

6.5 Promoting integrity in sport: a sponsor's perspective

Jaimie Fuller¹

Brands pay millions to sponsor sport. In return, they are able to call themselves the 'Official Timekeeper of the UCI', the 'Worldwide TOP Partner of the Olympic Movement' or the 'Official Partner of the FIFA World Cup'.

These significant naming rights sponsorships – especially among the top sporting properties and their major sponsors – bring benefits beyond the bottom-line return on investment. Increasingly, corporations' mission statements proclaim that the purpose of their 'brand' is not simply about being a household name, having their logo recognised and making profits; it is also about how they are perceived, what their values are and a broader obligation to support societal values.

Governments and fans

Experience suggests that the key to whether sponsors take a lead in strengthening integrity in sport is dependent on two other key stakeholders: governments and fans.

Some sports governing bodies may object to intervention from governments in internal affairs from time to time, especially around governance issues.² Nevertheless, governments have a major role in sport in support of civil society, in building social inclusion and in terms of probity. Sport (and how it is perceived) is important in shaping overall societal values, and, because of this, governments cannot and should not ignore its impact on communities. At best, governments need to take a leading role in making change happen, advocating and pursuing improved governance practices; at the least, they need to encourage and facilitate it, in particular among their local sporting organisations.

The fans are likewise critical actors in ensuring integrity in sport, with their willingness to lobby and express their opinions to sponsors constituting an important force for achieving change. Fans are more vocal and easier to organise, and technology allows them to make their views known instantly around the world. Brands are more likely to react to ‘fan power’, even if slowly. The challenge in encouraging fans to push for change in a mass movement is to ensure they set their natural love of their sport aside from the need for reform of the administration of that sport.

History lessons

The IOC reforms

The reforms that the International Olympic Committee (IOC) were forced to undertake in the late 1990s, to strengthen the integrity of the Olympic Movement, are a good example of something that would not have happened without the active intervention of government.³ The original transgression that led to the IOC’s moment of reckoning – known as the ‘Salt Lake City scandal’ – involved university scholarships being awarded to children of IOC members.⁴ The ensuing revelations, which included both the winning Nagano 1998 Winter Olympic and Sydney 2000 Summer Olympic bids, showed the use of a host of favours to garner votes, including cosmetic surgery, medical care, employment, expensive gifts and cash bribes.⁵

While the major sponsors of the IOC, which included large American companies such as Coca-Cola, McDonald’s, UPS and Home Depot, were instrumental in placing pressure on the IOC, what really sparked the reaction of the sponsors was the attention of both the FBI and the US legislature. The FBI looked at the potential application of the Foreign Corrupt Practices Act,⁶ and Congressman Henry Waxman introduced legislation that required US companies sponsoring the IOC to comply with an inquiry headed up by another Congressman, George Mitchell. Waxman said in 1999:

*The bill I have introduced today would prohibit American corporations from providing any financial support to the IOC until the IOC adopts the Mitchell commission reforms. [...] I regret that this legislation has to be introduced. I had hoped that the IOC would adopt the necessary reforms on its own accord. It is apparent, however, that the IOC is reluctant to take strong and immediate action. Perhaps, the only thing that will get the IOC's attention is if American corporate money is cut off.*⁷

The IOC simply couldn't function without the financial input of US sponsors and broadcast rights, and the American sponsors and broadcasters were forced to demand action. IOC sponsors made it clear that they did not want to be 'stampeded' by public opinion, and that a lack of attention to reform could potentially be 'fatal'.⁸

Nike

Nike, a sponsor of many major sports events, teams and players, such as Manchester United, Cristiano Ronaldo, Rory McIlroy and Serena Williams, first came under public pressure to introduce reforms at the turn of the century, around the same time as the IOC reforms were taking place.⁹ This related in particular to its supply chain and a code of conduct on workers' rights in its overseas factories.¹⁰ The campaign largely began with organised labour groups in the United States, but was sustained, and achieved success, because of its overwhelming support from the communities in which Nike had its major markets.¹¹

According to the editor of *Ethical Consumer*, Rob Harrison, Nike was targeted because it was big, successful and initially denied any responsibility for what went on half a world away.¹² Fifteen years later the 'sweatshop' issues for Nike and other sportswear manufacturers may not have completely disappeared but, as a minimum, most of the companies point to systems being in place for identifying problems and processes for dealing with them.¹³

