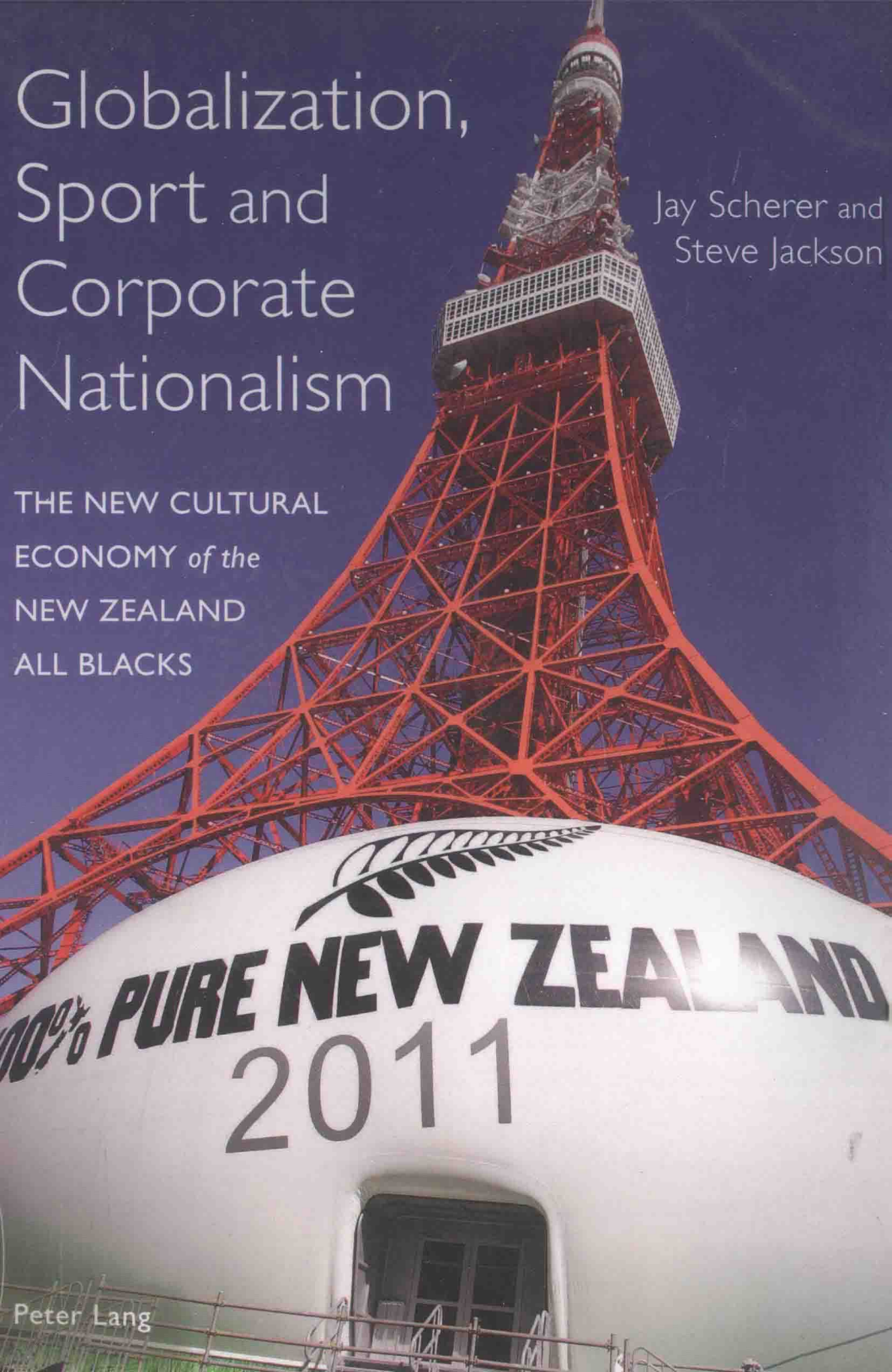
Globalization, Sport and Corporate Nationalism

Jay Scherer and Steve Jackson

THE NEW CULTURAL ECONOMY *of the* NEW ZEALAND ALL BLACKS



Peter Lang

Jay Scherer and Steve Jackson

Globalization, Sport and Corporate Nationalism

THE NEW CULTURAL ECONOMY of the NEW ZEALAND ALL BLACKS

PETER LANG
Oxford • Bern • Berlin • Bruxelles • Frankfurt am Main • New York • Wien

Bibliographic information published by Die Deutsche Nationalbibliothek.
Die Deutsche Nationalbibliothek lists this publication in the Deutsche Nationalbibliografie; detailed bibliographic data is available on the Internet at <http://dnb.d-nb.de>.

