“Corporate governance and corporate social responsibility – the case of FIFA”

| AUTHORS          | Obada S. Zeidan  
|                 | Simon G. Fauser |
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Obada S. Zeidan (Germany), Simon G. Fauser (Germany)

Corporate governance and corporate social responsibility – the case of FIFA

Abstract

The article aims to examine FIFA’s proclaimed governance policies, corporate governance (CG) and corporate social responsibility (CSR), as well as the way they are applied in practice. The authors examine FIFA’s (Fédération Internationale de Football Association) governance policies by studying its code of conduct as well as its regulatory framework. Football fans are asked how they perceive FIFA’s code of conduct to be put into practice, using examples from the most recent football world cups. The result shows that football fans perceive a strong violation especially in the areas of: “Integrity and ethical behavior”, “Compliance with laws, rules, and regulations”, as well as “Social and environmental responsibility”.

Keywords: corporate governance (CG), corporate social responsibility (CSR), ethics, code of conduct, transparency, stakeholders, disclosure, accountability.

JEL Classification: G34, M14, L83.

Introduction

During recent years, the fame of football games has increased globally. Likewise has the competition among world nations to host the world cup increased. In football, the football world cup is the biggest sporting event globally. Therefore, potential host countries promise to invest billions of dollars to improve the conditions of the event hoping to assure winning the bid on hosting the world cup. It is “FIFA” who decides who hosts the world cup. “FIFA” is the one and only official organization that governs and regulates the football game globally.

Football is a global phenomenon. It is believed to have more than 265 million people actively involved across 207 countries, according to a survey conducted by “FIFA” (Kunz, 2007). More than 3.5 billion people are believed to be fans, hence making it the world’s most popular sport (BBC Sport, 2013).

Recently, many allegations were raised against “FIFA” as the governing body of football. Several questions were addressed regarding the policies and regulations that the organization applies in regulating football games. FIFA itself has put in place main principles that it claims to follow in its business practices.

In this article, we apply theoretical perspectives related to corporate governance principles and ethics, in addition to widely accepted OECD guidelines. These provide overarching recommendations and standards for responsible business. As thorough perspectives they assist multinational corporations in operating in an ethical manner. In addition to the above, we also review the importance of social responsibility. It is widely known that social responsibility has to be embedded within corporate governance policies in order to better serve societies and reduce potential negative outcomes. In more detail, we investigated the corporate governance and corporate social responsibility of FIFA by studying its code of conduct. Finally, we ask for football audiences’ views and opinions regarding FIFA policies and activities. We measure their feedback and how much they think FIFA’s policies are effective in practice.

1. Literature review

1.1. Corporate governance. Governance at the first glance refers to the power and control that are exerted in managing and running any establishment within a framework of regulations, roles, duties, systems, processes and relationships. Thus, leaders and directors of boards in any institution are supposed to be held accountable for their decisions with great awareness in regards to social responsibility (Alan Cameron, 2014, p. 3). Hence, the board is expected to manage corporate strategies and culture through shaping and defining its vision, core beliefs and values. The board is expected to observe management policies and individuals’ roles aside from their own accountability in compliance with regulatory frameworks and conventions. Moreover, the board is also expected to be responsible for all means of governance, including: decision making, organizational structure through specifying operational and control processes, in addition to clarifying the organizational design which has to be clear for all managers, employees and shareholders alike (Baret, Sandford, Hida, Vazirani, Hatfield, 2013).

Given its wide domain, the definition of corporate governance has always been a controversial issue. Gopalsamy provides an comprehensive definition: “We may define corporate governance as a blend of...”
rules, regulations, laws and voluntary practices that enable companies to attract financial and human capital, perform efficiently and thereby maximize long term value for the shareholders besides respecting the aspirations of multiple stakeholders including that of the society” (Gopalsamy, 2008, p. 21).

Therefore, the boards’ members contribute largely to ensuring credibility towards shareholders and stakeholders in the field of the global market as well as its viable nature (Thomson, 2009).

1.2. OECD principles. The answer to the question of what is the best way to run a corporation may vary from one country to another and from one institution to another. However, some key elements do emerge that are widely considered as the right way to run a business, and provide a benchmark of ethical practice. These elements are called OECD principles for corporate governance (Casson, 2013 p. 20).

