



# For a Free and Fair Sporting Sector in India

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## ABSTRACT

The question that this report seeks to answer is: 'which one can be a successful model in sports in India: Planned Approach or a Spontaneous Order?' The study explains that planned sporting activities in India have not led to any significant achievements for the country in competitive sporting events. In other words, government spending on sports has failed to generate substantial returns in terms of producing competitive athletes or good sports facilities to promote them.

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## Executive Summary

Freedom and financial independence from the state are decisive in improving sports in India. The federal government is a facilitator of sports development in the country. However, it has been observed that in recent times cronyism is a constant phenomenon in sports associations/councils. In the most glaring case, India was banned from participating in the Olympics by the International Olympic Committee (IOC) in 2012.

Individual sporting events in India are handled by (seemingly) autonomous federations which are supported at the state and district level by similar agencies. These federations have voting rights in the Indian Olympic Association (IOA). With the presence of a considerable number of politicians (who have no background in sports) as presidents or other representatives of these associations, it is worth speculating that there are gains in holding these posts. Interviews with stakeholders confirm these speculations to an extent. These interviews also reflect the rot that is facing the state controlled sporting sector. This in turn, raises the question as to what role the state should play in developing sports in India.

The year 2008 was a landmark in sports development in India with the introduction of a new model in cricket. Prior to this, and since the World Cup victory in 1983, cricket gained huge popularity compared to other sporting events in India. Hosting the cricket World Cup in 1987 and the financial support received from business houses in India for the event were decisive. The game gained sufficient revenue to make it financially independent from the government.

The new model further accentuated this progress and provided opportunities for several youngsters to take it up as a career. The model's success was imitated in other major sports including football, hockey, badminton and the indigenous game of kabaddi. Some of these events are in the nascent stage of development, but the options that it has left open is crucial for creating a future generation of sportspersons from India.

With the spurt of sporting events in the new century, it becomes necessary to understand how a new model came up in cricket which seems to have considerably influenced the sector. It also needs to be understood if this growth could be further encouraged and in what manner.

The voluntary support of private individuals and investments from the business community for developing the sector was a crucial feature of this growth. Such a voluntary association has brought more accountability and transparency to sports in India. The failure of the state on a lot of fronts is already being remedied by private investors. To further this would be the best option for developing sports. The state can further its mandate

to the IOA by ensuring the autonomy of sports in the country and keeping it from undue political interferences. What is required is a spontaneous order in sports facilitated by minimal involvement of the federal government.

## Introduction

State involvement in sports in India was institutionalised at a much later date from independence. It was after the 1982 Asian games that the department of sports was transformed into the department of youth affairs and sports. Much later in 2000, these departments were converted into a Ministry of Youth Affairs and Sports (MYAS).

The Indian sports governance infrastructure consists of two separate bodies managing sports in the country: The MYAS on and the IOA. As per the Olympics charter, the IOA should be an autonomous body and free from the administrative control of the Government of India. However, the Association receives support in the form of finance and infrastructure from the government and hence has a nominee of the government among its various ranks. The federal government too has been continuously offering a nominal amount to the sports sector in India in training, coaching, infrastructure, grants and initiatives. Yet the performance of sportsperson does not correspond to this spending.

India's performance in international sporting events saw a progress since 2000 following the launch of the MYAS. However, most events in which Indian sportsperson earned recognition were individual events for which the training was personalised to them. The culture of sports in India witnessed a sudden boost through the model of Indian Premier League (IPL) introduced in cricket. The model saw the formation of various leagues owned by private individuals and collectives sponsoring and buying players for the event. Cricket was modified from its existing format to suit this business proposal.

The success of the model was largely in the convergence of a shortened format of the game and its mass popularity effectively organised through the media. The effect was also seen in the attraction of hitherto unknown names in the game entering into the rank and files of the league. Over the years, the success of the IPL model was emulated in a series of other sporting events. Many of these events are in the nascent stages of its growth; but even at these stages, the combination of media exposure and a venue for players to earn a competitive remuneration boosted the potential of the sports.

The value earned by sportsperson in these domestic leagues also started reflecting in international events. In cricket and hockey, India has been able to experiment with its new pool of talent and reap success.

*The Trigger for Revival of Sports in India*

The most important question in this regards is on what triggered this successful experiment in sports? To answer this question it is necessary to trace the model as it originated in cricket.

Cricket had its specific features which played an important part. By the early 2000s, cricket had evolved into a sport that was mostly free from government control, although active participation of politicians was still a feature. Cricket in India was mostly managed by the Board of Control of Cricket in India (BCCI), an organisation formed over eight decades back in 1928, and which rose to the status of being completely independent financially from the government.

This freedom which the organisation gained was a crucial factor in the development of IPL. The theoretical argument is that financial independence and crucial exemptions from the state allowed for free decision-making in this sport. This was decisive for innovations in it. However, this independence was hard-earned and resulted from specific risks taken and support received from private investors.

Following the victory in the 1983 World Cup, India bid successfully to host the 1987 World Cup. This shifted the power centre in cricket from the UK to India.<sup>i</sup> It was also a key moment for specific private sponsors to invest in the games fortunes. Reliance Industries was the major sponsor of the 1987 world cup.<sup>ii</sup> The event was crucial as it broke the monopoly of decision making in cricket which was held by the UK and Australia. This was made possible by the BCCI by offering a better pay to the players and other members in the tournament.<sup>iii</sup> Private sponsors have ever since flocked around all major cricketing events in the country.<sup>iv</sup>

The new format of cricket grew from this spontaneous order triggered by the liberal environment free from the state's financial control. Much of this liberal environment was prompted by the flow of investments into the game by competing private sponsors.