A catalogue record for this book is available from the British Library.

Library of Congress Cataloging-in-Publication Data:

Scherer, Jay, 1975-
Globalization, sport and corporate nationalism : the new cultural economy of the New Zealand All Blacks / Jay Scherer and Steven J. Jackson.
p. cm.
Includes bibliographical references and index.
ISBN 978-3-03911-114-5 (alk. paper)
1. All Blacks (Rugby team) 2. Rugby Union football--New Zealand. 3. Sports and globalization--New Zealand. 4. Nationalism and sports--New Zealand. 5. Sports and state--New Zealand. I. Jackson, Steven J., 1958- II. Title.
GV945.6.N45S34 2010
796.3330993--dc22

2010017343

Cover image courtesy of Tourism New Zealand.

ISBN 978-3-03911-114-5

Hochfeldstrasse 32, CH-3012 Bern, Switzerland
info@peterlang.com, www.peterlang.com, www.peterlang.net

Printed in Germany

Globalization, Sport and Corporate Nationalism

Acknowledgements

We would like to express our sincere appreciation to our respective institutions (the University of Alberta and the University of Otago) for the various forms of support provided throughout this project. In addition, we would like to thank our colleagues and students who have, in their diverse ways, contributed to our thinking through their feedback on our lectures, conference presentations, and publications. We are very grateful to Rex Thomson and Lynn Campbell who carefully reviewed our manuscript offering valuable editorial insights, all of which have no doubt contributed to the quality of the final product.

We would also like to thank the wonderful staff at Peter Lang Publishers (Graham Speake, Shirley Walker, Gemma Lewis, Mette Bundgaard, et al.) for their patience, support, and editorial and production expertise.

We gratefully acknowledge each other's contribution on what has been a very challenging but ultimately very rewarding experience. We would also like to thank our family and friends for their support. Finally, we acknowledge the Association for Canadian Studies for providing a grant which helped, in part, to support the project.

We wish to thank the following publishers for granting permission to publish revised and updated versions of the following sections of the book.

SAGE Publishers for permission to publish revised and updated versions of:

Chapter Four which was originally published as: Scherer, J., Falcous, M. and Jackson, S. (2008). The Media Sports Cultural Complex: Local – Global Disjuncture in New Zealand/Aotearoa, *Journal of Sport and Social Issues*, 32 (1), pp. 48–71.

Chapter Six which was originally published as: Scherer, J., and Jackson, S. (2008). Cultural studies and the circuit of culture: Advertising, promotional culture and the New Zealand All Blacks. *Cultural Studies/Critical Methodologies*, 8(4), pp. 507–526.

Chapter Eight which was originally published as Scherer, J. (2007). Globalization, promotional culture and the production/consumption of on-line games: Engaging Adidas's Beat Rugby campaign. *New Media & Society*, 9(3), pp. 475–496.

Routledge Publishers for permission to publish a revised and updated version of Chapter Five which was originally published as: Scherer, J., and Jackson, S. (2007). Sports advertising, cultural production and corporate nationalism at the global–local nexus: Branding the New Zealand All Blacks. *Sport in Society*, 10(2), pp. 268–284. (www.infoworld.com).

Human Kinetics Publishers for permission to publish a revised and update version of Chapter Nine which was originally published as: Scherer, J. and Jackson, S. (2008b). Producing allblacks.com: Cultural intermediaries and the policing of electronic sporting consumption. *Sociology of Sport Journal*, 25, 187–205.