They are as stated by OECD (2004):

1. **Ensuring the basis for an effective corporate governance framework:** through (a) legal monitoring procedures, (b) a clear division of responsibilities, and (c) the boards implied power and integrity to achieve their duties.
2. **The rights of shareholders:** (a) to elect or even remove the boards’ members, (b) to be informed about urgent decisions, and (c) inquire the board.
3. **The equitable treatment of shareholders:** all shareholders must have the same rights and be protected from abusive deeds.
4. **The role of stakeholders in corporate governance:** cooperating within the firm and having access to related and reliable information on timely and regular basis.
5. **Disclosure and transparency:** transparency on issues regarding finance, ownership, performance and governance of the company.
6. **The responsibilities of the board:** observing the strategies, plans, actions, monitoring the corporation’s governance practice, besides ensuring new changes as needed.

1.3. Ethical aspects considered in the core of CG and its board’s level. There are five ethical aspects related to business practices deemed as key criteria for efficient corporate governance. Here we have described three of these aspects we consider to be very important. These three aspects are then also used in the empirical part.

1. Accountability: the board should be held responsible and answerable to shareholders for their decisions and actions (Casson, 2013, pp. 33-35).
2. Conflicts of interest: one disadvantage found in major corporations is when the employee seeks to earn personal benefits from their positions within the company. This issue represents a clear ethical violation (Casson, 2013, pp. 36, 37).
3. Transparency: best achieved through disseminating an annual report that discloses information regarding minimally anti-corruption (bribery), employee’s issues, environmental, social and human rights aspects. It also includes statement regarding the company’s policy, potential risks and results. (Casson, 2013, pp. 38, 39).
4. Diversity [not considered here].
5. Remuneration.

1.4. Corporate social responsibility “CSR”. “More than 9 out of 10 corporate leaders are doing more than they did five years ago to incorporate environmental, social, and political issues into their firm’s core strategies” (Oppenheim, Bonini, Bielak, Kehm, Lacy, 2007). This shows the emergence of an increasing interest in integrating corporate social responsibility “CSR” within corporate governance “CG”. This, in turn urges board members to take different ethical matters into their consideration (Yüksel Mermod & Idowu, 2014, p. 93). However, it is worth mentioning that CSR might change according to temporal changes and its norms change according to its cultural context in diverse societies (Blowfield and Frynas, 2005; Services, 2006; Matteen and Moon, 2007).1

1.5. CSR principles. Four key CSR principles to regulate the interrelation with CG policies are specified. We have chosen these four CSR principles, as they are the ones most likely to ensure better corporate ethical practices (Yüksel Mermod & Idowu, 2014, p. 96). They are:

1. Societal approach: through paying great attention to employees’ interests, human rights, and social development in total.
2. Economic principle: the firm’s ability to perform efficiently through providing the community with adequate products without causing harm in any aspect.
3. Environmental principle: the responsibility of a company towards the utilization of natural resources, and that firms should be held accountable for any environmental harm they may cause while trying to maximize their profits and exploit natural resources.

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4. Stakeholder approach: it is the firms’ responsibility to take into consideration all stakeholder concerns and interests.

1.6. Corporate social responsibility and corporate governance interplay. Although CSR and CG are not the same, they are interconnected in achieving similar goals. Corporate governance acts in a well-structured and precise regulatory framework. Blair describes CG as “the whole set of legal, cultural, and institutional arrangements that determine what publicly traded corporations can do, who controls them, how that control is exercised, and how the risks and returns from the activities they undertake are allocated” (Blair, 1995). However, CSR also functions in a free form. It assists CG in the so-called “self-regulation” regime. The “self-regulation” regime helps corporations to make their objectives more transparent and achievable. The idea of corporate self-regulation is emphasized through the firm’s code of conduct. Code of conduct is deemed as one of the essential tools for corporate “self-regulation”. This synergy of CSR and CG within the code of conduct helps business enterprises to develop their own codes as part of their self-regulation policies. As a result, these companies direct human, social, environmental and economic interests through their well-defined codes (Yüksel Mermod & Idowu, 2014, pp. 100-103).