The best players, the best pitches, best venues and a sizable audience were gathered from across the world; and more importantly started growing out of this environment. While the spontaneous order facilitated innovation, the sport was yet to be completely autonomous from political and government control.

## **I. Evaluating the State's Involvement since Independence: The Nature of Management and Outcomes**

Sports in India face two broad issues. At the onset, one of the oft repeated accusations is that the country lacks a general sports culture<sup>v</sup> and a suitable environment which nurture talent. On the other hand, federal governments have been the sole controller of this sector in terms of financially and institutionally supporting the various activities. This has created a complex network of policies and constraints which feeds into the loop of restricting the development of a sports environment in the country. So the first problem is largely aggravated by the second. In this section these two issues are examined.

In the early 1950s, the Federal Government created the All India Council of Sports (AICS) to apprehend the declining standards of sports in the country. An ad-hoc committee was formed to support the AICS in 1958. It was responsible for recommending a Central Training Institute that would offer standardized coaching facilities. The National Institute of Sports (NIS) in came up at Patiala's Moti Bagh Palace in 1961.

Sports in India is listed in Entry 33, List II of the constitution and is necessarily under the domain of the federal states. As early as 1988, a proposed amendment of the federal constitution tried to accommodate sports in the concurrent list, in which the central government could also share equal responsibility. This amendment bill was withdrawn in 2009. The efforts to improve sports in India by introducing changes in the policy domain includes: National Sports Policy 1984, National Sports Policy 2001, a Comprehensive National Policy 2007 and a Draft National Sports Development Bill 2011 and a Sports Development Code 2011. The 2011 Bill sought to introduce transparency in sports administration in India and to make it open to public scrutiny.

The existing model of governance of sports in India has two wings. One in which government bodies are controlled by the MYSA. This wing has institutions like the Sports Authority of India (SAI), and other institutions working towards promoting sports training under SAI. The other wing has the Indian Olympics Association (IOA). Under IOA comes the State Olympic Associations (SOAs) and the National and State Sports Federations (NSFs and SFs). However, the MYSA provides financial and infrastructural support to the National and State Sports Federations and indirectly control these federations through political representations.

In addition, at the federal state level, there are sports councils and development authorities. Most of these sports councils have political nominations and hence are directly controlled by the federal state governments (See Figure 1).

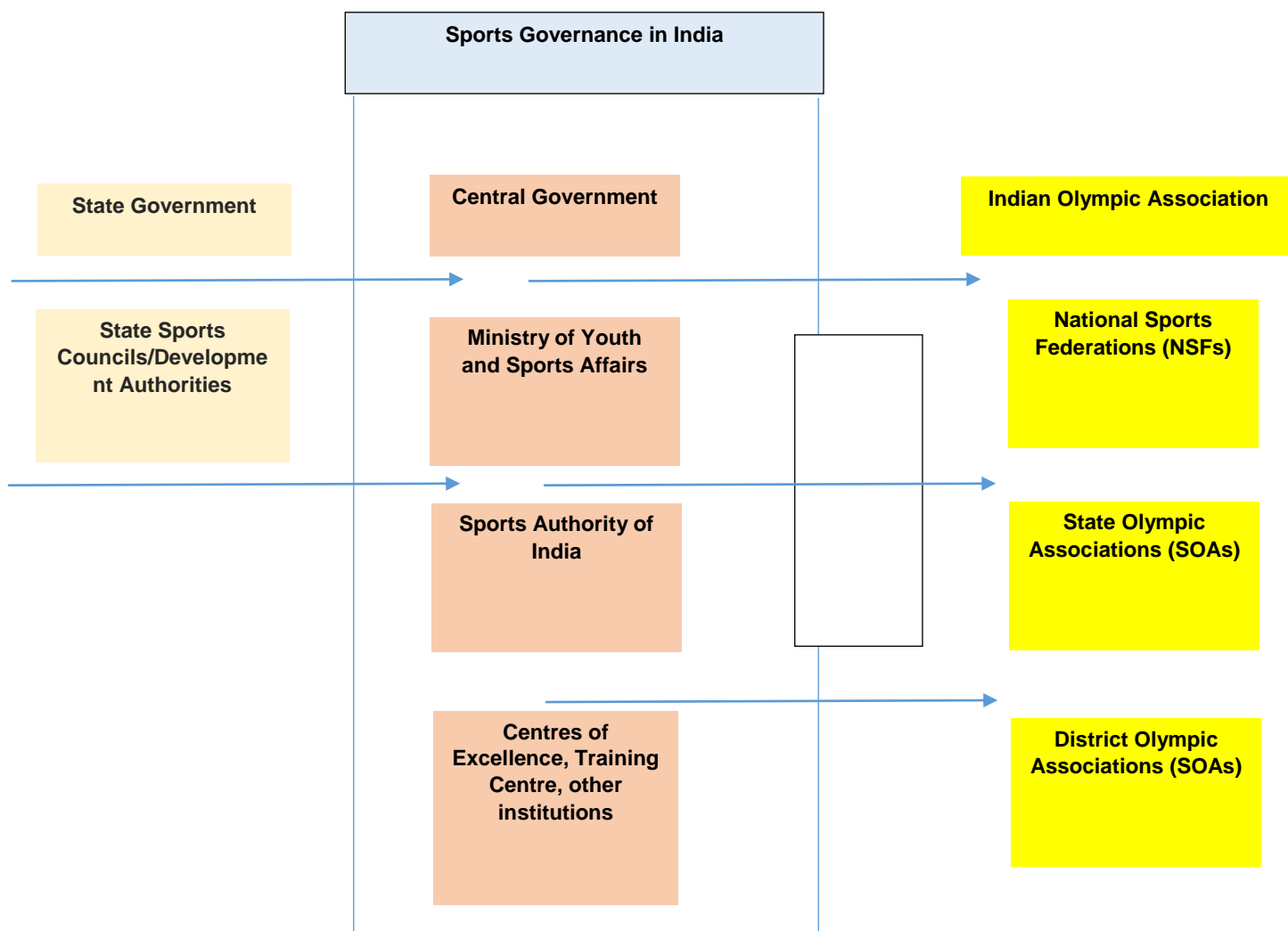
The IOA exercises jurisdiction over the whole of India on the rules and regulations of the Olympic Charter. It works in coordination with the NSFs to implement the spirit of the Olympics in India. IOA assist “in cooperation with National Sports Federations the selection, training and coaching of the teams that will represent India in the Olympic /Asian /Commonwealth /South Asian Games and other international competitions and tournaments, under the patronage of the IOC as well as the IOA.”