Preface

> 'I'm a catalyst for change. You can't be an outsider and be successful over 30 years without leaving a certain amount of scar tissue around the place'.
>
> — RUPERT MURDOCH

One of the most fascinating propositions made by the sociologist Eric Leifer (1995) in his book, *Making the Majors: The Transformation of Team Sports in North America*, was the need for the major sports leagues to abandon traditional understandings that franchises represent distinct geographic communities, if any league – or popular franchise for that matter – was to be considered a truly global entity. Leifer further argued that the types of local/civic loyalties that were essential in the early days of spectator sport – loyalties that could still be sustained and nourished as television networks sought to establish national audiences and markets – were now in conflict with the ambitions of most leagues to pursue global audiences and revenue streams. In other words, too many major international cities and markets were being neglected by the current structure of North American professional sport which requires teams to play half their games in one locale. Leifer suggested that one strategy to cultivate a more prosperous international presence and overcome the barrier of place identity was to attach the brands of transnational corporations (TNCs) to teams that would compete on a global circuit. In this context, cities would compete to host scheduled matches among all teams that would take place in 'multisport stadiums... as part of entertainment and shopping villages' (Leifer, 1995, p. 301). As Leifer explained, 'Rivalries in the global marketplace could spill over into the field of sporting competition. Even the Americans might get more enthused over a showdown between Coke and Pepsi on the gridiron than another confrontation between Dallas and Buffalo' (p. 299).

Leifer's vision of a global sporting landscape has, of course, not fully transpired. Clearly, new trade agreements, the deregulation of barriers that once restricted the mobility of capital, and a host of substantive

technological developments have opened up new markets to the point that many of the most popular international sport franchises and clubs now have a global merchandise presence and established online followings. However, the optimism of global expansion in the 1990s, and a belief that the most popular North American sports – the National Basketball Association (NBA), Major League Baseball (MLB), the National Football League (NFL), and the National Hockey League (NHL) – could succeed in locales around the world has been tempered in recent years. To be sure, each of these leagues has enjoyed some success staging exhibition matches in many countries, with the NBA being the most successful in terms of establishing itself as a global presence, most recently in China. For the most part, however, sustained, regular interest in North American professional sport has not been forthcoming and long-standing local traditions and sporting affinities have proven far more resilient than anticipated. For example, while the NFL may indeed have a brand and licensed merchandise presence in Mexico and Europe, gridiron football has failed to usurp other local sports (e.g., baseball and soccer in Mexico) and rivalries, while newly formed leagues like NFL Europe have collapsed altogether.

A more modest version of these global ambitions is, at least, partially visible in New Zealand where the New Zealand Rugby Union (NZRU) – alongside its partners, News Corporation and principal sponsor Adidas – has recently attempted to access and engage non-traditional rugby markets in Asia. For example, in 2008 the All Blacks played a Bledisloe Cup match against the Australian Wallabies in Hong Kong, and a year later these teams met again drawing large crowds in Tokyo. These developments, which have resulted in test matches being played in countries that are 'home' to neither team, perhaps point to a more subtle disruption of place identity in the global economy than those that were originally foreseen by Leifer. However, they do point to the willingness of sport organizations like the NZRU to aggressively pursue new marketing streams and opportunities for visibility in non-traditional markets via partnerships with global media conglomerates and other TNCs, like Adidas. These types of promotional exercises – like the recent Bledisloe Cup matches in Hong Kong and Tokyo – bring benefits for all parties involved, including the NZRU, who profit directly from these lucrative revenue-sharing matches, and indirectly through the promotion and visibility of the All Black brand, and the ensuing merchandise opportunities.

It is likely that these types of overseas matches – in particular matches of significance like the Bledisloe Cup – will only take place sporadically for the time being. Moreover, the significant crowds that watched these matches arguably do not point to a substantial cultural or economic presence in these locales, but instead speak to the appeal of particular sports and teams – like the All Blacks – for a segment of affluent, mobile young men who aspire to take part in a global consumer culture, and take pleasure in consuming world-class sports brands. In this respect, these types of one-off, cosmopolitan sporting events are clearly limited to those who can afford them, and in this respect do not point to enduring changes in the habits of ordinary people, let alone widespread transformations of regional or national cultures (see Gruneau and Whitson, 2001).

