

This contribution aims to assess the relationship between sport and globalization. Modern sport originated in the mid-nineteenth century in Great Britain and the United States. Professional sports were organized in mining and industrial towns and cities as businesses, while amateur spectator sports, particularly “American” football, were introduced on university campuses. As Britain was still the global hegemonic power, its sports (football, cricket, athletics) proliferated throughout the world, superseding traditional games and adopting national identities. At the turn of the century the Olympic Games were revived by Western patriots to promote national prowess. During the 1920s and 1930s, professional and university sports reached an unparalleled popularity, supported by local working class and middle class spectators. The British Empire Games and football’s World Cup were organized during this period. After World War II, the United States assumed imperial hegemony, which resulted in the extension of “American” sports (baseball, basketball, volleyball) throughout the world, generally taking on national modes. Professional and collegiate sports did become increasingly influenced by television and corporate sponsors in the 1960s, but retained a national orientation. Moreover, international sports competitions were still run by bourgeois-elites who were not preoccupied with making profits. During the past two decades, however, there has been a marked change in how the sports industry has operated. This is seen in the implementation by the owners and managers of sport of globalized strategies designed to generate enormous profits. These strategies, in fact, have paralleled and complemented the restructuring occurring in the global economy.

## Sport and Globalization

### The Meaning of Globalization

Capitalism has always been global, while national economies have been situated in the global accumulation process. But since the late 1960s, capitalism has been restructured to a point where today it has become more globalized than ever. This restructuring can be understood on economic, political and ideological levels. The economic level is characterized by an acceleration of global production processes, a new international division of labour based on low paid, flexible, labour relations, and new international marketing strategies. These changes have led to the acceleration of the

centralization and concentration of capital, resulting in extreme wealth and income disparities worldwide. Global restructuring has been expedited by new computer and satellite telecommunication technologies that have emerged in the past 20 years.

On the political level, governments have abolished Keynesian policies, intensified the dismantling of the public sector, deregulated the economy, and have taken steps to weaken organized labour. This political project (called neo-liberalism) has resulted in the subordination of national sovereignty to the prescriptions of international treaty regimes, such as Bretton



*Media at a sports competition.*

Woods (the General Agreements on Tariffs and Trade, the International Monetary Fund, the World Bank), Maastricht and the North American Free Trade Agreement. What this means is that Transnational Corporations (TNCs) and Banks (TNBs) have increasingly more power than nation-states over controlling national economies. The neo-liberal project has also inculcated a “free-market” ideological climate which dominates public life and political discourse throughout the world. The globalization of sport can also be understood on economic, political and ideological levels.

#### Globalizing Tendencies in Sport

The globalizing changes occurring in sport represent multiple, and overlapping tendencies that are located at the national, regional and global levels. These tendencies include:

- increased involvement by global telecommunication oligopolies, including News Corp., Disney and Time-Warner, in the control of the scheduling and production of sporting competitions, the use of sport as a marketing device, and the ownership of sports franchises. As an example, Disney owns the following sports related subsidiaries: ABC Sports, ABC Sports International, ABC Sports Video, ESPN, Eurosport (along with TF1 and Canal+), the Anaheim Angels (Major League Baseball), and the Mighty Ducks (National Hockey League). In addition, in September 1998, News Corp. tendered a bid to purchase Manchester United for \$1 billion, having already bought the Los Angeles Dodgers earlier in the year for \$311 million.
- using the new international division of labour to produce sports equipment and sports and leisure related apparel and shoes in super-exploit-



*The Olympic champion, Carl Lewis.*

- ed Third World sweat shops;
- international sports organizations and federations -such as the International Olympic Committee (IOC), the International Federation of Football Associations (FIFA) and the International Amateur Athletics Federation (IAAF) -generating enormous revenues by selling television rights and sponsorships to TNCs.
- promoting national leagues and specific teams (such as the Chicago Bulls, Manchester United, the Brazilian national football team, and New Zealand’s All Blacks) in markets overseas as a means to promote league and team related merchandise;
- international sports management firms, such as International Management Group, control athletes, promote events that those athletes compete in, as well as produce the televising of those competitions:
- the proliferation of foreign athletes on professional teams;
- and the professionalization of former amateur sports, such as athletics.

The tendencies described above (and many more) are being used to profit from the globalization processes occurring in the world economy. Several questions arise from this observation: How can the changes occurring in international sport be understood in relationship to the restructuring of the global political economy? What constitutes the global sports industry and how important is that industry to the globalized accumulation process? And, what are the driving forces behind the changes occurring in sport?