It also mediates between the NSF and the Government of India for financial assistance and support to the federations. One of its major mandates in this regard is to “to resist in the realm of sports all pressures of any kind, whether of a political, legal, racial, religious or economic nature.”<sup>vi</sup> The IOA also has specific mandates to “steps for the diffusion of Olympism in the teaching programmes of Physical Education” and “for the creation of National Olympic Academies, Olympic Museums and other cultural institutes related to the Olympic movement.”

The Olympic Charter 2013 also mandates: “To oppose any political or commercial abuse of sport and athletes; and to encourage and support the efforts of sports organisations and public authorities to provide for the social and professional future of athletes.” It emphasises facilitating a harmonious relationship between the governments of different member countries and their respective National Olympic Commissions.

Although participation in international events as well as organising events have a longer history in India, any serious consideration towards developing the sports sector arose much later. Hosting the Asian Games in 1982 in New Delhi ushered in a new era of sports in the country. This was also a decisive moment for the later development of a ministry for sports in the country. Following 1982, a Department of Sports was established which was converted into the Department of Youth Affairs and Sports in 1985 and which grew into the Ministry of Youth and Sports Affairs in 2000.<sup>vii</sup>

Figure1: Sports Governance in India



## II. State Involvement and Results in Sports

There are two popular methods in which sports are brought within the ambits of the federal government. The first and the most popular method is to control much of the infrastructure and provide financial assistance to the different sporting associations and federations. The second method springs as a justification to the first. This is by involving politicians as representatives of various sporting bodies in the country in the guise of making the money spent (however meagre it is) by the government accountable.



*Financial Support for the Sector by the Federal Government*

The Federal Government and MYAS provides a budgetary allocation for sports activities each year. However, much of this money does not produce the intended results in terms of the number of medals won by the country in international and regional sporting events.

**Table 1: Financial Assistance to National Sports Federations of India**

Year	Financial Assistance (in Rs Lakhs)
2009-10	7992.64
2010-11	10337.2
2011-12	13603.4
2012-13	18425.93
2013-14	14969.22
2014-15 (till June 2014)	106.59
Total	65434.98

*Source: Rajya Sabha Unstarred Question No. 3096, dated on 20.12.2012; Lok Sabha Starred Question No. 556, dated on 06.05.2013; Lok Sabha Unstarred Question No. 2935, dated on 10.02.2014; and Lok Sabha Starred Question No. 29, dated on 08.07.2014*

For the different federations, data shows that the highest amounts were received during the period for National Rifle Association of India, organisations relating to hockey, Badminton Association of India, Wrestling Federation of India, Athletics Federation and Archery Association of India. The preference for these events comes from the achievements of India in these events in recent times. Most of these achievements came from individual funding. It is also noted that most of the sporting events in India survive not on the money that is spend by the government but due to a variety of sponsorships and grants.<sup>viii</sup>

The government also has a large number of schemes for athletes. It comes under two categories. The ‘plan schemes’ include programmes like Panchayat Yuva Krida aur Khel Abhiyan (PYKKA), Urban Sports Infrastructure Scheme, Assistance to National Sports Federations (NSFs), Talent Search and Training, National Sports Development Fund, Promotion of Sports among Disabled, Special Cash Award to Medal Winners in International Sports, and Pension to Meritorious Sportspersons. It also includes assistance to sports training facilities operated by the state as well as new schemes for regional sports development and talent hunts across the country. The non-plan schemes include several awards for sportspersons given by the government of India. The table below shows the total spending for plan and non-plan schemes in the country.

**Table 2: Plan and Non-Plan Schemes Funds Allotted**

Year	Plan Scheme Funds Allotted (In Rs Cr.)	Non-Plan Schemes Funds Allotted (in Rs Cr.)
2009-10	2716	680.12
2010-11	2078.63	873.01
2011-12	609	51.29
2012-13	600	60
2013-14	809	65
2014-15	1269	63.19

Source: Lok Sabha Unstarred Question No. 1629, dated on 04.02.2012 & Lok Sabha Unstarred Question No. 1751, dated, 22.07.2014

Data is also available for the amounts allocated to athletes selected for training. Close to 143 athletes have been allotted this fund from 2001 until 2012-13. The total amount spend comes to Rs 103,207,000 Rs. However, it is noted that bureaucratic delays and lack of transparency makes it difficult for individuals to utilise this fund.

However, attracting private investments have been difficult in sports in India. The major investment in sports is made by the government and a part of it is from the donations made by individuals and sponsorship received by private players. The budget allocations during the financial year 2008-09 to 2012-13 are noted in Table 4. The Government of India allots approximately Rs 1,200 crores every year for the development and promotion of sports. But, in the fiscal 2009-10 and 2010-11, it saw a threefold increase because the country hosted the Commonwealth Games in 2010.

