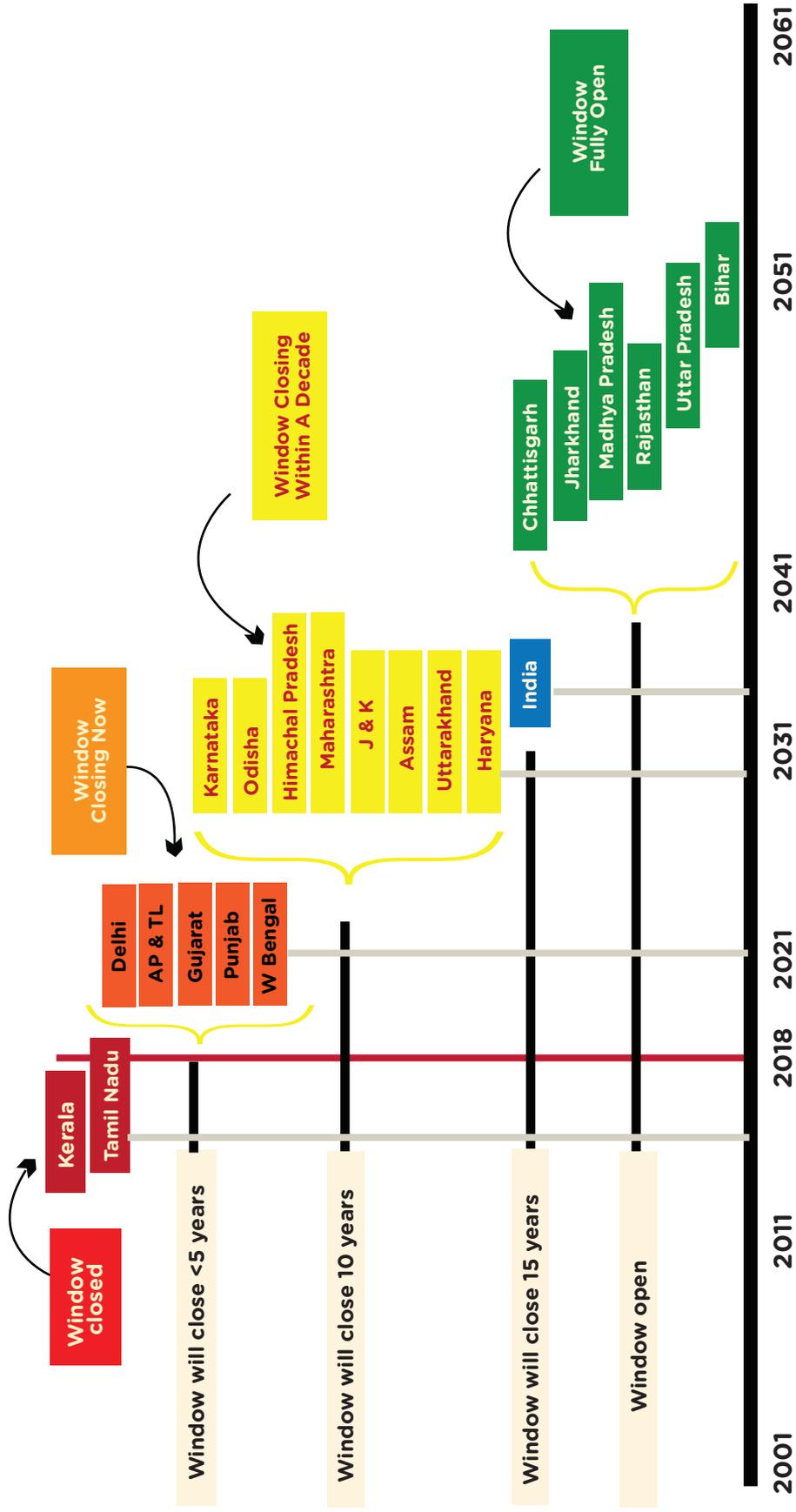
Sports is a state subject in India and state governments are responsible for funding infrastructure development, conducting competitions and awarding prizes to athletes. Most states spent less than one percent of their Gross State Domestic Product (GSDP) on sports and youth affairs. Maharashtra spent the highest amount on the development of sports and youth affairs, whereas the governments of Karnataka and Haryana, only spent 0.12 percent and 0.26 percent of their total expenditure on sports respectively (Table 1).

According to the United Nations Population Fund, these states will have a demographic window open for the next 10 years, and the investments that they make in sports development during this time period can significantly impact their economic growth in the long run (Figure 2). States with low levels of development such as Uttar Pradesh and Rajasthan, which characteristically have low GSDP and high population, have a fully open demographic window.

Human capital development is one of the most important avenues for these states, and it is important for these state governments to invest in the sports sector. In FY 2018, UP spent only 0.05 percent of its total expenditure on sports, and Rajasthan spent 0.06 percent of its total expenditure. This points towards the general public view of considering sports to be a recreational consumption activity instead of an investment in public health and social development.

Recent programmes of the Central government such as the Fit India movement have sought to leverage the potential of sports for human capital development, which state governments can also emulate.

