Sports Industry Development in India: Opportunities, Constraints and Way Forward

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Abstract: This paper provides an overview of the sport industry development in India, highlighting the opportunities and constraints for sports development. A thriving sports sector usually has significant socio-economic impact, as it is instrumental in improving the physical health and mental agility of a nation’s human resources and in promoting unity and national pride. In fact, sport as an industry contributes to about one to five per cent to the GDPs of various countries. However, a lack of sports culture in India has deferred the formation of a similar industry in the country despite growing awareness, interest and successes in various non-cricket sports such as archery, badminton, boxing, chess, hockey, tennis, snooker, billiards, shooting and wrestling at prominent international competitions. Sports industry is not a new sector in India but its formats have changed with the development of modern/corporate in India. Many large Indian corporates and foreign investment have entered into this niche segment of sports. The Indian government is exploring the possibilities of allowing FDI (foreign direct investment) in multi-brand retail in sports. India is hosting a series of international sporting events, which are likely to boost the retail market. Many foreign sports industry have shown interest in entering the Indian market. This paper analyses the sports industry development in India against this backdrop.

Introduction

Sports have been full time profession for many Indians over the ages. Society, kings and kingdoms patronized sports professionals, coaches and administrators, with public appreciation, sporting resources and personal gains. As we proceeded in modern era sports took a backseat. High growth economy, rise of middle class with disposable income and leisure time has shown revival of sports in India. Parents today support their children’s aspirations to pursue career in sports. Sports like Boxing, Formula 1, Hockey, Golf, Kabaddi, Shooting, Soccer, and Tennis, are enjoying record levels of success in India. Sports are multibillion dollar industry across the globe and nevertheless a highly respected career option. Sports sector is developing in India and presents exciting career opportunity for youngsters aspiring to excel in sports, and individuals associated with sports and allied services. Sports sector is increasingly becoming strategic business units for many corporate houses in India.

Government and Sports Federations in Sports

Department of Sports, Government of India schemes is geared towards creating the infrastructure and promotes capacity building for broad-basing sports. It is with the objective of achieving excellence in various competitive events at the national and international levels. Sports promotion is primarily the responsibility of the various National Sports Federations which are autonomous and receive funding from government.

In addition, there are autonomous institutions under the Ministry of Youth Affairs and Sports, such as the Indian Olympic Association (IOA) and the Board of Control for Cricket in India (BCCI). They work directly with their respective international federations/organisations and run parallel to the other departments under this ministry. IOA is affiliated to the International Olympic Committee (IOC), and is the governing body for 64 federations. It covers almost all major sports except cricket, which is governed by the BCCI.

Impact of Sports on Economy

Sports can make significant socio-economic impact on a nation and its citizens. It plays an important role in ensuring physical fitness and healthy lifestyle among the citizens of a country. It unites people from diverse backgrounds, hence promoting peace and development. With the Government providing numerous opportunities to sportspersons, sports also promotes social inclusiveness. The sports sector has the potential to make significant contribution to the economy. Though there is no study in India that assesses the socio-economic impact of the sector, a study undertaken by Sport England in 2013 highlights the significant contribution that it could make to a country’s society and economy. The potential of sport in bringing about a positive social change is evident from initiatives such as the ‘FIFA Football for Hope’ movement. This is a global movement that seeks to provide visibility and support to various social organisations that use football as an instrument in...
their social development programs. ‘Sport the Bridge’ is another such initiative that lays emphasis on sport pedagogies to promote social inclusion among street children in Ethiopia.

India’s economic growth potential, thanks to a large young population, is of interest to the entire world. Inculcating a healthy sporting culture among its youth to build a physically and mentally sound nation is integral in ensuring sustainable growth in the future. As per a survey conducted by EduSports in 2011–12 covering more than 49,000 across the country, obesity is increasing among schoolchildren in urban India with one in four in the metros and one in six in non-metros being overweight. According to the survey, about 39 per cent children do not have correct Body Mass Index levels and about 20 per cent demonstrate signs of obesity. Nearly one in two children covered under the study have poor flexibility levels and body strength. It has been observed that fitness levels drop sharply as children grow older, highlighting the risk of an unfit generation. The survey highlights lack of structured inclusive sports curriculum as the primary reason for alarming obesity and poor health levels apart from lack of proper sports infrastructure and urban lifestyle.

**Performance of India in Sports**

India is not considered a sporting nation and lags in majority of sports. Its performance has not stood out at international events such as the Olympic Games. However, at an international level India excels in a few sports such as badminton, boxing, cricket, tennis, shooting and wrestling. This demands a thorough analysis of India’s performance at recent sporting events to formulate a strategy for Olympics 2020.

