Anti-bribery and corruption in sport mega-events: stakeholder perspectives

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Anti-bribery and corruption in sport mega-events: stakeholder perspectives

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ABSTRACT

Sport mega-events are often accompanied by allegations of bribery and corruption, with concerns around corruption opportunities expected to continue into the 2020s. Research on anti-corruption around sport mega-events is important for understanding how these risks can be mitigated. This paper addresses the gap in knowledge surrounding anti-corruption issues associated with the organisation of sport mega-events. 39 interviews were conducted with anti-corruption specialists, sport governance officials, and stakeholders working in sport to gain their perspective on bribery and corruption issues and prevention in relation to sport mega-events. Thematic analysis was then conducted on the data. The results showed a consistency in perception with regards to the main issues and areas of concern for national and international sport governing bodies involved in organising sport mega-events, as well as providing a number of suggestions for addressing these through specific policies for implementation.

Introduction

Large sporting events, later growing into sport mega-events (SMEs), such as the Olympics, have been around since ancient times, often accompanied by allegations of bribery and corruption (Spivey 2012). There are multiple and diverse examples of corruption, including bribery, abuse of power, embezzlement, fraud, and vote-rigging (Brooks, Aleem, and Button 2013). The early 21st century saw a number of scandals engulfing large national (SGBs) and international sport governing bodies (ISGBs) in relation to SMEs, particularly with regards to corruption within these organisations (Conn 2018; Jennings 1996). As a result of these, some governance reforms took place, including around decision-making, official election and retention, financial monitoring, and accountability, such as FIFA and the International Tennis Federation investment in reform around corruption (ITIA 2021; FIFA 2020b).

SMEs normally come under the jurisdiction of their respective ISGBs and are often their largest source of revenue (FIFA 2020a; IOC 2020). There is a known link between large sums of money controlled by small numbers of individuals and corruption (Klitgaard 1998; Rose-Ackerman 1999), so is not surprising that SMEs are linked to scandals nor that
concerns around corruption opportunities associated with SMEs remain, and are expected to continue into the 2020s. Further reforms are thus required at most levels of the sport organisation hierarchy to ensure that previous SMEs scandals do not repeat going forward.

Given the limited empirical literature on anti-bribery and corruption (ABC) in sport (Philippou 2019), this paper addresses some of the gap in knowledge by exploring diverse stakeholder perspectives on ABC surrounding organisation of SMEs by SGBs and ISGBs. The paper explores perceptions of three specialist groups through their narratives on, and solutions to, ABC problems in SMEs, and analyses this data within the constructs of existing conceptual ABC and corruption frameworks. This paper’s contribution to knowledge is a qualitative exploration of the ABC issues as considered by both stakeholders within the sport industry (governance officials and others) and those external but with a relevant expertise (ABC specialists), and a comparison of their narratives against conceptual financial corruption literature.

This paper is structured as follows: the literature review around ABC in sport and SMEs is considered, before the method is discussed. The results of the analysis are evaluated both in relation to governance and SME participants and beneficiaries in the discussion section, before concluding.

Literature review

While there is a wealth of literature defining corruption (Ashforth and Anand 2003; Den Nieuwenboer and Kaptein 2008; Transparency International 2016), definitions vary in scope (Rose 2017), with researchers agreeing that effects on stakeholders are largely negative (Rose-Ackerman 1999). Consequently, corruption in the awarding of, organising of, and participation in SMEs affects a large number of stakeholders.

While there is a wealth of literature on corruption scandals (occurrence), there is limited empirical research conducted in the area of ABC (prevention) in sport, with most corruption literature being either fully conceptual in nature, or focused on general governance concerns (Alm 2019; Chappelet 2011; Geeraert 2016) or potential for reform within SGBs and ISGBs (Sugden and Tomlinson 2017).

Conceptual research on corruption has tried to make sense of the intricate relationships underpinning ISGBs and their hierarchy, and the issues arising thereon. Gardiner, Parry, and Robinson (2017) conceptualise corruption from an integrity standpoint, arguing that responsibility, accountability, and concern for reputation are key to both the concept and solutions. Gardiner’s (2018) model of sport-related corruption distinguishes between a core of certainty (including major financial corruption) and a penumbra of uncertainty (including gamesmanship and cheating). Kihl (2018) focuses on the multidimensional aspects of sport corruption contextualising the issue within concepts of rationalisation, moral disengagement, social networks, and abuse of power.

Some literature takes an ISGB-specific approach. For example, Mason, Thibault, and Misener (2006) conceptualise the corruption problem within the IOC from a corporate governance agency theory perspective, where solutions include monitoring for the bidding process, and ‘secondary residual claimants’ in control functions within the ISGB. This is in line with Chappelet (2011), whose suggestions for reform of the IOC include a rigorous overview of the accountability issues including transparency, evaluation, and dealing with
complaints. Accountability is also the topic of Numerato’s (2009) research on both the microsocial and macrosocial dimensions in the media’s relationship with sport corruptors. Pielke (2013) concentrates on the different forms of accountability (hierarchical, fiscal, legal, reputational and so on) and their applicability to curbing corruption within FIFA, further developed in the work of Sugden and Tomlinson (2017).

