

The positioning at the top

Recommendations for a sustainable future of organisation and financing of elite sports

Urgency

Currently, Dutch elite sports are excelling at the highest international levels, with athletes clinching medals at both the Olympic and Paralympic Winter and Summer Games across various sports. We are producing champions in commercial sports like cycling and combat sports, and our performance in the global football arena, both in men's and women's categories, reflects our prowess as a small nation. These achievements allow every child in the Netherlands to dream of an international elite sports career in their chosen discipline, and most residents take pride in our country's elite sports performance. Moreover, this level of success manifests various societal side effects. The Netherlands Sports Council (*Nederlandse sportraad*) has examined whether these top performances can be sustained in the future with the current organisation and financing of elite sports.

Although it is not yet dire everywhere in Dutch elite sports, the council notes numerous long-term uncertainties. As a result, the sustainability of elite sports is in question. Factors at play include a national government that has not expressed any explicit and long-term commitment to supporting and financing elite sports, a weakening organisational structure of sports federations and increasing competition in elite sports. Additionally, society is placing increasing demands on elite sports organisations in terms of safety and integrity. Uncertainty looms over lottery funding and the financial influence of foreign investors and international gambling companies is growing.

Dutch elite sports are ill-equipped to handle these developments. Without a clear and robust plan, wealthy foreign financiers will soon dictate the practice and viewing of elite sports in the Netherlands. It's likely that the Dutch elite sports landscape will then only accommodate a few commercially viable sports. Consequently, the societal value of Dutch elite sports will diminish significantly.

// Developments influencing future resilience

Developments outside Dutch elite sports

Elite sports have evolved into a thriving global commercial sector, continuously expanding. Elite sports are part of a global industry where major private organisations and investors profit. Investment decisions hinge on a sport's commercial value, endangering the diversity of the sports landscape. "Who pays decides" governs this global market. Additionally, (equally private) federations like the IOC or FIFA strive to wield maximum influence in their reflective sports. Governments and local sports bodies worldwide, including Dutch ones, grapple increasingly with this rapidly growing international market, impacting domestic elite sports and citizen perceptions. This raises concerns about integrity and safety. Due to increasing competition, opportunities for financial gain and a lack of administrative strength in sports organisations, the pressure on elite athletes becomes dangerously high. This increases the likelihood of misconduct.

Developments within Dutch elite sports

Elite sports significantly impact Dutch citizens, observes the Netherlands Sports Council. Athletes leverage new media platforms to contribute to a national sense of pride – what the Dutch call the "*Oranjegevoel*" (Orange pride). Despite these positives, the Netherlands Sports Council has identified certain challenges. For many involved in elite sports, the financial and organisational prerequisites to perform their profession adequately are insufficient. Additionally, the organisational capacity of organisations such as sports federations and professional football organisations is declining. Dutch sports organisations increasingly lack the necessary knowledge and organisational capacity to adequately organise elite sports and to act as equal partners for the advancing (international) commercial sector. This is partly due to certain sports not being commercially viable and therefore lacking sufficient financial resources, and partly due to the increasing demands society places on elite sports in terms of integrity, fair funding and sustainability. Moreover, there is tension within sports organisations between the elite sports industry and the club-based model. Finally, the organisation and financing of elite sports in the Netherlands have historically grown and gradually expanded, resulting in various parties being involved in elite sports. This leads to unclear division of tasks and ad-hoc financing, resulting in an organisation that is fragmented and less effective.

Developments in elite sports financing

The corporate sector primarily invests in the profitable aspects of elite sports, focusing on the top-tier, media-friendly sports where there's significant viewer interest, thus enabling revenue through advertising and sponsorship. However, these companies invest significantly less, if at all, in the grassroots development of elite sports. As a result, there's a lack of sponsorship funds available for crucial areas like coaching quality, talent development programmes, safety, integrity and the provision of training facilities. While substantial sums of money flow at the pinnacle of elite sports, funding for essential prerequisites often relies on alternative sources such as government subsidies and lottery proceeds. For instance, despite the substantial commercial income in professional football, a notable portion of funding for football stadiums by professional football organisations comes from government sources.

