The Political Economy of Sport: Conceptual Problems and Regulatory Dilemmas.

By Lincoln Allison


PLEASE NOTE: This is a discussion paper not intended to be published and not to be quoted without the author’s permission.

lincolnallison@hotmail.com
www.lincolnthinks.co.uk
“Political Economy”?  
Relatively little is implied by the use of the term “political economy” in the title of this paper. I am certainly not committing myself to any major tradition of using the term. I take it that there exist (at least) “classical”, “Marxist” and “positivist” traditions which contest the use of the term in that they liable to say that you are not doing political economy unless you do it their way. The Marxist tradition assumes \textit{a priori} that what matters in understanding a reality is who controls it and who benefits from it and I am particularly keen to eschew that tradition. This paper is about professional team sports and the essential difficulty of regarding them as both sports and either “businesses” or “commercial activities” (a distinction to be made later). On the question of benefit I would argue that though there are major beneficiaries whether or not they benefit should be of relatively little interest to either a serious sports fan or to someone seeking a political understanding of sport. The Edwards family are said to have “walked away” with £93m when Manchester United became a public limited company, but I would argue that the problems of understanding and running football would be pretty much the same if the sum had been 93 pence. And it is less interesting to remark who runs football than to understand the essential incoherence of its running. So my definition of political economy is the broad and vague one offered by Peter Burnham: “the political aspects of economic decision making”.

Political economy in this sense is simply a massive overlap between politics and economics: economic forces only operate in a political context and most political decisions require an understanding of economic theories. Common sense suggests that the two must be connected and when I was a young hitch-hiker explaining to drivers that I studies “Politics, Philosophy and Economics” the most common response was to say how naturally the subjects went together. However, the structure of academic work, with separate departments for the two subjects, has encouraged a fantastical version of “pure” economics which usually argues as if economic laws operate whatever the political circumstances. It is difficult to know who to blame because “founding fathers” of economics like Adam Smith and David Ricardo were certainly political economists. Belief in the autonomy of economics seems to have arisen with the “marginalist revolution” in the nineteenth century, but I would not accuse Alfred Marshall, author of the classic Victorian textbook on the subject of being a “pure” economist either. And the distinction does have consequences: some of the bad advice given to post-Communist governments has been bad because it was given from the perspective of “pure” economics rather than political economy.

Political economy has great breadth both in terms of methodology and subject-matter. The \textit{Journal of Political Economy}, founded in the US in 1892 is predominantly a journal of economics, though a form of economics which is unusually empirical and concerned with the broad historical sweep of economic variables. By contrast \textit{New Political Economy}, a British journal founded in 1996 is more obviously driven by an interest in politics; at the core of its interests is a debate about globalisation and its regulation, about the development of regimes and systems of governance in the global economy. The concerns of this paper are drawn from that debate. The role and nature of the commercial/market principle; its relation to the state; the propriety and efficacity of forms of regulation: these are the prescriptive concerns of the debate. In the international
and/or global context they become concerned with the relationship between states, inter-
governmental organisation, international non-governmental organisations and regional
regulatory institutions. (This last, of course, means the European Union in practice
though there are organisations around the globe with some pretensions and potential to
develop in this way.) A debate about sport in this context is a special case – perhaps a
very special case – of the debate about political economy.

The Political Economy Of Sport

Two important exceptionalisms characterise the political economy of sport. The first
is that in the process of its establishment modern sport was located in neither the
commercial nor the state sector, but somewhere else: in “civil society” or the “voluntary
sector”. This was true in its British origins and – often to a lesser extent – in many
countries influenced by the British model. And though the development of some
countries (especially communist countries) was quite different I will argue that strong
influences from the original British model can still be seen in international organisations
and international law. The social and economic elites who established modern sport –
whose selection of athletic events still dominates global track and field athletics, for
example – made a strong assumption in favour of the exclusion of the state sector and
showed a strong determination to exclude the commercial sector. Where it was not
possible to exclude aspects of commerce they were able to limit and ring-fence their
influence. This was what I have elsewhere called the “amateur hegemony”. (2)

For example, when British athletes lined up against Soviet and American competitors
in the 1960s they were competing against nominal amateurs. Soviet amateurisation had
been implemented in the 1940s in order to be accepted into Olympic competition and the
most influential figure in American Olympic sport was the IOC president (formerly also
of the American Amateur Athletics Federation, the US Olympic Committee, the National
Colleges Athletics Administration etc., Avery (aka “Slavery”) Brundage. The British
athletes generally believed themselves to be competing against “shamateurs” – American
sports scholars and Soviet sinecure holders – who were better rewarded and much closer
to being full-time performers than they were. But I would argue that this was a relatively
trivial observation. There might be some elements of professionalism, but in none of the
three countries was Olympic sport run on anything which remotely resembled a true
commercial principle – otherwise it would not have equated shot-putting, for which there
was no market, with middle distance running, for which there was.

