FROM DAILY MANAGEMENT TO HIGH POLITICS
The governance of the International Olympic Committee

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For over a century, international sport has been primarily governed by a network of non-profit associations centered around the Olympic Games and the World Championships, in around forty sports. This network has the name of ‘The Olympic Movement’ and its leading actor is the International Olympic Committee (IOC). This is an association of individuals that chooses its own members, and that was founded in 1894 by Pierre de Coubertin. Since the IOC’s foundation, the main task of the members has been to perpetuate the Modern Games. Despite the considerable evolution of sport during the twentieth century and the increasing scale of the Summer and Winter Games, the IOC continued to exist without major changes to its structure throughout the twentieth century. It was only in 1999 that the very foundations of the IOC suddenly trembled, as a result of around twenty of its members being involved in a corruption scandal related to the awarding of the Olympic Winter Games to Salt Lake City. It was also around this time that doping and violence at sport events began to constitute a serious concern for governments, who realized that the Olympic Movement was unable to keep these issues under any real control. Therefore, at the end of the last century, primarily due to the media, the IOC suddenly found itself confronted with doubts regarding its legitimacy and governance.

The emergence of the term governance within Olympic circles was around this same period, notably due to the influence of American journalists and sponsors. It was officially introduced within the Olympic Charter in 2004. Governance deals with the high-level issues of strategy and policy direction, transparency, and accountability and is not concerned with daily operations, which are the responsibility of management. Corporate governance refers to the systems and processes for ensuring proper accountability, probity and openness in the conduct of an organization. This might include the processes by which committees are selected, monitored and replaced; the capacity of committees to effectively formulate and implement sound policies; and the respect of members for the structures and the procedures that govern economic and social interactions amongst them. This focus on governance is a result of the dysfunctions mentioned above, but also because of growing professionalism within Olympic sport organizations and the increasing interest on the part of the various stakeholders, in particular, nation states, the European Union and the sponsors, in how the
Olympic System functions (Chappelet and Kübler, 2008). Although the IOC characterized one of the oldest ways of self-government by means of a network, with consensual, horizontal co-ordination mechanisms, its fragile equilibrium became threatened at the end of the 1990s, as a result of new public and commercial actors who wished to take part in its governance.

The question of the functioning of the IOC remained central within the new organization of world sport that commenced at the beginning of the twenty-first century. This chapter is devoted to the governance of the IOC, and, more precisely, the corporate governance of the enterprise that has become the IOC. As a non-profit association, the IOC is not, of course, a commercial enterprise in the usual sense, but it nevertheless owns several limited companies (see below) and regularly deals with multinationals that are in turn subject to the rules of corporate governance. The IOC has no shareholders, but is responsible for numerous contracted parties and, above all, it is accountable for its management of the Olympic ideal in the eyes of the public. Coubertin saw the IOC members as the trustees of the Olympic Games and the Olympic ideal. Today the IOC must draw inspiration from the rules of good governance: rules that are to an increasing extent required by those national or supranational governments with which it must co-operate in order to organize the Olympic Games, and to promote its philosophy of sport, known as ‘Olympism’.

There are a number of approaches regarding corporate governance and, over the last decade, these have been applied to sport organizations (Thoma and Chalip, 1996; Caiger and Gardiner, 2000; Katwala, 2000; Chaker, 2004; EOC and FIA, 2001; Hums and MacLean, 2004; Zölch, 2004; Hoye and Cuskelly, 2007; Bayle and Chantelat, 2008; King, 2009; Robinson, 2010). The work of Pérez (2009) will be used to structure this chapter. Pérez identifies five successive levels in the systems of management and devices of governance of an organization, ranging from the management of the organization to the legal and societal framework in which it operates (see Table 2.1).

These levels will be applied to describe and analyse the current governance of the IOC. The specific organizational characteristics of the IOC and other entities related to its governance will be presented in five successive sections corresponding to the five Perez (2009) levels. A conclusion will summarize the structures and policies put in place for the governance of the IOC and the Olympic System over the twentieth century and will show the shift occurring from corporate governance to political governance.

**Level one: the management of the IOC**

The IOC’s daily management is carried out by its *Administration*, which includes all of the organization’s salaried staff and has been located in Lausanne (Switzerland) since 1915. Somewhat simplistic in the 1960s, the Administration developed during the 1970s thanks to a boost by a strong director, Frenchwoman Monique Berlioux, and as a consequence of

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*Source: Pérez, 2009: 29*
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the arrival of income from television broadcasting rights for the Olympic Games. This development gained impetus under Juan Antonio Samaranch’s Presidency of the IOC, from 1980 until 2001, and the Administration grew from a staff of approximately thirty to around one hundred, with the arrival of specialists in various fields. From a managerial point of view, however, the most important development was Samaranch’s decision to live and work in Lausanne, and use the Administration as a base for his work. Thus, he became a full-time, executive President, which, with the exception of Coubertin, was not the case for his predecessors. This decision led to the departure of Berlioux in 1985.

However, the President remained a non-remunerated official even though all the expenses related to carrying out his mission and his residence costs in Lausanne (notably his hotel suite, living expenses, insurance and residence taxes) were borne by the IOC. This arrangement continued with the election of Jacques Rogge to the presidency in 2001. In 2008, the latest figures available, the presidential residence costs amounted to US$556,000 and those for the Honorary President for Life, as Samaranch became in 2001 until his death in 2010, totaled US$310,000 (IOC, 2009: 98).