The future of elite sports financing through lottery proceeds is uncertain due to the potential privatisation of the Dutch Lottery. Additionally, the increasing reliance on lottery and gambling funds raises significant societal concerns. The growing influence of gambling companies on the elite sports landscape heightens the risks of gambling addiction and match-fixing. Furthermore, the origins of sponsorship funds from

(online) gambling companies often remain opaque. Consequently, financing with lottery and gambling funds is often seen as conflicting with societal values as outlined in the sustainable development goals (SDGs) of the United Nations.

Moreover, the Netherlands Sports Council notes that the current system of distributing national funds for elite sports presents challenges. The national government delegates the distribution of these funds to NOC*NSF (Dutch National Olympic Committee), an association and advocate. This setup excludes non-members from accessing these national funds, while members may have a vested interest in restricting new memberships.

Over recent decades, NOC*NSF has made efforts to make the distribution of elite sports funds more democratic and transparent. Additionally, the Netherlands Sports Council acknowledges that the allocation of funds serves purposes beyond mere financial distribution. For example, NOC*NSF uses the allocation of funds for enhancing the governance of its members and providing athlete services. While the Netherlands Sports Council appreciates this positive influence, which should certainly not be overlooked, it maintains that NOC*NSF faces challenges in its relationship with its members. This reversed dynamic, where NOC*NSF finances its members rather than being funded by them, poses complexities. Finally, the relatively short funding cycles (typically four years) foster a culture of short-term policies and project-based thinking, rather than encouraging long-term investments and strategies. This short-term approach adds pressure on athletes, trainers, coaches and organisations, which often heavily rely on these funds for elite sports.

// Vision for a sustainable and resilient elite sports sector

The Netherlands Sports Council considers it vital to ensure strong elite sports performances in the future. Indeed, under the right conditions, elite sports performances hold significant societal value for the Netherlands. The Council envisions a sustainable, resilient elite sports sector that is financed in a sustainable and fair manner, aligning with the Sustainable Development Goals (SDGs). In the Council's vision, sustainable financing for elite sports in the long term is no longer dependent on lottery funds and/or gambling companies. This positions the Dutch elite sports industry as an investment opportunity for ethical financiers, distinguishing it from other countries. In this vision, the sports sector, government and business community collaborate closely, with a clear distribution of tasks and responsibilities. Additionally, we envision an elite sports sector that contributes to society in terms of health, opportunities for development, well-being and the economy. This enables Dutch athletes from a wide range of sports to compete internationally. Within this sector, conditions are in place to ensure that all stakeholders in elite sports can work safely, enjoyably, supported by knowledge and with good career prospects. This makes financing of Dutch elite sports more attractive and it makes elite sports a reliable investment. Furthermore, a sustainable and resilient elite sports sector yields engaging, safe sports events and offers easily accessible and affordable media content, enabling Dutch citizens to follow Dutch athletes. Achieving this requires decisions from both the government and the elite sports industry.

// What role does the government play in elite sports?

The corporate sector largely facilitates and finances the top of the elite sports pyramid. However, there is market failure for less commercially viable sports and for prerequisites such as education and supra-regional elite sports facilities. Given the rapid global growth of the elite sports industry and the limited Dutch influence, it is crucial for the national government to define a clear role for itself. Thus far, the role of the national government has not been explicitly defined. While the national government has been providing

subsidies to NOC*NSF for years, and grants subsidies for one-time elite sports events, it acts as an ad-hoc financier for facilities such as Thialf (the Dutch international ice arena with a speed skating and ice hockey venue).