**Performance at international events**

The country’s performance has not been up to the mark at various Olympic Games. India’s medal tally has witnessed marginal improvement in the past few Olympics Games, with the 2012 games being the best so far for the country. India’s Olympic medal tally has increased from zero in 1988 and 1992 to one each in the 1996, 2000 and 2004 Olympics. This was followed by three medals in 2008 (including the first Olympic gold medal for India) and six medals at the London Olympics 2012.

**Table 1:1 Achievements of India in certain non-Olympic sports**

<table>
<thead>
<tr>
<th><strong>CRICKET</strong></th>
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<tbody>
<tr>
<td>1. Winner of Cricket World Cup in 1983 and 2011</td>
</tr>
<tr>
<td>2. Winner of World Twenty20 in 2007 and 2013 ICC Champions Trophy Chess</td>
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<table>
<thead>
<tr>
<th><strong>CHESS</strong></th>
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<tr>
<td>2. Indian women’s chess team finished fourth</td>
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### SNOOKER AND BILLIARDS

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>1.</td>
<td>In the last 20 years, India has won the World Championship five times</td>
</tr>
<tr>
<td>2.</td>
<td>Pankaj Advani has eight world titles under his belt. He also won the gold medal for the English Billiards Singles event at the Asian Games. He won the World Billiards Championship in 2009 and 2012</td>
</tr>
<tr>
<td>3.</td>
<td>Parimarjan Negi won the Asian Continental Championship 2012 at Vietnam</td>
</tr>
<tr>
<td>4.</td>
<td>Anuja Thakur won the WLBSA ladies world billiards championship in 2005 and Chitra Magimairaj won the Australian Open Women in 2008</td>
</tr>
<tr>
<td>5.</td>
<td>India has performed well at the Asian Games since 1982, winning a gold medal in each of the games</td>
</tr>
</tbody>
</table>

Source: Business of sports, kpmg.com/in

However, India lags far behind countries such as Australia, China, Japan, South Korea, Russia, the U.S. and some smaller countries such as Ethiopia and Cuba, which have traditionally performed better due to their core competence in some individual sports like athletics and boxing, respectively. India has traditionally performed better in the Commonwealth Games and Asian Games than the Olympics and it has managed to rank among the top nations. This may be attributed to the fact that less countries participate in these games than the Olympics and some of the top Olympic nations, such as the United States, People’s Republic of China (not part of the Commonwealth but takes part in the Asian Games), Russia, Germany and France, do not participate in these games. India’s performance at the Commonwealth and Asian Games has improved considerably over the years India has performed well in certain non-Olympic sports as well, such as cricket, chess, snooker and billiards.

**Overview of the Sports Retail Sector in India**

With the high growth of the domestic market in India and recession in major sports markets such as the US and EU, global retailers and Indian manufacturers are focusing on the Indian market. Indian corporates who have ventured into retail in recent years have also diversified into sports retail. Sports retail is a niche retail segment in India and at present, the sports retail market is small. There are no official estimates of the total retail market and estimates given by different consultancy organisations vary. According to one estimate, the total size of the Indian retail market was $372 billion in 2008, of which sports retail was around three per
cent. However, its share in organised retail was around 10 per cent. Estimates of the sports goods/equipment manufacturing industry is available from SGEPC, which shows that the industry has been growing at an average annual rate of around 10-12 per cent in the past five years. Over the years, India has developed as a sourcing hub for sports goods and the focus of the manufacturing sector has been on exports. The size of the domestic market is small because Indian society is education-oriented and sports are treated as a distraction from education. Sports are still not treated as a means of livelihood; instead, it is still considered a source of entertainment. This has led to low sports participation levels. There are other barriers such as the non-availability of infrastructure and the inability to pay for facilities and buy sports products. However, of late, Indians are spending more on sports goods. Although sports are still treated as a recreational activity, recreational consumption in India is growing. It is projected to grow at the rate of 8.9 per cent per annum from $1 billion in 2005 to $6 billion in 2025 (Figure 1.3). With an increase in incomes, there has been a decline in the consumption of food and basic necessities, and, if India continues with its high growth rate, recreational spending will grow.