Thus, the importance of such CSR principles represents a proper mechanism in the development of CG practices toward ethical issues and social concerns. Nevertheless, the idea of social responsibility in corporate governance is also criticized: for instance, Friedman (1962) argued that each group in society has a certain role and so the main role in a particular company is to do business and to earn profits for its shareholders. Hence, he insisted that also management’s main responsibility is to maximize the profits of its owners and shareholders. Supporters of CSR, such as Carroll & Shabana (2010) reject this notion and argue that socially responsible companies have a greater ability to get more benefits and advantages. For instance by uplifting the employees’ morale, socially responsible businesses will face tremendously less labor problems and failure besides increasing the employees’ productivity and the quality of the products or services. Yüksel Mermod et al. (2014, p. 99) state: “Good corporate social performance leads to good corporate financial performance”.

FIFA is an example of a business enterprise (even though in the legal form of an association). In order to see in how far FIFA’s corporate governance considers CSR principles, we take a look at its code of conduct in the next section.

2. FIFA’s code of conduct

FIFA’s overall mission is: “Develop the game, touch the world, and build a better future” (FIFA Brand Evolution, 2013). FIFA is made up of three main bodies known as: 1 – the legislative body, 2 – the executive body, 3 – the administrative body. Besides these three main bodies, committees also exist that assist the executive body (FIFA.com).

FIFA’s executive committee is the author of both, the ethical code of conduct and the disciplinary code. These codes specify the most proper values and principles to be followed in acting and behaving within FIFA and with all related partners. These codes are applied to all members of FIFA at all levels (FIFA Code of conduct, 2012).

FIFA has set 11 main principles in its code of conduct, as follows: (FIFA Code of conduct, 2012).

1. Integrity and ethical behavior: all FIFA’s members are obliged to act ethically with full integrity.
2. Respect and dignity: behaving with respect to one’s dignity, privacy and personal rights.
3. Zero tolerance of discrimination and harassment: There should be no verbal or physical harassment or discrimination.
4. Fair play: all actions and decisions should be practiced in respect to rules and conventions.
5. Compliance with rules, laws, and regulations: respect and compliance to all internal rules and laws.
6. Avoidance of conflicts of interests: avoiding conflicts of interests by prioritizing the organization’s goals.
7. Transparency and compliance: by constant seeking to fair play and complying with outlined laws and regulations.
8. Social and environmental responsibility: participating toward positive social change and minimizing the harm or negative consequences of FIFA’s activities to the environment.
11. No betting or manipulation: with total prohibition of intervention or manipulation of the results of football matches.

The following table now shows the three “main ethical principles” of FIFA’s code of conduct. The choice of these three principles is based on the strongest relation of all 11 principles to the previously laid out ethical aspects of CG as well as CSR principles.
Table 1. FIFA’s main ethical principles

<table>
<thead>
<tr>
<th>FIFA’s code of conduct (main ethical principles)</th>
<th>Corporate governance (ethical aspects)</th>
<th>Corporate social responsibility (all principles)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Accountability</td>
<td>Conflicts of interest</td>
<td></td>
</tr>
<tr>
<td>1. Integrity and ethical behavior</td>
<td>+++</td>
<td>+</td>
<td>14</td>
</tr>
<tr>
<td>5. Compliance with rules, laws, and regulations</td>
<td>+++</td>
<td>++</td>
<td>16</td>
</tr>
<tr>
<td>8. Social and environmental responsibility</td>
<td>+</td>
<td>+++</td>
<td>14</td>
</tr>
</tbody>
</table>

Notes: strong relation: +++; medium relation: ++; weak relation: +.
We use these “main ethical principles” as a foundation for the formulation of questions in the questionnaire.

3. Survey discussion

3.1. The aim of the survey. This survey aims at investigating FIFA’s corporate governance, its governing principles as well as its corporate social responsibility. It examines the applicability, efficiency, and honesty of FIFA’s proclaimed policies. The survey is based on specific questions that cover various aspects of FIFA’s operations as an organization. The survey deals with FIFA’s announced mission of defending peace, human rights and seeking for a better world.

3.2. The procedure. Questionnaires were available in English and German languages. We received completed questionnaires from 150 participants. The participants were believed to be prospect fans of the football game as they were asked right before watching a football game. The survey was conducted in different cities in Germany, during the 2014 FIFA world cup in Brazil.