#### The Relationship of Sport and Globalization

The expanding literature on the relationship of sport to the globalization process is not conclusive. One perspective argues that the international changes occurring in sport are an example of “Americanization,” rather than “Globalization.”<sup>1</sup> The reason for this view is that the strategies, products and imagineering associated with sport around the world is predominately “American”-oriented.<sup>2</sup> This can be seen in the proliferation of sports on television, particularly on cable outlets such as Star TV in Asia, BSkyB in Great Britain and Eurosport, and in the consumption patterns and lifestyles promoted. For example, Oakland Raiders jackets, San Jose Sharks jerseys and Nike Air Jordan’s are being worn by young people all over the world. Peter Donnelly explains Americanization tends to be viewed as a one-way process in which American cultural forms, products and meanings are imposed on other cultures at the expense and form of domestic culture.”<sup>3</sup>

Another perspective argues that the changes occurring in sport are an aspect of globalization. Jean Harvey and Genevieve Rail state that modern sport has always operated in the glob-

al economy, but there are discernible tendencies in recent decades that indicate that sport is moving towards being globalized.<sup>4</sup> The authors explain that “political, economic, and cultural global dimensions are inducing a process of homogenization of sport through Western commodified sport forms.”<sup>5</sup> They also emphasize that sport contributes to globalization by assisting “the development of a global mass consumption culture.”<sup>6</sup> By inference, their analysis shows that what is occurring in sport transcends the dictates of a narrowly-defined “American” cultural hegemony.

Rather than an either/or debate, one could surmise that the changes occurring in sport are part of the globalization process. though that process is dominated by American strategies and forms. This should not be surprising because the United States is the hegemonic power over the world capitalist system, and, thus, shapes the policies and strategies that are promoted throughout the world capitalist system on all levels. This is underscored by the fact that the United States is the biggest economy in the world. An example reinforcing this point is the fact that 61 per cent of Nike’s 1996 sales was in the United States. Furthermore, many of the accumulation strategies utilized by sports managers around the world were generally conceived in the United States. For example, the privatized model used to finance international sports events - such as the Olympic Games, the World Cup, or the World Athletics Championships - was formulated by

Peter Ueberroth when he organized the Games of the XXIII Olympiad in Los Angeles in 1984.<sup>7</sup> Nevertheless, as an example that the globalization of sports is not a “one-way” process, football has effectively penetrated the United States sports market since 1994, the year the World Cup was held in the United States.

One means to understanding the relation of sport to the globalization process requires computing the aggregate revenues of that industry and comparing it with the total world gross domestic product. Therefore, the first step is to determine the constituents of the global sports industry. As stated above, that industry consists of multiple forces that have overlapping relationships and increasing concentration and centralization ten-

dencies. A categorization of those constituent parts include: conglomerate oligopolies that own a range of subsidiaries, including sports-oriented firms as well as other firms that can compliment the sports-related businesses; firms whose sole activities centre around sports, some are in the service sector, some mass entertainment, others manufacturing; national sports leagues that promote their teams and athletes and have sponsorship and merchandising relations with TNCs and local businesses; and international sports organizations and federations and national sports bodies. Businesses that are allied to the sports industry include suppliers of food and beverages at stadiums, raw material suppliers for sports apparel and shoe producers, public relations firms,

sports lawyers, and the sports medicine industry. Finally, gambling, which has legal and illegal components overlapping formal and informal economies worldwide, is also integral to the global sports industry.

Because of the number of TNCs involved and the complexity of the global sports industry, computing the total income of that industry is problematic. A sampling of various firms’ sports revenue provides support for that assessment. For example, the Walt Disney Corporation, grossed \$3,837 billion in total sales in 1996, while ABC Sports generated \$21.4 million, ABC Sports International \$250 million, ABC Sports Video \$250 million, ESPN \$204 million, and the ESPN Holding Company \$202 million.



*The basketball player, Michael Jordan (number 9).*

Another example shows that in 1993 Major League Baseball earned \$353 million from all network and cable contracts. However, that figure does not indicate baseball's total income, because other revenue streams, such as ticket sales, skyboxes, food, beverage and parking concessions, venue advertising, and local radio and television rights, need to be incorporated.<sup>8</sup> Furthermore, the salaries earned by the employees of corporate subsidiaries involved with the sports industry, sports-related firms and allied businesses, generates additional income in the respective local economies, based on a multiplier effect.

Short of compiling those figures, one can conclude that sport is integral to the globalization process, but is not significant to overall revenues. In fact, if the total revenue earned in the sports industry were computed that figure would be relatively small in relation to the total world gross domestic production, which is approximately \$27 trillion.<sup>9</sup> Where sports is important is for international sports organizations and national sports leagues and associations

and businesses that are involved in the sports industry. For example, in 1997, the four major professional sports leagues in the United States grossed \$85 billion, making it the eighth largest industry in the United States. Furthermore, in 1996 approximately 30 per cent of Disney's earnings was from sports related businesses; Nike's \$9

billion in sales in 1997 represent all of its revenue.<sup>10</sup>

As Harvey and Rail argue, where sport is increasingly important to the globalization process is as a means to promote commodity consumption. As examples, Brian Stoddart reports that in 1993 the four major professional