There exist three sectors of activity: the state, the market and the voluntary sector or
civil society. Each represents a principle of organisation as well as a sector. They exist in
many fields, but in sport the relationship has been different from even those fields of
activity in which the voluntary principle is important. In the arts, for example,
amateurism is just failed professionalism: there is no status attached to the absence of
payment and no significant norms which prevent you from (say) selling one of your
paintings if you are offered money for it. In education, private schools in the UK or the
US may belong to the “charitable” or “non-profit” sector, but for most purposes they
operate like normal businesses in that the overwhelming majority of their activities can
be traced through their accounts. This is quite different from cricket or athletics where at
least 80% of labour, if one were to consider it as such, is without remuneration.
In relation to civil society – and especially in relation to sport – the state and the market are not rivals or alternatives to the degree that much libertarian language would imply. In Thatcherite terms one does not “roll back the state” by extending the commercial principle. Instead, the state and the market expand as allies when they take territory from civil society because by entering the market activities become subject to law and regulation. The simple consequence that if you trade you must do so according to legal principles including *ultra vires* and restraint of trade has been poorly understood by sporting authorities on the receiving end. This was true of the Marylebone Cricket Club in the late 1970s when it was faced with “rebels” organised by the Packer media empire in Australia and by South African Breweries. They thought they were running an autonomous organisation, a club of clubs, which could ban players and were surprised to find that the High Court treated them as a trading organisation which ought not to be allowed to punish the employees of its competitors. Similarly, European football authorities, especially UEFA, have been consistently naive when faced with European Court of Justice decisions which apply competition policy and laws regulating the free movement of labour to their sport.

The second peculiarity concerns the relationship between the global and the international in sport. It has often been argued that there are fewer obstacles to globalisation and borderlessness in sport than in any other field. Sport in general and some sports in particular – most notably track and field and soccer – have a universal project and appeal. There are fewer obstacles in the form of ideological and linguistic barriers in the labour market and the image market to the progress of this project than in any other field. But sport is also highly international in ways that require borders. The market for competition between teams representing countries is considerably greater than for other forms of competition. For instance, in soccer in England, where “club” is actually stronger in relation to “country” than in any of the other professional sports it is still the case that the Premiership on live television has rarely exceeded 10% of the population as audience whereas England’s World Cup games have often been over 40% with a much higher female audience. The commercial power of the international event rests on national identification.

The development of international governance and regimes in relation to the state is markedly advanced in sport. FIFA and the IOC are particularly well-developed international non-governmental organisations. In a dramatic reversal since the era of Cold War and boycotts it is governments which now play the role of supplicants to SINGOs, a power structure which Lord Killanin, President of the IOC 1972-80, would have difficulty recognising. States manifest the “shallow” nationalism of wanting to host events and to do well at them, but not, so far, the deeper nationalism of resenting their power and seeking to preserve national sporting cultures, a situation which has helped minimise the potential conflict between the international and global dimensions of sport.

**Sport as “business”**

It is a commonplace to say that “sport is big business” often adding “nowadays” as a contrast with an earlier period of amateur hegemony, which is often perceived as a period of unbusinesslike idealism. More specifically, it is said that football is big business or that Rugby Union, which was formally a purely amateur sport until a decision of the International Rugby Board in August 1995, is big business. Sport has been variously
computed to be the 6th biggest industry in the European Union, the 11th in the United States and the 22nd in the world, though the definitions used in those computations are broad and differ from one another. Another claim is that football as an industry has a global turnover of £250 billion. (3)

But what does it mean to say that an institution is a “business”? The word contains an important ambiguity which is rarely acknowledged. The first sense of business concerns turnover: an institution is a business to the extent that it handles money and “big” according to the amounts of money. The second is the commercial principle, that the institution exists to make profits. The class of businesses is much broader than the class of commercial institutions: it includes universities, hospitals, foundations etc. They turn over large sums of money and employ business school graduates. But they do not exist to make money and their objectives are seen as conflicting with the commercial principle. There is a reasonably precise analogy between universities which see their function and the criteria of their success as being maintaining a variety of subjects, including some which will always make a loss, and athletics authorities which want to keep in being all the events, including those which do not attract spectators. Or football leagues and associations which define their purpose in terms of maintaining all the clubs which constitute them. (4)