Empirical studies on corruption are few, and include a number of research outputs from an ethnographic study of Greek football clubs which analysed financial crimes (including fake tax certificates, players’ salary payments, match-fixing, and ticket sale concerns) (Manoli, Antonopoulos, and Levi 2016) and the inevitability of endemic corruption in football (Manoli, Antonopoulos, and Bairner 2019). Thematic analyses of legal regulations (Thorpe 2014) and political organisations’ recommendations (Næss 2019) add further weight to the need for regulation, as do studies of attitudes to SME host nation corruption (Kulczycki and Koenigstorfer 2016) and motivation for sharing sport insider information via social media (Onwumechili 2018).

Maennig (2005) made the distinction between competition (on-field) corruption and management (governance) corruption. The empirical and exploratory sport corruption literature focuses on the former, with consideration of actions and events rather than controls, often predominantly around match-fixing (Hill 2016; Manoli, Antonopoulos, and Bairner 2019). However, these elements of corruption are arguably minimal for SMEs (some match-fixing allegations around the start of SME competitions aside) due to the strong controls in place internally, as well as the external scrutiny, both of which enhance accountability and, in turn, decrease the propensity for corruption (Klitgaard 1998). On the other hand, controls around SME governance have been and continue to be weaker (Geeraert 2016; Sugden and Tomlinson 2017). These include voting for SME host nations (Youd 2014; Jennings 1996), control around sponsors (Smit 2006; Kulczycki and Koenigstorfer 2016), allocation of tickets (Tighe and Rowan 2020), and allocation and procurement of construction and other related services (Conn 2018).

On the governance side, Masters’ (2015) TASP (type, activity, sector, place) sport corruption typology allows sport corruption case study analysis, including for particular SMEs. For assessing ABC as a whole within ISGBs, the framework proposed by Philippou (2019) relates exclusively to ABC controls (as opposed to general prevention or poor governance) in sport corruption literature, and covers three elements: clarifying concepts (including definitions), assessing risk factors (including economic rent and culture), and assessing governance (including accountability, monitoring, and enforcement). Stakeholders are key to applying the framework to SMEs, as the definitional aspect of clarifying the concept of ‘corruption’ will very much depend on this. Table 1 is therefore a (non-exhaustive) list of stakeholders (adapted from Chadwick, Roberts, and Cowley (2018)) linked to corruption in SMEs.

<table>
<thead>
<tr>
<th>Stakeholders in SMEs</th>
<th>Sponsors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Athletes</td>
<td>Sponsors</td>
</tr>
<tr>
<td>Fans</td>
<td>Advertising companies</td>
</tr>
<tr>
<td>Media</td>
<td>Construction companies</td>
</tr>
<tr>
<td>Sport governance officials</td>
<td>Concession and service providers</td>
</tr>
<tr>
<td>ISGBs/ SGBs</td>
<td>Betting companies</td>
</tr>
<tr>
<td>Residents in host cities</td>
<td></td>
</tr>
<tr>
<td>Politicians</td>
<td></td>
</tr>
<tr>
<td>Law enforcement in host cities</td>
<td></td>
</tr>
</tbody>
</table>
The stakeholders in the left-hand column in Table 1 relate to those long-term affected by the SME, while those on the right relate to recipients of short-term benefits. Taking the left-hand side first, the top five should not, in theory, be overly affected by SME location, while the bottom three (alongside those working in the tourist industry) and those in the right-hand column would. This is important when considering the process surrounding host nation selection from an ABC perspective.

Other issues relating to ABC relevant to SMEs include monitoring and investigation, similar to those applied to fraud (Albrecht et al. 2018; Schuchter and Levi 2016). There is also the importance of transparency in the ABC process, both within organisations (Geeraert 2016) and externally via media and public scrutiny (Ionescu 2015).

Overall, monitoring (Lipicer and Lajh 2013), benchmarking (Geeraert 2016), reporting on sport governance measures (Chappelet and Mrkonjic 2013), reporting procedures (Erickson, Patterson, and Backhouse 2019), and ethics audits (McNamee and Fleming 2007) all form part of the compliance agenda when it comes to SMEs. Compliance considerations are often linked to rational choice theory (Becker 1968), adapted to corruption by Nichols (2012), but there are other forms of regulation that don’t (Croall 2004).

This paper therefore positions itself in addressing the literature gap on ABC controls to prevent SME corruption. It does this through an exploratory study of perceptions of three key distinct stakeholder groups to provide data in support of some of the conceptual literature discussed above.