Table 2. The relation between FIFA’s code of conduct and the questionnaire questions:

<table>
<thead>
<tr>
<th>Research questions</th>
<th>Code of conduct</th>
<th>Question 6 (Brazil, Morality)</th>
<th>Question 7 (Channel, Equal Treatment)</th>
<th>Question 8 (Qatar World Cup, Bribes)</th>
<th>Question 9 (Qatar Workers, Death)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integrity &amp; ethical behavior</td>
<td>++</td>
<td>+++</td>
<td>+++</td>
<td>++</td>
<td>10</td>
</tr>
<tr>
<td>Respect and dignity</td>
<td>___</td>
<td>___</td>
<td>___</td>
<td>++</td>
<td>3</td>
</tr>
<tr>
<td>Zero tolerance of discrimination &amp; harassment</td>
<td>+</td>
<td>+++</td>
<td>___</td>
<td>+</td>
<td>5</td>
</tr>
<tr>
<td>Fair play</td>
<td>___</td>
<td>___</td>
<td>+++</td>
<td>___</td>
<td>3</td>
</tr>
<tr>
<td>Compliance with rules, laws, and regulations</td>
<td>+++</td>
<td>+++</td>
<td>+++</td>
<td>+</td>
<td>10</td>
</tr>
<tr>
<td>Avoidance of conflict of interest</td>
<td>+</td>
<td>___</td>
<td>+++</td>
<td>___</td>
<td>4</td>
</tr>
<tr>
<td>Transparency and compliance</td>
<td>___</td>
<td>___</td>
<td>+++</td>
<td>___</td>
<td>3</td>
</tr>
<tr>
<td>Social and environmental responsibility</td>
<td>+++</td>
<td>+</td>
<td>___</td>
<td>+++</td>
<td>7</td>
</tr>
<tr>
<td>Fight against drugs and doping</td>
<td>+</td>
<td>___</td>
<td>___</td>
<td>+++</td>
<td>1</td>
</tr>
<tr>
<td>Zero tolerance of bribery and corruption</td>
<td>+</td>
<td>___</td>
<td>+++</td>
<td>___</td>
<td>4</td>
</tr>
<tr>
<td>No betting or manipulation</td>
<td>___</td>
<td>___</td>
<td>+++</td>
<td>___</td>
<td>3</td>
</tr>
</tbody>
</table>

Note: strong relation: +++; medium relation: ++; weak relation: +.

As marked in the table above, we can now understand the interrelation between our surveyed questions and their answers to FIFA’s code of conduct.

Within the list of FIFA’s code of conduct, “Integrity and ethical behaviour”, “Compliance with laws, rules, and regulations”, besides “Social and environmental responsibility”, were the three codes the most intersected with the main survey questions.

Looking at the column of question 8 and its topic “bribes”, we see that it shows seven “strong relations” with FIFA’s code of conduct. Hence, it is clear that bribery, if executed, is the one incident that violates FIFA’s code of conduct the most.

3.3. Research findings and data analysis.

Question 1: Gender. 100 of the participants were male while 50 were female. As survey participants were randomly chosen, this reflects the popularity of football among both genders.

Question 2: Age group. In the survey, the age group from “18-29”, is the biggest. It represents 81% of the surveyed respondents. Hence, publicly watching football games is especially popular for the young fans.

Question 3: Nationality. The data collected in this survey were gathered from multinational parti-
participants from 30 different nationalities. However, the most surveyed nationality was German at 61%. (As mentioned, the questionnaire was conducted in Germany).

**Question 4: Champions league winner 2014.**

<table>
<thead>
<tr>
<th></th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Madrid</td>
<td>73%</td>
</tr>
<tr>
<td>Other teams</td>
<td>13%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>30%</td>
</tr>
</tbody>
</table>

This question was created with the intention to identify the percentage of “experts” in football. Following, the right answer to the stated question is “Real Madrid” and 109 of the participants have chosen it, representing 73% of those that were surveyed. This indicates that a large number of respondents are interested or at least following football to some extent... This implies that the respondents can be attributed as a rather “informed” than “uninformed” group.

**Question 5: Do you relate the Football sport to FIFA?**

<table>
<thead>
<tr>
<th></th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>10%</td>
</tr>
<tr>
<td>Agree</td>
<td>31%</td>
</tr>
<tr>
<td>Neutral</td>
<td>28%</td>
</tr>
<tr>
<td>Disagree</td>
<td>17%</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>11%</td>
</tr>
<tr>
<td>Not relevant</td>
<td>3%</td>
</tr>
</tbody>
</table>

This question was created to investigate how much the name of FIFA is connected to the concept of football in general. The collected data show that 41% of the participants “strongly agree” or “agree”, that football is related to FIFA. 28% of the participants were “neutral” and about 28% “disagreed”. We can, thus, conclude that 41% of the respondents consider FIFA to be related and, hence, also responsible for football.