Fig: 1.3 Annual Spending on Recreational Products and Services

The growing awareness of the urban middle and high-income population about fitness has indirectly boosted this sector. With the increase in levels of education, international travel and exposure through cable television, the internet, etc., Indian consumers are becoming more health-conscious as is evident from the growing number of health clubs, gymnasiums and fitness centres. With global integration, the culture of the workplace is changing; many Information Technology (IT) and multinational companies have in-house gymnasiums or sponsor their employees for fitness activities like gymnasiums, golf, and yoga. Further, India is hosting a series of international sports events, which is likely to boost the industry and increase sports awareness. In addition to this, sports promotion, training and infrastructure and exports of sports goods are now focus areas for the Indian government. There are other factors that have contributed to the growth of sports retail. Prior to the liberalisation of the 1990s, the main support for Indian sports used to come from public sector organisations such as the Ministry of Railways, Air India and Indian Airlines, and the Indian Defence Services, especially after Indian industries were nationalised in the 1960s. There were only a few private sponsors like the Tata Group. These organisations reserved jobs for sportspersons and provided training and other facilities. India is among the largest sports goods manufacturers in Asia after countries like China and Japan. Although its share in global trade is only around one per cent, it is a niche player in manufacturing. For instance, inflated balls produced in India are largely handstitched and, therefore, have better bounce than the machine-stitched balls from China; this gives them an advantage over China in European markets where hand-stitched balls are preferred. The country has a comparative advantage in low-cost, skilled manpower vis-à-vis developed countries like the US and Italy, which enables it to produce sports goods of international standards at a lower cost. Global brands such as Reebok, Adidas, Puma, Wilson and Yonex are sourcing their products from India. Retailers entering the sports segment can source many products from the domestic market. The Indian retail sector is undergoing liberalisation and the sports retail sector has been a part of this change. The retail formats in sports have changed in the post-1991 period. Earlier, sports equipment and toys were sold through family-owned, single-shop outlets, sports apparel was sold by apparel retailers and shoes by footwear retailers. Hardly any outlets provided sports apparel, shoes, equipment and accessories under one roof. After 1995, the retail industry in India underwent massive changes, moving from family-owned, one-shop businesses to corporate retail. This has affected sports retail. A large number of Indian corporates such as the Future Group and Reliance Retail Limited have entered sports retail and some family-owned businesses have grown from a single shop to multiple outlets. With the growth of modern retail, foreign brands have entered the Indian market.

Government Policies and Schemes

This section discusses government policies related to the sports sector, retail sector and sports product manufacturing.

Policies on Sports

Government policies can help to promote sports and, in turn, create demand for sports products. In 1954, the Indian government took the first step to promote sports by creating the All India Council of Sports (AICS). However, sports policy started receiving serious attention during the 1982 Asian
Games in New Delhi. In the same year, the Department of Sports was created under the Ministry of Youth Affairs and Sports. In 1984, the National Sports Policy was announced to develop a conducive policy framework for sports in the country. The policy emphasised the development of sports infrastructure and making sports and physical education an integral part of the students’ curriculum. To achieve this objective, the SAI was set up to oversee all matters related to sports promotion and management. The responsibility was entrusted to the state governments with some financial support from the central government. Development of sports in rural areas received priority. The policy also emphasised the need for harmonious and co-ordinated action between the government and other agencies. The Comprehensive Sports Policy (2007) retained the same focus, but recommended including sports in the ‘concurrent list’ instead of the ‘state list’. Although the linkage between sports and tourism has long been recognised in other countries, the policy made this link for the first time in India. From time to time, the government introduces schemes to promote sports and games in school and colleges, develop infrastructure in rural schools, train people and mobilise resources. These schemes include the National Sports Talent Contest Scheme, launched in 1985, to give training to talented young children in the age group of 14-18 years. The government introduced the Panchayat Yuva Krida Aur Khel Abhiyan (PYKKA) during the Eleventh Five-Year Plan (2007-2012) under which a grant of Rs. 40 million ($1 million approximately) was allocated to the Ministry of Youth and Sports Affairs for the promotion of sports and games in schools, colleges and universities during the year 2010-11. The Ministry of Human Resource Development has recently introduced the Continuous and Comprehensive Evaluation (CCE) system in secondary school education to be executed by the Central Board of Secondary Education (CBSE). Under this system, schoolchildren in the 10th standard will be evaluated on their performance/participation in sports activities/events in addition to their academic performance. A few sports have been listed for the schools to develop the concomitant infrastructure to implement this scheme. This will enable a strong link between education and sports, thereby promoting sports at the grassroots level and facilitating human resource and infrastructure development. At present, 100 per cent FDI is allowed in sporting activities through the automatic route. FDI is prohibited in lottery, gambling and betting. This implies that a foreign entity or a foreigner can own clubs, teams, etc. in India.