**Table 3: Budget for the Ministry of Youth Affairs and Sports**

Year	Budget (Rs Crore)
2012-13	1152
2011-12	1121
2010-11	3565
2009-10	3073
2008-09	1112

Source: Union Budgets

During the fiscal, the total budget allotted by the government was Rs 1,490,925 crore out of which only Rs. 1,152 crore was allotted for sports. That means only 0.077 per cent of the government expenditure is allotted to the MYAS. The MYAS in turn allocates a part of its

budget to the SAI. During the year 2012-13 for the promotion of sports only Rs 302 crore was allotted to SAI which is 26.2 per cent of the budget give to MYAS. This 26.2 per cent stands almost negligible when compared to the allocated budget of the fiscal 2012-13.

**Table 4: Budgeted Allocation for the Sports Authority of India**

Year	Budget (Rs Crore)
2012-13	302
2011-12	288
2010-11	324
2009-10	176
2008-09	181

Source: Union Budget

Irrespective of this support, India's results so far in international competitions were not satisfactory. From 2008-13, India has participated in two Olympic meets where it secured 9 medals, one Commonwealth Games where it secured 101 medals and one Asian Games where it secured 64 medals. This raises the total to 174 medals. The total budget allocated from 2008-13 was Rs 10,023 crores. This makes the cost per medal to be as Rs 57.6 crores. If financial support is what could lead to better performances by Indian sportspersons these figures indicate that funds from the state have been significantly low. It means that alternative sources need to be attracted.

**Table 5: Medal for India in Various International Sports Competitions**

Sports Meet	Number of Meets	of Medal Tally
Olympics	23	26
Commonwealth Games	14	438
Asian Games	17	592

The conduct of major events also smacks of inefficiency and lack of professionalism. The National Games which is a premier sporting event conducted in line with the Olympics has been operational since 1924.

The Indian Olympic Association conducts and regulates the functioning of this event. While in the early post-independence phase it was regularly organised every two years, of late there has been indefinite delays and postponements of the event. This has been profound since the 1985 National Games and aggravated in the last 15 years. Only four events were conducted during this period and the latest to be conducted in the federal state of Kerala has been

delayed. Lack of funds, infrastructure deficiencies, construction lags, local politics, unprofessional organising of the event, lack of participation of top athletes and so on have been major factors contributing to these delays.<sup>ix</sup> These factors affecting the conduct of the largest National Sporting event also reflect the general apathy of the state towards sports in India. Continuing inefficiencies have led to suggestions to scrap the National Games.<sup>x</sup>

#### *Political Representations in Sport Federations and Associations*

Annual and Special General Meetings held by the IOA decide on various aspects of sports in India. The voting rights in these meetings are given to members of NSFs (Olympic sports, Commonwealth Sports and Asian Games sports) as well as to National Federations for indigenous games in India. In addition, Olympic associations at the state and the Union Territory levels, members of the IOC as well as representatives from Athletics Commissions have the right to vote in these meetings. Reports indicate that in 2012, out of the 72 National Federations and State Olympic Associations, 38 had presidents who were politicians.<sup>xi</sup> This process is an old trend that has been continuing for decades.

Political representation should have made these Federations more accountable, and open to challenges and replacements to the leadership over time. Since this has not been happening, it appears that most of these federations have been reduced to political fiefdoms. This has decisive effects on a lot of factors including the composition of teams in a sporting event.

The incentive for most of these politicians seem to be the publicity that they receive from sports in major events held across the country and outside.<sup>xii</sup> Political control is also justified at times through arguments that sports could crucially influence diplomacy between countries. Cricket has often played its part in such diplomatic dialogues between India and Pakistan.<sup>xiii</sup> However, many a times these arguments of publicity and diplomacy have led to the loss of positions to eminent sportsperson who are displaced in stealth by politicians.

The consequences of politics in sports is all too visible. The suspension of the IOA in 2012 is a key remainder of this.<sup>xiv</sup> The corruption scandal surrounding the Commonwealth Games 2010 is also noteworthy for its involvement of politicians.<sup>xv</sup>

Assured government jobs in sports has also changed the manner in which sports is perceived in India. Leading athletes consider this process of absorption as influencing the very attitude towards sports. Many of them consider that mixing sports with politics was a major dampener

in creating a sports culture.<sup>xvi</sup> It is noteworthy that until recently in many of these associations political representatives have held key posts for a very long period.<sup>xvii</sup>

Political involvement could necessarily halt progressive ideas in the sector. This is reflected in the fate of the Sports Bill 2011 which recommended several changes in the federations and associations. The bill was rejected in the parliament for specific provisions that demanded transparency and accountability in the NSFs and the BCCI. Many of the proposals of the Draft Sports Development Bill 2011 was diluted in its new version in 2013. The newly drafted bill suggested establishing a Sports Election Commission to conduct free and fair elections to IOCs, NSFs and athletes commission. A series of reforms were also suggested to improve the functioning of the NSFs.<sup>xviii</sup>

Alongside political involvement, the single most important issue that has rocked sports in India has been corruption.<sup>xix</sup> It is noted that investments in sports do not come from the state although lack of funds cannot be cited as an excuse. For example, the Kerala State Sports Council has large properties in Munnar and Varkala. But there is no effort to build training stadiums or to develop other facilities.<sup>xx</sup>

Corruption is rampant in the sector and is also prevalent at the lowest levels. For instance, sports kits distributed for students usually contain substandard materials. Bureaucratic tussles have also stopped any positive change in sports. The most recent incident occurred when a foreign hockey coach resigned citing difficulties in dealing with the bureaucracy in Indian sports.<sup>xxi</sup> As is noted the federal government's control of the sector is nominal as far as financial requirements but significant as far as political representation is concerned.

#### *Some consequences of the State's Monopoly Control*

The state's monopoly control over the sector has not produced much results. Although, the government spends a significant amount of money to facilitate coaching and training of sportspersons, not much is realised from this spending. For instance, the recent disqualifications of Indians in sailing during an international event are a marker. Most of these disqualifications occurred at the starting line. These handicaps reflected the lack of systematic training.