With the arrival of Rogge, the growth of the Administration continued, and in 2010 reached around 425 persons from 43 countries. This spectacular growth was partly due to incorporating the staff of the Olympic Museum and those of other entities (limited companies) which were previously not included in the Administration as a ploy to remain below the arbitrary threshold of 100 employees laid down for the Administration by Samaranch. Following several internal and external audits that were commissioned by Rogge over the first years of his presidency, the Administration has been restructured into 15 departments or entities, each headed by a Director (all men in 2011) and listed below in the order as published in the Olympic Movement Directory (IOC, 2010b):

- Executive Office of the President
- Office of the Director General
- International cooperation and development
- Finance and administration
- Olympic Games
- Sport (or relations with international sport federations (IFs))
- Relations with the National Olympic Committees (NOCs)
- Technology
- Communication
- Information Management
- Marketing (IOC Television and Marketing Services)
- Legal Affairs
- Medicine and Science
- Olympic Solidarity
- Olympic Museum.

On a hierarchical level, the Directors report to a Director General, who in turn reports to the President. Two Directors, however, occupy particularly key positions and these are the Chief of Staff, who handles all political questions and relations with the IOC members, and the Executive Director of the Olympic Games, who is in charge of the IOC’s principal ‘product’. The executive management of the IOC is considered to be the President, the Director General, the President’s Chief of Staff and the Executive Director of the Olympic Games. As stated above, the President is not remunerated; however, the salaries and short-term
benefits of the other three members of the executive management amounted to USD 1,627,000 million (IOC, 2009: 98). The Director of Communication also plays an important role as the President’s spokesman. No organization chart of the Administration is published officially, but that shown in Figure 2.1 below was printed in the IOC Administration Guide. The President’s Chief of Staff, over the years, has gained a lot of power as the President’s right-hand man and became Director General in 2011.

The Director General is appointed by the IOC Executive Board, and the other Directors are appointed by the IOC President, who informs the Executive Board accordingly. The Former Director General was appointed in 2003. Most of his Directors had already been in place for some time. The Directors hold a monthly Management Committee meeting, sometimes with the President, and have regular, external one-day management seminars. Otherwise, they run their departments in a fairly autonomous manner. Staff units are, however, attached to the Director General for Human Resources and Corporate Development (formerly known as Strategic Planning). The first corporate plan was adopted for the period 2009–12 (Chappelet, 2010a). The Directors of the Olympic Museum and of Olympic Solidarity, the department that redistributes the sums due to the NOCs, have a greater degree of autonomy because they are geographically located outside the main headquarters in Vidy,

Figure 2.1 Organization chart of the IOC

Source: Chappelet and Kübler, 2008: 32
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and because of the nature of their activities. The Director of Olympic Solidarity also heads the NOC Relations Department.

In 2008, the operating costs for the IOC and its Administration amounted to approximately US$115 million (IOC 2009: 69). For a detailed analysis of how the IOC is financed see Chappellet (2006). The great majority of the IOC’s assets are shared between two foundations subject to Swiss law that the IOC controls. These are the Olympic Foundation and the Olympic Museum Foundation, which are managed by the IOC Administration. The latter owns the Olympic Museum, which is located in Lausanne and houses two of the IOC’s departments: the Museum and Information Management.

The Olympic Foundation holds the IOC’s financial assets and owns several limited companies that are subject to Swiss law. Two of these have a large number of employees: IOC Television and Marketing Services and Olympic Broadcasting Services (OBS SA). The former, which provides services contractually promised to the IOC’s sponsors, is managed by the IOC’s Television and Marketing Director and the second, in charge of producing the basic televised images of the Games, is headed by a former executive of the European Broadcasting Union. The two companies have a Board of Directors that is chaired respectively by the member of the IOC who is Chairman of the Marketing Commission and the honorary member of the IOC who was chairman of the Commission for the Co-ordination of the 2008 Games. The Foundation Boards (the supreme governing bodies) of the IOC’s two Foundations mainly consist of members of the IOC Executive Board. The Olympic Foundation is chaired by the IOC President and the Museum Foundation is chaired by the Honorary President for Life. All these legal entities, foundations and limited companies, under the aegis of IOC are known internally by the term ‘IOC Group’.

There can be no doubt that the arrival of Jacques Rogge as the IOC President constituted a major turning point for the IOC on a management level, with the introduction of more solid structures and procedures and, above all, a change to a more technocratic style of management that was far more sensitive to questions of governance and risk management yet less entrepreneurial and paternalist than that of the former President. A consolidation phase followed a strong period of expansion. At the same time, the role of the Director General became far less political in order to focus on operational issues and the management of the structure. Under Samaranch the former Director General was, in fact, flanked by a Secretary General who handled administrative issues. However, that post has not been filled since the last holder resigned in 2002.

Level two: the management of the IOC’s management

The second level of the governance of an enterprise according to Pérez (2009) begins with reflection on the management of the top management. At the IOC, this level is handled by the institutional authorities elected by the members of the IOC, which as mentioned above is an association under Swiss law. These authorities are, in order of importance, the Session, which is the Annual General Assembly of the members, or the legislative body; the Executive Board, which is a committee or sub-entity of the Session that plays an executive role, and the IOC President, who is the IOC’s permanent representative.

These structures and their functions are laid down in the Olympic Charter (IOC, 2010). This document sets out the principles and values and also the rights and obligations of the components of the Olympic Movement. At the same time, it serves as the statutes of the IOC (notably its Chapter 2). The Charter is drawn up and modified according to the wishes of the IOC, by its Session and based on proposals by the Executive Board. It is made up of the
fundamental principles of Olympism and 59 Rules, at times accompanied by Bye-Laws. Modifying a Rule requires a two-thirds majority vote by the members, while a simple majority is sufficient for the By-Laws. The text of the Charter was entirely reviewed and refined in 2004, as had happened in 1986. The Rules concerning the members and the election of the Olympic cities was considerably revised in 1999.