**Schools, Colleges, Clubs, etc.**

School, colleges, clubs and academies are bulk purchasers of sports products. During the survey, multi-brand retailers like Planet Sports and brand retailers like Nike and Reebok pointed out that schoolchildren constitute a big market for sports products; if they like a brand, it stays with them throughout their life. Brands, therefore, tend to work closely with schools to get their product approved – even as a part of the school uniform; for instance, in the past, most school shoes were supplied by Indian brands, but now brands like Reebok supply school shoes and equipment. Brands have come up with competitive pricing strategies to get businesses from schools. In the past, Indian schools emphasised academic education; however, some schools now focus on all-round development, which includes sports and fitness, and extracurricular activities along with education. The CCE system has increased the focus on sports. The government has also categorised school and university games under the ‘priority’ sector for sports promotion. School-level sports competitions include events at the intra-school, inter-school, zonal, district, state, national and international levels. However, few participants represent India at the international level. The School Sports Association of India, an independent body recognised by the Ministry of Youth Affairs and Sports and the Indian Olympic Association, is the core federation for sports at the school level. Some key activities of these federations are to organise sports events, set up coaching camps, maintain records of the participants and select teams for international events. In 2007-08, the federation organised 42 national school sports competitions in which 31,000 players participated from across the country.

**Status of Selected Sports in India**

In India, a wide range of sports are played, but sponsorship, fan following, and retailer involvement differ. While some sports are treated as competitive sports, attracting viewership and sponsorship, others are played for leisure or fitness. Some like ice hockey and skiing are niche sports that are located in specific places (northern India), while others such as cricket and football are played across the country. The Indian government recognises sports like cricket and football, but not motor sports.

<table>
<thead>
<tr>
<th>Sports</th>
<th>2001</th>
<th>2003</th>
<th>2005</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cricket</td>
<td>19.9</td>
<td>17.5</td>
<td>8.9</td>
<td>8.8</td>
</tr>
<tr>
<td>Chess</td>
<td>3.5</td>
<td>3.0</td>
<td>2.9</td>
<td>4.5</td>
</tr>
<tr>
<td>Badminton</td>
<td>2.9</td>
<td>2.3</td>
<td>1.9</td>
<td>3.5</td>
</tr>
<tr>
<td>Cycling</td>
<td>2.6</td>
<td>1.7</td>
<td>1.9</td>
<td>2.0</td>
</tr>
<tr>
<td>Football</td>
<td>1.4</td>
<td>1.6</td>
<td>1.5</td>
<td>2.0</td>
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</tbody>
</table>

Table 1.2: Top 10 Sports by Participation (in Per cent)
The overall level of participation in competitive sports is low – around one per cent of the Indian population participates in competitive sports or plays any type of sport regularly. However, the popularity of and participation in different sports keeps changing, but sports like cricket, badminton, chess and football are constant favourites. The top 10 sports by participation are given in Table 1.2. There have not been any major changes in the status of sports in 2008 with cricket still holding the most prominent position. Although there are linkages between popularity and participation, participation may be low is some sports which Indian like to watch on television. For instance, motor sports have high television viewership but not participation. Similarly, sports like boxing and shooting have gained popularity after India won medals at the Beijing Olympics in 2008; however, the level of participation is low. With increasing health consciousness, running and fitness have become popular and participation has increased. In a tropical country like India, swimming is a popular sport but it suffers from lack of infrastructure; also, this is a seasonal sport in many parts of India.

**Team Sports**

(a) **Cricket** is the most popular sport in terms of participation, viewership and sponsorship. It contributes to 80-90 per cent of the total sports revenue. It is played in a variety of formats (test matches, one-day, twenty-twenty, etc.). The bulk of the equipment for this sport is manufactured locally in cities like Jalandhar and Meerut. International brands such as Reebok have re-oriented their strategies in the South Asian region and are sponsoring cricket. Cricket has contributed to the success of many sports brands like Reebok, Adidas and Nike in India.

(b) **Football** is the second most popular team sport after cricket. India is a manufacturing hub for footballs, but the country does not have any strong indigenous brands. For all major events, footballs and other equipment approved by the Fédération Internationale de Football Association (FIFA) are used. In recent years, there has been an increase in sponsorship, and broadcasters have shown an interest in telecasting this game. Top sports brands, like Reebok, Adidas and Nike, promote football in India. The Union of European Football Associations (UEFA) has identified India as an emerging market for the game. Manchester United Food and Beverages (Pte) Limited has opened Manchester United Café Bar in Mumbai that will also telecast football matches and other sports events.

(c) The national sport of India is **hockey** and the country won many international awards prior to the 1980s. After the 1980s, India’s performance in this game deteriorated and due to poor performance in international events, viewership and sponsorship have been adversely affected.34 In 2010, India hosted the Hockey World Cup and companies such as Hero Honda Motors Limited, Coca-Cola Limited and brands such as Reebok have sponsored national and international hockey events. The Indian Olympic Association is now trying to improve the quality of the game. At present, the bulk of the equipment is manufactured domestically. International sourcing of equipment is limited but, of late, equipment is being sourced from countries like China.