Lack of modern technology is also cited as a crucial need in improving these conditions. Trainers in several state institutions are not updated with the recent practices and trends. Many of the government promoted sports institutions do not possess state-of-the-art facilities.

It has been noted that in several of these state-held facilities there has been serious outbreaks of diseases like jaundice. These situations have subsequently led to indefinite closures of the facilities and a break in the practice of athletes. Most of these incidents remain unreported.<sup>xxii</sup>

J league of Japan and K league of Korea are cited as crucial experiments in the development of football in these countries. India could have profited much earlier from similar attempts here. Successful tournaments, which existed for several decades in states like Kerala include Sait Nagjee Trophy at Kozhikode, the Chakola Gold Trophy at Thrissur and the Mamman Mapilla Trophy at Kottayam, were discontinued for lack of motivation.

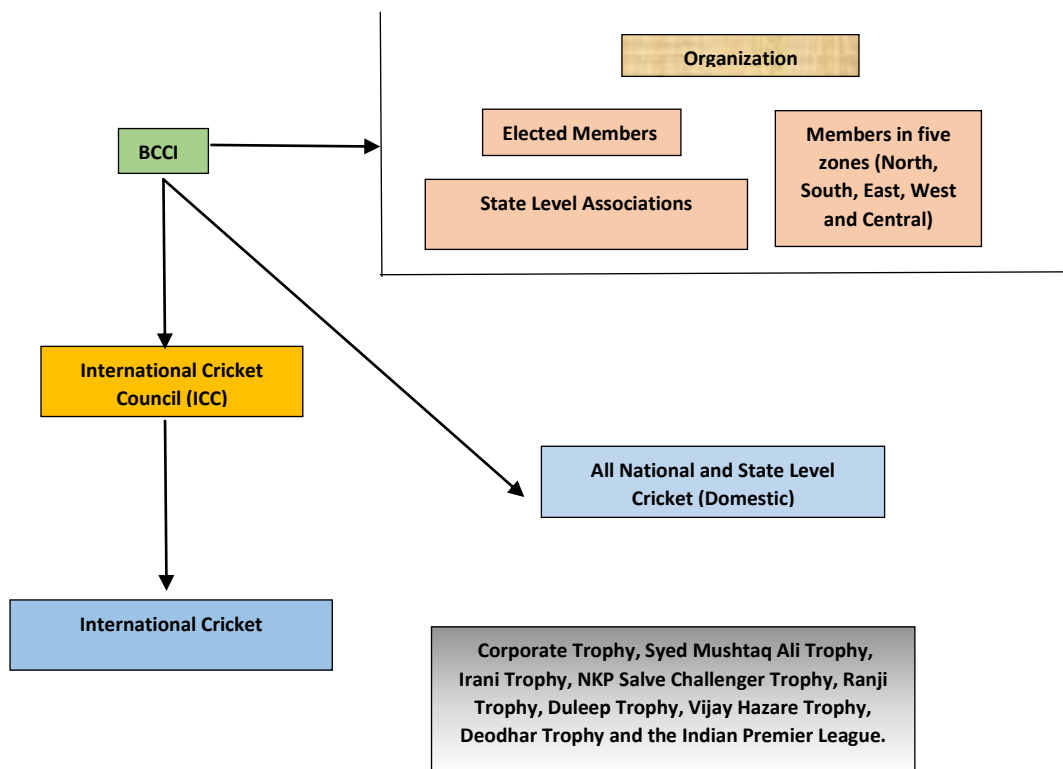
The state associations could not convert these events to produce internationally competent sportspersons. Lack of quality infrastructure and training facilities add to the difficulties of football. In addition, the improving status of cricket makes it a better choice.<sup>xxiii</sup> Even in states like Kerala which has exhibited a relatively better environment in sports absurd policy formulations dominate the scene. In the most recent case, physical education teachers protested and disrupted a sports meet following state government orders to train and employ language teachers for physical education.<sup>xxiv</sup>

### **III. Triggering a Successful Experiment in Sports: IPL Case Study**

The growth of cricket in India has been directly influenced by the 1983 World Cup victory of India, liberalization of the country and the existence of professional bodies which encouraged this sport. The first edition of the IPL in 2008 was one of the most successful innovations in a spectator sports in India. The success depended on its ability to attract large money (invested by the business community) and sizable number of spectators of this event and the media.

The BCCI, a voluntary association of individuals interested in promoting the game in India, introduced this successful new version of the sport. Largely the Board has remained free from the interferences of the federal government. India won its first test cricket series forty years since the inception of the BCCI in 1967-68 against New Zealand. However, the major break came when the country won the World Cup in 1983 followed by a bold and successful attempt to host a World Cup in India in 1987. That was the first time that a world cup in cricket was organized and conducted outside England. From that point, the BCCI grew to be one of the richest sporting bodies in the world. Gross revenue in 2012-13 was Rs 950 crore. More than a quarter of this revenue came from its newly marketed IPL matches.<sup>xxv</sup>

Figure 2: BCCI Organizational Structure and Matches Conducted



Source: Shashi Kadapa (2013)

BCCI launched IPL, an innovative model in cricket, in 2008.<sup>xxvi</sup> IPL was designed to work as a franchisee system like the football and basketball leagues in the west. Players are hired through auctions by sponsors. Franchisees in turn have to pay a fee to the BCCI to get ownership rights. A franchisee can own the team for 10 years and also list the team on the stock exchange and trade. Each team will have specific sponsors, brand ambassadors and so on. Each franchisee earns from broadcasting rights, sponsorships and tickets sold for the matches. Broadcasting rights and tickets fees have to be shared with the BCCI. Franchise fee paid to IPL, player auction cost and cost of hiring the stadium are major costs incurred by the franchisee.