Peter Kenyon, the Chief Executive of Chelsea Football Club has commented on the existence of 102 fully professional football clubs in England and Wales suggesting the viable number is around eighteen or twenty. To which one might reply that the real number, in the context of a global TV market, might be a good deal fewer than that, but that also strictures on commercial viability come oddly from someone running an organisation which lost over £140 million in the last financial year. At the heart of a football club with a global profile is a tension between commercial criteria and other ideas about success. Primarily this is a tension between making money and winning trophies: there is no doubt where Chelsea stand on this issue, but the position of Manchester United since the Glazer family came to own the club in 2005 is much more ambiguous. There seems little doubt that the Glazer family conceive of Manchester United as a global business with a long-term business plan (and a debt structure to match) which will make them a lot of money. Whether this will be compatible with success on the field at the level expected of a club of that scale remains to be seen. The same tensions have also been manifest at Real Madrid, especially during the presidency of Florentino Perez which ended in March 2006. On the field Perez was a failure: at the time of his demise Real had won nothing since 2003 and had only one, very slim, chance to win anything (the Champions League) in 2006; this disappeared the following week. But he had succeeded in eradicating a debt of E300 and in replacing Manchester United as the world’s biggest club. This was the success of the galactico conception, of assembling the world’s most glamorous and exciting players and putting them in a squad alongside some local Pavones. (5) The most notorious moment of Perez’ conception was when he rejected the chance to have Ronaldinho, arguably the world’s best player, because, “He’s so ugly he would sink you as a brand.” His successor, Fernando Martin, rejected the Perez era with the words, “Real Madrid must, above all, be a football club.” (6)

In a similar vein Greg Dyke commented when he became chairman of Brentford FC that, “The idea that clubs should be businesses is gone.” (7) Sceptics might point out that this was the same Greg Dyke who as Director-General of the BBC had negotiated
directly with five major clubs who had wanted to break away from the Football Association altogether. But in defence of Dyke it could be said that in the earlier incident he had been doing his best in difficult circumstances to maintain the BBC’s status as a major player in televised sport. Also that in each case Dyke represented the mood of the times. What he precisely meant by his comment was that the public limited company status of football clubs, a kind of laboratory experiment in the relation between sport and business, had proved to be a failure. There were twenty two such plcs at peak and Dyke’s comment can be taken to mean that there will never be as many again. Actually, I think it can be argued that there was never a coherent idea that plc status would really work for football clubs; rather, the transition to that status was an opportunity for owners, who had traditionally lost money, to make large one-off gains. This was not spotted because the sporting press were naïve and limited in their conceptions of what was happening, swallowing tales of modernity and progress with scarcely an analytic or sceptical reservation. One must invoke strict public choice theory to understand this: individuals like the chairmen of football clubs often act primarily in their own interests rather than those of the institution. In a similar vein, but in reference to an earlier era, I have argued that one must understand the fervent (and astonishingly successful) opposition of Bob Lord, as chairman of the Football League Management Committee, to televised football as a consequence of his own status as owner of Burnley Football Club. (8)

In short, although sport can be a “business” in a weak sense of that word it has not been conceived as a commercial business. Furthermore, such a conception is fundamentally incompatible with the way in which people do think of sport. It may be (and not for these reasons, but for those which will be discussed later) that there is no coherent conception of sport as a sustainable business. The idea of sport as a business in Europe has been superimposed on separate and contradictory ideas of what sport is. It may be that in the United States we have a the model for a truly businesslike organisation of sport, but it may not. Or even if it is it may not be transferable. The problem begins with the very nature of team sports and the consequent difficulty of understanding them in economic terms; because the question of whether sport is a business and, if it is, what kind of business it is has been so little understood there have been sharp shifts and dramatic disagreements in the attempts to regulate it.

Four Essential Problems of Professional Team Sports as a Business

A consequence of the legacy of the amateur hegemony is that there are many aspects of contemporary sport which have never been clarified or made coherent:

1. The nature of the product. What are you buying when you buy a ticket or a subscription? I will ignore the process/product concept of “entertainment” here as it seems to mean anything and everything. Also the extrinsic value of a ticket in England to a Twickenham rugby international, the Cheltenham Spring Festival, a Lord’s test or a Wimbledon final which are all major social events which clearly have an appeal even to those who care little for the particular sport. But there remain several candidates: - “excellence”. People want to see the best and competitions which define the best. It is clear that the market for major league sport in the USA is dependent on the idea that the very highest standards are being reached. But if we are serious about citius, altius, fortius then why not doping? Markets differ and cycling and baseball fans have proved much more tolerant than track and field fans. Except that we don’t know what would be the
market for an honest athletic superscience which created athletes who could run the 100 metres run in six seconds. And another problem is that one cannot see quality in sport very often: events are won by hundredths of a second and football teams at the highest level can cancel one another out to produce a dreadful game.