**Individual Sports**

(a) **Tennis** is an upcoming sport in India and one of the most popular sports in the individual sports category. India’s rank among international tennis players is low; the performance of Indian players has not been good in individual matches, but they seem to do well in doubles tournaments. The All India Tennis Association (AITA) is trying to promote this sport in India. The equipment is manufactured locally in sports hubs like Meerut and Jalandhar, and is also imported from countries such as China and the US. The quality of foreign brands is considered to be better than that of local brands and federations use. This sport has suffered due to poor management by the federation, lack of infrastructure and training, lack of coaching and management assistance, outdated technology, and lack of sponsorship. international brands for important events. Tennis is a popular sport in terms of viewership. Many national and international companies sponsor this sport including sports brands like Lotto and Reebok.

(b) **Badminton** is not a very popular racquet sport in India, unlike in countries like China and Malaysia. India’s global ranking is low and there is limited interest among the younger generation. The sport requires minimal infrastructure and is treated often as a fitness activity. There are only a few badminton stadiums and a few clubs and academies in India. The bulk of the equipment is sourced locally. India is a manufacturing hub for racquets and shuttlecocks. Indian players who participate in international tournaments use only internationally certified equipment and local manufacturers cater to domestic events, state tournaments, training camps, etc. As of now, this sport has received limited sponsorship.

<table>
<thead>
<tr>
<th>Athletics</th>
<th>Athletics</th>
<th>Running</th>
<th>Football</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.4</td>
<td>0.9</td>
<td>1.4</td>
<td>1.6</td>
</tr>
<tr>
<td>Bowling</td>
<td>1.3</td>
<td>0.9</td>
<td>1.2</td>
</tr>
<tr>
<td>Swimming</td>
<td>1.2</td>
<td>0.8</td>
<td>1.0</td>
</tr>
<tr>
<td>Tennis</td>
<td>1.1</td>
<td>0.7</td>
<td>0.9</td>
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<tr>
<td>Table</td>
<td>0.8</td>
<td>0.6</td>
<td>0.8</td>
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</tbody>
</table>

Source: Compiled by the authors from Fry, A. et. al (2008), Appendix 4.7, pp. 57-58.
(c) **Chess** is said to be a descendant of the game, Chaturanga, which was popular in ancient India. This game achieved national status only after independence and in 1951, the All India Chess Federation (AICF) was established. Chess is a popular game in terms of participation and India’s global rank in this game is good. The country is rapidly emerging as a chess powerhouse, with a growing number of international grandmasters. Viewership and current sponsorship is low as it is a slow game. However, during the survey, it was pointed out that the prospects for future sponsorship are good. Chess is a popular game in Indian households and Indian parents like their children to play chess – but the retail options are limited.

**New/Niche Sports**

(a) **Golf** is a fast growing, sport in urban India and is largely treated as a recreational sport. The global golf industry is valued at $7 billion (€4.8 billion). In India, the industry is currently valued at Rs.750 million (€12 million) 36 and during the survey, it was pointed out that it is likely to grow at around 25 per cent annually. The inclination towards this sport has increased with growing corporatisation and the construction of private golf courses in places like Gurgaon and Greater Noida (in the National Capital Region), which is permitted as part of Special Economic Zone (SEZ) development. Golf equipment is largely imported from countries like Japan, Malaysia, the US and UK. Few Indian companies manufacture golf equipment (one exception is Mayor International Limited which manufactures golf balls) and there are hardly any Indian brands in this segment. Indian golfers are doing well in international events and many international golf brands such as Greg Norman Collection (golf apparel) and Callaway have a presence in India.

(b) **Motor sports** is a niche sport in India since the cost of infrastructure, equipment, etc. is very high. In fact, during the survey, SAI pointed out that the cost of organising one motor sports event is equal to the annual budget of the SAI. The government is not keen to fund this event; it is considered a leisure and entertainment activity by the Ministry of Youth Affairs and Sports. Nonetheless, motor sports enjoy significant private sector involvement, corporate sponsorship and viewership. There are only two racing tracks in India, both built with corporate initiative. Most motor sports clubs are corporate owned and events are sponsored by corporates like JK Tyres and Industries Limited and Ford India Private Limited. Most of the equipment used in this sport is imported. During the survey, it was pointed out that Indians prefer to watch fast and adventurous sports on television and viewership of this sport is increasing. As a result, the popularity of motor sports is growing among the younger generation. Some sports brands like Puma have started selling motor sports clothing, accessories, etc., in their stores.

(c) **Boxing** is largely concentrated in small towns and rural areas of India and is treated as a game for the common man. It gained recognition after Vijender Kumar won the bronze medal in the Beijing Olympics of 2008. In 2009, India did well at the World Boxing Championship in Milan. India is also among the top countries in women’s boxing. The International Olympic Committee has approved women’s boxing as a new event for the 2012 London Olympics. However, due the lack of viewership and infrastructure, the sport did not get the attention of sponsors until recently. With the strong performance of Indian boxers, sponsors have become interested in this sport. For international events, the federation uses international brands such as Adidas, Top 10, and Everlast. However, for national-level training camps and tournaments, they procure local brands manufactured in Jalandhar and Meerut. India is a manufacturing hub for boxing equipment.