The incentives in cricket are also much higher for the players when compared to other sports in India.<sup>xxvii</sup> The BCCI allowed for a separate governing body to organise IPL without any interference from the Board. The governing council was mandated to exist for a period of five years. The model became an instant success and attracted huge private investment.

The BCCI's success with the new model in cricket was aided by several historical factors, including early efforts to organise the sport at various levels in the country (district, state and

regional levels) as well as through clubs. The large role of professional managers and former players as members of key cricketing associations were important contributing factors to this growth.<sup>xxviii</sup>

*Numbers reflecting the success of the model*

Money earned by the new model was unparalleled in the history of sports in India. The first season in 2008 was a huge financial success. Broadcast rights of IPL was sold to World Sports Group and Sony for USD 1.026 billion for 10 years. The title sponsorship fee was given to DLF<sup>xxix</sup> for USD 50 million. The reserve price for owning a team was kept by the BCCI at USD 50 million for the 200 edition. The first auction for the franchisee fetched the BCCI approximately USD 723.59 million.

The IPL brand valuation in 2009 was USD 2 billion; in 2010, it was USD 4.13 billion. This trend was very encouraging and it showed how excellent marketing and packaging could bring in crowds and money. However, in 2011 the brand valuation fell to USD 3.67 billion and in 2012, it further reduced to USD 2.92 billion.<sup>xxx</sup> In spite of these reductions the numbers are substantial considering sports in India.

The success of the model in cricket is largely due to the financial independence of the BCCI from the government. Although it is financially independent the BCCI still has to depend on the government for its infrastructure. Of the approximately 125 stadiums across the country, a vast majority is owned by the federal state governments. Very few are privately controlled. However, profitable investments in sports like cricket are likely to incentivise private investments in infrastructure and likely to free the body completely from the state control.

The success of the BCCI with IPL has allowed the body to help other sports in the country. There are also recent schemes where the BCCI is supporting athletes by providing funds from its kitty. Called 'mission gold' 10 youths receive training under the scheme in Kerala. Financial independence from the government is the major feature of BCCI. This is also largely an indication for the state to stand back and facilitate such changes.

Above all the success of the model was also in making the system more accountable and transparent. Transparency and accountability of the organisation has constantly come under the scanner.<sup>xxxi</sup> While the rest of the sporting sector has remained aloof from this kind of intrinsic evaluation process, the crucial question as to what facilitates this in BCCI is often neglected. A voluntary association has more credibility on this front in remaining open to



public scrutiny within the framework of the rule of law. Had it evaded this scrutiny, several instances of match fixing and corruption that were reported against BCCI would never have been revealed. All state held sports associations have more or less evaded such intensive scrutinising.

#### **IV. Similar Adaptations in Other Sporting Events**

Against this backdrop, key questions have been raised on whether this model in cricket can be spread to other sporting events as well? The southern federal state of Kerala however is cited as a successful example of sports in India. Constant successes in state school meets as well as National School Meets over the years reflect this trend. An interesting feature of this success is that most of these medals are won by students from private schools which provide specific and quality training to them.

While the story of cricket has been a success, it is noted that team events like football, hockey and kabaddi have attempted to emulate the model. The success of the franchisee model in cricket was extended to a lot of other sporting event in the course of time. Some of the events include badminton, hockey, kabaddi, and football. It is also being planned to expand this model to the other sporting sectors in India.

There were certain commonalities to the model in almost all these sports. The first was that it brought a greater degree of professionalism and exposed the sport to new competitive environments. Interaction with international players was also facilitated. The second most important aspect was the extent to which the new model was able to attract participation of the business community to invest in these events. Unlike earlier, the participants were rewarded handsomely. The third is that unlike in the past, the combination of media and business advertisements ensured that the viewership was enhanced.<sup>xxxii</sup> This also required that these sporting events function in a transparent and accountable manner.

These models have been successful even while considering that it is in its nascent stage of development. However, analysts and experts in sports believe that the same might not happen for all individual events (as against team events). The major reason cited is that there are no incentives for the business community to support these events.

What has been observed during the last decade is that sports has been taken seriously by a vast majority of individuals across the country. Most of the events in which India was able to gather a medal were all individual events in which investments were made not by the state

but by the private parties. These investments allowed them to train under foreign conditions and with the best coaching, and training equipments. This in itself might be an important model.

The role of sports academies which were developed by erstwhile sportspersons who were ready to invest and support in this cause was crucial for these individual medallists. The role of the state in the context of India should be to facilitate such innovative models. The undue regulations and prejudices in the sports sector in India needs to be relaxed in the first place. This has to be complemented by developing a new sports policy for the country after serious discussions with the different stakeholders. Emerging and new athletes should be made part of these discussions. On the forefront, this policy should promote innovation in the sector.

## V. Conclusion

The advantages of the market are well writ in the sporting sector in India. The market has found specific solutions to ensure that the failures of state intervention are compensated. There are several success stories where these failures were compensated by the private sector involvement.

For instance, some of the recent ventures saw private organizations providing support to schools to develop sporting institutions and practices.<sup>xxxiii</sup> EduSports and Sportseed are two such successful ventures. Considering the extent of state failure, this market is very large and until now only partially explored. A series of organizations held by private individuals have grown to support sports in the country. Olympic Gold Quest, Champions Trust, Go Sports Foundation and Clean Sports India are major examples.<sup>xxxiv</sup>

Another way in which the market has responded to the state's failure is to coordinate and offer successful curricula of integrated sports and education in schools.<sup>xxxv</sup> Although, the government has earlier tried this out, most of these institutions remain inefficient. The case of some of these schools in the federal state of Kerala has already been noted in this report. The growth of these private institutions and their positive contributions should be taken as a positive indicator by the federal government to facilitate their functioning.