Figure 2: Demographic Window for Selected Indian States



Source: UN Population Fund, 2019

Table 1: State Government Expenditure on Sports

State	Sports Expenditure (FY18) (INR crore)	Share of GSDP (%)	Share of State Expenditure (%)
Maharashtra	11050.80	0.57%	3.85%
Tamil Nadu	162.41	0.01%	0.08%
Gujarat	436.37	0.04%	0.27%
Uttar Pradesh	171.75	0.02%	0.05%
Karnataka	226.91	0.02%	0.12%
West Bengal	369.03	0.05%	0.20%
Rajasthan	108.21	0.02%	0.06%
Andhra Pradesh	305.69	0.05%	0.21%
Telangana	333.64	0.06%	0.23%
Delhi	848.22	0.15%	2.07%
Haryana	246.35	0.05%	0.26%
Assam	175.98	0.08%	0.27%
Meghalaya	37.70	0.16%	0.08%
Sikkim	110.89	0.67%	1.84%
Nagaland	65.35	0.40%	0.41%
Arunachal Pradesh	78.62	0.50%	0.54%
Mizoram	27.36	0.19%	0.29%

Note: Estimates for Delhi include education, sports, art and culture. Capital expenditure, a subset of total expenditure, for Telangana, Assam, Sikkim and Nagaland includes capital outlay on education, sports, art and culture. Figure pertain to youth affairs and sports for all states except Uttar Pradesh.

Additionally, the union government provides monetary support to sports federations and central agencies like the Indian Olympic Association (IOA) and the Sports Authority of India (SAI). It also awards prizes to exceptional sportspersons. In FY 2018, the Ministry of Youth Affairs and Sports (MYAS) spent INR 1393.21 crore on sporting development, which is 0.01 percent of India's GDP and 0.07 percent of the central government's total expenditure.

It is well-acknowledged that government funding for sports is insufficient. Athletes from Haryana have criticised the state's policy to allocate prizes and jobs to internationally recognised sportspersons. The Union government also noted that public funds can only supplement money that sports federations raise from the private sector.



In its latest guidelines for the Scheme of Assistance to NSFs, the MYAS said that the scheme “needs to be operated as a top-up scheme of the government for funding the short fall for important events such as the Olympics, Asian Games, CWG, international ranking tournaments, the events which have a long traditional history and internationally important events of major disciplines where the country has been doing well.”

Niti Aayog’s *Let’s Play* action plan encourages investments in marketing and advertising across private leagues. It also emphasises the need to maximise revenue from theatrical rights, internet rights, sponsorships, franchise fees and gate revenues.

The private sector is the engine on which India’s sports ecosystem runs. It invests in developing private leagues and broadcasting sports competitions. Ticketing fees, merchandise, and sponsorship are all sources of revenue for sports federations. However, unlike developed economies, ticketing fees are not a major source of revenue for the sports industry since Indian consumers do not spend a significant amount of money on entertainment (Table 2).

Table 2: Indian Household Expenditure on Entertainment Services

Year	Average Monthly Household Expenditure on Entertainment (INR)
2006-7	60.44
2009-10	74.6
2011-12	107.55

Source: NSSO survey-Rounds 63, 66, and 68.

Note: All prices adjusted to FY 2019 levels using CPI with base year 2011-12.

Table 3 shows that of these, media revenues are the largest contributor towards the income of the BCCI and Hockey India. According to EY estimates (March 2019), media spends in India’s sports industry in 2018 amounted to INR 5900 crores. In contrast, the combined revenue from ground sponsorship, team sponsorship, ticketing, F&B and endorsements amounted to just INR 4000 crores, for the same time period.

Importantly, Table 3 shows that federations which rely on grants for a majority of their funds have low income. Federations which have high income earn only a minor share of it from grants, and the majority of it from media rights. Cricket, Football and Hockey earn more than 50 percent of their income from media rights.



Table 3: Income and Expenses of Sports Federations (INR crore)

Federation	Year	Expenses on Sporting Development	Total Income	Share of Operational Income in Total Income	Share of Media Income in Total Income	Share of Grants in Total Income
BCCI	FY16	2306.77	2453.88	92.51%	56.48%	-
AIFF	FY18	180.00	181.85	91.17%	87.48%	8.42%
Badminton Association of India	FY17	23.00	58.96	52.99%	41.28%	5.03%
Hockey India	FY18	36.79	37.61	74.95%	73.73%	20.37%
Wrestling Federation of India	FY16	3.42	3.96	28.1%	-	68.0%
Handball Federation of India	FY18	1.32	1.33	13.53%	12.76%	85.13%
Athletic Federation of India	FY16	2.93	3.41	53.48%	52.73%	43.60%
Basketball Federation of India	FY17	0.96	2.53	96.44%	35.18	-
Boxing Federation of India	FY17	3.47	1.90	67.89%	13.16%	32.10%

Source: Financial statements of respective sports federations

Among the sports federations listed in Table 3, the AIFF, Hockey India, and Wrestling Federation of India receive the highest amount of money from grants. This points to the level of disparity in government funding of sports bodies. According to the scheme to allocate money to federations, sports that perform well in international competitions are accorded 'priority status' or 'high priority status', which entitles respective NSFs to a greater share of government funding. Other federations rely on funding from the private sector, which makes it critical for these federations to be commercially viable.