**Leisure and Fitness Activities**

Indians are now increasingly realising the importance of health and fitness. The reasons for this are changes in lifestyles, the multi-national work culture, changing work patterns (for example, nightshifts in BPOs (Business Processing Outsourcing)), workplace stress, changed eating habits and lifestyle-related diseases like backaches. This is forcing the younger generation to take up some form of fitness activity and the number of gymnasiums, yoga centres, and aerobics centres is growing. The fitness equipment industry has witnessed significant growth; the market was estimated to be around Rs.12.5 billion in 2008 and is expected to reach Rs.63.3 billion by 2012.38 The end-users include individuals using fitness equipment at home and institutions like health clubs, corporate houses, etc. 37 Formula One has not achieved “sports status” in India. This means that it is not recognised as a sport and, therefore, does not fall under the purview of the Ministry of Sports and Youth Affairs. 38 SGEPC (2009).

(a) **Swimming** is seen as a leisure and fitness activity rather than as a competitive sport in India. It is a seasonal sport (April to October). There are a few government swimming pools, but most swimming facilities are in recreational clubs, hotels and apartment complexes and a few academies. The performance of Indian swimmers in international events used to be good, but it has deteriorated due to lack of scientific training methods, inadequate infrastructure and poor maintenance of existing infrastructure. The swimming federation is not very forthcoming. Recently, foreign brands like Speedo have entered the Indian market through multi-brand retailers like Planet Sports. Puma and Reebok have also forayed into swimwear and luxury brands like Gottex and Ralph Lauren have entered the Indian
socialist nations. The expenditure on sports in India is lower in comparison to the proportion of the young population. There was an increase in the budget allocation for sports during the years from 2005-10, due to the commonwealth games, for the construction of required infrastructure and organising the games. After the completion of the games, the budget allocation to sports for the year 2011-12 was reduced massively by almost one-third. In addition to governmental sources of funds, efforts are taken to mobilize the resources from nongovernmental sources. National Sports Development Fund (NSDF) was instituted by the Central Government in 1998 with a view to mobilizing resources from nongovernmental sources, including the private/corporate sector and non-resident Indians, with government providing matching grant, for the promotion of sports and games in the country. In order to make contributions to the fund attractive, 100% exemption from income tax is available on all contributions. International Journal of Sport Management, Recreation & Tourism

2. Integrated approach to policy development

Development of sports and promotion of excellence, including performance at the international level, is a highly complex and multi-dimensional subject. There are many stakeholders and components, needing to be woven into an integrated system of clearly identified activities, roles and responsibilities of the key players, on the one hand, and systematically putting in place the requisite facilities and support systems and processes, on the other. It is more important to have an effective communication system and clear task descriptions. According to Oakley and Green (2001a) and Clumpner (1994), it is especially important to delineate clearly the responsibilities of different agencies; to ensure there is effective communication between them; and to simplify administration. In India, the Department of Sports under the Ministry of Youth Affairs and Sports is entrusted with the development of sports and physical education at the national level. The Ministry is headed by a Minister of state (Independent charge). While as state subject, sports development comes within the purview of the states up to the state level; at the national and international level, (including meeting international treaty obligations), it falls within the realm and remit of the Union Government under its residuary powers. With reference to competitive sports and promotion of excellence at the national, international levels, the responsibility for development of different disciplines rests primarily with the National Sports Federations (NSFs) of each sport. These sports federations are registered autonomous organizations and are affiliated to Indian Olympic Association (IOA). The National Sports Federations (NSFs) are fully responsible and accountable for the management, direction, control, regulation, promotion and development of the sports discipline. The NSFs prepare Long Term Development Plan and submits
to the Government. The funds are sanctioned to the NSFs based on their LTDPs. Sports Authority of India (SAI), which is the apex body of sports administration, provides the necessary support to NSFs for the identification, training and coaching of sportspersons, including provision of infrastructure, equipment and such other assistance as may be agreed to under the LTDPs. 