There are different ways in which these issues of private investment in sports has been handled in India. For instance in cricket, several reports predicted the end of cricket in India and blamed commercialisation as a major reason.<sup>xxxvi</sup> However, these are premature conclusions and largely propagandistic in nature without considering obvious positive

influences. The fact is that business has created new and better opportunities in sports. It has been estimated that sports would generate an annual revenue of USD 2 billion by 2015.<sup>xxxvii</sup> Investments in sports have longer gestation periods but could have significant effects. The Chinese example is a case worth elaborating. They invested approximately USD 43 billion for the Beijing Olympics (2008). A lot of this went to developing infrastructure in the country. Slow and steady increase in investment also proved beneficial in terms of the number of gold earned 5 at Seoul to 51 in Beijing.<sup>xxxviii</sup>

### *Spontaneous Order: A Theoretical Framework to Understand Indian Sports*

The question that confronts the sports sector in India is ‘Do we need planning in sports from the state?’ This is a top down approach. Or ‘should it be a bottom-up, unplanned and spontaneous evolution’ which should guide the sporting sector in India. This has more or less been the case of cricket.

The case of evolution of football to its present status from being a very violent game in the middle-ages is noteworthy.<sup>xxxix</sup> F. A. Hayek’s theory of ‘Spontaneous Order’ puts this debate into a theoretical framework. Hayek’s theory consists of the following major elements. Specifically, it notes that human action and not human intentions creates institutions which lead to regularities in the society. These human actions creating regularities should be un-coerced.<sup>xl</sup> Un-coerced implies the need for free association and agreement.

Without coercion markets would have a tendency to correct itself and produce price signals to guide individual decision-making. This provides the active ground for innovation.<sup>xli</sup> In a country like India, the autonomy held by the cricketing association points to one source where voluntary association in sports have made it financially sound and publically accountable within the framework of the rule of law.

A difficulty with comprehending a successful sports model in India is the emotional rhetoric surrounding it. This has only led to deteriorating the conditions in the sector. In recent times and especially since the launch of IPL, BCCI has often been critically examined by the media as well as by independent observers. While most of these comments have painted a negative picture of the Board and several suggestions were put forward in making it accountable, the fact remains that it is one of the most transparent and accountable sporting bodies in the country.

Our interviews with major stakeholders in the sporting community could reveal only a part of what was happening in the federal government-held sporting associations and councils. Most of this was absent in the print and new media. While on the other hand, all information about the BCCI were regularly updated in several sources. So the question is whether it is necessary to make the already transparent body (BCCI) more transparent or should it be prioritised to make the rest of the state controlled sporting sector accountable?

Despite all these numbers, and although independent from the government's financial support, the BCCI has been the receiver of indirect support from the government. This has been reportedly in the form of "land at subsidised rates for stadiums, entertainment tax waivers and custom duty exemptions." As mentioned earlier, the Sports Development Bill (2011) was a major attempt to make the functioning of the organization more transparent and accountable. To truly make a sports association independent hence becomes a great challenge in India.

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<sup>i</sup> "The 1983 and 1987 World Cups", ESPN Cricinfo, October 10, 2010, <http://www.espnricinfo.com/magazine/content/story/480683.html>

<sup>ii</sup> Pulkit Arora, "The Evolution of ICC Cricket World Cup Trophy", Mensxp, <http://www.mensxp.com/special-features/today/4071-the-evolution-of-cricket-world-cup-trophy.html>

<sup>iii</sup> "How Indo-Pak ended up hosting the 1987 World Cup Cricket", Mostly Economics, <http://mostlyeconomics.wordpress.com/2014/04/30/how-indo-pak-ended-up-hosting-the-1987-world-cup-cricket/>

<sup>iv</sup> Rebecca Bundhun, "Sponsors search beyond Indian cricket", The National, July 26, 2014, <http://www.thenational.ae/business/industry-insights/media/sponsors-search-beyond-indian-cricket#page1>

<sup>v</sup> Which is questionable considering the historical importance given to various sporting events practiced in the country over centuries

<sup>vi</sup> Memorandum and Rules and Regulations of Indian Olympic Association amended upto 08.12.2013

<sup>vii</sup> Refer evolution of this sector in the National Association of Physical Education and Sports Science, <http://www.napess.org/articles.php>

<sup>viii</sup> Avalok Langer, "Indian Sports and the Political Players", Tehelka.com, December 13, 2012, Issue 51, Volume 9, <http://www.tehelka.com/indian-sport-the-political-players/2/>

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- <sup>xii</sup> K Kumaraswamy, “Politicians shouldn’t head sports bodies: Vengsarkar”, The Times of India, July 6, 2012, <http://timesofindia.indiatimes.com/top-stories/Politicians-shouldnt-head-sports-bodies-Vengsarkar/articleshow/14703881.cms>
- <sup>xiii</sup> Shivam Singh, “Political Actions and Sports Policy”, Economic and Political Weekly, Vol - XLVIII No. 34, August 24, 2013, , pp20-21,
- <sup>xiv</sup> “Indian Olympic Association suspended by IOC”, CNN, December 5, 2012, <http://edition.cnn.com/2012/12/05/sport/olympics-india-ioc/>
- <sup>xv</sup> “CWG scam: Suresh Kalmadi arrested”, NDTV, April 25, 2011, <http://www.ndtv.com/article/india/cwg-scam-suresh-kalmadi-arrested-101275>
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- <sup>xvii</sup> “What’s holding back Indian football”, BBC, 30 July 2004, [http://news.bbc.co.uk/sport2/hi/football/world\\_football/3937015.stm](http://news.bbc.co.uk/sport2/hi/football/world_football/3937015.stm)
- <sup>xviii</sup> “Comments sought on revised Draft National Sports Bill”, The Hindu, July 11, 2013. <http://www.thehindu.com/sport/cricket/comments-sought-on-revised-draft-national-sports-bill/article4901998.ece>
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- <sup>xx</sup> Interview with Bobby Aloysius former athlete and Olympian (November 2014)
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- <sup>xxii</sup> Interview conducted with Shajan Scaria of Marunaadan Malayali (an online news portal) held in November 2014

