THE NEW YORKER

THE FINANCIAL PAGE

FIFA'S FREEDOM

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JUNE 26, 2006

On the eve of this year's World Cup, Sepp Blatter, the president of FIFA, the worldwide governing body for soccer, gave a speech in which he laid out his organization's lofty goals. "Universality is still our guiding force," he said; FIFA must preserve soccer as a "beacon of hope." FIFA was established in 1904, and Blatter's rhetoric evoked that era's dream that sport would foster global amity. Like the International Olympic Committee, founded the decade before, FIFA was a prototype of the modern non-governmental organization, free from the influence of the state (since it's not a government agency) and of the market (since it's technically non-profit). FIFA gives every country in the world one vote, so that tiny countries like the Solomon Islands have as much pull as soccer giants like Germany and Italy. It rules impartially, concerned only with "the good of the game," as the organization likes to say.

Modern soccer, however, is apparently so riddled with Machiavellian maneuvering that Henry Kissinger once said it made him "nostalgic for the Middle East." Blatter himself is a canny autocrat who has maintained and expanded his power with Boss Tweed-style tactics, as alleged in "Foul!," a new book by the British investigative journalist Andrew Jennings. Blatter denies all allegations of wrongdoing, but after he came to power, in 1998, one FIFA member signed a statement swearing that he had been offered a bribe for his vote. In 2002, Blatter's own deputy submitted a well-documented report charging him with financial mismanagement and of running fifa "to the benefit of third parties and his personal interests." When FIFA's audit committee started to look into the organization's finances, Blatter shut down the investigation. In the years since, he has consolidated his power, so that his will now seems to be law.

This is nothing new in the world of international sports. Blatter's predecessor at FIFA, João Havelange, was legendary for his autocratic ways. So, too, were Primo Nebiolo, who was the president of the International Association of Athletics Federations for almost two decades, and Juan Antonio Samaranch, whose tenure as head of the International Olympic Committee was marked by charges of bid-rigging, bribery, and influence-peddling. Such venal self-dealing seems to have been more the rule than the exception in international sports.

Why, when global governing bodies have such noble aims, are the results so consistently bad? One answer is suggested by a school of thought known as public-choice economics, propounded in the nineteen-fifties largely by conservative economists seeking to explain why government doesn't work as well as we expect it to. Public-choice economists emphasize the importance of self-interest in shaping behavior, showing that bureaucrats are often more interested in protecting and expanding their power than in looking after the common good. And they focus on the role of interest groups, suggesting that governing bodies typically make decisions based on well-organized lobbying and personal connections.

As a critique of government, this is oversimplified, but it's persuasive as a description of FIFA, where "the good of the game" seems to get subordinated to the good of FIFA. The major television contracts for the 2002 World Cup, for instance, went to two companies that Blatter had ties to, even though they

were not the highest bidders—in fact, both of them later went bankrupt. One of Blatter's closest allies in the Caribbean has in the past received television rights to that region for the sum of one dollar. Even useful FIFA initiatives often end up being surprisingly helpful to Blatter's interests. Since Blatter took office, FIFA has channelled tens of millions of dollars in grants to developing countries to promote soccer, while seeming not to pay too much attention to how the money gets spent. Perhaps coincidentally, this tends to make representatives from these countries very grateful, and very unwilling to change the status quo.

Not everything Blatter has done has been terrible. In theory, more money for soccer in Africa is a good idea, and this year's World Cup is likely to be the most successful in history, bringing in at least $2.4 billion in revenue. But the spike in revenue under Blatter is largely the product of things he had nothing to do with, including the growing demand for sports television and advertisers' hunger for young viewers. The major European soccer leagues (which FIFA does not control) have seen their revenue rise by nearly six billion dollars in the past decade; by that yardstick, FIFA may actually be underperforming a booming market. Indeed, a few years ago, estimates of its debt ranged from tens to hundreds of millions of dollars.

The paradox is that the things that make FIFA seem like an ideal organization—its egalitarian voting structure and its insulation from outside forces—are the very things that have made it a graft-ridden autocracy. Because Blatter doesn't have to answer to either the state or the market, he can do whatever he needs to do to stay in power. FIFA's internal politics aren't going to keep soccer fans from coming to the World Cup, and no hostile takeover is going to depose Blatter. His organization's role is ultimately a feel-good one, and, as with an old-style caudillo, it seems people are prepared to accept occasional shenanigans if the man in charge has good populist instincts. In his recent speech, Blatter said, "FIFA may not be perfect, and it may not have perfect people working for it, but the basic idea is healthy and solid." The idea may be. The reality isn't.