The IOC members assemble once a year for their Session. During Olympic years, the meeting is held just prior to the Games in the Olympic city. Its decisions are sovereign regarding all issues concerning the running of the IOC and of the Olympic Movement, which are brought to its attention by the Executive Board. The decisions include the awarding of the host cities for the Games. The members also elect, from among their number, a President, four Vice Presidents and ten other members of the Executive Board (15 persons). Four seats on the Executive Board are reserved for the Presidents of the ANOC (Worldwide Association of the NOCs), the Athletes Commission, the Association of the IFs whose sport is on the programme of the Summer Games (ASOIF) and its counterpart for the Winter Games (AIOWF). The terms of office are of four years, with the exception of the President who is elected for eight years and who can be re-elected for a further four (a maximum of 12 years). Samaranch remained in office as the President for 21 years, which was a major criticism levelled against the IOC in 1999. Rogge was elected in 2001 and re-elected in 2009 for a second term ending in 2013. The elections do not all take place simultaneously, meaning that the IOC members are constantly occupied with election campaigns within their number and/or for host cities. Since 1999, with a view to transparency, the proceedings of the Session have been broadcast by closed circuit television to interested journalists.

Below the sovereignty of the Session, the Executive Board (created in 1921) enjoys extensive powers. ‘[It] assumes the general overall responsibility for the administration of the IOC and the management of its affairs. [. . .] it approves all internal governance regulations relating to its organization’ (Rule 19.3.2 of the Olympic Charter). It also controls the Boards of the Olympic Foundation and the Olympic Museum Foundation, since these Boards mainly consist of its members. In comparison to the Administration, which deals with daily operational issues, it has a strategic function, although it is extremely difficult to separate the two dimensions. The Executive Board is thus at the heart of the IOC’s ‘management of the management’, since it meets far more regularly than the annual Session. It usually meets four times a year, or if specially convened by the President, or by a majority of its members. In 2011, only two women were members of the Executive Board. IOC Presidents always were men.

According to the Olympic Charter, the IOC President has far fewer powers than the Executive Board. The 1999 reform enhanced this characteristic, which constitutes a strong difference between the IOC and a classical enterprise. Thanks to his presence and his daily involvement in management issues, however, the President is able to make all kinds of decisions, not only those that are urgent, as the Charter states he should. He must, however, in principle submit such decisions as rapidly as possible to the Executive Board or to the Session, both of which he chairs. His main autonomous power is that of appointing the Directors of the Administration (to be confirmed by the Executive Board) and the persons who make up the various IOC Commissions. The exceptions to this are the Executive Board, the Athletes Commission and the Nominations Commission, whose members are elected. He may also create commissions or dissolve non-statutory ones. The role of commissions, consisting of IOC members and external experts, is to make recommendations to the Executive Board and the Session. Each is assisted by an IOC Director and serves, in a sense, as that Director’s supervisory board for his department. Some Commissions form an official part of the governance authorities. These are statutory, mentioned as such by the Charter and designated below by
the letter ‘S’. The other thematic commissions play roles of less importance within the
management of the IOC management.

In 2010, the IOC had some 25 Commissions for the following areas, uniting over 350
persons (IOC, 2010b):

- Athletes (S)
- Audit Committee
- Co-ordination of the Games in Preparation (4 to 5 commissions)
- Culture and Olympic Education
- Entourage
- Ethics (S)
- Evaluation of the Candidate Cities
- Finance (S)
- International Relations
- Juridical
- Marketing
- Medical
- Nominations (S)
- Olympic Programme
- Philately and Memorabilia
- Olympic Solidarity (S)
- Press, Radio and Television
- Sport and Environment
- Sport and Law
- Sport for All
- TV Rights and New Media
- Women and Sport.

When taking office as President in 2001, Rogge attempted to reduce the number of
Commissions that had existed at the time of his predecessor, but without real success. The
2009 Olympic Congress recommended the creation of the Entourage Commission. The
Commissions in fact permit their chairs, who are all IOC members, to focus on a topic of
interest to them and to increase their seniority. Rogge did, however, significantly reduce
the number of meetings, which today, in principle, take place in Lausanne and only once
per year.

Certain Commissions are far more important than others: the Ethics, Nominations,
Athletes, Finance, TV Rights and Solidarity Commissions. The first three will be presented
in the following section since they relate to the IOC’s regulatory processes or the management
of its governance. The three others are presented below.

Finance Commission

The Finance Commission is a long-standing one, and its chairmanship is one of the most
prestigious offices. It supervises the IOC’s accounts and the management of its financial assets.
It is assisted by professional auditors (PricewaterhouseCoopers have carried out this role for
nearly 20 years, as a result of several renewed mandates). The Chairman co-signs the contracts
with the elected Host Cities. Following the 1999 reforms, the IOC has published three reports
covering four years of activity (with the somewhat strange name of ‘Final Reports’) – for the
periods 1997–2000, 2001–04 and 2005–08 (IOC, 2009). These public documents contain relatively detailed financial information (balance sheet and accounts) that contributes towards a certain degree of transparency from the institution. The most recent report in particular provides consolidated figures for the ‘IOC Group’ for the first time. We note that the IOC under Rogge has adopted a policy of constituting financial reserves and of risk management thanks to insurance taken out against the cancellation of the Games, which is a policy clearly inspired by good governance practices for an enterprise.

Since 2006, the Finance Commission has been supported by an Audit Committee that has the same Chairman but whose secretariat is provided by the IOC President’s Chief of Staff—not the Director of Finance. This Committee functions as an internal control unit. A small group devoted to the issue of remuneration also existed from 2001 until 2005. Like their President, the IOC members are not remunerated for their work, but the expenses involved in accomplishing their mission are reimbursed and, at times, a fee is paid to them for a particular task. This group was set up following the discovery by Rogge that large amounts had been paid as remuneration under Samaranch’s presidency, notably to the Chairman of the Marketing Commission. Since 2005, each member has received a lump sum of US$5,000 per year for office expenses, and the special remunerations appear to have disappeared, although per diems for attending IOC meetings are generous.

