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FIFA and the ugly side of the beautiful game

2014. A World Cup year. A World Cup in Brazil, home of 'the beautiful game'. A World Cup which saw Germany become World Champions, beating Argentina 1-0 in the final after extra time. A World Cup of many excellent football matches and performances. A World Cup in which the hosts and most successful team in the history of the tournament contrived to lose 7-1 to Germany; a record defeat for the country and the most goals it has conceded in a World Cup match. A World Cup in which a non-toxic spray applied from a small aerosol became an unlikely star. A World Cup in which one of the world's finest football players, Luiz Suarez was suspended from all football-related activity for four months after biting his Italian opponent, Giorgio Chiellini; Suarez's third such offence. A World Cup prefaced by widespread protests and unrest in Brazil, these focusing on: the cost and social impact of the tournament; the destruction of favelas and forced displacement of up to 1.5m citizens; and claims and counter-claims of the likely economic impact of the tournament.

2014. A World Cup year. A year in which the World Cup organiser, world football's governing body, the Fédération Internationale de Football Association (FIFA), a non-governmental organization located in Switzerland, has been at the centre of media and political interest long before and after Mario Götze's winning goal for Germany. A year in which almost as many column inches have been devoted to FIFA's decision to host future World Cups in Russia in 2018 and Qatar in 2022 as to the one that was held in Brazil. A year in which words like 'corruption', 'bribery', 'patronage' and 'cronyism' have been as prevalent in World Cup reporting as Messi, Ronaldo, Neymar and Muller; as commentators sought to make sense of a decision to host the tournament in Qatar, a country in which there is no discernible football culture and where summer temperatures average around 41°C.

2014. Could it possibly be *the* World Cup year? Or more accurately, could it possibly be *the* year in which FIFA is finally held to account?

FIFA's association with governance failure and lack of accountability is not new: it has long been seen a self-servient institution, one reluctant to allow any external involvement in its activities (see, for example, Jennings, 2004, 2007; Tomlinson, 2014a,b). To those unfamiliar with sport and sport governance FIFA's repeated failures and failings will be difficult to comprehend. Yet arguably FIFA's governance challenges and failures are akin to structural weaknesses, these arising inevitably out of fundamental contradictions in the role of world football's governing body.

Founded in 1904, FIFA is a non-profit organisation. Like other global sporting organisations (GSOs) it lays claim to being a public interest organisation and to

holding an important place in global civic society. Its current strapline is: '*For the game. For the world*', while its objectives include the following:

- To improve the game of football constantly and promote it globally in the light of its unifying, educational, cultural and humanitarian values, particularly through youth and development programmes (FIFA Statute, 2014 Edition, Para. 2(a)).

(FIFA is not alone among sport GSOs in having such ambitious objectives. For example, FINA, world swimming's governing body, includes among its objectives 'to promote and encourage the development of international relations' (FINA C5 Objectives, para c, 2013)).

But as well as being a non-profit organisation concerned with broad sport and social policy objectives, FIFA is also one of the most successful multinational enterprises in the world. It has successfully expanded into emerging markets and has even begun to make inroads into the American market. According to consultants, AT Kearney, football represented 43% of the worldwide sports market by value in 2009 (Gapper, 2014). Its former Chief Executive, João Havelange was instrumental in recognising the commercial potential of football in the global market, and he worked closely with Horst Dassler of Adidas to establish markets, attract global sponsors and reshape FIFA's primary product, the World Cup (Tomlinson, 2014). More than that, the monopoly nature of the World Cup, coupled with the fact there continue to be many bidders willing to host the event, enables a great deal of the tournament costs to be passed directly to host nations. Players are drawn from professional clubs who are obliged to release their players. While the redistribution of economic power to football players and football clubs over the last three decades or so has been well documented, two points are worth highlighting in the context of the World Cup: first, that for the most part the motivation for the world's best players tends to be non-pecuniary in nature, apparently focusing more on things like patriotism and footballing ambition than on finance; and second, that cognisance of the continuing demand shown by supporters, national associations and players for the tournament, results in clubs accepting an agreed compensation of \$2,800 per day for their players' participation over the defined World Cup period.

In seeking to understand the development of organisations like FIFA and their inability to cope with the challenges they face in areas like governance, Forster and Pope (2004) set out an ends-means inversion hypothesis. They suggest that a non-profit organisation like FIFA has a tendency for its original ends or objectives (in this case, promoting and supporting football, its competitions and its regulations) and its financial means of achieving those ends to be inverted. So, while the original ends of GSOs were originally supported by membership fees and contributions from national federations, over time the creation and commercial exploitation of hallmark events - in FIFA's case, the first World Cup held in Uruguay in 1930 - fundamentally changed the relationship with its members. Far from FIFA being dependent on national and regional associations, football via the World Cup, controlled and owned by FIFA,

became the means by which it attained its goals and asserted its dominance. Moreover many of FIFA's national member federations and regional federations now have a high degree of dependence on FIFA.