Nevertheless, it can be suggested that the differences between popular, long-standing national teams like the All Blacks and other commercial enterprises are becoming increasingly difficult to discern. These developments have been lauded by many of the businessmen who run New Zealand rugby, and other prominent entrepreneurs including Phil Knight, the CEO of Nike, who made the following candid observation: 'We see a natural evolution... dividing the world into their athletes and ours. And we glory [sic] ours. When the US played Brazil in the World Cup, I rooted for Brazil because it was a Nike team. America was Adidas's (as cited in Coakley and Donnelly, 2009, p. 439). Others, however, have lamented the intensive commodification of sport, including the Uruguayan-born journalist, historian, and political activist Eduardo Galeano, who offered the following commentary following Brazil's victory over Germany at the 2002 FIFA World Cup: 'The two countries have been finalists many times, but never before had they faced each other in the World Cup. Turkey took third place, South Korea fourth. Translated into market terms, Nike took first and fourth, while Adidas came in second and third' (2003, p. 226). It is worth noting, however, that these promotional ambitions, and indeed the push to attract more up market global audiences, have antagonized many local and less-affluent fans who resent the tendency of administrators and marketers to treat iconic teams like the All Blacks as commercial vehicles whose sole purpose is to attract worldwide audiences. Similar concerns have been directed at the decisions to limit access to live telecasts of All Blacks matches to those who can afford subscription television, and more recently at the exorbitant costs of tickets to attend the 2011 Rugby World

Cup (RWC), an event that the New Zealand government is underwriting at a substantial cost to taxpayers. Indeed, as rugby and the All Blacks are transformed by these economic imperatives it is becoming increasingly difficult for ordinary New Zealanders to access premier events featuring the national team. It is likely that most New Zealanders, like sports fans in numerous nations around the world, are now well aware that they do not control or own 'their' team, and that the pursuit of global revenue streams and worldwide audiences increasingly trumps other long-standing loyalties, traditions, and aspects of cultural heritage.

These commercial practices which have been commonplace in North America for many years have, however, only recently emerged in New Zealand. This book explores the powerful economic pressures shaping sport and popular culture in New Zealand; pressures that are rapidly incorporating the All Blacks into the new global cultural economy. These types of developments can be seen on a number of levels, including most significantly the landmark 1995 broadcasting deal between the South Africa, Australia and New Zealand Rugby Unions (SANZAR) and News Corporation, and the emergence of transnational sport corporation, Adidas, as the principal sponsor of the All Blacks in 1999, at the expense of long-time local sponsor Canterbury of New Zealand. Moreover, the emergence of a global sports labour market – in particular the inflated salaries on offer from French and English clubs – has produced a new set of challenges for the NZRU with respect to player retention. In this respect, celebrated All Black Dan Carter was granted a sabbatical in 2008 to play in France. As a consequence, some rugby fans and pundits are questioning the relevance of an arguably outdated and highly restrictive eligibility rule that stipulates that players must play their professional rugby in New Zealand in order to represent the All Blacks. These issues also speak to the accumulation of an associated, but different type of pressure: i.e., the pressure for the All Blacks to perform at the highest level in every test match and RWC for the team to retain its international appeal and popular reputation as the most successful rugby team in the world. Indeed, to the disappointment of New Zealanders, the All Blacks have yet to win a World Cup since New Zealand hosted the inaugural tournament in 1987.

Over the course of the last two decades, similar incursions of global capital have radically transformed New Zealand's political economy, and it is within this context that long-standing national traditions and meaningful aspects of national popular culture – like those associated with rugby and the All Blacks – are being similarly challenged and reformulated. Although New Zealand is a relatively small (population 4.3 million) and isolated nation in the South Pacific, it offers a ripe and unique site to examine the multi-directional, but uneven political-economic and socio-cultural impacts of globalization. Indeed, while we focus on only one aspect of national popular culture, our analysis is intended to tease out some of the broader and more complex interactions and contradictions as ordinary New Zealanders confront the intended and unintended effects of over two decades of deregulation, free trade, and a host of other neo-liberal policies. These developments have radically transformed New Zealand's economy and culture, while the nation is now more diverse than ever before as a result of immigration.

