

# THE CHANGING FACE OF SPORT

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## 1. INTRODUCTION

Sport has changed dramatically during the past 100 years. It was transformed from a leisure activity, which only caught the passing interest of a few politicians and governments, to a global phenomenon which captures the attention of politicians such as presidents, prime ministers and monarchs. In its development sport changed from an activity with an annual budget of a few hundred US dollars to a billion-dollar enterprise. This development was substantially illustrated when the English football club, Manchester United, had reportedly been bought for \$958 million by Rupert Murdoch's television empire BskyB in 1998.

This phenomenon is not an isolated incident. The aggressive intervention by commercial interests globally, is progressively undermining the authority of national sporting organisations to control their own disciplines. Furthermore the increasing commercialisation of sport in tandem with governments' intervention in sport, is strengthening the stranglehold on the ability of national and regional sport organisations to control sport.

The triangular power struggle between national sport organisations, governments and the commercial sector for the control of sport is an interesting development that has a dramatic effect on the evolution in sport. This development is also taking place in South Africa, and deserves a closer inspection.

## 2. IS SPORT POLITICAL IN NATURE?

International sport is in essence political in nature. In international competitions participants represent and show allegiance to their countries during their participation. Rituals at international sporting events such as the Olympic and Commonwealth Games (colours, uniforms and flags) are aimed at symbolically reaffirming fidelity to one's country.

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Goodhart and Chataway (1984:115) argue that there are only four kinds of sport: sport as exercise, sport as gambling, sport as spectacle and representative sport. The argument is that when sport moves from the first three examples to the representative international sphere, it becomes political in nature. In the international sphere the athlete is running for his country and the boxer is boxing for his country. Victory for the athlete will be a victory for his country, a defeat for the athlete, will be defeat for his country.

As Eitzen (1989:233) points out, evidence from international competition shows that for many nation's and their citizens, victory is an indicator of that nation's superiority. It is also a victory for that country's political, economical, social and cultural system over other countries that failed to achieve victory,

This aspect was over decades used with great effect by various political regimes for political gain. The Nazi regime was one that clearly understood the value of sport as a form of political expressionism (Haberman 1984:163). The use of sport as an international instrument was also perfected by the former Eastern bloc countries during and after the Cold War period to affirm their international status.

The importance of sport as a vehicle for political change and as an international tool was, to a great extent, used by the former Soviet Union. Riordan (1980:3) in his discussion on the Soviet Union refers to this aspect: "Sport in modernizing societies is a business, with serious functions to perform: it is associated with health, defence, patriotism ... international recognition, even nation building."

It is therefore politically naive to embrace the conventional clarification of sport as "the participation in games or exercises, especially those pursued in the open air" (Polley 1998:13).

The truth is that when sport is carried from its original position as a leisure activity, to the international area, it is spearheading a country's aspirations, goals and determination to reflect its success at the highest international sporting level.

Therefore, when sport is conducted successfully, it becomes a source of international pride and unity, and a mechanism to be used by the ruling political

elites, not only to impress its own citizens, but also those of other countries. This use of sport, as a vehicle of (political) propaganda, is found in the majority of developed and developing countries alike, and was imminent in the former communist bloc countries (Eitzen 1989:233).

As Lord Killanin, a former president of the International Olympic Committee, once put it, the sporting world will unfortunately have to accept that politics is an integral part of modern international sport. The major remaining challenge for all the role players is to keep that involvement of politics in sport at a manageable and controllable level (Killanin and Rodda 1979:115).

It is not the purpose of this article to explore the phenomenon of political intrusion in sport. This aspect was, to a great extent, dealt with in literature over decades. The aim is to introduce the more recent development, namely the intrusion of a new role player in sport. The dominance of this new role player, alongside with the political interference in sport, ensures the diminishing role of the national sporting bodies in the control of their own sport. I am referring to the increasing role of the commercial sector in sport in the last decade, which is eroding the status of national sporting bodies in order to control sport more effectively. This development is clearly taking the ability of national sport bodies to control their own disciplines one further step backwards.

It is important to understand that the weaker position of national sport organisations worldwide is the result of decades of government intervention in the affairs of sporting bodies. Governments have never kept their hands off sport as long as it could further their political objectives.