The Netherlands Sports Council deems it necessary for both the national and local governments to establish long-term roles in elite sports. In the Council's view, this role primarily involves facilitating prerequisites such as education, elite sports programs, facilities and safety. By doing so, governments invest in the societal value of elite sports, aiming to preserve and strengthen it whenever possible. Additionally, the national government upholds Dutch norms and values regarding organisation and financing, which, in the Council's view, are essential conditions for public investments in elite sports. However, this does not imply that the national government becomes ultimately responsible for elite sports in the Netherlands. That responsibility remains primarily with elite sports organisations themselves. Nonetheless, the national government ensures that the foundation of elite sports is solid, considering its significant societal value.

// Recommendations

To adhere to the outlined vision, the council categorises the elite sports sector for this advice into three groups: professional sports¹, hybrid sports² and niche sports³. The government's role varies across these categories. Professional sports receive government support through investments in the foundational aspects (where market failure exists), but these sports thrive independently of government aid and intervention. However, other forms of elite sports (niche sports and hybrid sports) cannot function without support from the government. They require varying degrees of assistance to be integrated into the future elite sports landscape in the Netherlands. This ensures that we are as well-positioned as possible for strong performances under the right circumstances.

The Netherlands Sports Council offers recommendations on the themes that collectively contribute to a robust, future-proof organisation of elite sports and advises the national government as follows:

Performance

1. Facilitate a robust, accredited education program for Dutch talents, elite athletes and support staff. Ensure they have the necessary time and resources to pursue their education. Further develop a "Conservatory for sports".
2. Recognise the profession of elite athletes and support staff by offering suitable employment conditions and ample career prospects, enabling everyone to have job security and being able to focus entirely on practicing or supporting elite sports.
3. Ensure long-term support for elite sports research.

Social significance

¹ Commercially funded, this tier within elite sports operates on sponsorship and exhibits all the hallmarks of an industry.

² This category of sports relies partially on sponsorship, but with government backing. Practicing, coaching, facilitating and organising these elite sports can hardly be sustained without government assistance – except, perhaps, at the absolute top level.

³ These elite sports cater to too small a niche to be truly commercially appealing to multinational corporations or publicly traded companies. Practicing, coaching, facilitating and organising these elite sports sometimes occur in leisure time, and individuals can hardly make a living from the proceeds, if at all. Without support, these sports are not viable.

4. Strengthen and stabilise the elite sports sector by investing in governance capacity, vision development, policy formulation and organisational efficiency. This empowers the sector to uphold the societal value of elite sports.
5. Unify the entire national government in championing elite sports, emphasising its intrinsic importance and providing unwavering support. Assume systemic responsibility by appointing a dedicated State Secretary for sports and physical activity. Ensure clear delineation of roles and responsibilities across local, regional and national government levels and among different governmental departments.
6. Prioritise enhancing safety in elite sports as a national government imperative. This ensures safe practice of elite sports and enables fans to attend matches securely, thereby fostering a positive environment for grassroots sports.
7. Promote integrity in elite sports as a proactive measure. While primarily the responsibility of the sports sector, provide (temporary) support as needed where the sector falls short. This ensures the achievement of integrity in elite sports as soon as possible.

Monitoring and attendance

8. Establish centralised coordination for elite sports events and facilities at the national level, recognising this as a role of the national government.
9. Ensure broad media coverage for a diverse range of elite sports, allowing widespread accessibility for Dutch citizens. Where feasible, prioritise open channels and limit the number of providers for ease of access.

Funding

10. Encourage elite sports funding initiatives as a national government priority. Lead by example and ensure sustained government funding over extended periods, fostering stability for elite sports organisations and athletes.
11. Transition from long-term lottery funding to guaranteed, direct government funding.
12. Ultimately, entrust the allocation of elite sports resources from the national budget to an independent organisation with elite sports expertise. In doing so, thoughtfully determine resource allocation, directing funds to umbrella organisations for member support and directly to elite sports organisations.