**TV Rights and New Media Commission**

The TV Rights and New Media Commission was created and is chaired by Jacques Rogge, thus demonstrating its importance. Today, it negotiates the broadcasting rights on the basis of public tenders for the two consecutive editions of the Games. This practice differs considerably from that under the previous President, who proceeded in a far less transparent manner and granted rights spanning several Olympiads. A description of the former and current approaches, and of the IOC’s managerial practices relating to marketing, is provided by Payne (Payne, 2005: 49–74).

**Olympic Solidarity Commission**

The Olympic Solidarity Commission is also extremely important because of the budget it controls (US$311 million for the period 2009–12). This amount represents the portion due to the NOCs from the IOC’s various revenues, mainly broadcasting rights and from the marketing of the Games. The funds are used to assist the NOCs to accomplish their mission, and in particular, funding goes to those whose needs are the greatest. The eminence of this statutory Commission was reinforced by the Olympic Charter, which, until its revision in 2004, specified that its Chairman should be the IOC President (Rule 8.2). Perhaps to avoid any potential conflict of interest, Jacques Rogge preferred, from the outset of his period in office, that the responsibility be borne by the President of the ACNO (Worldwide Association of the NOCs). Olympic Solidarity publishes full annual and four-yearly reports on how the funds are allocated, but the main question that remains is that of how the money is accounted for at the sites receiving it. Controlling that aspect is extremely difficult for an administration located in Lausanne.

We thus note that, with its annual Session and its Executive Board assisted by other Commissions, the IOC has mechanisms that permit it to manage its management. These mechanisms have been strengthened since 1999, and to a large extent are based on the IOC members. But who appoints and monitors the IOC members, and how? This central question for the governance of the institution is the subject of the following section.
Level three: the IOC’s regulatory mechanisms

The main reforms implemented by the IOC in 1999, following the crisis that arose as a result of the Salt Lake City scandal, were focused on its members. Until that point, few rules applied regarding their recruitment and their behaviour. That state of affairs was severely criticized by the media, the sponsors and governments as it was perceived to be the very source of the IOC’s governance problems, since the guardians of the Olympic temple were not guarded by anyone. To use the structure set out by Pérez (2009), what ‘management of governance’ or what regulatory mechanisms could be proposed for the IOC in the new century?

Under pressure from the media, Samaranch created an ad hoc Commission by the name of ‘IOC 2000’ to reflect on the issue. It consisted of around 50 members, with a balance between IOC members and individuals from outside the Olympic Movement, such as Henry Kissinger and Giovanni Agnelli. It worked at a rapid pace from March to December 1999, and its conclusions, symbolically united in the form of 50 recommendations, were all adopted by the IOC’s (extraordinary) Session held in Lausanne in mid-December 1999 (IOC, 1999). Those relating to the composition, structure and the organization of the IOC (numbered 1–12) and to the designation of the Host City of the Olympic Games (49–50) have been fully implemented. Recommendations 13–48, concerning the role of the IOC, have only been partially put in place (Sport in Society, 2011). We shall now describe those that are directly related to regulatory mechanisms for the IOC members.

First of all, the number of members was fixed at a maximum of 115. The number had risen to around 100 by the IOC’s centenary in 1994, and then rose to 130 toward the end of the Samaranch presidency. In mid-2010, the IOC had 112 members (17 women) from 79 countries. It is worth noting that the IOC suggested that, by the end of 2005, there should be a quota of 20 per cent of women in all the decision-making structures of the Olympic Movement – a suggestion that is not respected by the IOC itself.

Of these maximum 115 members, 15 are selected by an International Sport Federation (IF), and 15 by a National Olympic Committee (NOC). The members admitted to these ‘reserved seats’ lose their membership if they leave office, most often that of President. A further 15 members are ‘active’ athletes, those having taken part in the Olympic Games less than eight years previously. For the other 70 members not subject to such a quota, it was decided that there could not be more than one per country, as opposed to two per country until 1999. Many countries, in fact, have no members, although in 2010, Italy and Switzerland each had five! This is because no such restrictions regarding nationality exist for members who are athletes or represent the IFs or NOCs. There has also been a case where an IOC member for his country (Un-Yong Kim) was also the President of an IF (Taekwondo) and of his NOC (South Korea).

The IOC stresses that its members do not represent their country, IF, or NOC at the IOC, but the IOC within their country and the institutions from which they come. This stance sometimes puts IF and NOC Presidents in a difficult position as they might have to choose between the IOC’s interests and their own organization’s interests. Since 1999, the Olympic Charter has stipulated that members do not take part in votes concerning their countries or one of its citizens (By-Law to Rule 18). For the rest, ‘Rules relating to conflicts of interest’ were adopted in 2002 after difficult discussions during the Session held in Salt Lake City.

Since 1999, each member is elected for eight years, and membership is renewable. Each member leaves office at age 70, and if they have served for at least ten years they become an honorary member, but with no right to vote. In the past, a member was elected on a permanent basis until age 75, which was extended to 80 in 1995 to allow for the re-election of Samaranch. Moreover, a seven-member Nominations Commission was created in 1999. It is
composed of three members chosen by the Ethics Commission (see below), three by the Session and one by the Athletes Commission (see below). It examines the quality of potential candidates who may be proposed by an existing member or by an organization recognized by the IOC, including the IFs and the NOCs. The Commission then recommends several individuals to the IOC Executive Board each year, and the Executive Board may propose them for individual election at the Session. Elections are now held by secret ballot and by simple majority. Prior to 1999, the IOC President proposed a list of names, and a genuine vote at the Session rarely took place. One of the objectives of the 1999 reform was to renew the IOC membership more often. However, all the IOC members elected since 1999 have been almost automatically re-elected by list vote after their first eight-year mandate, if they had not reached the age limit. This included Rogge in 2008.