This serves as a valuable example of how consumers can successfully demand and encourage large, successful corporations to reform. Nike's response to public pressure permeated not only supply chain issues associated with its workforce but also environmental issues such as the use of water, the creation and reuse of waste and the toxicity of materials and processes used in manufacturing.¹⁴

A current challenge

The Fédération Internationale de Football Association (FIFA) has been scandal-plagued for years.¹⁵ The flawed governance of the organisation was brought sharply into focus for the wider football community in 2010, when the Executive Committee awarded the 2018 and 2022 World Cup tournaments to Russia and Qatar, respectively. Among other things, such quixotic decisions showed the FIFA Executive Committee's disregard for independent expert advice on issues such as technical capacity, financial cost–benefit analysis and security concerns when assessing the merits of the nine bidders for the two tournaments.¹⁶

Since then FIFA has bumbled along from one off-field issue to another, without much real impact on its financial bottom line. While the organisation's reputation (and that of its president, Sepp Blatter) has taken a battering, Blatter was re-elected comfortably for a fifth term in May 2015.¹⁷ FIFA and its sponsors have so far benefited from the fans' love of the sport outweighing concerns about how the sport is managed.

Some experts argue¹⁸ that, when an event is as big and as popular as the FIFA World Cup, the appetite to push for change by sponsors is relatively small, as there are other sponsors ready to take their place for a chance to be the focus of world attention for four weeks every four years. In other words, FIFA, coupled with football, is simply too big to fail. Encouragingly, there have been a number of 'non-renewals' of sponsorship of FIFA, namely by Emirates, Sony, Johnson & Johnson,

Continental Tyres and Castrol.¹⁹ Less encouragingly, though, the readiness of companies such as Gazprom to fill the breach suggests that there remain brands that are not concerned with the reputational risk of association with FIFA.²⁰

After the events of late May 2015 involving FIFA, however, the propensity of the competitor brands to ‘leap into the breach’ and put themselves forward as new sponsors is probably rather subdued. It is difficult to imagine Mastercard stepping into such a toxic environment when phrases such as ‘money-laundering’, ‘racketeering’, ‘bribery’ and ‘corruption’ are being used so freely by the FBI and the US Department of Justice.

This is why recent attempts by a coalition of advocacy groups and commercial interests²¹ to put pressure on FIFA to reform has focused on eight of FIFA’s major sponsors,²² and the gap between their stated values of business ethics and human rights and their significant financial support for the scandal-plagued FIFA. The long-term aim of #NewFIFANow is to establish a FIFA Reform Commission, led by an eminent person, to overhaul FIFA’s statutes, committee and electoral system in order to bring greater democracy, transparency and accountability to the organisation. The short-term aim is focused specifically on highlighting the inconsistencies between the sponsors’ public commitments to the Universal Declaration of Human Rights and their failure to speak out against the use of the ‘kafala’ system in Qatar, which is host of the 2022 FIFA World Cup.

Sponsors as change agents

Sixteen years on from the IOC reforms, the world is a different place. There is an expectation that the sport, event or individual sportsperson that a corporation sponsors should align with the values of the brand. Depending on the circumstances, sponsors have options that range from quiet behind-the-scenes pressure on the properties or individuals they sponsor, public statements of their own policies and expectations, and active advocacy of change through taking a leadership role in making

it happen.

In our ‘global village’, as fans become more informed and engaged in what happens off-the-field, brands and sponsors must anticipate, and be responsive to, their customers and community values and expectations. The promotion by sponsors of integrity in sport is a challenge that will only grow as fans become more knowledgeable, more demanding, more organised and more vocal.

A failure to respond to fans’ and community concerns will not only compromise the authenticity of an individual sponsor’s values but, as the examples of the IOC sponsors and Nike demonstrate, will ultimately mean that they are on the wrong side of history as well. The challenge, therefore, is for corporations that sponsor sport not just to espouse societal values but to live them.

Notes

¹ Jaimie Fuller is Chairman of SKINS, the ultra-performance sportswear manufacturer, based in Steinhausen, Switzerland, and an active member of the #NewFIFANow coalition.

² FIFA has frequently and regularly complained about governments that seek to ‘intervene’ in the affairs of football; examples include the governmental dissolution of local football boards that had lost the confidence of the government and the football community in countries as diverse as Nigeria, Iraq, Greece, Kuwait and Peru, among others.