- competition. Uncertainty of outcome is a necessary condition of sport and closeness, unpredictability and bettability are important selling points. The language in which we talk about football allows that you can have a very good match (note the etymology!) eight levels down the pyramid and a very poor one at the top level. A selling plate or an under-14 schools championship won by a head is a better race that an Olympic final or a Gold Cup won by a massive distance. It is interesting to note the Anglo-American differences as cricket and baseball developed as spectator sports in the nineteenth century. The All-England cricket eleven used to play against any number of local opponents, even as many as twenty two, in order to create an even contest which could be bet on, mimicking handicapping in horseracing. The Americans developed the idea of the “round robin” in which everybody played everyone else to find who was best. This was imported into England as an “American tournament” and later came to be called a league.

- loyalty and identity. Any observation of football fans must conclude that the game gives them something more than the observation of excellence or competition: it is part of their identity. There are arguably at least three distinct dimensions of this identity. First, community: there is an immediate belonging with other fans, collective and mob-like at the stadium, but also club-like when you meet a comrade (say) on a train. Second, narrative: being a Burnley fan makes me part of a story which has been going on for a century and a quarter and which I have been part of for over fifty years. Third, the “great chain of being” – to borrow a phrase from Burke – which links fans into a broader community with everybody involved in the game. The existence of international teams and competitions as a complement to club competition creates duel versions of all of these. Generally, the “great chain of being” dimension has been much greater in rugby and cricket than it has in football in England largely because there has, at least until recently, been considerable mobility between levels of the game and a rich social life, so that each fan has multiple ways of relating even to an international team: one met the coach at dinner, was at school with the full-back’s father, etc.

- nobility. To cut a long story short an idea of intrinsic virtue was constructed into the creation of modern sport and remains as an expectation and selling point. What exactly the virtues of sport are is complex and contested, but candidates include honesty, loyalty, courage and respect for opponents. These are marketable qualities – as, confusingly, are their opposites – and their perceived presence was, for instance, important in raising cricket audiences to unprecedented heights during the Anglo-Australian “Ashes” cricket series of 2005.

2. The existence of two markets. The great engine of change in modern sport has been television, transforming a world in which thousands were watched by hundreds of thousands to one in which hundreds are watched by billions. The big market for elite sport is the global TV market and, in business terms, it must at least tend to threaten the traditional “live” market. Some sports – cricket and American Football would be my prime examples – can be seen and understood on television in ways which are impossible live. There is tension between the two markets, most obvious to football fans in relation
to the re-scheduling of games, but there is also a very important element of symbiosis. Full stadiums make much better viewing than empty ones, which has been one of the factors in the global success of the English Premiership since 1992, though it is an asset which is now declining. Major league sport in the USA has dealt with the problem through regional blackouts.

3. “Revolving.” The phrase first occurred in New York baseball in the 1850s, but the phenomenon is universal in professional team sports. It is the tendency for the best players to play for the best teams which then attract more spectators, become the richest and are able to attract the best players etc. The spiral can start either with money or success. It is rarely a problem in amateur sport and even professional sport under the amateur hegemony was able to alleviate it through a system of regional or local qualifications and strictly limited wages. But it has been a problem in Rugby League, with the extreme dominance of Wigan in the 1990s and is endemic in Scottish football with the duopoly of Rangers and Celtic. It is much discussed in the contemporary English Premiership in reference to the power of Chelsea as it was in the 1990s with reference to Manchester United. The point is, though, that major league American sport has the draft system and proportional salary caps as built-in protection against this phenomenon, whereas most sport in Europe, with its “club” heritage, does not.

4. Intensity. Where extreme athletic endeavour and large sums of money are involved there is a tendency that the star attractions will be destroyed by physical stress. A further difficulty is that the optimal rules for games involving highly trained and motivated athletes may be very different from the optimal rules for recreational players. This is problem which contemporary rugby union is facing and also severe in contemporary cricket and football. Again, the US has solutions to offer: American footballers’ contact is radically limited in time as is the length of their season and the number of games they play.