**Athletes Commission**

Twelve active athletes from the quota of 15 in the membership are subject to an election by their peers, by secret ballot at the Olympic Village (four at the Summer Games and two at the Winter Games, over two Olympiads). The remaining three are proposed to the session by the IOC President from members of the Athletes Commission, whom he nominates, to guarantee a certain degree of balance regarding gender and geographical distribution and to include types of member who would not necessarily be elected. Candidate athletes are presented by their NOC if they are taking part at the current Games or if they took part in those preceding them, and if they have never been found guilty of doping. There were nine candidates at the Vancouver Winter Games for two places, and 75.3 per cent of the Olympic athletes voted. The elected athletes form part of the Athletes Commission, which comprises 19 members, with the others being appointed by the IOC President. The elected athletes are confirmed as members by the Session, at the end of the Games, and then presented to the public at the Closing Ceremony.

**Ethics Commission**

The IOC members have a series of rights and obligations that are laid down in the Olympic Charter. They must take an oath whereby they make a commitment to serve the Olympic Movement, to respect the Charter, to comply with the Code of Ethics, to remain free from any political or commercial influence and to refrain from appealing IOC decisions (Rule 16.1.3). Apart from voting for a colleague wishing to become a member of the Executive Board, the main power of a member resides in their vote for a candidate city for the organization of the Games. In 1999, a few members wished to reduce this power drastically by entrusting the IOC Executive Board with this designation, or by imposing a single round of voting with a relative majority. In the end, however, the members retained their main prerogative. The reforms relating to the designation process for the Olympic city in 1999 nevertheless led to a reduction in the number of candidate cities proposed to the session. This is due to a pre-selection by the Executive Board one year before the final vote. Members are also prohibited from visiting the cities concerned and representatives of the cities are prohibited from visiting members in their countries. In principle, the only contact now authorized is at pre-designated Olympic meetings.

The IOC’s Ethics Commission is tasked with investigating whether the members and the candidate cities respect these clauses. More generally, it is responsible for evaluating ethical behaviour, with the exception of doping and judging issues, on the part of the staff and members of the IOC, of athletes and officials taking part in the Games, of the NOCs, of the
Organising Committees and of Candidature Committees for the Games. To do so, it applies a Code of Ethics that was adopted in 1999 and revised in 2010 (IOC, 2010d). Four members have been excluded since 2000 upon its recommendations, or have tendered their resignation. The Commission was created in March 1999, before the other reforms relating to governance were set in motion, and its creation was in response to enormous pressure on the IOC by the media and the American sponsors at the time. It consists of nine persons, of whom a majority are non-IOC members. The Ethics Commission has taken on considerable importance since its creation, notably since the election of Jacques Rogge in 2001. It has improved the governance of the IOC but there is still room for progress to be made with respect to the Commission’s transparency and independence from the IOC.

The 1999 reforms made it possible to guarantee that a certain number of IOC members come from the main stakeholders of the Olympic Movement, i.e. the athletes, the IFs and the NOCs. It would be possible to go even further, by imagining that all Olympians (those who have taken part in the Games at least once) or Olympic fans could vote, for example via the internet. In 2002, the IOC launched an online system for finding ideas with a view to reducing the gigantism of the Games, and in 2007 launched a virtual Olympic Congress to gather suggestions prior to the real congress in 2009. A World Olympian Association was founded in 1995 but so far has no particular role in IOC governance, except for a seat on the Athletes Commission. In order for their voices to be better heard within the IOC’s reform process, Canadian athletes founded OATH (Olympic Advocates Together Honorably) in 1999. The organization, financed by the Magna Corporation, has since disappeared. Ten years later, a European Elite Athletes Association was founded to unite 15 professional independent athletes’ federations. It now plays an important role in the fight against some anti-doping procedures such as the ‘whereabouts rules’.

Certain authors, moreover, believe that the Olympic sponsors and the media that broadcast the Games should have a say regarding how the IOC is regulated. Based on agency theory, Mason et al. (2006) propose incorporating all these stakeholders within a board that would supervise the Session. The IOC members could not, of course, be in agreement with such a proposal, which would reduce their personal interests in being agents of the IOC. Having said that, the President of Samsung (an Olympic sponsor) and a Vice-President of NBC Sport, the broadcaster of the Games in the USA, have been IOC members for many years. Other members are also closely connected with sponsors.

**Level four: harmonizing the regulatory mechanisms**

As we have just seen, the Ethics Commission is, with the Nominations Commission, the IOC’s main mechanism for managing its governance. But its authority goes well beyond the IOC members and staff, since the Code of Ethics is also applied to the NOCs, the Organising Committees and the Candidature Committees for the Games. Curiously, the IFs are not officially among the ‘Olympic parties’ (sic) subjected to the Code of Ethics. Moreover, the sanctions stipulated by the Olympic Charter only relate to the participation of individuals or organizations in the Games. They do not affect other areas of sport not directly related to the Games, such as championships, leagues and clubs. Several IFs and NOCs do, in fact, have their own Ethics Commissions and Code of Ethics, or regulations concerning conflicts of interest, or even rules of good governance, such as those of the International Cycling Union. This is also the case for the IFs of football, volleyball and wrestling (Chappelet, 2005) and the NOCs of Italy, the Netherlands, the USA, Slovenia and Switzerland (Chaker, 2004: 29). Some national sport federations also have their own regulatory bodies, such as the French Football Federation’s National Ethics Council.
We could therefore imagine that an IF or NOC President who is a member of the IOC would be sanctioned with regard to ethics by the IOC but not by his IF or NOC. This is as a result of the disparities between the various regulatory texts or simply because of different interpretations among the regulatory entities concerned. Such a case almost arose with the International Volleyball Federation (FIVB) in 2004. The problem is one of harmonizing the regulatory mechanisms, or the ‘governance of the governance’ to use Pérez’s (2009) expression.

