

Analysis of Budgetary Allocation to Sports Infrastructure in India

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ABSTRACT

Sports play a consequential role in shaping communities from the grass-roots level to the highest levels of nation building. The Indian sports industry has expanded rapidly over the years and exhibits a thriving potential in the future for all stakeholders of the sports ecosystem. Being the cornerstone of sports, infrastructure is of paramount importance for the overall growth of the sports industry. The right kind of impetus to sports infrastructure can manifest sports as a stimulus for economic development in a developing country like India where the scope of harvesting the demographic dividend is very high. The present study aims to critically analyse government spending on sport with specific focus on sports infrastructure. It summarises that though India houses more than a hundred sports facilities fulfilling international standards of sports infrastructure, in addition to numerous government-owned and other sporting facilities, these facilities are largely neglected and ignored in terms of utilisation and maintenance. Further, recommendations have been given to revamp the sports infrastructure and the sports sector as a whole into a productive segment of the Indian economy. There are important lessons that India can learn from the benefits of sports in general and sports infrastructure in particular, realised by nations such as China, Australia, and the United States which have invested aggressively in related infrastructure in the form of grass-roots development by building community sports infrastructure and tightly integrating sports infrastructure into the education system by providing athletics with facilities across schools, colleges and universities. The study concludes that though India has witnessed a spurt of growth in sports infrastructure development in recent years, a lot still needs to be done in this direction.

1. Introduction

The realm of sports encompasses many aspects of the human spirit like perseverance and integrity besides being a physical activity. Sports play a consequential role in shaping communities from the grass-roots level to the highest levels of nation building. The United Nations has recognised sports as a crucial facilitator of sustainable development. The Indian sports industry has expanded rapidly over the years and exhibits a thriving potential in the future for all stakeholders of the sports ecosystem. Being the cornerstone of sports, infrastructure is of paramount importance for the overall growth of the sports industry. The right kind of impetus to sports infrastructure can manifest sports as a stimulus for economic development in a developing country like India where the scope of harvesting the demographic dividend is very high. Sports infrastructure has been defined as “the primary physical and organisational construction needed to facilitate sport participation” (Hallmann et al, 2012). It comprises facilities that boost the potential of the youth of the nation to nourish the sports culture that is still in its nascent stages in India.

The report titled ‘Sports infrastructure: Transforming the Indian sports ecosystem-2019’ highlights the importance of sports infrastructure in the Indian sports industry. The report calls attention to the challenges in the form of ineffective utilisation of existing infrastructure as the main hindrance to the growth of the sports sector in India. It points out that taking lessons from countries like China, Australia, US which have invested heavily in their sports infrastructure, India should

integrate the development of its infrastructure with urban planning so that adequate resources are budgeted for development and sustenance and steady revenue streams are generated. Policy support from the government will also benefit investment into sports infrastructure.

The government plays an important role in boosting the sports industry by financing sports infrastructure. The government therefore needs to budget for the activities it finances. The Ministry of Youth Affairs and Sports has the mandate of developing sports facilities and encouraging sporting talent in India. The Ministry is responsible for creating infrastructure and capacity to enable international competitiveness. Budget allocations for the Ministry of Youth Affairs and Sports are made under the Expenditure Budget, Union Budget of India.

2. Research Methodology

The study aims to critically analyse government spending on sport with specific focus on sports infrastructure. It focusses on the challenges and opportunities to sports infrastructure development and the steps that can enable the transformation of this sector in India. The study further gives recommendations to revamp the sports infrastructure and the sports sector as a whole into a productive segment of the Indian economy.

3. Analysis of the budget allocation

Table 1: Comparison of budget estimates and the actual expenditure (2007-18) (in Rscore)

Year	BE	Actuals	Utilisation
2007-08	780	857	110%
2008-09	1,112	1,593	143%
2009-10	3,073	3,670	119%
2010-11	3,565	2,841	80%
2011-12	1,121	970	87%
2012-13	1,152	871	76%
2013-14	1,219	1,123	92%
2014-15	1,769	1,121	63%
2015-16	1,541	1,423	92%
2016-17	1,592	1,574	99%
2017-18	1,943	1,689	87%
2018-19	2,196	2,002	91%

Note: B.E.: Budget Estimates. Sources: Union Budgets, 2015-19.