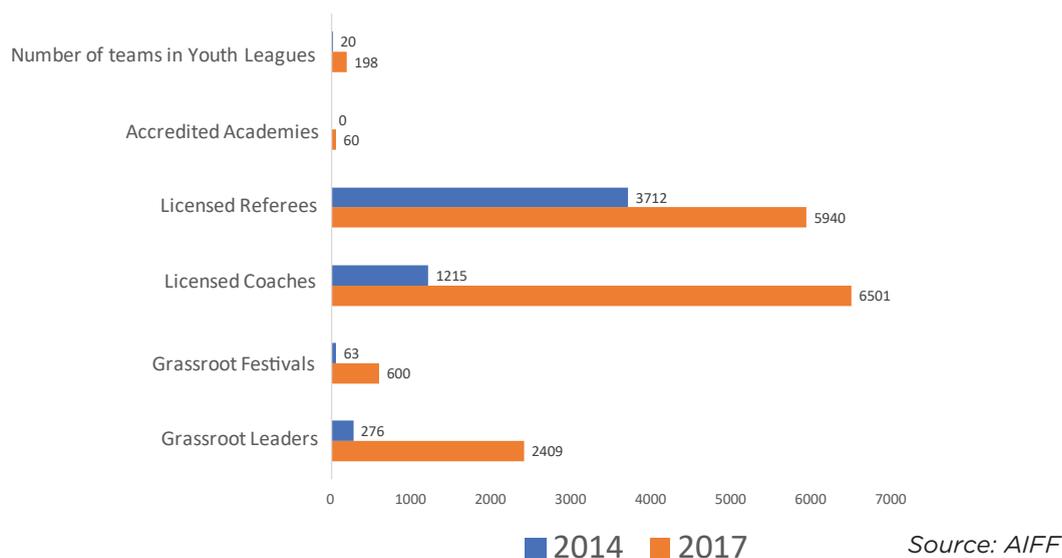
TALENT DEVELOPMENT



Sports federations in India play an important role to discover and develop talent, by conducting training camps and competitions at national and sub national levels. They also identify athletes who can represent India at international competitions. In fact, a sports body should have conducted annual national tournaments through inter-district competitions in every state/UT for three years to be recognised as a national sports federation. For instance, the AIFF has strategically invested in encouraging the uptake of football and has empowered local communities to engage with the sport. To achieve this, it has trained coaches, credited academies and conducted grassroots leagues -- competitions for 6-12-year olds.

The AIFF has also set up four academies to train athletes to compete at the FIFA U17 level competition in 2021. Similarly, the Badminton Association of India (BAI) has six national coaching camps, 24 international training/competition experiences, and five training and competition events.

Figure 3: AIFF's Contribution to Talent Discovery and Development



Federations have also used leagues as an instrument to popularise sports and to expose players to high-quality competition. Close to a quarter of ISL players are from other countries. Players from smaller cities, towns and rural areas can now rub shoulders with international stars. Such exposure helps deepen the local talent pool and can attract top-tier coaches and trainers.

The popularity of the Premier Badminton League (PBL) is one such example, becoming the 14th tournament that all top Badminton players across the world compete in. It is a launch pad for new talent in Indian badminton and the sport's ascendancy is linked to the growing popularity of PBL.

Additionally, other sports leagues have reinvigorated interest and participation in regional sports. The Pro Kabaddi League's last auction in May 2018 saw six players earn more than INR 1 crore in its sixth season. The highest salary of a player in season one was INR 12.8 lakh and in season 6 it was INR 1.51 crore – almost 11 times higher.

Box 1: Impact of Leagues on Sporting Talent

Perhaps the biggest beneficiaries of such tournaments as Pro Kabaddi League (PKL), Premier Hockey League (PHL) and the Indian Super League (ISL) are those who live in India's tier 2 and tier 3 cities. An exposure to and visibility on competitions like these has brought about a sea change in their lives.

Jackichand Singh, an ISL player from Manipur, Deepesh Sinha, a Pro Volleyball contestant and Monu Goyat, a PKL participant, owe their fame to these leagues. Their stories illustrate how players from tier-2 and tier-3, whose talents would've otherwise gone unnoticed, now have a chance to change their destinies.

1. Jackichand Singh the son of a tea vendor and a farmer, Singh's first brush with football came in 2004 when he left Manipur for Shillong to get enlisted in the army. He took part in a trial and was one of 10 players selected at the Army Boys Academy, where trained until 2009. Since that year, he has participated in several private leagues. Life changed in 2015, when Singh was shortlisted for the ISL auctions. The income he earned as a player empowered him to construct his own house, invest in land for his parents and buy his own car.

2. Deepesh Kumar Sinha Each time Dantewada hit the headlines, it was because of violent clashes between Maoist insurgents and security personnel. The district is amongst the worst affected by Naxal attacks and it was in this tormented environment that Deepesh Kumar Sinha grew up in. Outdoor sport was restricted to an hour a day or only within the school premises. There were no boys with whom he could play volleyball with. Each time Sinha went to school, it was under police protection. Life changed at 16, when he convinced his parents to let him go to Bhillai and play volleyball. Sinha's chances of securing a job would improve, he told them. Once he took the plunge, there was no looking back. In 2009, he was chosen to play for India and in 2019, he was bought by the Mumbai franchise of the Pro Kabaddi League for INR 9 lakh. Had it not been for volleyball, Sinha too would've been amongst the many young boys who've been led astray by Maoist insurgents.