### **3. WHY DO GOVERNMENTS BECOME INVOLVED IN SPORT?**

Shortly after 17:00 on 24 June 1995, just minutes after the final of the Rugby World Cup, Francois Pienaar, the captain of the triumphant Springbok rugby squad, lifted the William Webb Ellis trophy aloft. South Africa had scored an incredible victory over New Zealand in the final of the 1995 Rugby World Cup. Next to Pienaar on the podium was Nelson Mandela, the president of South Africa, who was also dressed in a number 6 Springbok jersey (Griffiths 1996:140).

What a powerful image - for once the formerly deeply racially divided South Africa was united in triumph. In the suburb of Hillbrow a multi-cultural

street party was taking place. This celebration and others all over the country were spontaneous and a fitting end to the World Cup tournament.

To understand Mandela's involvement in the Rugby World Cup and other sport events you have to lift the veil and uncover the deeper intentions of politicians and the major reasons why they become so readily involved in sport. In the example of the Rugby World Cup, the intention of Mandela was clearly to further the process of nation building in South Africa and also to show allegiance to the white community in this country. Social integration and nation building are some of the various reasons why governments do become so readily involved in sport (Holt 1989:18).

Sport was also, to a great extent, used in France and England for social integration and to further the purpose of nation building. This was mainly because of sport's inherent value of national pride and because it served as a source of unity in a divided society (Eitzen 1989:233).

A number of other motivations could also be catalogued to indicate why governments become involved in sport. Firstly, governments had, over centuries, always tended to regulate the pastimes of different social classes and the conflicts that arose from conflicting interests in society (Holt 1989:18).

Secondly, governments also get involved in sport because of their sporadic concern with the health benefits of recreation and sport for their citizens. Flowing from that concern, governments use sport as a means of improving the means of military preparedness of the state. For example, as early as the 1860s, Australian state governments were providing facilities for rifle clubs; the justification was that they could provide the core of local militia (Haulihan 1997:64).

A third theme in state sport policy, is the increasing acceptance of the value of sport to reflect, enhance and undermine the prestige of a country. In Britain, for example, the increase of government funding of sport was the result of the perception of a national decline of sport in general and also of the growing success of East Germany and the Soviet Union in sport during the 1960-1990 period.

This brief survey is designed to suggest the range of motives why governments get involved in sport and also stay involved in sport. It cannot be denied that sport has benefitted greatly, financially and otherwise, from governmental

involvement. However, as with most things in life, this involvement came with a price. The price tag of this phenomenon was that the involvement of government eroded to a certain degree the autonomy of sporting bodies to control their own destinations in future.

It is at this point appropriate to introduce the second role player in sport that is also active in the process of the erosion of the powers of national sporting organisations to control sport. This latest role player that has emerged over the last few decades, is the commercial sector.

#### **4. WHY DOES THE COMMERCIAL SECTOR BECOME INVOLVED IN SPORT?**

The driving motivation behind the intrusion of the commercial sector is the sport sphere and the unavoidable commercialization of sport in the process, is not difficult to detect. The broadcasting of sporting events by means of the electronic and printed media created mass interest in sport and formed a basis for almost unlimited advertising. In this regard sport became an important vehicle for promoting the commercial sector's interest to an ever growing audience.

From a humble beginning namely a television broadcast of the Berlin Olympic Games of 1936, when only a few thousand people could experience the luxury of television broadcasts in halls in Berlin and other German cities, the industry has rapidly expanded. Satellites relayed images of the 1960 Olympic Games in Rome from one country to another. During the 1976 Montreal Olympics the television audience reached a figure of 700 million, and it jumped to 1 000 million during the 1980 Moscow Olympic Games (Killanin and Rodda 1979:17). The figure is likely to be doubled at the end of this millennium.

The tremendous commercial potential of the Olympic Games in general and various other sporting events globally is evident from these figures. It is therefore not uncommon that the commercial sector venture to "invent" further competitions to serve their commercial needs. As Sage (1990:122) correctly points out, the first objective of the mass media is to make a profit and not to serve the needs of sport as such. The television industry is primarily an advertising business, not a journalistic one, and will rather serve the commercial objective.

The television industry's profits accrue from selling advertisements and therefore the major guiding principle in this process is the highest return on its investment. From the growth of the industry in sport it is clear that such a venture by the commercial sector is paying high dividends on their initial investments. For example, it is estimated that the American television company, ABC, made a profit of US\$2 million on its coverage of the 1988 Seoul Olympics.