3. Participation in sport

Although the relationship between sport for all and elite sport is often difficult to explain, most top athletes originate from grass roots participation. Even though a broad base of sport participation is not always a condition for success, but it may influence success to a large extent because it provides a supply of young talent and the opportunity for training and competing at various levels of ability. One of the important factors leading to the continuous decline in India's performance in international sports arena is the total lack of sports consciousness and culture in the country at every level. Sports have come to be regarded as a burden at the grass root level and the common perception is that sports are at the cost of academics. The national and state policies do not envisage sports as an integral part of human resource development. Sports are also not regarded as a crucial input of the educational process. The result is that teachers, as well as parents, try to discourage sports. The traditional belief is 'Games and plays ruin your career whereas education makes you a great man'. This, in fact, summarises the Indian attitude towards sports. The Parliament Standing Committee on Human Resource Development in (2006) studied a wide range of issues concerning Sports and identified that the lack of sports culture in the country and the non integration of sports with the formal education system as some of the major factors responsible for the dismal scenario in sports. It emphasized the need for bringing about reforms in sports management and governance in order to make it more dynamic, responsive, responsible and result-oriented.

4. Talent identification and development system

The Standing Committee on Human Resource Development in its One hundred and Eighty Fifth Report (2006) on India’s performance in international sports made wideranging observations and recommendations, including the need for scouting talent at an early age and select them on scientific basis. SAI is implementing various schemes for spotting and nurturing of sports talent and the promotion of sports in the country. The SAI scouts sports talent right from sub-junior levels viz. children at the tender age of 8 years onwards through its Schemes of National Sports Talents Contest (NSTC), Army Boys Sports Company (ABSC) and SAI Training Centres (STC) by conducting talent contests at district levels etc. and then nurtures them by providing them with all facilities including specialised coaching in the respective sports disciplines. In addition, sports talents in the tribal, coastal and rural areas are also tapped and groomed under the scheme of Special Area Games (SAG). Finally, the talent so groomed and sieved is finetuned through Centres of Excellence (COE) by providing specialized coaching in state of the art playfields of international standards thus increasing availability of international level players and widening the choice for selection of National teams. In addition, SAI, through its Training of Elite Athletes and Management Support (TEAMS) Division, provides support to NSFs by way of coordinating their Long Term Development Plans (LTDPs), and providing logistical and training support (Annual Report 2009-10). In this role, a number of activities are being carried out by SAI out of funds provided to them by the ministry.

5. Athletic and post career support

The logical extension of the talent identification and development phase is the production of elite athletes capable of competing at the highest level. Many athletes who have the potential to reach the top do not reach it. In only a few sports can athletes make a living from their earnings and pay for all the costs they incur. Therefore some countries provide financial support for athletes to meet their living costs and support programs to give them access to the services needed to help them realise their potential. Finally, athletes also need to be prepared for life after sport whilst they are still engaged in their athletic career. Incentives and awards, financial and others, not only provide recognition and social security to sportspersons, but also motivate others to take up sports with interest and seriousness. In India, there are incentives/rewards even for the talented and outstanding sportspersons including the former sportspersons. The union government, the state governments, public sector undertakings and corporates do offer job opportunities for the sportspersons but these are not attractive. The Sports Talent Search Scholarship Scheme was launched in 1970-71 with a view to assisting talented young boys and girls, for their outstanding performance in sports. This scheme aims at recognizing achievements of young sports persons showing outstanding performance at national and state levels. It aims at assisting the sports persons so that they can afford nutritious diet, sports equipment etc., and pursue sports as a career. In view of the prevailing social conditions restricting participation of women in sports, the scheme also extends special assistance to women for pursuing sports and physical education.

6. Training facilities

Training facilities are an important success factor enabling athletes to train in a high quality environment. Facility provision also provides a link between participation and excellence. SAI has six regional centres and five sub-centres for preparing
Indian teams for Olympics and other international competitions (Annual Report 2009-10). Apart from this, states have their own sports infrastructures. There was a scheme for development of sports infrastructure in the states, in which the central government and the sponsoring agency in the state contributed funds in the ratio 75:25 (90:10 for the North Eastern states). This helped in raising quality sports infrastructure in many far-flung areas of the country. Sadly, this scheme was discontinued on 1st April, 2005. As a result, there were many partly completed sports infrastructure in the states, which deserved further funding for completion. The state sports ministers unanimously desired re-introduction of such a scheme and strongly endorsed the Ministry’s efforts during their second annual conference in 2009. Ministry has taken further action to introduce a new centrally sponsored scheme for sports infrastructure in urban areas, and an amount of 23 million euros has been provided for it in the 2010-2011 budget. The objective of the new scheme is to create sports facilities in urban areas and installing of synthetic surfaces to familiarize the players with modern sports facilities right from the beginning of their sporting career so as to equip them with appropriate skills and training, necessary for participation in international competitions.