This type of problem has already been encountered by international sport, in connection with doping. In 1999, it led to the creation of the World Anti-Doping Agency (WADA), a private foundation subject to Swiss law, controlled in equal parts by the Olympic Movement and the public authorities (Chappelet, 2002). One of the main objectives of the Agency is to harmonize the various sporting rules and legislative mechanisms related to doping. At the time, the case of a cyclist from Sydney was frequently cited: he took part in the Tour de France cycling race that started in Ghent, Belgium, and was thus subject to four or five different sets of regulations: Australian, French, Belgian (and Flemish), as well as those of the International Cycling Union. The beginning of a solution to this problem was reached, in 2003, with the adoption of the World Anti-Doping Code, signed by the IOC and all the IFs.

This Code has now been accepted by more than 150 states within their respective national legislation via the signature and ratification of an International Anti-Doping Convention, adopted by the United Nations Educational, Scientific and Cultural Organization (UNESCO) in 2005. WADA is empowered by the Code and is independent from the IOC despite half its budget coming from the broadcasting and sponsorship rights for the Games and the fact that several IOC members and Olympic Movement representatives play a leading role on the WADA board. For example, for the first seven years of WADA, its chairman was an IOC member. WADA therefore provides a private form of regulating the IOC’s governance for the cases of doping it handles – those identified at the Games.

On a more global level, WADA constitutes an international public–private partnership that symbolizes a new and better governance of doping in sport for the twenty-first century. In 2010, its President called for a similar organization to fight corruption in sport. A similar idea had been voiced before by Chappelet (2002) and Play the Game (Andersen, 2007), a Danish organization which acts as a watchdog for the sport movement and calls for the creation of a ‘Global Coalition for Good Governance in Sport’. Citing WADA as a good example, Bourg and Gouguet (2004) believe that, beyond codes and specialized agencies, a supra-national organization could be tasked with protecting and regulating international sport, including the Olympic Games as a ‘global public good’.

In addition to the lack of harmonization and the divergences of sporting rules that can exist within the sport movement, we also note a harmonization problem between the IOC’s governance rules and the national laws of the states where it operates and where its members live. On several occasions, the IOC Ethics Commission has been forced to suspend its recommendations until national courts take decisions. This was the case, for example, for Guy Drut, a French IOC member and Olympic gold medal winner. In 2004 Drut was found guilty of abusing public funds in an affair that was not related to sport and which took place before he was elected to the IOC. He appealed against the court’s decision and was finally granted a pardon by the French President. Subsequently, the Ethics Commission recommended a reprimand for having tarnished the reputation of the Olympic Movement and an interdiction to chair IOC commissions for five years. Until a final decision is taken by the competent national court or authority, the Ethics Commission prefers not to make a final decision for fear of
reaching opposing conclusions. It simply proposes that the member be provisionally suspended. All that is legal is not, however, necessarily ethical. As the above example shows, the Commission has (slightly) sanctioned a member who was pardoned by his country, but would have probably not done so if he had been judged to be innocent.

Contradictions between the IOC’s rules of governance and Swiss law – under which it mainly operates as well as many IFs – can also occur. Two cases can be cited in this connection. The first dates from 1979 and concerns the problem of the ‘two Chinas’. The Taiwanese IOC member at the time lodged a complaint before a court in the Swiss Canton of Vaud against the decision by the IOC’s Executive Board to impose a change of name and of emblem on the NOC of his country so that it could be allowed to continue taking part in the Games. The plaintiff also took advantage of his legal prerogatives as a member of a Swiss association to contest a decision that violates its statutes, according to him. The problem resolved itself two years later when the complaint was withdrawn. Following the incident, the members’ oath was modified to indicate that they considered the IOC’s decisions as being without appeal on their part. This clause is probably not valid before a Swiss court, but for the time being has avoided other complaints being filed by members against ‘their’ IOC.

The second affair dates from 2003, and has not yet been resolved in the Swiss courts. It concerns an Association by the name of ‘Gibraltar National Olympic Committee’, which has been requesting recognition by the IOC as an NOC in its own right since the end of the 1980s. The Association fulfils the conditions that were required at the time of its application, notably before the IOC demanded that the territory concerned be ‘an independent State recognized by the International Community’ (Rule 31 of the Olympic Charter). It criticizes the fact that the decision by the IOC has been so slow in coming; the IOC does not want to take a positive decision, which would not be accepted in Spain, or a negative one, which risks a negative outcome in a Swiss court because of the Charter that was in force at the time.

In its Olympic Charter, the IOC states that its decisions ‘are final’. Any dispute relating to their application or interpretation may only be resolved by the IOC Executive Board and in certain cases by arbitration before the Court of Arbitration for Sport (CAS) (Rule 15.4). Since arbitration before the CAS is, however, subject to agreement by both parties concerned, it is clear that this clause by no means prevents the case from being brought before the Vaud courts and, if necessary, to the Federal Court (Switzerland’s highest court) if the party opposing the IOC does not wish to resort to the CAS or if the IOC does not wish to do so.