3. Monu Goyat A resident of Hansi town in Haryana's Hissar district, Goyat barely earned Rs 31,000 in the pre-PKL days. The only reason he played the sport, he said, was because it guaranteed a government job. In 2018, the Haryana Steels team picked up this Army havildar, who belongs to a family of farmers, for INR 1.51 crores.

Singh, Sinha and Goyat are just a few of the many young Indians whose lives have been transformed by sports leagues. As mentioned earlier in the report, these tournaments emancipate athletes' economic conditions and give them the opportunity to demonstrate their talents. Had it not been for sports league, the talents of Singh, Sinha and Goyat would've been buried even before they were allowed to flourish.



For instance, prior to the IPL's inception, major Indian and international players played cricket largely during the international calendar. There was also the occasional domestic game to help them warm up. Consequently, the opportunities to watch international quality players in a local stadium were limited to one or two games a year. The IPL gives communities multiple opportunities in a year to go to the stadium and watch international quality competition. The same can be seen across leagues and tournaments.

Currently, only national level leagues are monetised well. However, experiences from other countries indicate that leagues at sub-national levels can also be monetised.

In the USA, athletic championships at school and college levels are monetised successfully. The National Collegiate Athletic Association (NCAA) provides opportunities to student athletes across 1200 universities, and generates revenue via broadcasting rights, ticket revenues and sponsorships. Television and market rights comprise more than 80 percent of the money for the NCAA programme. It leverages these earnings to provide scholarships for male and female collegiate athletes, across a suite of sports programmes across the country, which supports nearly half a million student athletes. These initiatives expose individuals with athletic backgrounds to a diverse set of employment opportunities and create a beneficial multiplier socio-economic impact.

In other countries, private leagues have also leveraged revenue earnings to create affiliate structures and provide opportunities to those players/social groups who are talented but cannot participate in the primary sports tournaments in their countries. Developmental leagues, reserve team leagues, women's leagues, and secondary teams are common across sports in many high value sporting jurisdictions across Europe, South America, North America, etc.

Sports federations are the nodal bodies tasked with selecting players. Thus, they play a key role in providing athletes the opportunity to participate in international competitions -- the first step to establish themselves as marquee players. Once they become brands, companies pay these players hefty sums of money to endorse their products/services and, in the process, create a lucrative revenue stream. Often, the international success of exceptional players doubles up as a branding exercise for the sport they play. Today, tennis, chess, badminton and boxing are synonymous with Sania Mirza, Vishwanathan Anand, PV Sindhu and Mary Kom, respectively.



ADMINISTRATION



Sports bodies in India follow a decentralised structure, with federations at the national, regional, state and district levels. Additionally, the Indian Olympic Association (IOA) and the Sports Authority of India (SAI) play an important role in the distribution of resources among various sports bodies. Public and private investors are also important stakeholders in this ecosystem.

Due to the involvement of multiple stakeholders, it is important to institute robust systems which ensure that individual organisations are held accountable, function effectively and coordinate with other bodies seamlessly. A clear system that delineates responsibilities of different sports agencies is vital to smoothen administrative processes. This, in turn, will ensure effective resource allocation.

Table 4: Number of Judicial Disputes Concerning Sports Federations since 2011

S.No.	Federations	Number of Disputes
1	All India Chess Federation	6
2	All India Tennis Association	1
3	Amateur Kabaddi Federation of India	4
4	Badminton Association of India	5
5	Basketball Federation of India	1
6	Bridge Federation of India	1
7	Cycle Polo Federation of India	1
8	Equestrian Federation of India	1
9	Hockey India	7
10	Indian Body Builders Federation	1
11	Indian Weightlifting Federation	1
12	National Rifle Association of India	6
13	Squash Rackets Federation of India	2
14	Swimming Federation of India	4
15	Table Tennis Federation of India	1
16	Volleyball Federation of India	6
17	Wrestling Federation of India	8
18	Yachting Association of India	1
	Total	57

Source: Manupatra

The absence of a clear delineation of responsibilities among NSFs hampers fund mobilisation, sports development, and athlete promotion. For example, the growth of gymnastics has suffered immensely since the Gymnastics Federation of India was derecognised by the MYAS in 2011 .

The contentious and complicated team selection process for international Gymnastics events impacts resource allocation and opportunities that athletes have access to . In other sports, players, administrators and investors expressed concerns over the manner in which nodal bodies are run. In several instances, disputes over the governance of sports federations have turned into legal cases.

In 2011, the government introduced the National Sports Development Code, which included guidelines for the management and governance of national sports federations (Figure 4). The roles and responsibilities of the MYAS, the Sports Authority of India (SAI) and the NSFs have also been delineated in this code (Figure 5). However, it only applies to NSFs that send teams to represent India abroad, and want funds from the central government. Otherwise, the management of sports is the responsibility of state governments in India.