**Question 6: Is it moral to spend billions for hosting the world cup tournament in Brazil while many Brazilians are suffering from poverty?**

<table>
<thead>
<tr>
<th></th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>4%</td>
</tr>
<tr>
<td>Rather yes</td>
<td>13%</td>
</tr>
<tr>
<td>Rather no</td>
<td>30%</td>
</tr>
<tr>
<td>No</td>
<td>53%</td>
</tr>
</tbody>
</table>

According to this question, which asks about the morality of hosting the football world cup event in Brazil, while the country is suffering from financial problems and poverty, more than 80% of the participants answered with “No” or “Rather no”. While 17% of the respondents deemed it moral to host the world cup in Brazil. As a result, the majority (four in five) of the participants considered it immoral to host the event in Brazil. Since the preparations of the event started, i.e. many Brazilian families were forced out of their homes in order to build new roads to ease transportation for the tourists during the world cup. On the other hand, the families that were displaced were not always compensated for their loss. Moreover, many employees working on the renovation and construction processes, reported humiliation and abuse (Keldorf, 2014).

**Question 7: Is it an equal treatment toward audiences, when there are in some countries, only paid TV channels exclusively broadcast FIFA’s world cup matches?**

<table>
<thead>
<tr>
<th></th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>5%</td>
</tr>
<tr>
<td>Agree</td>
<td>6%</td>
</tr>
<tr>
<td>Neutral</td>
<td>20%</td>
</tr>
<tr>
<td>Disagree</td>
<td>34%</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>35%</td>
</tr>
</tbody>
</table>

As stated on FIFA’s website, FIFA’s goal is to “touch, unite, and inspire the world through its competitions and events,” and additionally, that “football is for all” (FIFA.com). The last sentence seems a bit controversial, as long as media rights licenses to broadcast the world cup events are restricted to exclusive partners. The responses from the survey participants reveal a high percentage of disagreement on such policy. For instance, during the 2014 world cup in Brazil, the broadcast of the event in the Middle East and North Africa was restricted to a single (private) media partner called “beIN sport” (FIFA News, 2014). In return, people in that region needed to pay fees to “beIN sport” as a subscription in order to be able to watch the matches. While in other regions, like Germany “ZDF” or Turkey “TRT”, matches were broadcasted publicly at no additional cost.

**Question 8: Do you have a clear image from FIFA about the bribery issue regarding the 2022 Qatar world Cup?**

<table>
<thead>
<tr>
<th></th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>13%</td>
</tr>
<tr>
<td>Agree</td>
<td>25%</td>
</tr>
<tr>
<td>Neutral</td>
<td>30%</td>
</tr>
<tr>
<td>Disagree</td>
<td>17%</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>15%</td>
</tr>
</tbody>
</table>

This question was included to see how the audiences perceived the issues regarding bribery within FIFA. The respondents replied differently. The largest
group, with 38% of the participants chose “Strongly agree” or “Agree”. They had a clear image and understanding of the corruption allegations raised against FIFA. While 30% of the surveyed participants showed neutrality toward the answer and 32% disagreed or strongly disagreed. As the question asked for “a clear image” about a specific bribery issue, only the group with “disagree and strongly disagree” can be counted of not having heard at all or at least not having a clear image of the specific bribery issues. The neutral group did not negate the question and hence, may not have a clear image about the specific bribery issue but may have heard about another bribery issue or simply does not have a clear picture but has at least heard about it. Thus, only 32% of the respondents do not relate FIFA with bribery, while 68% show signs of relations.

Question 9: Is FIFA fully responsible for the death of many workers while constructing football stadiums for the 2022 Qatar world Cup?