<sup>xxiii</sup> Jigar Mehta, “How Kerala’s football lost its mojo...and how it may get it back”, F. Sports, December 4, 2014, <http://www.firstpost.com/sports/how-kerala-football-lost-its-mojo-and-how-it-may-get-it-back-1834095.html>

<sup>xxiv</sup> Akhel Mathew, “Kerala teachers’ protest disrupts sports meet”, gulfnews.com, November 14, 2014. <http://gulfnews.com/news/world/india/kerala-teachers-protest-disrupts-sports-meet-1.1412542>

<sup>xxv</sup> <http://freepressjournal.in/rich-get-richer-so-does-bcci/>

<sup>xxvi</sup> In India, an introduction of such model happened in 2007, when the Indian Cricket League (ICL) was formed. Its two seasons included competitions between four international teams (World XI, India, Pakistan and Bangladesh) and nine domestic teams situated in chief Indian cities. It was funded by Zee Entertainment Enterprise and lacked the support of Board of Cricket Control in India (BCCI) and International Cricket Council (ICC). Various controversies such as transparency issues and lack of support from the council led to the dropping out of the players which marked the end of this private league in 2009

<sup>xxvii</sup> “Salary of Hockey, Cricket and Football players in India”, Naukrihub, November 9, 2013, <http://www.naukrihub.com/salary-information/players-salaries-in-india.html>

<sup>xxviii</sup> “Gaming Indian Sports, Can we rescue Indian sports from the vice grip of politicians and capital?” Economic & Political Weekly June 15, 2013 vol xlviii no 24, pp8

<sup>xxix</sup> DLF is one of the largest real estate companies in India

<sup>xxx</sup> Shashi Kadapa (2013), “How sustainable is the strategy of the Indian Premier League - IPL? A critical review of 10 key issues that impact the IPL Strategy,” International Journal of Scientific and Research Publications, Volume 3, Issue 12, December 2013

<sup>xxxi</sup> Shan Kohli, “Latest: National Sports Development Bill rejected”, The Sports Lawyer, September 3, 2011, <http://sportslawyer.in/latest-national-sports-development-bill-rejected/>

<sup>xxxii</sup> Gouri Shah, “Can star do an IPL with pro Kabaddi league”, Livemint, January 27, 2015 <http://www.livemint.com/Leisure/ZhZ982cV2FNyPbRbP04SYJ/Can-Star-do-an-IPL-with-Pro-Kabaddi-League.html>

<sup>xxxiii</sup> Also refer: “Relevance of Sports Education in School”, Elets News Network, March 5, 2014, <http://digitalllearning.eletsonline.com/2014/03/relevance-of-sports-education-in-schools/> State failure in this sector has also allowed the mushrooming of ventures which directly provide sports facilities in schools (Refer the story of EduSports, or sport seed: “Physical Education and Sports Make Inroads in India’s Schools”, Wharton University, May 2, 2013, <http://knowledge.wharton.upenn.edu/article/physical-education-and-sports-make-inroads-in-indias-schools/>; <http://www.sportseed.in/> )

<sup>xxxiv</sup> Aabhas Sharma, “The politics of sports”, Business Standard, December 25, 2010, [http://www.business-standard.com/article/beyond-business/the-politics-of-sport-110122500051\\_1.html](http://www.business-standard.com/article/beyond-business/the-politics-of-sport-110122500051_1.html)

<sup>xxxv</sup> Refer website of the National School of Cricket, [http://www.nationalschoolofcricket.com/sport\\_education.html](http://www.nationalschoolofcricket.com/sport_education.html)

<sup>xxxvi</sup> “Gaming Indian Sports, Can we rescue Indian sports from the vice grip of politicians and capital?” Economic & Political Weekly June 15, 2013 Volume xlviii, no 24 , pp8

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<sup>xxxvii</sup> “Indian sports business revenue to near \$2 billion by 2015: PwC”, The Times of India, December 13, 2011, <http://timesofindia.indiatimes.com/sports/more-sports/others/Indian-sports-business-revenue-to-near-2-billion-by-2015-PwC/articleshow/11094726.cms>

<sup>xxxviii</sup> D. Stanley Eitzen, “The Commercial Beijing Olympic Games”, pp257-261 in D. Stanley Eitzen (ed), *Sports in Contemporary Society, An Anthology*, Paradigm Publishers, London, 2009

<sup>xxxix</sup> Stephan Davies, “Football and Spontaneous Order”, Foundation for Economic Education, April 20, 2010, [http://fee.org/the\\_freeman/detail/football-and-spontaneous-orders](http://fee.org/the_freeman/detail/football-and-spontaneous-orders)

<sup>xl</sup> Norman Barry, “The Tradition of Spontaneous Order”, *Library of Economics and Liberty, Literature of Liberty*, Vol V, no.2, pp7-58, Summer 1982, Institute for Human Studies, <http://www.econlib.org/library/Essays/LtrLbrty/bryTSO1.html>

<sup>xli</sup> “Hayek and libertarianism, In defence of spontaneous order”, *The Economist*, September 29, 2014, <http://www.economist.com/blogs/democracyinamerica/2014/09/hayek-and-libertarianism#comments>