The extent to which the media and sponsors is prepared to protect and guide their investment in sport is a major factor in the process of limiting the power of national sporting bodies. The larger role of the commercial sector in sport in turn undermines the autonomy of national sport organisations and their ability to control sport to a large extent. This development, coupled with the fact that national sporting bodies are already under pressure from governments, paint a bleak picture of the future of sport autonomy world wide.

One of the more dramatic examples of this vulnerability of national sport organisations to commercial intervention in sport occurred in the 1970s in Australia (Haulihan 1997:149). The duel was between Kerry Packer, owner of the television company Channel 9, and the Australian Cricket Board (ACB). Packer's conflict with the ACB resulted from his failure to secure the broadcasting rights to domestic cricket for his own Channel 9 television company. In his response Packer did not only attack the national sport organisation, the ACB, but in the process also tried to derail the International Cricket Conference (ICC). To achieve this, he initiated an international cricket event to rival the test match series organised by the ICC - and managed to sign on an entire West Indian squad, and the majority of the top players in the world.

By his actions to oppose the ICC, Packer had bypassed the local sport organisation, the ACB, and managed to successfully nullify them. Eventually the ICC realised that a compromise was inevitable and suggested that the ACB negotiate a solution with Packer to solve matters. The agreement that eventually emerged from the negotiations was more a capitulation than a compromise for ACB. Packer got everything that he initially demanded, from exclusive broadcast rights to a say in which teams would tour Australia (Haulihan 1997:150).

Elsewhere sponsorships and television companies have also flexed their muscles in order to change laws and structures of sport to ensure drama, excitement and decisiveness during competitions. In the process sport has drawn

larger television audiences and as a result more scope for advertising. Polley (1998:83) refers to the example of cricket, where the limited overs version was created from a commercial perspective and quotes Arlott who describes limited overs cricket as "the form of the game that the spectators like most and the players least".

Football's gradual acceptance of the penalty shootout was also the result of commercial pressure to avoid a draw in matches and to make the result more acceptable to spectators. In Rugby Union the rule changes introduced in the last few decades were clearly aimed at making rugby a more attractive, flowing and attacking game. These changes were also introduced to serve the same objective of rendering the game more attractive to spectators.

Not all the changes in sport are the result of greater commercialism, but it is clear that national sporting organisations in the professional era are under pressure from the commercial sector to increase the attractiveness of the various kinds of sport to paying spectators, television audiences and ultimately sponsors (Polley 1998:83).

While national sport organisations are gradually losing control over their respective codes, big money is flowing into corporate pockets. This is evident from examples such as that of the Dallas Cowboys in the United States which were purchased by Clint Murchison for US\$500 000 in 1960 and sold for \$80 million (including a US\$20 million stadium lease) in 1984. The money made on the sale of teams does not include annual profits and tax benefits enjoyed by owners (Oakley 1989:227).

##### **5. ARE NATIONAL SPORTING ORGANISATIONS CAUGHT IN THE CROSS FIRE BETWEEN GOVERNMENT AND THE COMMERCIAL SECTOR?**

Initially the triangular relationship between government, national sporting organisations and the commercial sector fulfilled related, but to a great extent different functions. In this relationship governing bodies of sport were *inter alia* responsible for establishing the rules of the game and to stimulate development and organise events on an annual basis.

Government merely provided funds for facility development but (mostly) kept its distance from policy issues in sport. The third role player, the commercial sector, television in particular, initially preferred to treat sport as a vehicle for selfpromotion and advertising and not as a source of direct profit (Haulihan 1997:147).

The following yardstick could be utilised to analyse the triangular relationship among the three role players in sport. Conventionally government fulfilled the role of a provider for sport, not one of a regulator or even as an exploiter. National sport organisations were mainly regulators of sport and served secondly as providers. In this conventional relationship the commercial sector played a secondary role as provider and not as a regulator of sport as such.

If this conventional relationship is compared with examples mentioned in subsection 3, it is clear that the traditional role of government, national sport bodies and the commercial sector have changed dramatically over the last few decades.