Three Models of Sporting Organisation

A preliminary distinction between three models of how to organise sport:

1. OLDE ENGLISH. In what I have called the high period of amateur hegemony, from 1895 to 1961, sports clubs were sovereign and largely autonomous. They did deals directly with each other on fixtures and competitions and were able to exist at a level of civil society which was autonomous from both the state and the market, often being regarded as “oases” of decency in a desert of indecent modernity. Clubs were very loosely regulated by national associations which they collectively controlled. Finance was the easiest thing in the world for both clubs and associations: you collected the subscriptions and the bar profits, watched the real estate appreciate and wondered what to do with the money. As late as the 1995-6 season the Rugby Football Union was receiving an income of over a million pounds each for both ticket sales and television rights for England home games without having to pay the players a penny. International sport was based on agreements to tour between national associations.

This model applied most clearly to Rugby Union, but was also important in cricket, (field) hockey and many other sports, though less so in football where clubs were much less powerful in relation to the Football Association and the Football League. It was
assumed as a norm in other countries to which sports spread, but in most cases evolved into something quite different: this is a long story which cannot be told here. Many sports are still to be understood in terms of this model, including elite sports like Real Tennis and Polo, but also golf.

One aspect of the model was the independence of sport from the state. This was still manifest in 1980 when the British Government’s attempts to boycott the Moscow Olympics was ignored by all except three minor sports. Such independence has been largely undermined since then. This is partly because as sport has professionalized and commercialised it has become within the ambit of the legal system and can automatically be regulated on matters of ultra vires, restraint of trade et. al. But it is also because governments since 1990 – under John Major and Tony Blair – have identified to a much greater degree with national sporting success and have been prepared to subsidise sport, especially since the creation of the National Lottery in 1994. For both clubs and associations public money is a “poisoned chalice”: it alleviates the problems caused by professionalism, but it subjects you to policies on “inclusion”, child protection, health and safety, etc. as well as (through agreements with national associations) national coaching targets.

2. THE MODERN EUROPEAN PYRAMID: This is a formal set of arrangements which links the highest levels of a sport to the lowest so that in modern English rugby and football one can specify the precise level at which a team are operating and they can, in theory, ascend to the very top level or descend to the bottom. This is democratic in a way that the idea of “first class” clubs in cricket and rugby was not because in that system you could remain first class indefinitely even while doing very badly. In the pyramid promotion and relegation require mobility between levels. Thus, to compare the fate of two Lancashire football clubs Nelson, who were a Football League club in the inter-war period, now operate at the eighth level whereas Wigan, once a very small club in an area dominated by professional rugby, are in the Premiership.

This is the approved European Union model of sporting organisation, but it is in tension with any idea of commercial sport. In football, the possibility of a ring-fenced breakaway league has been mooted, but was always improbable. But in rugby the issue is a very lively one. The English Premiership, unlike its equivalents in the rest of the British Isles and the Southern Hemisphere, does have relegation, but many of those involved in Premier Rugby (formerly EPRUC – the English Professional Rugby Union Clubs) argue virulently against it. The principal grounds are first, that you cannot plan financially with relegation as a possibility, given the importance of television revenues and second, that the fear of relegation makes teams play the game in much less entertaining styles than they otherwise might. Opponents of the pyramid look to American sport as well as to the Southern Hemisphere for their alternative model.

3. AMERICAN MAJOR LEAGUE: To a greater extent than any other model the North American system in football, baseball, basketball and ice hockey has evolved as a commercial entertainment. The league is a company and there are no channels of mobility and contact between the elite and the rest. Indeed, in one sense the second, third etc tiers of sport are almost absent from American sport (“minor league” baseball is a very minor phenomenon financially), but, of course, what would have been their market was and is filled by college sport. Major League is “socialist” to use Art Modell’s word in that it has policies to equalise the power of clubs, including national TV deals,
proportional salary caps and a “draft” system which allows the weakest clubs to recruit the best new players. Commercial competition is between leagues and between sports, not between clubs. Contingently, though not essentially, the system is corporatist because cities put money into clubs, most commonly through subsidising stadia costs, in their own competition for prestige. The model does inspire global debate about imitation because it is, arguably, the only model we have of a sustainably capitalist sport.

The Collapse of the Amateur Hegemony and the Search for a Working Model

Amateurism may have been a Southern English and specifically upper-middle class conception, but it was able through international sporting organisations and particularly the Olympic movement to establish an extended hegemony over world sport. It is particularly striking to think of the Soviet Union and other Communist countries devoting themselves to definitions of athletics and of amateurism which were the products of English public school snobbery. And this affection was reciprocated by the willingness of “right-wing” IOC presidents such as Avery Brundage and Juan Samaranch to further the communist cause. (I report the term “right wing” as a perception here: I don’t think it has a coherent meaning). This was not entirely a case of the kind of unlikely bedfellows which self-interest can create, especially in international relations. It also had an aspect of les extremes se touchent in that both the socialist and quasi (or pseudo?) aristocratic values were hostile to commerce.