The abstract nature of FIFA's objectives then compounds the ends-means inversion. Its objective is not apparently to generate profit or revenue. Furthermore it has no shareholders or investors to hold it to financial account. Ostensibly FIFA is accountable to those member associations and regional federations in terms of its abstract objectives, but in circumstances where those same stakeholders are the principal financial beneficiaries of the commercial success of the World Cup. Furthermore those stakeholders are also responsible for electing those same FIFA officials who are in control of the distribution of financial rewards. The result? Good governance principles like transparency, accountability and equity end up replaced by poor governance outcomes like circularity, patronage and opacity. As Tomlinson notes: "FIFA remains accountable solely to its Congress, where the single votes of American Samoa or Vanuatu continue to be as significant as the single votes of Argentina or Spain; and the benefits of FIFA patronage are not cheaply given up by Congress members/delegates" (2014b).

So in the absence of an effective system of hierarchical accountability is there any prospect of holding FIFA to account? This was the question posed by the academic Robert Pielke in a paper published in 2013. His approach was to critique different mechanisms of accountability; his overall conclusion depressing.

Supervisory accountability – the relationship between organisations – presents challenges in terms of holding FIFA to account for two reasons. First, where there is a close relationship between domestic football governance and a national government, the pre-eminence of football as a global sport, coupled with the presence in FIFA's statutes of a right to suspend national football associations where there is evidence of 'government interference', acts as a disincentive for most national governments to demand supervisory accountability. Second, in many countries, national associations - including those in Scotland and England - have an arms' length relationship with government. Hence, the supervisory authority of member associations is limited to that set out in FIFA's own governance rules, often requiring 'super majorities' or permitting decisions to be taken behind closed doors (Pielke, 2013).

Fiscal accountability – mechanisms of control over funding - is restricted both by the limited transparency which results from FIFA's status as a Swiss-based organisation, and the challenges of compelling greater transparency from associations and confederations in terms of their use of funds distributed by FIFA. In relation to supervisory and fiscal accountability, it is certainly true that there has been some recent comment attributed to current and previous football administrators in England and Germany to the effect that further unwillingness on FIFA's part to act transparently should result in countries leaving FIFA and/or boycotting future World Cups (see, for example, DW, 2014; Sky Sports, 2014). In Hirschman's terms (1970),

this is the governance response of *exit*, i.e. withdrawal from the relationship. To date, however, a little talk by a very small number of people is all that there is, and hence to many observers we remain with Hirschman's governance by *voice*, where the aim is to influence through communication or dialogue. FIFA's track record in this regard, however, suggests that this may well remain a dialogue of the deaf.

Turning to public reputational accountability, notwithstanding its claims to be a public interest organisation, FIFA has no direct accountability to the public. Moreover, the extent to which weaknesses in football governance (however serious) has a demonstrable impact on the public reputation of the organiser of the (best ever?) World Cup is a moot point at best.

While Pielke's overall conclusion to his question was 'not easily', he does offer a little hope in the form of legal accountability which he suggests provides the 'most significant opportunity for stakeholders in international football to hold FIFA accountable, as it is grounded in governance processes broader than FIFA itself and where mechanisms of accountability are well established'. Central to this is the indirect exposure of FIFA to legislation. Corporate sponsors for the World Cup in Brazil included multinationals like Adidas, Budweiser, Coca-Cola, Emirates, McDonald and Sony. All of these multinational sponsors find themselves exposed to and at risk from their relationships with FIFA and hence have a direct stake in FIFA's performance, reputation and standing. Over recent years the response of such sponsors to the ongoing weaknesses in FIFA's governance has tended toward public statements expressing 'disappointment' and 'desire for change', the suspicion being that unless or until there was an impact on their financial performance, sponsors would be content with the notion of *voice* discussed previously. However, the publication of the summary of ethics committee judge, Hans-Joachim Eckert, in respect of the findings of Michael Garcia's investigation into the bidding processes for the 2018 and 2022 World Cups and subsequent fall out may just have moved the goalposts. At least two of sponsors have now indicated an intention to *exit*, in other words to withdraw from their relationship with FIFA. First to sever ties was Emirates Airlines, a sponsor since the 2006 World Cup in Germany, and an official partner from 2007 to 2014; followed on by news that Sony, a long term partner of FIFA, did not plan to renew its sponsorship contract (Reuters, 2014). It will come as little surprise to most readers, however, that FIFA has claimed that these decisions are unrelated to the World Cup bidding controversy (Sport Business, 2014)! Leaving that partial view aside, such decisions are surely predicated on the objectives of these multinationals and on their accountability to their own shareholders. In the absence of any other apparent means of effectively holding FIFA to account or shaping its governance, it is perhaps something of a paradox that a combination of legal and most particularly market accountability may offer the most likely route to reform of a supposed public interest organisation.

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