4. Issues with Financial Allocation and Utilisation

Figures in Table 1 show that the allocations to the Ministry have been lower than the projected demand, year after year (Standing Committee on Human Resource Development 2018-19). Also, the utilisation of funds in terms of actual expenditure has been decreasing over the years. It fell drastically in a span of a decade from around 143% in 2008-09 to only 90% in 2018-19. Utilisation of funds was mere 63% in 2014-15. However, since then, there has been an increasing trend in utilisation. Since its launch in 2016, the Khelo India Programme has managed to acquire major chunk of the budgetary allocations to sports. The Government grants to the flagship Khelo India programme over the years have been hiked and this is a welcome step as the main focus of this umbrella programme is sports infrastructure. The Ministry of Finance has included sports infrastructure in the harmonised master list of infrastructure sub-sectors in 2016, making it eligible for obtaining long term financial support from banks and other financial institutions at par with other infrastructure projects. Such uniformity in financial support can result in a thrust in investment in sports infrastructure (Ministry of Finance, the Gazette of India, 2016). Though government support in the form of budgetary allocations acts as a cushion for the sports industry as a whole, these alone do not meet our present needs and future aspirations. There are reasons due to which the sports sector in general and sports infrastructure have not evolved into a revenue generating sports industry in India. Some of the reasons have been discussed below:

1. The Standing Committee on Human Resource Development (2018-19) observed that the speed of expenditure of the Department of Youth Affairs has, over the years, been slow and often a large part of the allocation is kept for the last quarter of the financial year. This points to the lackadaisical attitude of the concerned authorities and invites cautious approach while making projections and allocation in the form of reduced allocations as against the projected demand.
2. The government, both at the central and state levels, is not in a position to take care of all the funding requirements and has only a limited role to play in the finances of the sports sector. Red-tapism results in

difficulties in engaging with multiple government bodies which delays effective collaboration. Moreover, due to a lack of industry status accompanied by lack of a sporting culture, corporate investments in India's sports have traditionally been limited to only non-profit corporate social responsibility activities and initiatives, while the scope for exploring profit-related activities under the sports industry have not been explored in vast depth.

3. Due to the absence of clear guidelines and the unorganised nature of the sector, over the years, sports has been a loss-making affair in India. In developed countries, the contribution of sports to the total employment is around 2 to 4 percentage of total employment. However, despite being one of the largest populations in the world and a huge demographic potential, it is limited to just 0.05% in India.
4. Khelo India has a budget of \$350 million over three years since 2016. The flip side to this is that other organisations and institutions are neglected and their budgetary allocations are compromised. For instance, substantial reductions were made in National Sports Federations with Rs 245.00 crore being allocated in the union budget, Rs 55 crore less than the revised Rs300.85 for 2019-20. Incentives for sportspersons and National Sports Development Fund were also slashed.
5. There have been inadequate incentives for youngsters to enter into sports professionally and there are societal roadblocks to grassroots participation in India. There is a common perception that sport is a needless deviation from a child's studies and indulging in it will not yield any future career prospects. Thus, the potential of the competent Indian demographic dividend has not been exploited in the field of sports.
6. While India has performed well in sports like cricket, badminton, shooting etc, its performance and participation at most international sporting events has been underwhelming. This is because infrastructural focus in the areas of these events is patchy and inadequate. Also, lack of accountability in sports federations limits their effectiveness in supporting India's elite athletes.
7. There is a dearth of sports infrastructure at the grassroots level and restricted investment in high-performance sport infrastructure. To add to this, asset management of existing infrastructure is poor.
8. Another reason for inadequate infrastructure development is the repressive pattern of guidelines for availing government grants for sports infrastructure as only select government entities are eligible to undertake infrastructure development projects and new talent is not nurtured.
9. The sector lacks a united commitment and this lack stems out of a complex, fragmented and highly compartmentalised governance which narrows the sports sector's focus domestically and hence negatively impacts the growth of infrastructure building.