Nonetheless, the CAS has in the past provided the IOC, and more widely sport organizations and athletes, with the possibility of avoiding state courts in Switzerland and elsewhere (Blackshaw et al., 2006). It has frequently been used by athletes who contest decisions by the IOC or the IFs in relation to doping, sometimes to the athletes’ advantage. The World Anti-Doping Code has, moreover, declared the CAS its supreme court once all internal appeal mechanisms have been exhausted. The IOC, on the other hand, has rarely been able to impose recourse to the CAS within the contracts it signs with its commercial partners.

The CAS arbitrators are appointed by an International Council of Arbitration for Sport (ICAS), which itself is a foundation subject to Swiss law, and of which the IOC only designates one-fifth of the board members. The structure functions within the framework of Swiss public order, and in particular the Swiss Federal Private International Law, which regulates questions of arbitration even though the parties can decide, jointly, to apply another national law. The CAS’s independence has been acknowledged on several occasions by the
Chappelet

Swiss Federal Court, which may nevertheless intervene in the case of an alleged procedural error.

During its activity over more than 25 years, the CAS has incontestably contributed towards aligning sport regulations with natural law, and towards a certain degree of harmonization of the rules of the Olympic sport organizations, which use it regularly and designate it as their supreme court. Even FIFA, football’s governing body, which wished to create its own court of arbitration, accepted in 2005 the role of the CAS. In this sense, the CAS indeed constitutes a mechanism for the governance of the IOC’s governance, and that of the IFs and any sport organization that wishes to use it. However, questions have been raised about the way CAS arbitrators are selected by ICAS and about the fact that few arbitrators keep up to date with the evolution of sport governance (Baddeley, 2004). Thus, the choice of competent arbitrators is limited.

Level five: the meta-governance of the IOC

The IOC receives no subsidies from public authorities, which protects it from governmental pressure. As already stressed, however, the IOC functions within the framework of Swiss legislation as an Association in accordance with Articles 60 to 79 of the Swiss Civil Code, or through its foundations and limited companies (SA) that are also subject to Swiss law. Admittedly, it was granted a special agreement with the Federal Council (Swiss Government) in 2000 regarding its status which, according to Latty (2001), makes it an actor of international law. The fact remains, however, that the IOC, even if it benefits from certain privileges concerning its direct taxes and the recruitment of its staff, is not a fully fledged international organization and does not benefit from a Headquarters Agreement that would provide it with the classical diplomatic privileges.

This situation could change in the future thanks to a recent Federal Law on the Host State which entered into force in 2008. The law permits the Swiss Government, without having to refer to its Parliament, to grant certain ‘other international entities’ privileges, immunities and other special waivers of Swiss law (Article 2.1.m of the law). From a governance point of view, this could permit the IOC to avoid any cases being filed against it in Swiss courts.

The IOC enjoys no specific protection in other jurisdictions or under other national legislations. It is mentioned every two years, within the Resolutions of the General Assembly of the United Nations (UN), with reference to the Olympic Truce (UNIC, 2005). Since 2009, it has had an observer seat at the UN and it has been mentioned in UNESCO resolutions concerning doping. It is recognized by the Treaty of Nairobi (1981) as being the owner of the Olympic symbol – the interlaced rings. All that, however, does not give the IOC international legal status or the Olympic Charter any legal power. There are even other, lesser-known texts that have greater legal scope: for example the International Charter for Physical Education and Sport (adopted by UNESCO in 1978) or the European Charter for Sport and the Code of Ethics for Sport (adopted by the Council of Europe in 1992). The aforementioned texts are considered to be recommendations for the Member States. It should be noted that the European Code of Ethics for Sport has virtually nothing in common with the Olympic Code of Ethics. The problem is again one of harmonization.

There are also international conventions that have a significant role in sporting matters and can sometimes constrain the IOC’s or the Olympic Movement’s decisions. Examples of these are the European Convention for the Protection of Human Rights and Fundamental Freedoms (Council of Europe, 1950); the European Convention on Spectator Violence and
Misbehaviour at Sport Events (Council of Europe, 1985); the Anti-Doping Convention (Council of Europe, 1989); the United Nations Convention against Corruption (2003), as well as similar conventions passed by the Council of Europe and the Organisation for Economic Cooperation and Development; the International Convention against Doping in Sport (UNESCO, 2005). In 2005, the Council of Europe sport ministers adopted recommendations for effective policies and measures of good governance in sport which are considered to be a response to inadequate behaviours by sport organizations (COE, 2005). Moreover, European Community law has often been invoked to successfully contest some sporting rules, the most famous example being the Bosman ruling in 1995.

In 2006, the Court of Justice of the European Communities declared that the IOC’s rules on doping control fall within the scope of the Community competition law (CJEC, 2006). This prompted the IOC and IFs to organize two brainstorming meetings on the autonomy of sport organizations (Chappelet, 2010b). The conclusion of the second meeting in 2008 was to propose ‘Basic universal principles of good governance of the Olympic and Sport Movement’ which were formally adopted at the Olympic Congress in Copenhagen in 2009 (IOC, 2010c, point 41 of the Final document: 250). These principles must now be respected by all Olympic Movement constituents according to the IOC Code of Ethics as amended in 2010 ‘in particular, transparency, responsibility and accountability’ as stated in the Code. The principles are organized in seven sections, outlined in Table 2.2.

The rationale for the adoption of such ‘basic universal principles’ was to emphasize good governance as the fundamental basis to secure the autonomy of Olympic and sport organizations. Beyond its own governance, the IOC wants to impose better governance on the whole Olympic and sport movement, i.e. on the Olympic System to secure its full autonomy or self-governance. Rogge highlighted this aim in his speech at the opening of a conference on the governance of sport in January 2001, a few months prior to his election as IOC President, saying: ‘Since sport is based on ethics and competition on fair play, the governance of sport must comply with the highest standards in terms of transparency, democracy and accountability’ (Rogge, 2001). We can see here a shift from corporate governance of sport organizations to the governance of sport as a social and political object worthy of public policies and constitutional support.