From an English point of view the collapse of the amateur hegemony began with the abolition of the maximum wage in football in 1961 and proceeded steadily until the last bastion fell with the International Rugby Board’s decision to allow an “open” sport in August 1995. I would argue that the process has been much misunderstood largely because the antithesis of amateurism was thought of as professionalism – the principle that participants could be paid without prescribed limits. Whereas the more clear-minded exponents of amateurism saw their true antithesis in commercialism – the principle that market exchange and the profit motive should determine outcomes. Professionalism in this simple sense was tolerated fairly readily not least because it had existed time out of mind in racing, cricket and pugilism. Commercialism is still not acceptable: Roman Abramovich paying Frank Lampard £90,000 per week is not seen as threatening to the assumptions of English football in the way that the Glazer family seeking a long term profit from Manchester United is.

What we have is the powerful commercial forces released by television superimposed onto a set of structures created by the amateur hegemony with results that are a great deal more dysfunctional than they appear at first sight. Taking football first, it is a remarkable irony that at the time of writing Accrington Stanley FC seem virtually certain to return in 2006 to the Premiership/Football League set-up which they helped found in 1888. This will mean that all twelve of the founding members will be back within the fold, which forms a sharp contrast with the National Football League in the United States where only Green Bay Packers remain from the original 1922 founders. This is a remarkable phenomenon defined as tradition or culture, but one must concede to Peter Kenyon et. al. that in business terms it makes no sense: almost all of these clubs are in debt, are losing money and would be better off if they sold their real estate and/or went into some other business. Or they might follow the recommendation which has been put to them for over half a century that they operate as amateur or semi-professional clubs. I
am a shareholder in Burnley Football Club which is constituted as a private company and is one of 37 “sleeping giant” clubs outside the Premiership which have either played at the highest level or won major trophies. The club is currently playing in “The Championship” which is the second level. Despite having the smallest playing squad in the division there is an endemic loss of more than £20,000 per week which can be offset only by the windfalls of televised cup games and player sales. The board’s objectives are for the club to survive in the long run and (therefore) to be relatively attractive to a potential “sugar daddy” investor; they have set their face against immediate “ambition” (ie to get quick promotion to the Premiership and to make money there). To many people the club’s history (twice English champions, twice European quarter-finalists etc) and its position as, arguably, the only prestigious institution in the town create an absolute duty to ensure its survival. Like all of these clubs it is in commercial terms unsustainable, but it is sustained, largely by private philanthropy and friendly banking practice. (9)

Professional cricket in England is not such a financial ice rink as professional football. There are only eighteen clubs and only in England is there “first class” cricket in the English summer; in the other nine countries (including the multi-state case of the West Indies) which play the game at this level it is played in the English winter so there is more of a buyers’ market for cricketers in England. There is a large global TV audience which has been fully exploited because the world’s most important media organisation, NewsCorp, has its origins in Australia where cricket is the major sport. The TV audience for cricket may be smaller than that for football, but it is wealthier and cricket is on screen for a good deal longer (“test” matches last 30 hours over five days). There is also a system of membership which allows supporters to pay for games which they rarely actually watch, something which football supporters are not prepared to do. However, it is easy to argue that cricket has compromised much more of its heritage than has football. Its revenues are hugely dependent on televised test matches. In 2000 “central” contracts were introduced for England international players and the immediate implication was that the England coach could decree whether players played in county games even when England did not require them. This is a considerable devaluation of domestic cricket and its traditional big games such as Lancashire v. Yorkshire. In 2005 the England coach Duncan Fletcher successfully asserted his right to say who can play in one-day cup games. Most controversially, in 2005 the England and Wales Cricket Board sold the TV rights for four years of England test matches to Sky Sports for £220 million. Sky audiences for sport have averaged under half a million compared with an audience which averaged in excess of eight million for long periods which watched the Ashes series on Channel 4 in 2005. For many people this breaks the “great chain of being” which made cricket a sport and cricketers a community. There are also problems arising from cricket now having two distinct forms (the “first class” and “limited over” versions), but I would argue that this is only problematic in that it has led to the existence of almost constant international cricket.