5. Recommendations

To generate a spirit of sports culture and to realise its ambitions of placing Indian sports on the world map, a long term strategy is required to systematically frame a sports ecosystem where India's performance in sport should be comparable with its population and growing economic and strategic haul. Against the backdrop of the loopholes discussed above, the following recommendations have been given to enable the sports sector to emerge as an economic sector:

1. There should be a system of checks and balances to keep an account of the efficient and timely utilisation of the funds allotted to various organisations in the sports sector. Moreover, the allocation of grants should be made in a balanced way to rule out the chances of corruption and fudging of statistics.
2. The structure of governance should be re-modelled from time to time to avoid the concentration of decision making power in the hands of a few influential entities. The guidelines should not be lopsided and should be framed in accordance with the current scenario of the Indian sports industry, catering to each dimension successfully. This can be achieved by professionalising the management of elite sports.
3. Over the years, sports sector in India has been dependent on government-led finances with limited private participation. However, this scenario is changing as the formalisation of Corporate Social Responsibility has mandated companies with net worth of \$100 million and above to contribute 2 per cent of average earnings on Corporate Social Responsibility. Though Corporate Social Responsibility investment in sport remains low, just 0.7 per cent of overall spend in 2015–16, large conglomerates can be encouraged to fund large-scale, holistic sport programs to support increased community participation.
4. To increase youth participation, India needs to learn from the Australian model of grassroots participation and formulate a comprehensive schools sports policy such that it mainstreams physical education in the school curriculum and promotes sports professionally in India. Also, by using sporting facilities in educational institutions during non-working hours, there can be optimum utilisation of existing avenues for larger communities. Integration of these facilities with the community sports infrastructure within cities and towns will be of benefit and will also help in tackling the issue of underutilisation.
5. Start-ups in the field of sports technology can help in addressing issues such as under-utilisation of sports facilities.
6. By focussing on world class sports infrastructure, India can reap the benefits from sports tourism that can be built around major international sporting events, provided it is properly utilised and embedded within urban planning. Building robust infrastructure helps a nation strengthen its candidature as a host for international events. After being granted the status of an 'industry' in 2016, the sports sector can also bank on foreign investment to support the development of its sports infrastructure.

7. Adequate sports infrastructure is necessary to improve sports participation and can have a constructive outcome for nurturing a sporting ecosystem in the country. This en masse participation can be possible if access to infrastructure is provided equally in urban and rural areas. Strengthening infrastructure at the grass-roots level will enable better talent identification and development.

8. Effective guidelines that bring the various sports authorities under one roof and increase their accessibility to quality sporting facilities at the local level are pertinent to make India a formidable sporting nation.

6. Conclusion

Sports form an important pillar of India's holistic growth and the backbone of this pillar is a robust sports infrastructure framework. In recent years, the role of sports infrastructure in stimulating economic development has been acknowledged, however, challenges such as ineffective utilisation of existing infrastructure pose a hindrance to this growth. Currently, India houses more than a hundred sports facilities fulfilling international standards of sports infrastructure, in addition to numerous government-owned and other sporting facilities. However, these facilities are largely neglected and ignored in terms of utilisation and maintenance. If India aims to establish itself as a high-performing, internationally regarded sporting nation, it will require sustained funding and innovation to keep pace with increasing investment and professionalism among competitor countries. Although, the systematic wide-scale reform required to mainstream participation and build a sports culture will be a longer term endeavour as the scale of required reform and costs are substantial.

There are important lessons that India can learn from the benefits of sports in general and sports infrastructure in particular, realised by nations such as China, Australia, and the United States which have invested aggressively in related infrastructure in the form of grass-roots development by building community sports infrastructure and tightly integrating sports infrastructure into the education system by providing athletics with facilities across schools, colleges and universities. This has helped these nations become global sporting powers. Though India has witnessed a spurt of growth in sports infrastructure development in recent years which will have a strong impact on the state of sports in the long run, a lot still needs to be done in this direction. To capitalise on commercial opportunities in this sector, India will need to continue to improve data and technology use, and ensure the quality and availability of sporting infrastructure. This will require more, and more effective, use of government funding. Collaborative efforts by the private and public sector can promote overall infrastructure development in the sports industry in India. All these measures have the potential to transform India into a global sporting powerhouse with far-reaching impact on health, education and tourism. Along with aggressive investment in sports infrastructure, dedicated efforts in taking along all the stakeholders will be of crucial importance to foster the complex sports ecosystem. Lack of synchronisation among the stakeholders can result in stagnation and downturn of the quality of Indian sports. Considering the widespread impact sports have on the

economy and community of a nation and the integral role played by sports infrastructure in the growth of sports, a

dedicated approach to infrastructure development is of utmost importance.

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