7. Coaching provisions and coach development

There are about 15,000 National Institute of Sports-trained coaches in the country. Out of them only 1800 have been employed by the SAI and nearly 3000 are working with States and other organizations such as Railways, Defence Services, paramilitary forces and in schools and colleges (Sahoo 2002). The NIS conducts certificate courses and diploma courses in coaching at its academic wings of SAI. The need and demand for coaches have grown up sharply. However, no fresh recruitments for coaches have been made since then. As a result, there was acute shortage of coaches in the SAI. Efforts are being made to increase the number of coaches in SAI through immediate engagement of 100 coaches on contract basis, to mitigate the crippling shortage. Efforts are being made to add another 200 coaches expeditiously on contract basis, to strengthen SAI training programs. The National Coaching Scheme, run by SAI, is a major source for meeting the requirements of coaches in various parts of the country. Under the scheme SAI provides coaches to States/union Territories based on their requirements. Coaches are also made available to universities, various agencies like sports federations and associations, SAI regional centres, and in house training centres and to district coaching centres and state coaching centres. There is no system of accreditation and grading of coaches and physical educators appropriate for different levels such as basic, intermediate and advance and super level. The grading of coaches is done only by the employing agency on the number of years of experience. At present, the coach enters into service with a particular qualification and retires with the same. There was no policy with regard to training of the coaches and that only a handful of coaches were repeatedly being sent for foreign exposure. SAI is designing some short and long duration refresher courses for the in-service coaches. There was no policy with regard to training of the coaches and that only a handful of coaches were repeatedly being sent for foreign exposure.

8. International competition

Athletes need to measure their progress against rivals by regular exposure to the pressures of international competition. It has been seen that the organisation of international events in the home country has a positive effect on international success. India has, of late, been positioning itself as an important host country/destination for organizing a variety of multi-discipline, mega, international sports events. After holding the Afro-Asian Games in 2003 at Hyderabad, the World Military Games are held at Hyderabad in 2007, the Commonwealth Youth Games held in Pune in 2008, followed by the main Commonwealth Games, 2010 in Delhi. On more than one occasion, the aspiration to host the Olympic Games in India has also been expressed at various levels. Hosting of such mega events has a great value in terms of projecting the status and position of the country in the comity of nations, and the legacy, in terms of development and up-gradation of sports and urban infrastructure, together with a variety of other socio-economic spin offs. Moreover a major legacy and aim behind the organization of such games has to relate to development of a sports culture and facilities all across the country, and a significant improvement in the levels of excellence, in terms of performance and medal winning abilities of our sportspersons at the national and international levels.

9. Scientific research

Scientific research concerns the systematic gathering and dissemination of scientific information in areas such as talent identification and development, medicine, nutrition, psychology, physiology and biomechanics. These factors were typical in the former communist nations and are key elements in the Australian Institute of Sport (AIS). Various Standing Committee Reports in India found that the scientific backup to the development of sports at most of the places was in a rudimentary stage and at others, it was virtually non-existent. The Committee noticed that the sports medicine was also not being given any priority in India. Moreover, there is no dedicated research centre for sports in India. A communication network to disseminate scientific information to coaches and NGBs and the integration of academic research with sports practice is lacking. The committee emphasizes that due attention and priority must be given to these disciplines by all concerned. It
recommended that the services of good sports physiotherapists, psychologists and sports medicine experts be made available to our players all the times at all the centres. In a major initiative to cater to the back-up mechanism of athletes overall performance, the government recently announced the establishment of National Institute of Sports Science and Medicine (NISSM) at a cost of 31 million euros.

**Conclusion**

The Government of India has been taking various steps and initiatives to promote good governance practices in the management of sports at the national level in pursuance of successive National Sports Policies. But, the inaction on the part of the Government in implementing and enforcing its own guidelines contributes to the backwardness of the sports sector. The basic cause to all the problems is the low expenditure on sports. The lack of funds prevents the effective implementation of various policies. Moreover, most of the national sports federations are completely dependent on the government funds for their activity. The allocation to sports by the government is meagre, as it allocates most of its funds for the social sectors, which is more important for a developing country like India. In the present scenario, it would be difficult for a country like India to massively increase its budgetary allocation to sports. However, financial supports could be obtained through sponsorships by popularizing the sports and increasing viewership in the country. In spite of having numerous talent identification schemes as mentioned above, the lack of an extensive and organized playing base has been rightly identified as one of the main reasons for India’s poor sporting standards. The analysis of Indian sports system on the critical sporting factors shows that the country is an interesting case of underachievement, given its large proportion of young population. The present analysis clearly portrays the current standing of Indian sport system on these critical factors and the necessary steps that need to be taken. The Indian Government, in the post 2001 period, has taken various initiatives towards sports sectors. The results of such policies are visibly evident from the country’s relative performance in the recently concluded Olympic Games, Commonwealth Games and Asian Games. Considering the huge population base, there is a need for intense efforts to take the Indian Sports to new higher levels.

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