Figure 4: Key Themes in the National Sports Development Code, 2011

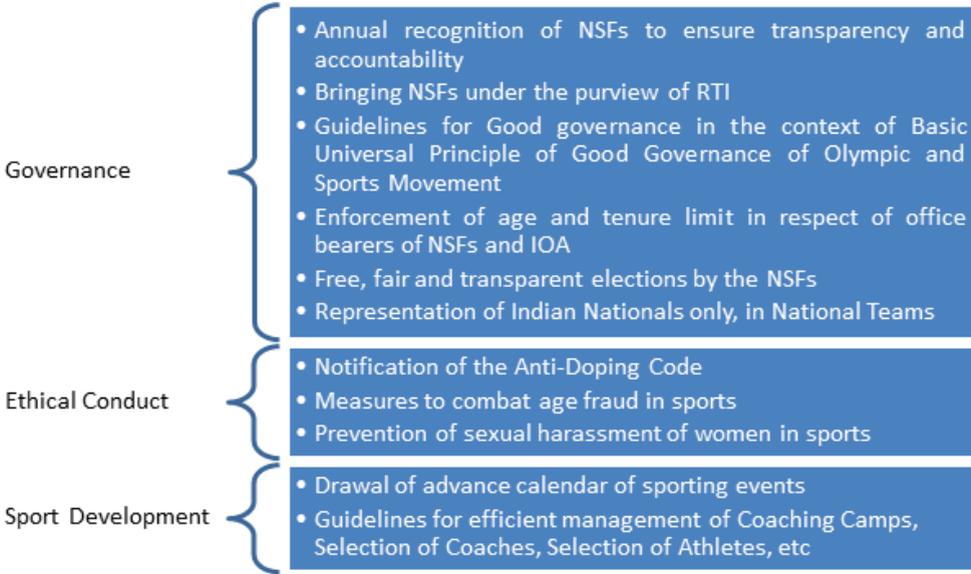
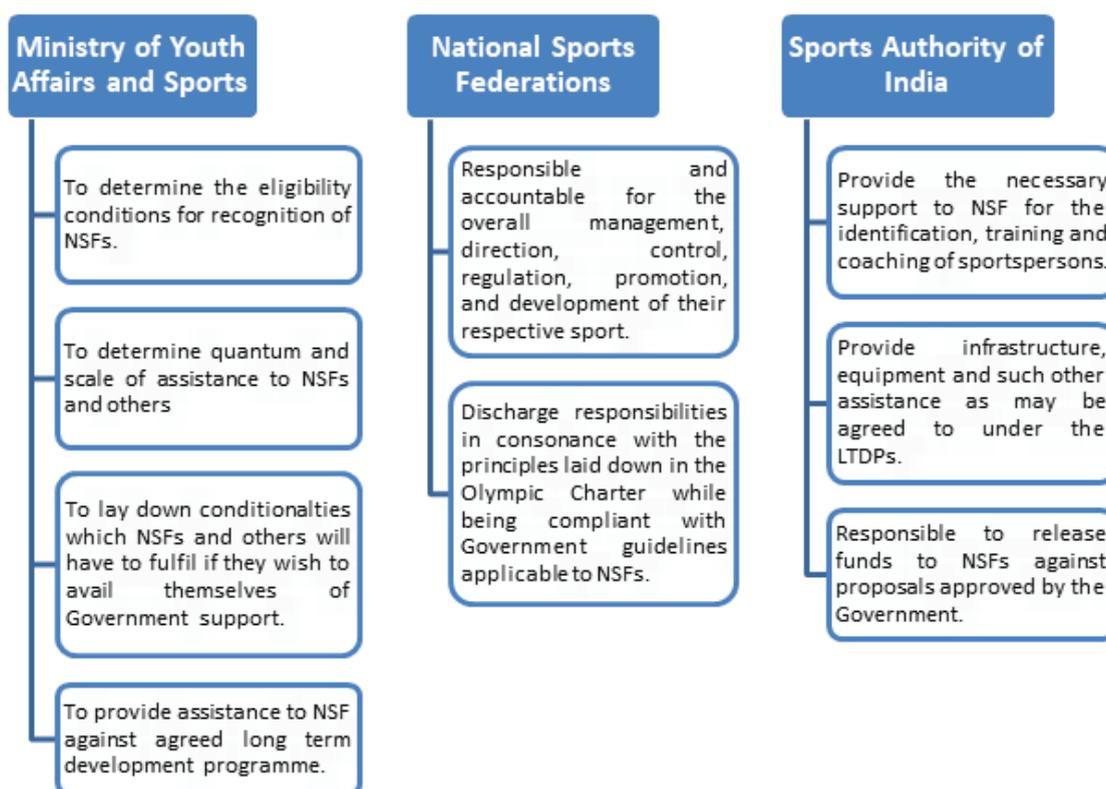


Figure 5: Responsibilities Delineated in the Sports Code



In fact, national-level sports federations that do not want recognition from the MYAS do not mandatorily have to abide by any minimum governance standards and fulfil specific responsibilities. A prominent example of this is the Board of Cricket Control in India. This highlights one of the key points of contention regarding the governance of sports federations in India: balancing the autonomy of the sports federation with the need to ensure accountability and transparency in its functioning. NSFs are closely associated with athletes and have the technical expertise required for effective sports administration. They have repeatedly resisted government interference in their affairs, including efforts to pass the Sports Bill or amend the Sports Code.

Experts have suggested that including sports in the concurrent list is essential to ensure that a common governance framework applies to all sports federations. This is essential to develop a national sports strategy. The institution of a national sports regulator is another suggestion to ensure that national sports federations follow a minimum standard of governance.