Method

The lack of in-depth and rich data to compare against the conceptual corruption literature on ABC led to this qualitative analysis of SME stakeholder perspectives undertaken through interviews, unencumbered by conforming pressure often associated with sensitive-topic focus groups. To do this, semi-structured one-hour interviews were conducted by the researcher with individuals from three internationally-dispersed (across 6 continents) distinct groups in the period 2018–2020: ABC specialist practitioners, sport governance officials, and stakeholders working in sport, to gain both internal (governance and other) and external expert perspectives on bribery and corruption prevention in relation to SMEs. Table 2 provides an overview of the groups’ sample populations and motivations in relation to bias. Interviewees were selected using purposive snowball sampling and interviews were conducted (in English) to the point where in-depth inquiry could be attained (Crouch and McKenzie 2006) and saturation achieved (Guest, Bunce, and Johnson 2006).

Definitions of both corruption and SMEs differ across the literature, so this study allowed participants their own definitions, although examples of the latter provided by interviewees included the Olympics, a variety of World Cups (football, rugby, cricket), and league finals (Superbowl, UEFA Champions League final).

Participants were asked whether there were any specific ABC measures they would expect around hosting of SMEs. Thematic analysis was then conducted by the researcher using NVivo software on the transcripted data following the approach of Braun and Clarke (2006). Two strands emerged from the coded data in line with Maennig (2005): governance and competition corruption. Following an abductive approach, analysis on the former themes
was structured in relation to the Philippou (2019) ABC framework (which considers ABC
controls in relation to sport corruption), while the competition theme lent itself to the types
and activities elements on the Masters (2015) corruption typology (see Table 3). Within
these themes, the data was compared to the ABC conceptual literature.

The limitations of this method include the concerns around neutrality of information
arising from the interviewees, which was to a degree tapered by use of three different groups
within the sample.

Snowball sampling also limits the study to the researcher’s wider network (and with it
potential bias), as does the need for English (at least as a second language) by the interview-
ees. The anti-corruption positionality of the participants would not threaten the validity of
research undertaken on ABC, as prevention would not necessarily be broached by those
denying its need.

Finally, thematic analysis suffers from being intrinsically embedded with the researcher’s
contextual interpretation and positionality. However, data triangulation (through use of
both interviews and ISGB documents) and theory triangulation (through the use of both
multiple theories and perspectives) was applied to ensure rigour, as appropriate to flexible
designs in qualitative research (Robson and McCartan 2016).

Results and discussion

The study’s resulting themes, discussed in this section, are summarised in Table 3.

<table>
<thead>
<tr>
<th>Group</th>
<th>Prefix designation</th>
<th>Number of interviewees</th>
<th>Population description</th>
<th>Motivations</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABC specialists</td>
<td>F</td>
<td>16</td>
<td>ABC experts and forensic accountants working in ABC investigations</td>
<td>Professional, financial</td>
</tr>
<tr>
<td>Sport governance officials</td>
<td>G</td>
<td>14</td>
<td>Those that currently were or had previously held a non-sporting position with an ISGB or SGB</td>
<td>Position in relation to colleagues</td>
</tr>
<tr>
<td>Other stakeholders</td>
<td>S</td>
<td>9</td>
<td>Individuals working within sport, including members of the media, club officials, coaches, and athletes from sports including football, rugby, athletics, and cricket</td>
<td>Wide ranging</td>
</tr>
</tbody>
</table>

Stakeholders are key to setting an ABC agenda, and this was recognised by participants
as the ‘whole process [being] impacted by so many stakeholders’ (F1). One participant high-
lited the importance of ‘creat[ing] a relationship between as many stakeholders as you can
when you’re running a major sport event. So for the World Cup it will be the police, there
will be government…’ (G8). There were also references to partnerships and networks, although
these were concentrated within the first two groups (not including the other stakeholders),
in support of the work of Chadwick, Roberts, and Cowley (2018).

Clarifying concepts

A key aspect of ABC is defining concepts (Philippou 2019), including definitions of cor-
rup tion (Rose 2017). Participants across all three groups agreed SME corruption focused
on awarding of both the host event (in line with Mason, Thibault, and Misener (2006) and

Table 2. Interviewees.
Chappelet (2011) and subsequent contracts attached. An ABC specialist summarised the issues as:

The process for awarding major events, the construction and delivery spend for those major events, the way that their funds are spent by local subsidiary organisations, and the allocation of those funds and then the spend of those funds. (F11)

The groups differed in their focus within these areas, as would be expected. The ABC specialist group focused on methods of corrupt behaviour, similar to those found by Manoli, Antonopoulos, and Levi (2016). The consensus was that corrupt behaviour took the form of ‘a very simplistic scheme, I don’t think there’s anything complicated about it’ (F3), in line with Sugden and Tomlinson’s (2017) treatment of corruption by FIFA governance officials.

In contrast, governance officials focused on the broader aspects of corruption, similar to those found in Brooks, Aleem, and Button (2013), discussing types of corruption such as ‘awarding … sponsoring, broadcasting, contracts and so on’ (G15).

The other stakeholders group’s main focus was on corruption within ISGBs and SGBs themselves, such as SMEs ‘help[ing] attract that sort of investment coming into a country, and it just looks like Monopoly, people are just moving money around’ (S3). Overall, the stakeholder group outlook concentrated on the problem of money leaving the game or ‘where there’s a middleman there’s a prone for money to go missing in the middle’ (S4), through social networks and abuse of power (Kihl 2018).