This development in the battle for the control of sport can be illustrated by an example: The British soccer club, Manchester United, was reportedly bought in 1998 by the tycoon Robert Murdoch's company BskyB Television for \$958 million. To put this figure into perspective, this amount is about the same as that which Minister Bengu was given to run his education department for the 1989/99 budget year and about R500 million more than the whole of the North West Province budget for the 1988/89 fiscal year (Pretoria News: 9 September 1998).

The multinational magnitude of Rupert Murdoch's sporting empire is enormous and extends into both American and Australian sport. A few of Murdoch's shares in other sport disciplines are:

- Football: BskyB pays US\$108 billion to renew broadcast rights for English Premier League until 2001;
- Rugby Union: News Corp pays US\$550 million to broadcast games played by the dominant Southern Hemisphere until 2001;
- Basketball: Murdoch buys a stake in a new Los Angeles sport arena, with an option to buy LA Laker shares; and
- A plan to launch a professional rugby football league in the USA.



These are only three of the shares that Murdoch owns; there are also shares in Rugby League, American Football and Ice Hockey, too widespread to discuss in detail.

Nothing seems able to stop big corporations such as BskyB from taking over the control of sport. According to an in depth article in the Saturday Star (12 September 1998) the current British government, from a sport perspective, is firmly into Rupert Murdoch's back pocket.

In applying the yardstick to this new emerging relationship among the three role players, government, national governing bodies and the commercial sector, a different picture emerges. The commercial sector, in this example BskyB News, is sitting on more than one chair. Not only is this broadcast giant the sole provider of sport but it also doubles as the regulator, and for many, the exploiter of these sports. In the process the control of the national sport organisations and even governments is relegated to the backseat.

The South African Rugby Football Union (SARFU) has also experienced the crossfire from the government and in tandem, the commercial sector, when they resisted the transformation process in rugby football. SARFU's president, Dr Louis Luyt, had an uneasy relationship with the new government for years because of his resistance to change and his dictatorial grip on rugby in South Africa. In its control of rugby, SARFU fulfilled the role of regulator in the relationship, while the commercial sector was the provider albeit from a controllable distance. When the third role player, government, intervened in reaction to Luyt and SARFU, a power struggle for control of rugby took place.

SARFU resisted the pressure of the National Sport Council, the ANC embodied in track suits, and events started to escalate. The commercial sector had to protect its investment, therefore MNet stepped in from their position as regulator, to exert additional pressure on SARFU's position. In doing so, MNet, who has the broadcasting rights to rugby in South Africa, crossed the bridge from a position of provider to that of regulator of sport. This move was motivated by the need for protection of their commercial interest in rugby.

When SARFU emerged from this conflict with the NSC and the commercial sector the executive committee was almost unrecognisable. The government in track suits, the National Sport Council, had moved into a pivotal position in rugby administration as the regulator of the rugby code. Apart from their strong

influence in the administration of SARFU, they were also allowed to have an input in the selection of four of the eleven members of the executive committee. Furthermore, the new constitution dictates that one member of the SARFU executive must be from the commercial sector and the other from the previous so-called disadvantaged areas (Die Beeld: 9 September 1998).

MNet is the major sponsor of rugby in South Africa with almost total control over its broadcast in this country. Additionally MNet has also formed business relationships with a number of the provincial rugby unions and is slowly spreading its tentacles into the control of South African rugby. In this process MNet is moving from a position as a provider of sport to that of a regulator and because of its commercial interests, also as an exploiter of sport. Without realising it, the national and regional sporting organisations are slowly losing their original powers and are being relegated to a back seat in the control of sport.

The South African Government is also flexing its muscles in the traditional sphere of national sport organisations. This is evident from the first draft of the Sport and Recreation Bill by the Minister of Sport and Recreation. If adopted, the Bill would really have teeth intended to punish a sport organisation by imposing a jail sentence or a penalty when such an organisation would fail to register. Under fierce criticism this offending clause was scrapped, but the intentions of government were clear from this Bill (The Citizen: 3 September 1998).

However, the revised draft of the Sport and Recreation Bill still confirms that government, in tandem with the commercial sector, are stepping away from the traditional position of provider to that of regulator and exploiter of sport and that they are bent on increasing their control over sport. In this draft the power to make policy and regulations to govern sport, from primary schools level through to national teams, is given to the Sport Commission and the Minister of Sport. Furthermore the Bill gives the Sport Commission the power to intervene in the affairs of any sporting body if a complaint should be received from a member who "feels aggrieved" (The Citizen: 3 September 1998). The Sport Commission can also intervene if any allegations of malpractice, serious internal divisions or discrimination are made. These vague grounds for interference are clearly aimed at undermining the authority and autonomy of national sporting organisations.