COMPETITION OPPORTUNITIES



Exposure to high-pressure competitions is important for the development of elite athletes, as it provides opportunities for sportspersons to improve their capabilities to perform under pressure and informs the selection bodies about players' competence. Sports federations organise national and sub national level competitions in India and select athletes to participate in international level competitions. Thus, sports federations directly impact the opportunities that are available for athletes to participate in.

In recent years, there has been progress in India's international performance in other sports such as badminton, weight-lifting, shooting, wrestling, kabaddi, boxing, tennis, football, squash and even gymnastics. India has also experienced recent successes by becoming the only South Asian country to qualify for the AFC Asian Cup in 2019 (football), winning the Men's Kabaddi World Cup in 2016, consistent medal performances at second-tier international events such as the CWG and Asian Games, periodic successes at double's events at grand slams in tennis, and of course the recent medals at the Olympics and other international events in sports like badminton.

However, relative to countries like the US, China, Australia or even much smaller countries like Jamaica and Kenya, India's performance at the prime international level remains subpar. It has never participated in the FIFA World Cup, no Indian has ever won a singles grand slam in tennis and its performance at the Olympics leaves a lot to be desired.

India has the lowest per-capita Olympic tally and merely received 28 medals at the Summer Olympics in its entire history; and none at the Winter Games. After a good performance at the 2012 London Olympics where the Indian contingent won 6 medals, India sent a much larger contingent for the 2016 Summer Olympics in Rio De Janeiro, hoping to build on that tally. However, it managed to only win two medals indicating a considerable drop in performance. Even in sports such as field hockey, where India has won 11 medals (including 8 Gold), India has not won a single medal since the last time it won gold in 1980.

Table 5: Comparative Table Indicating Performance at Summer Olympics (1896-2016)

Jurisdiction	Gold	Silver	Bronze	Total
India	9	7	12	28
China	224	167	155	546
Brazil	30	36	63	129
Russia (since 1996)	148	125	153	426
South Africa	26	31	29	86
United States	1022	795	705	2522
South Korea	90	87	90	267
North Korea	16	16	22	54
Japan	142	136	161	439
Jamaica	22	35	21	78
Kenya	31	38	34	103
New Zealand	46	27	44	117

Source: International Olympic Committee Database

While the reasons for underperformance are many, the major structural deficits that contribute to it are a lack of sporting culture and low levels of funding. Indian athletes do not get exposure to international competitions, which further adds to the poor performance of India. M.R. Poovamma, an Indian athlete, said in an interview that India can perform much better at international level if players had more international exposure and financial support to attend those competitions.

Athletes spend a lot of money from their own pockets on training and sometimes even on conveyance, which should ideally be coming from the government or sports federations. Gaps in funding can be remedied by enhancing private sector involvement in the sector, whereas federations can invest in engaging with school and college level athletes to build a sporting culture in the country. The AIFF's "Grassroots Leagues" can serve as an example for other sports.



INFRASTRUCTURE



Infrastructure development must complement the growth of leagues and tournaments, in conjunction with government initiatives like Khelo India. Together, these events should be seen as a critical window of opportunity for India's sports development story. Currently, India has about 100 sports facilities which meet international standards. The scale and scope of investments in sports infrastructure span:

1. Redevelopment and maintenance of existing sporting infrastructure;
2. Establishing new stadiums and training centres; and
3. Sporting academies, schools of excellence and universities

To sustain sports development, there is a need to quickly increase quality of competition and concomitantly improve infrastructure. Most of the sports infrastructure in India has been developed by the government. While some of it remains underutilised, other facilities require investments in repair and maintenance. The role of private sector participation is paramount. This is because the allocation of funds in campaigns like Khelo India and to departments like the Sports Authority of India (SAI) is not enough to meet growing demands of infrastructure and facilities.

A July 2019 response in the Lok Sabha, states that infrastructure projects sanctioned under the Khelo India programme for the year 2018-19 costed INR 348.71 crore. **Considering India's sports infrastructure market for 2018 was INR 76000 crores, government expenditure forms only a fraction of the entire segment. Such deficits in state capacity indicate that future Indian performances at international competitions will have to rely on considerable support from the private sector.** The National Sports Development Fund is the central government's allocation plan for providing assistance for investments in sports development. For allocation of money, sports are classified into categories 'priority', 'high priority', 'other' and 'general'. Priority and high priority sports are allocated a higher share of government funds, and are chosen on the basis of success in international events (Table 6).



Table 6: Grants for Infrastructure Development under the National Sports Development Fund (FY 2017 - FY 2020)

Organisation	INR crore
Abhinav Bindra Foundation Trust, Mohali (Punjab)	5.00
Abhiruchi Institute of Physical Education, Guwahati (Assam)	1.17
Ashwini Sports Foundation, South Koduge (Karnataka)	0.83
Dibrugarh District Sports Association	1.23
Har Har Mahadev Seva Bhavi Sanstha, Dhule	0.38
J & K Sports Council-Baramulla	1.80
Karnam Malleshwari Foundation	1.25
Mary Kom Regional Boxing Foundation, Imphal (Manipur)	0.62
Pullela Gopichand Badminton Foundation, Hyderabad (Telangana)	1.00
Sarita Regional Boxing Academy, Imphal (Manipur)	0.25
Sports Authority of India	40.70
UP Badminton Association, Lucknow, Uttar Pradesh	2.75
Usha School of Athletics, Kozhikode (Kerala) (through SAI)	1.24
Grand Total	58.21

Source: Press Information Bureau, 2019

In this context, NITI Aayog, India's nodal policy making body, in its "Sports Revitalization Action Plan" has emphasised the importance of encouraging private sector participation in the development of sporting infrastructure. Public Private Partnership (PPP) models are also chosen because they enable adequate risk sharing across concerned stakeholders. Sports policies at the state level in Gujarat, Haryana, and Karnataka have also sought to invite the private sector to participate in sports infrastructure development and management.