Rugby Union abandoned its defining principle in 1995 when it ceased to be an amateur sport. As a professional sport it received a huge boost in 2003 when England became world champions for the first time. However – and contrary to a doctrine repeated endlessly by the government and sporting authorities – this has not proved to be good for every aspect of the game: adult participation is down by over a half since the amateur days, many famous old clubs ((Moseley, Orrell, London Welsh) have gone out
of existence or are a shadow of their former selves as are some of the traditional
competitions such as the County Championship and the Middlesex “Sevens”. The future
of the game is bitterly contested between the Rugby Football Union and Premier Rugby.
The RFU see its future as being analogous to cricket (including central contracts) and the
clubs as being a combination of football and American Major League sport. (I should
make clear that this is an English problem with some echoes in Wales; in the much
smaller contexts of Ireland and Scotland adaptation has proved much easier.) The
theoretical problem is a choice between models, but the practical implication is that
professional rugby players, bigger, stronger and faster than ever before, are playing too
much rugby and suffering appalling levels of injury. The England team which won the
World Cup in 2003 has been not so much decimated as eliminated by injury.

Naturally, in sports which are in crises perceived as consisting of the difficulties of
adapting to a higher level of commercialism eyes have been cast across the Atlantic to the
working of a sports system which appears to be more deliberately and overtly
commercial. A summary of the difference between the contemporary US and EU models
of sporting organisation, based on the work of Ken Foster, is as follows:
ROLE OF GOVERNING BODY: EU – “great chain of being”. US – viability of elite
sport.
CULTURAL IDENTITY: EU – rooted pyramids. US – Global leagues/movable
franchises.
INTERNATIONAL COMPETITION: EU – very important. US – not important.
GOVERNANCE STRUCTURE: EU – representative body. US – league as company,
commissioner. (10)

Even if you assume that the European “motive” has shifted to resemble the US
(which isn’t the assumption of this paper) there seem to be enormous obstacles to any
institutional imitation. A radical shift in the ownership and regulation of European sport
would be required. As if this were not enough there is also the wholly different role of
international sport. In the three sports I have been discussing it is fair to say that domestic
competition is merely the bread and butter diet of sports fans; international club
competition is bigger in rugby and football and representative international competition
has far bigger audiences than any club competition in all three sports (with peaks of 30%
of the population in rugby and 55% in football, but these are scarcely comparable
because the rugby figure was achieved in the multi-channel world of 2003 whereas the
football figure is from 1970). Thus we must acknowledge the paradox, totally absent
from the American situation, that the “product” offered by national associations and
international sporting organisations which are not commercial organisations (at least
according to their stated aims) is a deal more successful than that offered by companies.
In the US the only 55% audience figures have been for the Superbowl.

Thus there is a great deal of apparent American influence on sport in England and its
closest international sporting associates. This influence is mediated largely through the
Southern Hemisphere and through institutions which have disproportionate Southern
Hemisphere influence such as the International Cricket Council, the International Rugby
Board and News Corp. We have had a “world series” in cricket and the term “major
league” has been used in both rugby and cricket. In both these sports American-style
nicknames have been encouraged and even required: thus “Sale Sharks” in rugby and “Lancashire Lightning” in cricket (though in the ambiguous imagery of cricket such nicknames are used only when a “first class” cricket club is playing the form of the game not considered first class!). The marketing and imagery of American sport has exerted a powerful influence on English sport and was particularly appealing to those involved in football in the 1980s. “Family entertainment”, all-seater stadia, pom-pom girls etc. looked particularly attractive from the hooligan-infested crumbling terraces which were the norm in English football at that time.

But it is the implication of this paper that such imitation must be confined to an extremely shallow level, that any real transfer of institutions would be radical and problematic even if one assumed that American cultural assumptions about sport could be adopted elsewhere. Thus the European Union’s flirtation with the American model of sport was short-lived. The implication of the Bosman case in 1995 (as with the High Court cricket cases of 1977-81 in England) was that sport should be regulated as a normal business in which people earned their livings in a normal kind of way. These judgements may have been more important for the reaction they produced than for their content. The European Union policy document, *The European Model of Sport*, produced by the then DG X in 1998, insists that sport is a social and cultural activity with a less important economic dimension. (11) We should not be surprised that it does: that would be a social democrat or Christian democrat view of the matter and would also have a powerful appeal to many conservative sports fans (such as myself) who would suspend their enthusiasm for market principles and appropriate forms of regulation in the case of sport. A case, perhaps, of the ideological purity of competition commissioners being mitigated by the ease with which a majority can be constructed to oppose them. Or – to modify Bill Shankly: football is not a business; it's far more important than that.