### Assessing risk factors

All three groups covered issues relating to governance officials’ involvement in corruption. The ABC specialist group offered a number of suggestions around mitigation, most around having similar internal controls for sport governance officials to those used for politicians by ‘just saying what is acceptable’ (F2). Another suggestion was having registers, similar to

<table>
<thead>
<tr>
<th>Corruption type (Maennig 2005)</th>
<th>Framework element (Masters 2015; Philippou 2019)</th>
<th>Themes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance</td>
<td>Clarifying concepts</td>
<td>Defining corruption within SMEs</td>
</tr>
<tr>
<td>Assessing Risk Factors</td>
<td>Governance official involvement in SMEs:</td>
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<tr>
<td></td>
<td>o Due diligence</td>
<td></td>
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<tr>
<td></td>
<td>o Transparency</td>
<td></td>
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<tr>
<td>Assessing Governance</td>
<td>• Accountability:</td>
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<tr>
<td></td>
<td>o Networks</td>
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<td></td>
<td>o Media</td>
<td></td>
</tr>
<tr>
<td></td>
<td>o Bidding process</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Independence</td>
<td></td>
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<tr>
<td></td>
<td>• Economic rent</td>
<td></td>
</tr>
<tr>
<td>Monitoring and Control</td>
<td>• Monitoring</td>
<td></td>
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<tr>
<td></td>
<td>• Controls</td>
<td></td>
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<tr>
<td>Enforcement</td>
<td>Enforcement</td>
<td></td>
</tr>
<tr>
<td>Competition</td>
<td>Host Nations</td>
<td>Legacy</td>
</tr>
<tr>
<td>Auxiliary Businesses</td>
<td>Procurement</td>
<td></td>
</tr>
<tr>
<td>SME Competition</td>
<td>• Athlete involvement</td>
<td></td>
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<tr>
<td></td>
<td>• Match-fixing</td>
<td></td>
</tr>
</tbody>
</table>
those ‘you find … in some parliaments, that government officials have to register the lobbyists that they meet … and even travel arrangements’ (F5). Others discussed due diligence and a focus on transparency from the start, in line with common industry ABC controls (Chappelet 2011). One governance official suggested that hierarchical accountability (Pielke 2013) should exist through monitoring of ‘your bank accounts, looking at your lifestyle’ (G11).

In fact, transparency (Chappelet 2011) was the most commonly coded ABC control for SMEs amongst participants in all three groups. For example, one participant covered the business interest control requirements for ‘financial disclosure by the individuals involved, disclosure of their conflicts of interest, it’s oversight by a third party, so an audit of the process, and transparency around the awards, so people shouldn’t be allowed to vote anonymously’ (F5), which shows a need to focus on monitoring (Mason, Thibault, and Misener 2006) and abuse of power (Kihl 2018). Another participant argued that ‘transparency’s the way forward, however much you can generate it or engineer it just to show me that things are being made for the right reasons or the right considerations’ (G14) reinforces financial implications (Kulczycki and Koenigstorfer 2016) of corruption, as well as reputational ones (Gardiner, Parry, and Robinson 2017). While the idea of transparency is a key part of ABC literature (Geeraert 2016), it also translates directly to practical considerations in the case of SMEs. For example, to avoid issues raised by Sugden and Tomlinson (2017) and Jennings (1996) around SME organising, ‘you have a transparent bidding process … [and] better standard compliance guidelines for everyone who’s in that local organising committee, or on the decision-making board’ (S10).

This theme also went beyond the bidding process to ‘making it clear when those deadlines have hit or missed, and if they’ve missed why they missed and how they’re going to mitigate for that’ (G13), in support of the idea of audited and monitored long-term accountability (Chappelet 2011; Gardiner, Parry, and Robinson 2017).

Assessing governance

Transparency overlaps with the idea of public scrutiny as a cornerstone of ABC (Klitgaard 1998; Rose-Ackerman 1999). Accountability created by public scrutiny (Numerato 2009) or ‘having the power to publically name and shame’ (F17) negatively affects the propensity for corruption in most sectors (Lipicer and Lajh 2013). One stakeholder compared ISGBs, stating, ‘look at [other sports] and they are just information overload with how things run, but FIFA it’s like a mystery’ (S8), in line with Pielke’s (2013) and Sugden and Tomlinson (2017) suggestions for reform, although there is evidence that this is changing (Philippou and Hines 2021).

The importance of networks (Bond, Widdop, and Parnell 2019; Chadwick, Widdop, and Burton 2020) and social media for dissemination of information was also evident, especially amongst the other stakeholder group. However, it was an ABC specialist that considered social activism: ‘there’s never been a better time for public opinion to influence the way in which these big companies think. Literally unprecedented. And I’m surprised that actually we’re not seeing more on social media about people campaigning, urging boycott of companies due to corruption’ (F10), of which there is little in the literature. However, there is mixed evidence on whether corrupt behaviour amongst monopolies actually affects consumers,
or the effects of social media on corruption (Hölzen and Meier 2019), but it is clear that corruption affects risks taken by organisations (Bruinsma and Bernasco 2004).