Corporates support several sports programmes that aim to develop talent, as part of their corporate social responsibility activities (CSR). Consequently, now there are major investments in academies, training centres and performance institutes across hockey, football, tennis, athletics, martial arts, etc.

High performance centres are also being established across India which brings athletes access to international coaches, nutritionists, mental and physical coaches/trainers. The Khelo India scheme, a primary driver of development activities in Delhi-NCR and Mumbai, also supports the development of sports academies by the private sector. It has received a boost in the form of investments from participants in major international leagues, who set up academies for talent development.

The effect of such leagues in spurring the popularity of sports has resulted in a proliferation of technology start-ups and entrepreneurial use cases. These endeavours address issues like underutilisation of sports facilities and providing online services to locate/book playgrounds and academies for activities like yoga, volleyball, badminton, football, tennis, cricket, etc.





Sports science and medicine is important to ensure that athletes can achieve their athletic potential and continue to perform in the long run (Figure 6). Sports medicine is also important to ensure that players are not discouraged from participating in a sport after they suffer injuries. There is a general consensus that India lags behind developed nations in creating a robust ecosystem for sports science and medicine.



Figure 6: Aspects of Sports Science and Sports Medicine

The Ministry of Youth Affairs and Sports (MYAS) in its Scheme for Human Resource Development in Sports points out the need for developing adequate human resources in the areas of sports science and sports medicine, since the performance of athletes depend largely on the availability of trained personnel in the said field. However, MYAS allotted only a meagre amount of INR 4 crore in the financial year 2017 for the scheme.

Dr. Chandran, president of the Indian Federation of Sports Medicine, also brought up the issue of the scarcity of sports medicine experts in the country. In 2013, Sports Authority of India (SAI) had only three sports doctors, two sports psychologists, two physiotherapists and only one nutritionist for the country .

Extensive research has been done in order to determine the meso level factors due to which a nation can excel in a particular sport and developing a robust ecosystem of sports medicine and sports science is one of them. Various committee reports in India found that scientific research required for the development of most of the sports was in a rudimentary stage or non-existent at all. **The absence of a dedicated research centre in India for sports worsens the situation since dissemination of scientific information to coaches to integrate research with sports practice does not take place.**

Federations have done little to support the development of sports science and sports medicine in the country. The lack of technical expertise among federations managers translates into an apathy towards the role of interventions such as sports psychology and nutrition in ensuring the welfare of sportspersons. Besides this lack of technical expertise, federations have limited funds to spend on sports science and medicine.

BCCI, which is the richest sports body in India, spent only INR 93 lakhs on physiotherapists in financial year 2016, which was only 0.04 percent of their total expenditure in the corresponding year. Even if they have funds, athletes and federations do not have access to high quality of sports science in India. Many sportspersons go abroad for medical treatments. In 2012, cricketers like Sachin Tendulkar, Ishant Sharma, Zaheer Khan, etc. went abroad for their treatments and spent more than INR 34 lakhs within three months. Recently, two prominent cricketers – Hardik Pandya and Jasprit Bumrah – went to the United Kingdom for the treatment of their back.

India can holistically develop its sports medicine ecosystem by developing dedicated research institutes and sports medicine centres. **The Faculty of Sports Science has been established by the Sports Authority of India and the Army Sports Institute to identify sports talent, enhance their performance through scientific evaluation and implement modern methods of scientific training. Replicating such initiatives in other locations and expanding the scope of their services will help provide access to sports science services to a greater number of sportspersons.**

It is important to skill professionals in sports science and medicine. Such measures can be instituted under the aegis of the Sports, Physical Education, Fitness & Leisure Skills Council at the National Skills Development Corporation. Importantly, sports training institutes must be incentivised to sensitise athletes about the importance of sports science, especially since many athletes firmly believe in traditional notions of fitness and nutrition and are not open to the idea of making changes to their diet and fitness regimen based on scientific best practices.



RECOMMENDATIONS



Federations are central to the development of India's sports ecosystem. They get funds from the government and the private sector and channel them to develop sports. Talent discovery, audience interest and infrastructural support for athletes are some of the functions that these bodies perform. Therefore, healthy sports federations are integral to the development of an ecosystem that serves all stakeholders..

Our analysis shows that access to funds and accountable governance are the two fundamental challenges that prevent the growth of sports federations. Lack of monetary resources has restrained athletes' access to sports infrastructure and sports science. Questionable governance practices affect selection procedures, talent development and expenditure on sports promotion.

Funding

Sports federations generate revenues from ticketing, merchandising, sponsorships, media rights, government grants and charitable contributions. Among these sources, income from the sale of media rights contributes approximately 31 percent of revenues to the sports ecosystem valued at INR 18,500 crores.