<table>
<thead>
<tr>
<th></th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>19%</td>
</tr>
<tr>
<td>Agree</td>
<td>28%</td>
</tr>
<tr>
<td>Neutral</td>
<td>20%</td>
</tr>
<tr>
<td>Disagree</td>
<td>22%</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>11%</td>
</tr>
</tbody>
</table>

The recently raised concerns about FIFA and Qatar world cup 2022 are not only related to bribery and corruption claims, but also involve different stakeholders’ rights. The participants were asked about this case because of its importance as it is related, not only to the rights of the workers, but also to their lives. Thus 47% of the participants found FIFA is solely responsible for the rights of the workers who are preparing for the world cup in the hosting countries. While 20% of the surveyed fans were neutral and about 33% of them found that FIFA is not fully responsible for the workers’ rights but also the hosting country. Therefore, according to the collected data almost half of the participants found that FIFA is fully responsible for worker’s safety, while about one quarter disagreed. However, even if FIFA is not fully responsible for the death of the workers, only 33% disagree or fully disagree. This implies that 67% – more than 2 out of 3 respondents see at least a partial responsibility on FIFA’s’ behalf.

Hence, the results of the survey suggest a strong violation of FIFA’s business practices with its code of conduct. All responses to the key questions (see Table 2) imply violation of the underlying articles in FIFA’s code of conduct: question 6 (Brazil, Morality) with 83%, question 7 (Channel, Equal Treatment) with 69%, question 8 (Qatar World Cup, Bribes) with 68%, question 9 (Qatar Workers, Death) with 67%.

Conclusion

We examine FIFA’s governance policies and their perception by football fans. The theoretical framework has been set by OECD principles for corporate governance with a special focus on ethical principles and under consideration of CSR principles. We then link these CSR and ethical CG principles to FIFA’s eleven principles in its code of conduct. In further detail, we surveyed football audiences’ views regarding FIFA’s eleven principles of its code of conduct and its practices in relation to football world cups (the past 2014 world cup in Brazil and the forthcoming 2022 football world cup in Qatar).

The findings of the study reveal a contradiction among the regulative and ethical framework and their application in reality. This poses a critical violation to FIFA’s main mission, and raises many questions about the authenticity of FIFA’s code of conduct. All responses to the key questions (see Table 2) imply violation of the underlying principles in FIFA’s code of conduct. The violation is strong as long as at least 2 out of 3 respondents see a violation. As the questions in the survey have been designed to be strongly related to the ethical principles of FIFA’s eleven principles in its code of conduct (see Table 2), we can conclude that: The result shows that football fans perceive a strong violation especially in the domains “Integrity and ethical behavior”, “Compliance with laws, rules, and regulations”, as well as “Social and environmental responsibility”.

The findings of these violations are confirmed by many other incidents: Jennings (2011) reports on cases of bribery related to members of FIFA’s executive committee, the allegations varied from selling FIFA’s commercial and TV rights to one specific media partner called ISL, to selling FIFA’s official voices during the events of bidding on the world cup hosting countries.

Wrong doing may happen in any organization, as FIFA’s president Sepp. Blatter mentioned. He can’t say that all the members are angels or devils (BBC, 2011). However, once alleged, only very few of FIFA’s members were punished for exposed corruption deeds. This, reflects a clear misuse of the organization’s corporate governance, and also violates another principle of its code of conduct which is “the avoidance of conflicts of interests” as stated “It is the personal responsibility of each

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1 In the process of constructing the stadiums in Qatar a lot of Nepalese workers died because of bad working conditions, and the recklessness of their rights both by FIFA and the Qatari government (Doward, 2014).
member of the FIFA family to avoid any conflict of interest” (FIFA Code of conduct, 2012).

The most recent example related to the conflicts of interests was the case of the recent FIFA’s vice president Mohamed Bin Hammam, who paid bribes to Jack Warner (another FIFA’s senior official) in favor of giving the latter his voice to Bin Hammam in the upcoming presidential elections (CNN, 2011). Thus, both members prioritized their interests on the interest and the good of the organization.

When considering the social dimension of CSR in the event the 2014 Brazil world cup and the preparations for the 2022 Qatar world cup we find:

During the preparations of the Brazilian world cup, many families were evacuated out of their homes in favor of the construction for the world cup, without being compensated. Moreover, in Brazil the government enacted a law that prevented selling beer within the stadiums to reduce riots among the fans, however, FIFA refused the law and emphasized that selling the beer exclusively to their sponsor “Budweiser” should be allowed. For FIFA this was non-negotiable as reported by FIFA’s secretary general JérômeValcke (BBC News, 2012). Thus, FIFA completely ignored the people’s interests for the organization’s benefit. This is a clear contradiction to its alleged social responsibility and its ethical principles.