It is very unlikely that the Department of Sport and Recreation will yield on this revised form of the Bill, and it is therefore evident that national sporting bodies will lose their position in the long run as the sole regulators of sport in South Africa.

In the United Kingdom the English Rugby Football Union (ERFU) has tried to put up some dogged resistance to professionalism and the unavoidable greater powers of the commercial sector. The ERFU resisted the change to professionalism for decades and in later stages tried and imposed a one-year ban on professionalism, in order to create time to determine their position on this issue (Howell & Howell 1985:115).

The result of this step was that a bitter dispute erupted between the Rugby Football clubs and the national sport organisation. At the heart of the dispute was the distribution of the subsequent income from the commercial sector to the national body, and to the clubs where the sponsors had an interest. The ERFU was desperately trying to fulfill its traditional position in England of provider and regulator of rugby and to adopt measures aimed at keeping the Union in control of rugby. However, the major clubs were not in the mood to accept water-treading on the issue of professionalism.

In response to this standpoint of the ERFU, twenty four major rugby clubs formed the English Professional Rugby Union Clubs (EPRUC) in 1997 to further their own interests. The control that the commercial sector through these clubs has on rugby is evident because the vast majority of the clubs are owned by businessmen. To add insult to injury, the EPRUC has threatened not to release players from their clubs for international tours because it would clash with club commitments. This resulted in a dispute and embarrassment for the ERFU, mainly because this incident underlined the fact the they had lost control over the clubs. Consequently an understrength English rugby team embarked on a tour to Australia, New Zealand and South Africa in the middle of 1998. This team was beaten handsomely in all the test matches, mainly because of the absence of their top players. The ERFU had to admit defeat: the control of rugby was not in their hands anymore. The point of gravity had shifted firmly from the governing body to the commercial sector. The result was that the commercial sector is at present not only the provider of rugby in England, but also the regulator and the exploiter.

## 5. CONCLUSION

It is tempting to paint a picture of domestic bodies as institutions that control sport, having put their best days behind them (Haulihan 1997:177). It is indeed clear from the increasing professionalism, that boardrooms of multi-million corporations are playing an ever-increasing role in the decisionmaking process in sport, and act as regulators and exploiters, rather than providers of sport. This is a situation that will definitely gain momentum in the next few years.

For most sport codes the traditional pioneering role of national sport organisations in harmonising and constituting rules, organising competitions and supporting clubs in their infancy, is now long past. It is obvious from the example of the English clubs which managed to hold their national body at bay, that these clubs might have surpassed the national governing bodies in the power struggle over the control of sport.

To add to this development the fourth role player, international sport bodies, is not prepared to be left out of further developments. International federations have also taken over many of the key roles of domestic governing bodies, which the latter have fulfilled for decades (Ilmarinen 1984 and Haulihan 1997). Bodies such as the International Olympic Committee and the International Amateur Athletic Federation have significant international status and influence, and are prepared to use their influence when deemed necessary.

It is obvious that both the government and the commercial sector in South Africa are following the global trend. During the past twenty years many sport governing bodies in countries such as the United States, Australia and England have experienced a period of traumatic change. Aggressive intervention by commercial interests has successfully challenged the remaining vestiges of amateurism in these countries and changed the administration of sport (Haulihan 1997:167). South African sport organisations are under similar threat and all indications are that they will follow the same pattern as in the United States where the weak and diminishing role of national sport organisations is substantially the result of the intensity of commercialisation, and the long-standing fragmentation and mutual suspicion between governing and organising bodies in sport.

The long-term effect of the over-commercialism of sport has not yet been scrutinized fully. In the short run the side effects are a drop in spectator numbers at most sport stadiums and also a new virus called "spectator fatigue". The response of the commercial sector is to increase the air time, to provide bigger menus to spectators and to introduce more sport channels. The backlash of this overstimulation will probably influence the next development phase in sport, but in the short run the grip of commerce on sport is something that has to be accepted.

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