Research on media accountability, where the interrelationship between sport corruptors and the media sees causation run from both actors at different times, with the media occasionally enabling corruption through their reporting (Numerato 2009) was also covered. For example, one participant stated how ‘we’ve heard so many things in the media when something happens and a country’s been accused of this, that or the other … and they say oh it’s just because of the World Cup that’s coming up, they don’t want us to host it’ (F4). This also touches on issues of insider information (Onwumechili 2018) and concern for reputation as conceptualised by Gardiner, Parry, and Robinson (2017).

All three groups also discussed the bidding process within the prism of transparency (Chappelet 2011). A number of governance officials shared personal experiences: ‘you just see lots of different, should I say influencing strategies when it comes to voting, and I think some will be downright illegal, corrupt, and others will be technically within the rules but probably morally questionable’ (G11). It was highlighted how ‘you can buy a vote by paying for the federation official to go to the congress … and that might be enough for them to make sure they vote the way you want them to vote’ (G1). This is as contextualised within both Gardiner’s (2018) core of certainty and Kihl’s (2018) abuse of power maxim.

Within this theme, problems around robust bidding processes for SMEs were acknowledged to avoid concerns highlighted by Jennings (1996) and Conn (2018). For example: ‘it’s a difficult thing for [ISGB] cos they have to keep the balance and they have to go to new markets as well, I think it’s hard to keep that transparency and the augmentation for these decisions’ (S10) acknowledges the commercial concerns of ISGBs in relation to SMEs, while also heeding the need for accountability (Klitgaard 1988). A number of solutions were suggested, with simple changes to improve the ABC process through transparency, such as ‘a bidding system that is 100% transparent, that … build[s] in criteria that favour bids from people who have not hosted for a particular period’ (G9), which ties into agency theory (Mason, Thibault, and Misener 2006).

As with the rest of the themes, ABC specialists focused on the controls aspects of bidding. One suggested likening governance officials to ‘a corporate … entertaining a government official, put strict criteria in place and make sure it’s being appropriately audited and scrutinised’ (F2). Some focused on transparency within the bidding process to avoid vote-rigging as ‘if they have a set of particular criteria that they need to meet then it’s harder to exchange getting tournaments for privileges’ (F9), in line with solutions to the agency theory conceptualisation proposal by Mason, Thibault, and Misener (2006).

Finally within this theme, while all three groups discussed vote-rigging, one participant’s suggestion overlapped with another well-trodden theme, where there ‘should be more independent oversight of the selection process’ (F10), also well-covered in the literature (Chappelet and Mrkonjic 2013).

When applied to SMEs, independence as a form of control was considered in relation to the bidding process by participants across all three groups. The problem was summarised as ‘lack of independence is significant on the global stage’ (F1) and affecting the overall process for SME hosting as ‘There should be an audit, a regular audit of your contracts, of your bidding process, done by an external body’ (F17), linking the concept of moral disengagement (Kihl 2018) with monitoring (Lipicer and Lajh 2013).
Corporate governance business processes, where independent NEDs are often skilled individuals from other industries, was a solution offered to the responsibility problem set out by Mason, Thibault, and Misener (2006) by ‘put[ting] another independent body to follow the processes and to analyse how this whole thing is done, and who does it, and who okays it’ (F4).

Taking the sporting and other interests out of the bidding equation were considered across groups, even if the independent members were not necessarily external to the industry, as this would ‘cut out all of the nonsense that goes with the actual bidding process’ (G3) and focus on official’s core responsibilities (Gardiner, Parry, and Robinson 2017). This solution also applies to all aspects of SME service-provision, where ‘it should be like in sports that the best one should win’ (S10), where McNamee and Fleming (2007) ethics focus on corruption is applied to ABC.

The biggest impediment to integrating independence within ISGBs and SGBs was considered to be the decision-makers: ‘I think it’s down to the country and then that in itself comes with bribery cos then you feel encouraged because you have to also suck up to basically every other country’ (S8), which would negate the influence of social networks on corruption (Kihl 2018). The definition of independence is also important here, as there have been allegations of independent advisors at the same luxury hotels at SMEs as the governance officials that they are monitoring (Rushden, Auclair, and Panja 2021). One solution to this is ‘to do it on an event-to-event basis, appoint a different consultant’ (F17).

This then links into the idea of culture (Philippou 2019), summarised by one participant as ‘probably business as usual’ (F3). One suggested solution to the culture problem, in line with proponents of regulation (Næss 2019; Thorpe 2014), was the installation of ‘an independent governing body or regulator that’s got absolutely nothing to do with organising the competition’ (S4), and once again links into the social networks concept (Kihl 2018). There are arguments that most ISGBs are involved in direct competition with their regional and national federations, especially when it comes to SMEs. This then creates issues around self-regulation, as covered in ample literature on autonomy (Geeraert, Mrkonjic, and Chappelet 2015).