On the other hand, FIFA criticism also extends to the Qatar world cup. FIFA has been accused of not taking appropriate action once again on the tough working conditions on building the football stadiums, also leading to workers’ deaths. When FIFA’s president Sepp Blatter was asked about the case, he replied that the Qatar government and the companies are responsible for the workers’ rights, and he added that “we can’t interfere in the workers unions” (FIFA, 2014). It is questionable why FIFA can’t interfere to protect the workers’ rights and lives in Qatar, but it can interfere in Brazil and change the local law in favor of selling beer from one of its sponsors. This reflects a contradiction to FIFA’s social responsibility, as it violates the principles transparency, ethical behavior and respect.

Managing a huge international organization like FIFA is not an easy mission, and problems may occur. However, sticking to the rules of CG and CSR with a solid code of conduct would help preventing the misuse of the corporate regulations at all levels. This is especially true for the boards’ level as it represents the elite that governs organizations. When not complying with these rules, also the perception of the public and especially the informed football fan will accumulate negative opinions. Thus, FIFA has to make sure that it enacts its code of conduct. It has to find appropriate ways such that it improves the organization’s functioning and it’s administration. In addition, FIFA’s officials should be accountable in order to reform the organization and direct it in the right manner enforcing strict policies against corruption and wrong doing. If not, the corporate reputation is at stake. David Mellor, the British chairman of the government football task force, stated “the only way that football could be saved from FIFA, is for FIFA to be destroyed and rebuilt” (Jennings, 2011). Without FIFA changing, not only the informed football fan, but the general public as a whole could eventually lose interest in football. At least the game football may lose some of its attractiveness at a global level. More specifically the world cup could lose its appeal (probably in favor of other tournaments).

References


Appendix

**FIFA Organization.** The Fédération Internationale de Football Association “FIFA” was established in response to the remarkable growth of football as a game internationally. FIFA statutes were formulated in 1904 at Paris by delegates from Switzerland, Belgium, France, Netherlands, Denmark, Sweden, and Spain. Later, many non-European countries joined the organization, to reach 209 members (FIFA.com).
Since 1904, FIFA’s corporate mark developed consequently reflecting the increased global scope and fame of its leading position in world football. For instance in 1996 the corporate new claim was “for the good of the game”, while in 2007 the corporate mark was updated and held the new claim “for the game, for the world”. Thus, summarizing FIFA’s mission “develop the game, touch the world, build a better future”. It states a new approach toward development and social change through football (FIFA Brand Evolution, 2013).

FIFA’s goal as clearly stated in its statutes is the constant improvement of football with the most famous sport event known as the world cup. The world cup was and still is held and organized by FIFA.

The great fame and popularity of the football “world cup” gained over the years increased the power and influence of FIFA internationally, on both populations and governments. An example is Nelson Mandela’s speech where he stated: “the World Cup would help unify people and if there is one thing in this planet that has the power to bind people, it’s soccer” (Al Khalil, 2013).

Critics against FIFA. FIFA’s statutes include strict laws that govern the way the organization should be run internally and with partners, stakeholders, and audiences in total, through presenting regulations, code of conduct and code of ethics that regulate the powers of the congress, executive body, president, administration, secretary general and all members of FIFA’s family. However, although FIFA claims to stick to laws and ethical behavior, still there have been multiple controversial cases raised about FIFA and some practices related to its members, at high levels. Allegations include corruption and wrongdoing.

The outcome of the Brazil world cup 2014. The hosting of the FIFA world cup tournament in Brazil raised many concerns regarding its social implications. These ranged from citizens forcibly relocated, to workers’ strikes, and large public deprivation to attend the matches because of high tickets prices. For instance, many violations and abuse against workers were reported during the process of construction which lead in return to strikes and protests in many stadiums such as Mineirão in Belo Horizonte (Ortiz, 2012).

Among other concerns raised against FIFA, was FIFA’s demand to change the hosting countries’ laws in order to cope with FIFA’s corporate governance. Amongst others, FIFA’s earnings should be tax free during the event, no other business or corporation is allowed to associate in the tournament as stated in article 11 of the law of world cup. It prevents any selling of the goods in the locations of the matches and their surroundings unless authorized by FIFA (Atkins, 2013).