³ BBC (UK), ‘Congress grills Olympic chief’, 16 December 1999, <http://news.bbc.co.uk/2/hi/sport/566228.stm>;

BBC (UK), ‘Cleaning up the Olympics’, 10 December 1999, <http://news.bbc.co.uk/2/hi/sport/558815.stm>.

⁴ *The New York Times* (US), ‘Olympics: Leaders of Salt Lake Olympic bid are indicted in bribery scandal’, 21 July 2000, www.nytimes.com/2000/07/21/sports/olympics-leaders-of-salt-lake-olympic-bid-are-indicted-in-bribery-scandal.html.

⁵ *Ibid.*

⁶ Bill Mallon, ‘The Olympic Bribery Scandal’, *Journal of Olympic History*, vol. 8 (2000).

⁷ Sunlight Foundation (US), ‘The International Olympic Committee Reform Act: a speech in Congress by Rep. Henry Waxman (D–CA)’, 12 April 1999, <https://scout.sunlightfoundation.com/item/speech/CREC-1999-04-12-pt1-PgE607-2.chunk0/rep-henry-waxman-the-international-olympic-committee-reform-act>.

⁸ Stephen Wenn, Robert Barney and Scott Martyn, *Tarnished Rings: The International Olympic Committee and the Salt Lake City Bid Scandal* (Syracuse, NY: Syracuse University Press, 2011).

⁹ *The Guardian* (UK), ‘Under pressure: campaigns that persuaded companies to change the world’, 9 February 2015, www.theguardian.com/sustainable-business/2015/feb/09/corporate-ngo-campaign-environment-climate-change.

¹⁰ Nike, ‘Code of Conduct’, www.nikeresponsibility.com/report/uploads/files/Nike_Code_of_Conduct.pdf.

¹¹ *The Guardian* (UK), ‘How activism forced Nike to change its ethical game’, 6 July 2012, www.theguardian.com/environment/green-living-blog/2012/jul/06/activism-nike.

¹² *Ibid.*

¹³ *Ibid.*

¹⁴ Nike, ‘Sustainable Business Reporting and Governance’, <http://about.nike.com/pages/sustainability>.

¹⁵ Andrew Jennings’ book *Foul! The Secret World of FIFA: Bribes, Vote Rigging and Ticket Scandals* (London: HarperCollins, 2006) was the first to highlight FIFA’s way of doing business, specifically highlighting

its TV marketing rights, in what has become known as the 'ISL scandal'. Others include Alan Tomlinson's *FIFA (Fédération Internationale de Football Association): The Men, the Myths and the Money* (London: Routledge, 2014), Andrew Jennings' *Omertà: Sepp Blatter's FIFA Organised Crime Family* (London: Transparency Books, 2014) and Heidi Blake and Jonathan Calvert's *The Ugly Game: The Qatari Plot to Buy the World Cup* (London: Simon & Schuster, 2015).

¹⁶ *Daily Mirror* (UK), 'Qatar hero? Why Michel Platini might not be the man to save FIFA', 29 May 2015, www.mirror.co.uk/sport/football/news/qatar-hero-michel-platini-might-5783843.

¹⁷ Four days after his re-election Blatter announced his intention to call a fresh presidential election some time later in the year, while at the same time a start was made on proposals to 'reform' the organisation.

¹⁸ Sports marketing consultant Hermut Zastrow, in an interview with Reuters (UK), 'After scandal, will FIFA follow the IOC's lead?', 1 June 2011, <http://www.reuters.com/article/2011/06/01/us-soccer-fifa-ioc-idUSTRE7505J020110601>.

¹⁹ *The Daily Telegraph* (UK), 'Fifa loses three key sponsors as Castrol, Continental and Johnson & Johnson sever ties with world governing body', 22 January 2015, www.telegraph.co.uk/sport/football/world-cup/11364195/Fifa-loses-three-key-sponsors-as-Castrol-Continental-and-Johnson-and-Johnson-sever-ties-with-world-governing-body.html.

²⁰ Gazprom, 'Gazprom becomes Official Partner of FIFA and 2018 FIFA World Cup', 14 September 2013, www.gazprom.com/press/news/2013/september/article171325.

²¹ The organisations/groups collaborating to put pressure on FIFA because of the kafala system are #NewFIFANow, the International Trade Union Congress, Playfair Qatar and the SKINS group of companies, which is also an 'official non-sponsor' of FIFA.

²² These are, namely, Adidas, Budweiser, Coca-Cola, Gazprom, Hyundai, Kia, McDonald's and Visa.