Another participant discussed the proposed regulator’s potential position within the current structure of sport governance and law:

G11: Yeah, and it’s fascinating isn’t it that organisations like the Court of Arbitration for Sport are there to listen to it when it’s gone wrong, what if we decided to create an equivalent … organisation like that you could create for tier one events

Interviewer: Yeah cos CAS ultimately is there to wrangle the legal points rather than…

G11: Regulatory.

Another theme arising was how economic rent derived from the importance of the SME affects corruption (Klitgaard 1998; Rose-Ackerman 1999). This was mainly covered by ABC specialists and governance officials, with one participant referring to the effects of economic rent on corruption as ‘the one that people get, people kill for. Because every country or whatever, anyone that hosts, everyone thinks that when they host a sports event that it’s about economic gain isn’t it, and financial gain, so they don’t mind spending to get it’ (F4), although
does not take account of the negative effects of perceived corruption on host country attitudes to sponsors raised by Kulczycki and Koenigstorfer (2016).

Another participant explained why particular SMEs were more susceptible to management corruption (Maennig 2005) than other, smaller-scale events:

*If you take the World Cup and you take the Olympics, there’s a real clamour by some brands to have to be involved in that. Whereas if you look at [other] world cups having to fight to get a brand in, so there’s little or no chance of someone being corrupt in […] place because it’s [them] doing the asking.* (G11)

This is in line with economic rent effects on corruption (Klitgaard 1998; Nichols 2012). The comparison with small events was made by a number of participants in the ABC specialist and governance officials groups, particularly as ‘the public has no idea who sits on the committees, what is the approval process, what is the vetting process that these events can actually take place’ (F1), confirming rationalisation (Kihl 2018) as part of the SME corruption context.

This ties into the ABC monitoring process as part of assessing governance (Philippou 2019), summarised by one governance official as: ‘if you want to launder money, you’re not going to the World Cup, you’re going to the small competitions and events where you could get a chance of actually doing something’ (G6), which would require Gardiner’s (2018) model to adjust its core of certainty in order to reflect size of sporting event.

**Monitoring and control**

Considering the corruption opportunities highlighted above, and the ABC possibilities to mitigate for these, it is unsurprising that another well-covered theme was around monitoring and controls (Mason, Thibault, and Misener 2006), or ‘people shouldn’t mark their own homework’ (F4). It was the ABC specialists and governance officials that focused on this topic, hardly touched upon by the stakeholder group (only one of a single interview was coded to this theme), which emphasises the different motivations in play and links soft power (Chadwick, Widdop, and Burton 2020) with concepts of social networks (Kihl 2018) in corruption.

Areas to consider in the ABC process included ‘vetting of contracts or a project’ (F15) and having ‘a whistleblower hotline, a possibility to report any wrongdoing, any suspicion, and then have the right procedures in place to deal with any information you receive to investigate’ (G15), where good governance encouragement of reporting (Erickson, Patterson, and Backhouse 2019) cut through responsibility concepts affecting corruption (Gardiner 2018). Other participants focused on the idea of registers, comparing to corporate procedures common in other industries such as ‘I know everything … offered or gifted over [X currency amount] has to go on the register. I’d love to see how many times that register is independently audited. You’re laughing’ (G11).

One ABC specialist focused on the ability to investigate wrongdoing through transparent investigation policies, such as ‘audited declarations of income by decision-makers … pre-decision-making, post-decision-making’ (F17), similar to the idea of hierarchical accountability (Pielke 2013).
Another consideration, in line with Lipicer and Lajh (2013) calls for monitoring, was the need to implement bespoke controls depending on location, with ‘general policies and procedures in place, and then you look to have something in place that fits in with that particular sporting event’ (G8). Alternatively, considering individuals’ networks in the form of conflicts of interest such as ‘the person you went to school together and you want to give them the business’ (F4) or ‘government officials or individuals with ties to government in a particular geographic locale’ (F7) would prevent abuse of power and social networks for corrupt purposes (Kihl 2018). This theme was only addressed by the ABC specialist group, with solutions offered including ‘end[ing] up with quite extensive due diligence on the major parties, so the suppliers, the construction companies’ (F11), or agency problems influencing corruption (Mason, Thibault, and Misener 2006).

Collusion was also addressed in the conflicts of interest theme, bringing issues related to autonomy (Geeraert, Mrkonjic, and Chappelet 2015). One stakeholder participant considered the ‘political restraints cos some confederations support each other in these votes …. So there’s lots of political restraints and relationships which obviously have an impact on these processes’ (S10), circling back to preventing corrupt social networks (Kihl 2018) in robust ABC.

The link between politics and sport is another contentious issue, covered by ample literature elsewhere (Chadwick, Widdop, and Burton 2020). While governance officials didn’t touch upon this, the other two groups discussed the political element and its impact on corruption and ABC quite extensively, with a lot of cynicism on display: ‘funding, you talk about that as a very legitimate and very good way, very good initiative to help develop football, ultimately ways of throwing money at associations to get votes’ (S1), which also links to the fiscal elements of Pielke’s (2013) work.