Sport is indeed mentioned as an object of public interest within numerous national constitutions (for instance in Greece, France and Switzerland) and in articles 16 and 165 of the Lisbon Treaty adopted in 2009 as a form of constitutional law for the European Union. Such legislation is the fundamental framework for the life of a nation’s citizens, from which neither sport nor the IOC can exclude itself. The IOC President, in his speech to a gathering of NOC representatives and sport ministry officials which took place in Acapulco in 2010, admitted that the IOC ‘fully recognizes and accepts the need to act within the framework of national and local laws, which when approved, must take into consideration the international sport law (in accordance with the Olympic Charter) in order to avoid any potential future conflict’ (Rogge, 2010). Here the IOC President refers to the necessary harmonization between sporting rules and laws of the lands where sport is practised.

The IOC states, moreover, in the preamble to the Olympic Charter, several principles that can be found in constitutional texts and the recommendations of inter-governmental organizations. It refers, for instance, to respect for ‘universal fundamental ethical principles’, the preservation of human dignity, the right to practise sport being a human right, friendship, solidarity, fair play, non-discrimination and the educational value of sport. This highly general framework of social and political responsibility remains at the base of the IOC’s meta-governance.
| Table 2.2 The basic universal principles of good governance of the Olympic Movement |
|---|---|
| **1. Vision, mission and strategy** | 1.1. Vision  
1.2. Mission  
1.3. Strategy |
| **2. Structures, regulations and democratic process** | 2.1. Structures  
2.2. Clear regulations  
2.3. Governing bodies  
2.4. Representative governing bodies  
2.5. Democratic processes  
2.6. Attribution of the respective bodies  
2.7. Decision-making  
2.8. Conflicts of interests  
2.9. Duration of the terms of office  
2.10. Decisions and appeals |
| **3. Highest level of competence, integrity and ethical standards** | 3.1. Competence of the members of the executive body  
3.2. Power of signature  
3.3. Internal management, communication and coordination  
3.4. Risk management  
3.5. Appointment of the members of the management  
3.6. Code of Ethics and ethical issues |
| **4. Accountability, transparency and control** | 4.1. Accountability  
4.2. Processes and mechanisms  
4.3. Transparency and communication  
4.4. Financial matters – applicable laws, rules, procedures and standards  
4.5. Internal control system  
4.6. Education and training |
| **5. Solidarity and development** | 5.1. Distribution of resources  
5.2. Equity  
5.3. Development |
| **6. Athletes’ involvement, participation and care** | 6.1. Right to participate and involvement of the athletes in the Olympic and Sport Movement and governing bodies  
6.2. Protection of athletes  
6.3. Health  
6.4. Fight against doping  
6.5. Insurance  
6.6. Fairness and fair play  
6.7. Athletes’ education and career management |
| **7. Harmonious relations with governments while preserving autonomy** | 7.1. Cooperation, coordination and consultation  
7.2. Complementary missions  
7.3. Maintain and preserve the autonomy of sport |

*Source: IOC, 2008*
Conclusion

As we have noted, the IOC’s governance has evolved considerably since the end of the twentieth century. This is partly due to the influence of the media and of public opinion that in 1999 forced the IOC to carry out drastic reforms, but also to the determination of the new President who, as of 2001, introduced classical principles of corporate governance that had previously been virtually ignored. Table 2.3 summarizes the IOC structures, external entities or instruments for the governance of the IOC and the Olympic System, some of which have been in place since its origin in 1894, but most of which were introduced more recently, in 1999, as a consequence of the corruption scandal concerning the awarding of the Olympic Winter Games to Salt Lake City.

At the beginning of the twenty-first century, the IOC is clearly more professionally managed than it was in the 1980s and 1990s when it rose from a club in charge of ensuring the regular celebration of the Olympic Games to a major transnational organization trying to lead sport on a worldwide basis. The entrepreneurial expansion years of the Samaranch presidency (1980–2001) had to be followed by a management consolidation period under the Rogge presidency (2001–13). Improvements can still be made (see Chappelet, 2011), but the corporate governance mechanisms of the IOC are now in place and the main challenge is to use them properly for the ‘good governance’ of the IOC.

However, the focus of attention has now moved from the governance of the IOC to the governance of the Olympic System and of world sport. Here the challenge is to make sure that the basic universal principles of good governance as defined by the IOC in 2009 are accepted, adopted and implemented by all Olympic organizations. The preservation of the autonomy of sport organizations at the national and international level rests on such an implementation.

<table>
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<tr>
<th>Level</th>
<th>Level name</th>
<th>IOC structures, external entities and instruments</th>
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<tbody>
<tr>
<td>1</td>
<td>Management (strategic and operational)</td>
<td>IOC President and Directors with IOC Administration</td>
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<tr>
<td>2</td>
<td>Management of management (governance)</td>
<td>IOC Session</td>
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<td></td>
<td></td>
<td>Executive Board (since 1921)</td>
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<td></td>
<td></td>
<td>Statutory and Thematic Commissions (since 1968)</td>
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<td>3</td>
<td>Management of governance (regulation)</td>
<td>IOC Nominations Commission (since 1999)</td>
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<td></td>
<td></td>
<td>Athletes Commission (since 1981)</td>
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<td>Ethics Commission (since 1999)</td>
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<td>4</td>
<td>Governance of governance (harmonization)</td>
<td>WADA (since 1999)</td>
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<td>CAS (since 1984)</td>
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<td>National courts</td>
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<tr>
<td>5</td>
<td>Meta-governance (legal and societal</td>
<td>Swiss legislation</td>
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<tr>
<td></td>
<td>framework)</td>
<td>National constitutions and laws related to sport</td>
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<td></td>
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