Over the course of the 20th century, rugby has, of course, been routinely mythologized as a powerful element of national culture that has brought disparate New Zealanders together, and allowed people to imagine important points of connections. These popular and distinctly gendered representations of time-honoured rituals associated with rugby are often heavily laden with nostalgia and obscure a host of historical tensions and differences (e.g., the debates over New Zealand's continued sporting contact with apartheid South Africa), and beyond this, more enduring structural divisions in the neo-liberal and post-colonial context. Indeed, when we consider the significance of these broader political-economic and socio-cultural tensions – tensions stemming from regional, gender, ethnic, and economic differences – it is important to remember that they will require long-term political solutions. While the national sport has served as a politicized and contested terrain at a few key moments (e.g., the protests over the 1981 Springbok tour), it is unlikely that rugby or any other ritual of identity will be able to minimize these broader tensions, especially as the sport and its associated traditions continue to be inexorably transformed into a global entertainment commodity.

This book sets out to understand and critically interpret the issues and pressures that are transforming rugby against the backdrop of these broader political-economic and socio-cultural debates and developments that are re-configuring various traditions and power relations in New Zealand. In this complex, diverse, and ever-changing context, it can be tempting to long for a return to a 'simpler era' of both rugby and New Zealand society that exists in the warmth of nostalgic recollections that continue to hold considerable appeal for many New Zealanders, although these understandings of a common culture have always glossed over a range of inequalities. It is, in fact, these very idealized images of past national traditions and heritage that are reproduced and continue to feature prominently in contemporary advertising campaigns for global corporations, like those of Adidas – the principal sponsor of the All Blacks.

Such processes of corporate nationalism are, of course, not unique to New Zealand. However, they do illuminate the significant role of advertising in an ever-expansive global consumer culture. In their quest to conquer new markets, TNCs seek out new alliances and engage in flexible forms of accumulation that enable them to adapt and localize within and across the world's national contexts. Crucially, sport, as both a cultural form and practice, plays a central role in the new global cultural economies of TNCs. As Rowe and Gilmour point out:

> The growing popularity of these sports entertainment cultures reflects emergent media and leisure economies combining global aspirational cosmopolitanism with local cultural identities and histories.... Sport, we argue, is especially well suited to such cultural adaptations and reconfigurations, given the protean, mobile nature of its organizations, texts and practices. (2009, p. 171)

Indeed, it is precisely these types of long-term developments and transformations that necessitate new interpretations and understandings of the role and position of various national sporting traditions and cultures – like those associated with the All Blacks and New Zealand rugby – and it is in this spirit of critical inquiry that this book is written.

Contents

CHAPTER 1

Introduction

In 2006, an intriguing book was published just prior to the FIFA World Cup, a tournament that was eventually won by Italy. Entitled, *The Thinking Fan's Guide to the World Cup*, Matt Weiland and Sean Wilsey's edited collection features essays dedicated to each of the 32 nations that qualified for the tournament written by politicians, journalists, novelists, and other authors. While many of the chapters provocatively discuss a range of challenges facing various national teams and local soccer cultures, the most stimulating pieces invite readers to relate those issues to broader political-economic questions concerning the uneven impacts of globalization on nations and individuals around the world.

In one essay, for example, Mexico's former Foreign Minister Jorge G. Castañeda questions why Mexicans excel at individual sports (boxing, running, tennis, etc.), yet 'perform with mediocrity – at best – in collective ones: baseball, and most important, football' (2006, p. 190). While acknowledging that such sweeping generalizations are often undesirable – and in Mexico's case at least partly false – the author grants that the performance of the country's soccer teams reflects the soul of the nation: 'somehow we never quite make it to the top, and we are never up to our potential' (p. 190). Indeed, for Castañeda, Mexico continues to disappoint. Despite moments of great optimism (e.g., the signing of North American Free Trade Agreement (NAFTA), and Mexico's membership in Organisation for Economic Co-operation and Development), half of its population lives in poverty;