There was, however, a concession among participants that the link between politics and sport helps foster some of the corruption as ‘it’s difficult because the governments are involved as well and certain governments do not follow compliance guidelines’ (S10) or regulation (Thorpe 2014). They also considered that there is ‘a whole lot of soft power that’s coming into play and countries would like to show themselves in a different light’ (S14), in line with Gorse and Chadwick (2010) contextualization of the topic.

**Enforcement**

The theme of enforcement (Philippou 2019) was explicitly covered by a number of ABC specialist participants linked to economic rent (Klitgaard 1998). One participant likened this to the risk-reward problem in economic literature (Nichols 2012): ‘because they’re such big contracts, there’s a small payment one way or the other in order to get those contracts there’s certainly incentive to do that’ (F3).

The importance of enforcement as a control tool (Croall 2004), where ‘there need to be very steep consequences when anything … untoward is found out’ (F4), was also evident in the data. While there were few participants discussing this theme, coding occurred across all three groups.

There were a few suggestions around how to mitigate the problem, the main one relating to cooperation, where ‘what you want to do is create a relationship with the local law enforcement, but that’s not straightforward’ (G8). This also turns the concept of social networks
linked to corruption (Kihl 2018) on its head, utilising networks in a positive manner for ABC.

This concluded the themes linked to the management corruption (Maennig 2005) side of the SME process (left-hand column of Table 1), relating to corruption and ABC. The following section considers the remaining stakeholders and the issues relevant to those.

**Competition corruption**

Corruption related to SME events themselves form a number of strands in the thematic analysis: effects on host nation(s), on business leading up to and/or participating in the SME, and of the competition itself, all linked to elements of Masters (2015) corruption typology.

**Legacy**

Although not explicitly a form of competition corruption (Maennig 2005), this was part of staging a SME, and thus more suited to analysis in line with Masters (2015). The idea of legacy as part of SME corruption (Jennings 1996) was considered by all three groups, but was most prominent in the stakeholder group, where all but one made reference to it. The overall view was a negative one, supporting Kulczycki and Koenigstorfer’s (2016) findings on CSR as a tempering mechanism for SME perception in light of corruption, summarised by one participant as:

> It’s not that the legacy should be the stadium, the legacy should be fundamental building blocks for your society there. Big nice stadium, lovely thing to look at, absolutely useless if your kids can’t go to school. (G6)

Issues of abuse of power (one of the definitions of corruption (Transparency International 2017) and a key tenet of Kihl (2018)) were considered by some of the participants, with some links to colonialisation: ‘I always think of the World Cup as financially raping the country that it’s actually being in … it’s a big foreign gentrification I feel’ (S3). This linked in with introspective ethical considerations (McNamee and Fleming 2007), particularly by members of the governance officials group who had been involved in SMEs:

> I felt morally conflicted [about Rio], because you’re looking at what has been built, and you’re looking at the favelas and you’re hearing stories about the people who come from them, how the hell can we be spending this amount of money, or allowing for this amount of money to be spent on a three weeks sports event for a majority of people who are elite athletes who have a very high standard of living, and you have all these VIPs coming in being chauffeured around the city and staying in amazing hotels, and you have people who are destitute. (G6)

One suggested solution was to include sustainability in the criteria for bidding but also to ensure that the aftermath is included in the monitoring and control process, also suggested by Mason, Thibault, and Misener (2006). For example, SME nations being assessed on ‘what have you achieved in relation to each element of what you have proposed and prove the sustainability of it at the time’ (F10) points to the need for conceptual corruption models to include sustainability, leaning more on governance assessment frameworks (Alm 2019).
Procurement

Another of the themes concerned corruption in the lead-up to the SME taking place, particularly around construction and other contracts (Jennings 1996; Conn 2018), as ‘criminals or administrators …see an opportunity either to …get a kickback, or cream something off the top’ (G4).

The risk of corruption around construction of stadia and procurement was considered across all groups, as ‘of course there’s enormous amounts of construction happening around these events, and that’s an area that’s notorious for more corruption as well. And graft’ (F5), and is less well-covered in the sport than in the general corruption literature.

The ABC specialist group provided a range of solutions to the concession contract problem, mirroring agency theory (Mason, Thibault, and Misener 2006). Some have already been covered in the governance section above, including treating the ISGB/SGB leading the SME as ‘a government organisation’ (F3), or transparency in the form of ‘an open … regular procurement process where multiple companies submit bids through some sort of online procurement portal …that’s blind as to who the participants are’ (F3).

Other examples included ‘demonstrable compliance …– supplier checks – mystery shopping’ (F18), and other forms of hierarchical and supervisory accountability (Pielke 2013) to prevent abuse of power (Kihl 2018).

Finally, there were some links to discretionary powers, an element of both the Philippou (2019) framework and the Klitgaard (1998) corruption equation, with one participant stating that ‘as soon as you have a decision-making power you are potentially at the risk of that person can definitely take a kick-back’ (F17). This is not amply covered in the literature beyond match-fixing (Manoli, Antonopoulos, and Bairner 2019, Hill 2016), and is therefore ripe for further research.