*A young American spectator.*

leagues in the United States sold \$9 billion worth of franchised goods; while the three major television networks generated \$2.2 billion in sports related advertising and the cable networks generated \$800 million.<sup>11</sup> Furthermore, when the Japanese J-League football games were put on commercial television that same year,

that programming generated \$300 million worth of sales for Sony Creative Products and one million new depositors for Fuji Bank. Although there is sports programming specifically tailored to female television audiences (figure skating, women's gymnastics, the Olympic Games, etc.) the main target for sports marketing

are males between 14 and 42. Sports television networks also promote non-sports programming televised on other channels its parent firm owns. Finally, TNC-owned media generally celebrates individuals such as NBA Commissioner David Stern, Turner Broadcast mogul Ted Turner and News Corp. owner Rupert Murdoch as responsible for the expansion and imagining of sport.<sup>12</sup> Those reports occasionally acknowledge that the new telecommunication innovations have enabled those individuals to make many of the changes attributed to them. However, the restructuring of sport (and the development of the new technologies) could not have occurred without the neo-liberal policies that have been implemented over the past two

decades. An analysis that takes into consideration a conjuncture of agency, institutional imperative, politics and the formation of public policy, technological innovation, and the structural political and economic changes occurring in the world capitalist system would more accurately explain why sport is being globalized.

## Conclusion

There are obstacles that sport faces as it moves towards globalization. This is obvious since sport is situated within the structure of the global economy and, therefore, is subject to the contradictions of that structure. A central contradiction inherent to capitalism is overproduction / underconsumption, manifested by recurring economic downturns and cyclical structural crisis. Economic crisis can affect, among many problems, the ability of consumers to purchase sports related merchandise, the willingness of TNCs to sponsor sports organizations, pay athletes to promote its products and/or pay for advertisements, or the willingness or ability of local governments to finance the construction of sports facilities. Moreover, there are political, cultural and sociological contradictions specific to sport that can challenge aspects of its globalization. These contradictions include: local and international boycotts against sports-firms exploiting Third World labour; fan unease towards a national team or a local professional team because it has too many foreign players; athletes becoming exhausted, or worse, owing to the proliferation of money-television driven competitions; or the popularity of indigenous traditional sports. However, these contradictions only pose stumbling blocks and - short of a severe breakdown of the world capitalist system- will not undermine the globalization of sport. This is because sport is inextricably linked to capitalist firms, which have an imperative to maximize profit; and the new global political economy provides the terrain for that to occur.

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## Sources

<sup>1</sup> See: Peter Donnelly, "The Local and the Global: Globalization in the Sociology of Sport," *Journal of Sport and Social Issues*, 20 (3) August, 1996, pp. 239-257.

<sup>2</sup> Walt Disney explained "imagineering" to mean "futuristic solutions to theatrical and infrastructural problems," Charles Rutheiser expands that definition "to encompass the manifold labours of public relations operations and other creative specialists working in the seemingly boundless and placeless spaces of the mass media." See: Charles Rutheiser, *Imagineering Atlanta: The Politics of*



*American football.*

*Place in the City of Dreams* (London: Verso, 1996) p. 4.

<sup>3</sup> Donnelly, (1996) p. 242.

<sup>4</sup> See: Jean Harvey and Genevieve Rail, "Globalization and Sport: Sketching a Theoretical Model for Empirical Analyses," *Journal of Sport and Social Issues*, 20 (3) August, 1996, pp. 258-277.

<sup>5</sup> Harvey and Rail (1996) p. 273.

<sup>6</sup> Harvey and Rail (1996) p. 274.

<sup>7</sup> Peter Ueberroth with Richard Levin and Amy Quinn, *Made in America: His Own Story* (New York: William Morrow and Company, 1985).

<sup>8</sup> See: Wilbert M. Leonard III, "A Comparative Study of Expenditure, Revenue and Franchise Value Functions in Professional Sports," *Journal of Sport and Social Issues*, 21 (3) September, 1998, pp. 264-286.

<sup>9</sup> A rough estimate of the total of sports revenue related to the world gross national product (GNP) can be made based on a model of the California economy - the sixth largest economy in the world. Using 1997 figures, the United States Presidential Office on Management of Budget computed the ratio of the sports industry to the California economy. The total California GNP was \$1.051 trillion, while the sports industry generated \$1.057 billion, representing .05 per cent of California's GNP. However, that model does not include many businesses, such as apparel and shoes, sports management firms, horse racing and gaming, and allied forms. Therefore, the total percentage would be slightly higher.

<sup>10</sup> William Echikson, "Making the Games Run on Time," *Business Week*, 9 February, 1998, p. 66.

<sup>11</sup> Brian Stoddart, "Convergence," *Journal of Sport and Social Issues*, 21 (1) 1993, p. 94.

<sup>12</sup> For example, see: Robert La Franco, "Rupert's on a Roll," *Forbes*, 6 July, 1998, pp. 182-189.