> where approximately four hundred thousand young men and women leave the country each year seeking opportunities in the US; where joblessness, delinquency and the absence of the rule of law contribute to poverty, insecurity and a lack of competitiveness; and where nearly a quarter of a century of stagnation and fits and starts have generated a collective frustration alleviated only by individual solutions, as in boxing versus football. (p. 191)

Castañeda goes on to lament that, in contemporary Mexico, the pursuit of individual solutions has overpowered 'attempts to work as a collective, as a community, as a nation' (p. 193). He observes, for instance, that Mexico not only exports labour (i.e., as citizens immigrate to the US to seek employment and better lives for themselves and their families), but also capital and most notably 'foreign direct investments by huge Mexican conglomerates' (p. 194). While the Mexican rich have been taking their money out of the country for years to purchase real estate in major US cities, now even national companies look to invest abroad for the simple reason that 'it is better business for them than to do so only in their country of origin, that is, their collectivity' (p. 194).

Similarly, another essay by *The New Yorker* columnist James Surowiecki tempers the optimism that surrounded the rapid introduction of market forces, private property rights, and consumerism in Poland, and the popular portrayal of the country as a potential major player in the European Union (EU). While many welcomed the new Right's claims about the superiority of markets over central state management, others are continuing to experience new forms of material disadvantage while 'national' allegiances are being stretched in the borderless economy. Indeed, Surowiecki observes that, under these new conditions, a significant number of Poles are increasingly seeking employment abroad, 'just as the best Polish soccer players, in the wake of entry into the EU, now do' (2006, p. 218). Nevertheless, these changes have not been entirely welcomed by Polish soccer fans who, following the early exit of their team in the group stage of the 2002 World Cup, indicted these very players as professional mercenaries who were 'more concerned with money than with national pride' (p. 221).

Yet, it is also worth noting that in some cases, the presence of foreign talent in superior competitions in England, Spain, and Italy has been to the benefit of other national teams. For example, in the 'Afterword' to the *The Thinking Fan's Guide to the World Cup*, Franklin Foer (2006), the editor of the political magazine *The New Republic*, proposes that the exposure of soccer migrants to superior competitions in Europe can significantly bolster the performance of nations without much of a history of success at the World Cup, particularly those in Europe (e.g., Sweden) as well as those in Africa and Latin America. Still, as Foer points out, the cumulative

effect of the extensive migration of players to the powerful professional leagues in Europe is the continued crippling of domestic leagues in other parts of the world where, in the words of Eduardo Galeano, soccer is now an 'export industry' (2003, p. 206).

Beyond this, these developments have meant that the sheer number of a nation's soccer players who draw salaries from the most prosperous European club teams (e.g., Chelsea, Manchester United, Real Madrid, AC Milan) is arguably now one of the key indicators of the potential ability of a national side. For example, in his essay on England, celebrated author Nick Hornby bluntly acknowledges the impact of the globalization of the transfer market on international soccer:

> If your national team doesn't contain players from those clubs, it's because those clubs don't want them, which means your national team is no good.... In the old days, an international-class footballer would have been first on any club's team-sheet. Now, it depends – on the quality of the club, and the quality of the country. (2006, pp. 124–125)

While Hornby asserts that the presence of foreign imports has 'dragged the cream of the English players, somewhat reluctantly toward something approaching competence' (p. 125), the sheer number of imports has also triggered extensive debates about potentially limiting the number of foreign players per side. Nevertheless, while each of the essays in Weiland and Wilsey's (2006) collection differs in their focus, a common thread that is contained in many of these brief vignettes is the scrutiny of popular claims about the benefits of globalization on and off the pitch, especially for countries like Mexico and Poland that are considered semi-peripheral in the global economy. For many, a more equitable 'new world order' has yet to materialize, while even affluent nations like England face substantial challenges in the intensely competitive and uneven global economic landscape.

If we return briefly to Franklin Foer, he is perhaps best known for his book *How Soccer Explains the World: An (Unlikely) Theory of Globalization* (2004); an enthralling commentary on soccer, the promises and perils of economic interdependence, and the winners and losers in the age of globalization. Foer documents the emergence of a new type of exceedingly wealthy and powerful oligarch, including men like Silvio Berlusconi,