These investments popularise the sport, helps increase revenues from such other sources as sponsorships. In recent years, private sector media investments in sports have been driven by leagues, many of which are owned by sports federations. Such investments, mainly, help cover the lack of government funding of sports in India.

It is important to ensure a conducive policy and legal environment for private sector investments because they're vital to the growth of India's sports ecosystem. Key elements of such a climate include policy certainty, ease of doing business and credible government commitment to create public infrastructure necessary for the growth of sports.

Box 2 provides specific details of a proposed amendment to the Sports Act, as an example of a policy intervention which may erode investor confidence.



Box 2: Preserving Value in Sports Broadcasting

In October 2018, the Ministry of Information and Broadcasting (MIB) initiated a public consultation to amend the Sports Broadcasting Signals (Mandatory Sharing with Prasar Bharati) Act, 2007. The Sports Act governs the TV broadcast of sporting events of 'national importance'. Worldwide, similar laws ensure that citizens access particular events of national significance. Such regulations are tricky to administer since competing interests need to be carefully balanced. On one hand, citizens should not be denied access to events of national or cultural importance. On the other, this cannot be done at the cost of the development of the underlying sports ecosystem itself.

To provide free access to the largest number of viewers, the proposed amendment states that (a) any content rights holder/owner; and (b) any television/radio broadcasting service provider can only carry a live broadcast across a cable/Direct to Home/Internet Protocol TV/terrestrial/radio broadcasting medium of a sporting event of national importance when it shares the broadcasting signal (without advertisements) with Prasar Bharati. The proposed amendment aims to enable Prasar Bharati to retransmit the shared signal over private distribution platforms/networks, in addition to its proprietary distribution networks.

This amendment will undermine the value of investments made by media-rights owners in distributing sports content over TV, Radio, and other media. For example, TV viewers would not pay for private sports channels which broadcast matches if they're available to watch for free on Doordarshan. It will reduce the subscription and advertising revenue that TV channels can earn from broadcasting sports events. Consequently, broadcasters may lose the incentive to invest in sports content, thus depriving federations of a major source of revenue.

The Sports Act was enacted at a time when TV and radio were the only media to broadcast sports and are regulated based on considerations of spectrum scarcity. The ecosystem has now evolved with the proliferation of content. As a result, market-led innovations and new service models have augmented consumer access. The viewership of sporting events of national importance has improved considerably due to social media, delayed feeds, mini highlight clips, and general television/internet access.

Even without the proposed amendment, India's current mandatory sharing framework is suboptimal. The procedural infirmities of the mandatory sharing framework can be demonstrated by simple examples, like an MIB gazetted notification dated 27 January, 2017. For hockey, the Ministry notified fixtures for the Gandhi Gold Cup -- a tournament that has not been played since 2004. Additionally, the MIB invokes extant processes at the last minute, when broadcasters ask for the final set of permissions to telecast live events. For instance, the ministry notified all games of the Hockey World Cup 2018 as events of national importance, a mere 15 days before its telecast. Prior to this, only matches played by India, the semi-finals and finals were classified as events of national importance, based on which broadcasters had bid for the rights.

Media investment-led growth is a common theme in most robust sports economies across the world. When compared with advanced jurisdictions we find that India's approach adds an avoidable layer of uncertainty for investors in the local sports economy. We also find that the infrastructure and access challenges that may have prevailed when the Sports Act was passed in 2007, appear to have been offset by technological and regulatory changes. It is evident that government should consider initiating a multi-stakeholder process to redraw the framework.

Governance

This report highlights multiple instances of athletes suffering due to the mismanagement of sports federations. The lack of regularly organised competitions, inadequate infrastructure for training and competitions, and unfair selection practices are some consequences of bad governance of sports federations. Besides athletes, other stakeholders including investors, audiences, and international competitors are affected by the governance of sports bodies in India.

Through the National Sports Development Code, 2011, the MYAS has sought to ensure that sports federations comply with minimum requirements of governance and transparency. However, sports is a state subject in India and this code can only be enforced for sports federations which seek to send athletes representing India to international competitions and which aspire to receive grants from the central government.

It is important to ensure that sports federations at all levels adopt such practices. Previous sports minister Rajyavardhan Rathore urged state level sports federations to follow the NSDC in 2018. Efforts to pass an amended version of the Code and to pass a Sports Bill have not materialised so far.

Encouraging professional management of sports bodies is one of the most effective ways to ensure that sports federations serve the interest of all stakeholders in the ecosystem. It is important to ensure that individuals managing sports federations have the necessary technical expertise to do so, instead of the current practice of appointing individuals who may be resourceful and well-connected but lack the domain expertise necessary to run a federation. This requires developing a pool of professionals engaged in sports management, sports administration, sports science and sports medicine.

Currently, the Sports, Physical Education, Fitness and Leisure Skills Council and National Skills Development Council provides training and certification. On the other hand, it is important to incentivise such professionals to work in India and for the youth to seriously consider a career in these professions. Doing so requires long term efforts aimed at enabling sustainable funding of the sports ecosystem, and investing in India's overall capability to compete and win at an international level. In the short run, the government may collaborate with sports federations to conduct training workshops for the current set of sports federation managers.



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