Moreover, other criticism directed toward FIFA was about ticket prices. The Brazilian government persistently urged FIFA to cut down the prices for the students and elderly people. As the Brazilian minister of sports said that “it is unacceptable, and the prices were so high”. Even more as: “This is really a celebration of the people of Brazil. Soccer is very important for the whole population in Brazil” (Atkins, 2013). Lastly, the public purse was held to pay billions for renovations and preparations.

Corruption and bribery allegations towards FIFA. As recently revealed, more than half of the 22 members of FIFA’s executive committee who were part of the voting for the world cup host in Russia and Qatar, no longer exist as many of them were accused of bribery and wrongdoing (Gibson, 2014). Normally, there are 24 members of the executive committee. However, two members, Adamu and Reynald, were exposed in the scandals of selling their voices and were already suspended by the FIFA’s ethics committee and banned from voting in the world cup bidding, following the “Sunday Times” investigations (BBC Sport, 2011).

Lord Triesman the chairman of England’s bid in FIFA for hosting the world cup, made claims about the behaviors of four FIFA’s officials, Worawiw Makudi, Nicolas Leoz, Jack Warner, and Ricardo Teixeira. He stated that their behaviors were “below what would be ethically acceptable” (BBC, 2011).

In which they sought many benefits as he claimed, starting with FIFA’s Vice President Warner who requested to build an education centre in Trinidad by offering £2.5m to be passed through him and later he asked to buy Haiti world cup TV rights by taking £500,000 to be passed through him as well. On the other hand, Brazil’s FIFA member asked Triesman as he stated “come and tell me what you have got for me” as he was selling his voice. Moreover, Paraguay’s FIFA member requested a knighthood as the price of his vote (BBC, 2011).

However, when FIFA’s president Sepp. Blatter was informed about bribery allegations related to FIFA’s officials, he said that he was shocked once he heard about the case, but one has to see the evidence. Moreover he added that the executive committee members were elected by a congress different to the one that elected him and said “They are coming from other confederations, so I cannot say that they are all angels or all devils” (BBC, 2011). Further corruption claims are with three of the formerly mentioned FIFA officials (executive committee members) who took bribes from a marketing company called International Sport and Leisure “ISL”. Those members were Hayatou, Leoz, and Teixeira. Jennings reported that in 2010, he was given a document that contains a list of more than 150 secret payments which equal $100m that were paid in the 1990s by “ISL” company to sport officials some of them are in FIFA (Jennings, 2010). Moreover, according to a Swiss prosecutor the former president of FIFA João Havelange was involved in the bribery issue. In return, ISL would sign contracts of sponsorship and TV rights with FIFA. Most of them are exclusively regarding the world cup (The Guardian, 2012).
Questionnaire in English

*1. What is your gender?
☐ Male  ☐ Female

*2. What is your age group?
☐ Under 18  ☐ 18-29  ☐ 30-45  ☐ 46-60  ☐ Above 60

*3. What is your nationality?

*4. Do you remember the team who won the champions league 2014?
☐ FC Bayern München  ☐ Real Madrid  ☐ Atletico Madrid  ☐ Chelsea  ☐ Don’t know

*5. Once you hear about football sport, do you relate it to FIFA?
☐ Strongly agree  ☐ Agree  ☐ Neutral  ☐ Disagree  ☐ Strongly disagree  ☐ Not relevant

*6. Is it moral to spend billions for hosting the world cup tournament in Brazil, while many Brazilians are suffering from poverty?
☐ Yes  ☐ Rather yes  ☐ Rather no  ☐ No

*7. In some countries, only few paid TV channels exclusively broadcast FIFA’s world cup matches. Is that an equal treatment toward audiences?
☐ Strongly agree  ☐ Agree  ☐ Neutral  ☐ Disagree  ☐ Strongly disagree

*8. Do you have a clear image from FIFA about the bribery issue regarding the 2022 FIFA Qatar World Cup?
☐ Strongly agree  ☐ Agree  ☐ Neutral  ☐ Disagree  ☐ Strongly disagree

*9. Is FIFA fully responsible for the death of many workers while constructing football stadiums for the 2022 FIFA Qatar World Cup?
☐ Strongly agree  ☐ Agree  ☐ Neutral  ☐ Disagree  ☐ Strongly disagree

Thank you for completing the questionnaire