Corruption in Asian Football: Legal and Governance Responses to Increase Commercial Value of Football in Asia

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In the past 10 years (2006-2016), there has been evidence of disconnect between the often cited increasing fan interest in Asian football (e.g., in terms of broadcast viewership) and the level of business investments in Asian football markets to exploit these opportunities. For example, the governing body Asian Football Confederation (AFC) estimated 700 million viewers for its most recent flagship tournament, the 2015 Asian Cup held in Australia (Davutovic, 2015). This is an increase of 484 million viewers since the last tournament hosted by Qatar in 2011. Despite the impressive growth in viewership, even within the AFC’s ranks, enthusiasm to host AFC’s crown jewel tournament is lacklustre. To start with, there was just one country bidding for the 2015 edition (Australia) and only two bids for the 2019 edition (UAE and Iran). To further illustrate the lack of commercial interest into perspective, the Asian Cup was last hosted in its most lucrative commercial market, East Asia, way back in 2004. If an East Asian country bids and secures to host the next available Asian Cup in 2023, it would have been 20 years since it was last held in Asia’s most profitable football markets.

Moreover, when the AFC renewed their biggest ever marketing rights agreement in 2009 (for the period 2013-2020), the US$1 bil. value of the rights, was criticized as being significantly undervalued. While this was a controversial agreement in both process and substance, perhaps it mirrored the lower expectations of investors on the commercial value of Asian football. For example, AT Kearney, a management consultancy, estimates the Asia Pacific football event market in 2013 to be worth US$3.6 bil. or just 10% of the global market. In comparison, the European market’s football event value is $27.1 bil. or 77% of the global market (AT Kearney, 2014).

Investor interest in Asian professional football leagues and clubs has been even more depressing. There were only three significant football investments in Asian clubs during the same time period. In contrast, Asian businesses have been active investors in clubs outside Asia. Media reports show that from 2006-2016, investors from South East Asia, India, China, United Arab Emirates (UAE) and Qatar have made at least ten large investments in United Kingdom or European based clubs.

Why do commercial entities, both within and outside Asia, and even the custodians of the game in Asia, the AFC, place a low value on Asian football properties and rights? The most often cited reason is the low competitiveness of Asian football. For instance, AFC member country’s performance in the FIFA World Cup have been disappointing. AFC’s best performance was at the 2002 FIFA World Cup Korea/Japan when South Korea played in the semi-final. Since then, for the next three FIFA World Cup tournaments, AFC based national teams have not advanced past the quarterfinals.

In this presentation, we explore one of the other most cited reason for low commercial interest, market value and indirectly the low competitiveness of Asian football, that is widespread corruption (Dorsey, 2015). This includes match-fixing, sports official corruption practices, weak governance of sports bodies, misuse of funds and other forms of bribery. Such practices are headlined by match fixing, fuelled by a large sports betting market in Asia, most of which are illegal and run by crime syndicates. In 2011, Zhang Jilong, the Senior Vice President of the AFC at that time became Acting AFC President, when his colleague, Mohamed bin Hammam was suspended due to allegations of systematic ethics infringements. Jilong in his first interview said that "Corruption has really harmed a lot the development of the nations and Asian football” and told the media “the continent's governing body for the sport was not planning to step in and solve corruption problems” (Al Jazeera, 2011). Jilong seems to have foreseen the severity of corruption issues that will continue to be unearthed and undermine Asian football in the years ahead.

Central to ensuring good governance is the culture, practices and rules at the organisation charged with regulating
football in Asia. As such for the presentation, we share our legal review of the role of the AFC as the governing body of Asian football, especially in their efforts to combat corruption. Second, we conduct a legal review of all allegations, convictions and judicial decisions of corruption in Asian football in the last ten years (2006-2016). Third, we explore the reform process initiated by the AFC during these ten years to address the corruption issues. Finally, we discuss the findings of our legal review on the many areas of legal tensions that exist despite these reforms and recommend legal and governance solutions to overcome such tensions and improve investor confidence in Asian football. Our findings would be of practical interest to FIFA, AFC, players union, marketing rights holders, sports authorities and investors.