**The Law . . . the Government . . . the Future**

Sport remains, *prima facie*, a self-regulating social activity. International sporting organisations are a sub-class of international non-governmental organisations, a part of a global civil society. They have a powerful argument when they say that they cannot run a global sport if liable to legal challenge in 197 separate states. And Sepp Blatter is right to say that this implies that football must be run by FIFA and UEFA and not by the European Commission and the European Court of Justice. The American courts allow this principle, variously turning down litigation about the Moscow boycott, about sex discrimination in sport and about monopoly control in sports on the grounds that sport is a special case which must be allowed to regulate itself in the public interest. The case of Fraser v. Major League Soccer is a kind of reverse Bosman in that it allows control over registration which would not be permitted in any other field of labour law. Sport is assumed to be a good thing and in need of an unusual degree of self-regulatory space if we are to accrue its potential benefits. It is these assumptions which have allowed the development of a *lex sportiva* in general and the operation of the Court of Arbitration for Sport (founded in 1984) in particular. However these assumptions are weakened by the practice of regulatory sports organisations running their own competitions – as UEFA runs the biggest football competitions in Europe and the FIA did directly run Formula 1 motor racing – thus creating a referee with vested interests. (12)
In this context it is interesting to remark the kind of sports policy which British governments have adopted. On the whole it has been active only within agendas set by other institutions and not in setting its own agenda or in tackling any of the conflicts of principle which recur within modern sport. Thus since John Major there have been policies in place to enhance performance (which is relatively easy at the Olympic level and thus the UK secured its best position in a medals table since before the Second World war at Sydney in 2000) and to secure major international events – which culminated in Tony Blair’s apparently decisive visit to the IOC meeting in Singapore in 2005 to secure the 2012 Olympic Games for London. But the government has been strangely silent when questions of principle have risen to such a prominence that they have become passionate public debates. Two of the most important examples have been the withdrawal of the holders, Manchester United, from the FA Cup in 1999-2000 in order to compete in a world club championship organised by FIFA and their non-intervention when Sky secured the rights to England cricket test matches in 2005 despite considerable parliamentary agitation. (13) The former case might be said to contradict only national tradition, but the latter seemed to contradict stated policies on making available the “crown jewels” of sport on free-to-air television particularly in the context of the oft-repeated (but little evidenced) assertion in government documents that elite national success is the key to high levels of participation and a healthy sporting culture. British governments can rely on an expectation of non-intervention in sport which itself rests on old assumptions about civil society and rather newer ones (for the Labour Party, anyway) about the benefits of free enterprise. There is also a valid argument about the necessity of self-regulation in global sport. But no-one should expect a decisive intervention by a British government to resolve the major issues of principle in sport. Nor should they expect the appointment of a Minister for Sport with clear views on these issues; indeed it is said that the only minister we have had who did have such views – Kate Hoey from 1997 to 2001 – lost the post for that reason.

This paper has argued that although it is true to say that sport is a business it is also crucially ambiguous, therefore misleading, usually trivial and sometimes dangerous to say so. With rare exceptions sport is not run commercially and would collapse if it were. Not only is it not regulated as if it were a business, but we have no idea how it would work if it were because the only model we have – the American model – is both deceptive and irrelevant. There are major contests of principle at the heart of modern sport, but there are no mechanisms to resolve them and they are unlikely to be resolved. We will muddle on and muddling on is probably going to be better than some clear resolution to questions of what sport is and how it should be run such as some clear government and/or EU policy that it must be strictly communal and amateur or a declaration that it must be treated as a business like any other. Those of us educated in political theory can dignify muddling on with a finer sounding name: “mixed government” as defended by Montesquieu, Burke and Bagehot as government according to simultaneously held but incompatible principles.

Lincoln Allison     March 2006

2. The full account of the “amateur hegemony” is to be found in Lincoln Allison, *Amateurism in Sport: an Analysis and a Defence*, Frank Cass, 2000, esp. pp. 49-70.


5. Although some British journalists seem to think that this is a Spanish noun in general use, it actually refers to Francisco Pavon, a *Madrileno* and “typical” product of the Real youth system.


9. The vigorous debate on the appropriate strategy is to be found on the web at, for example, www.burnleyfootballclub.co.uk, www.thisislancashire.co.uk & www.londonclarets.com


12. I am particularly grateful to my friend Ken Foster for these observations.

13. The main campaign against the deal is to be found at www.keepcricketfree.co.uk The leader of the campaign in parliament has been John Grogan, MP for Selby: www.johngrogan.co.uk