Another theme often coded in relation to SME corruption is ticketing (Conn 2018), which was raised primarily by the governance officials group, mainly as an aside, such as alluding to it in a list of general problems faced in organising SMEs, including ‘counterfeiting, merchandise, tickets’ (G4). This has also been found at league level (Manoli, Antonopoulos, and Bairner 2019, Hill 2016), and is therefore ripe for further research.

In relation to the event itself, similar issues to procurement arose in relation to sponsors and advertising by the ABC specialist group: ‘I’ve never understood why all these state-owned enterprises seem to get the advertising at all the big sporting events, well I do understand why …and I think there’s a myriad of issues.’ (F8). This mirrors the corruption concerns raised by Kulczycki and Koenigstorfer (2016) on attitudes of host nations, resulting from conflicts of interest and social networks (Kihl 2018).

On-field competition

Concerning the SME itself, athletes were the stakeholders discussed by all groups, albeit in slightly different ways. ABC specialists focused on their involvement in governance, reflected in Gardiner’s (2018) model:

Being a good sportsperson doesn’t make you necessarily the right person to be running a major international organisation …so if you’ve got the wrong people in positions of power it doesn’t really matter what your governance structures are going to look like, you’re going to end up with problems. (F11)
Conversely, governance officials and other stakeholders concentrated on on-field corruption (Maennig 2005) involving athletes within the penumbra of uncertainty in Gardiner’s (2018) corruption model. One such example was around bribery for personal advancement where ‘you have it even in some countries, in Africa for example, players bribing the national coach to be part of the national team to get into the focus of Europe team clubs to have the chance for a career in Europe’ (G15). Another example of on-field corruption provided was ‘doping’ (S4). Not only is doping considered a form of corruption (Brooks, Aleem, and Button 2013), but ‘you could also put doping into the match-fixing category because clearly doping is there to try and gain an unfair advantage, and to try and get ahead, and again money is a big driver there…’ (G16), a view also in line with Gardiner’s (2018) model.

Match-fixing was a theme involving few participants from each group, but it was not a much-discussed theme, despite its importance in the literature. This is probably as result of it being ‘too expensive with major sporting events, you couldn’t fix the World Cup final or something like this is just not possible’ (S5), or the high levels of scrutiny diminishing the probability of corruption (Klitgaard 1988) and therefore need for ABC.

However, match-fixing was often linked to unregulated gambling and corruption (McNamee 2013), as ‘match fixing, manipulation of competitions, that’s usually linked to corruption, sometimes blackmailing and other things, but usually it’s linked to corruption connected with sports betting’ (G15). One solution to this problem is the idea of partnership or, as one official stated, ‘you’ve got the betting operators, so you get them on board, people that monitor betting markets’ (G8).

Finally, the rules themselves need consideration as there have been allegations of rules manipulation by governing bodies (Donaghy 2010). This theme was only covered by a single participant, who nevertheless stated that ‘bribery could potentially be for sporting benefits, so it could be for example, in relation to rules changes that might favour a country or a discipline or something like that’ (G1). This supports some of the issues around regulation and legislation raised by Thorpe (2014) and Næss (2019), and showcases how they could be applied within ABC policies.

Table 4 provides a summary of some of the key ABC themes covered, and solutions provided by participants.

Overall, the analysis highlighted that the perception of the issues were consistent across groups, and these also tied in with relevant literature on sport corruption (Maennig 2005; Masters 2015) and ABC (Philippou 2019). The most frequently coded themes related to governance of sports by SGBs and ISGBs (Pielke 2013), with problems of accountability (Kihl 2018), transparency (Chappelet 2011), and lack of compliance (Mason, Thibault, and Misener 2006) particularly common, in line with media reporting (Conn 2018; Jennings 2019).
This highlighted the key ABC issues in relation to SMEs but also how they tied into the current conceptual literature.

However, as shown in Table 4, there were solutions offered for SME corruption problems faced by SGBs and ISGBs looking to host SMEs, and forms part of the practical contributions of this paper. There are examples of positive change: the International Tennis Federation’s independent body deals with corruption issues (ITIA), and FIFA’s compliance handbook details numerous ABC measures (including some suggested in the interviews conducted for this study) for regional and national football associations to follow (FIFA 2020b). The suggested solutions to the various contextual SME corruption problems could be implemented by these and other ISGBs in the future.

There is, however, room to grow. Further research can be conducted around impediments and implementation of recommendations, whether culture or regulation (through stronger enforcement powers, independent monitoring, or a regulator) have the strongest effect on SME corruption, and how stakeholders outside the sport (fans, governments, and others) view and react to corruption surrounding SMEs. It is vital for the integrity of sport to ensure that the SMEs of the 2020s are less tarred by the brush of corruption than some of their predecessors.

**Disclosure statement**

No potential conflict of interest was reported by the author.

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