

“ *It was very stimulating to hear the many great speakers, and to be able to continually visit with them during breaks and meals.*

*The DGI is a great place to host the conference,*

*and Copenhagen is a beautiful city ”*

*Gary Wicks, Associate Professor, USA*



## EXTRACT

# Sport and the Media: A force for the good?

Sport and media companies face higher expectations for ethical and responsible practices as an influential part of the global community. If they assume their social responsibility, they can maintain standards and be a force for good development, argues Robert Davies, Chief Executive of the International Business Leaders Forum



By Robert Davies

**S**port and the Media must surely be the most potent combination of forces amongst the key actors in the globalisation game.

They have a unique synergy – 'sport as the premier global media content', and 'media as the premier partner for sport and sports industries'.

A result of this alliance applied to the world's most attractive activity is immense audiences, immense economic influence and power, and immense reach into countries and communities.

There is in my view too little recognition of how the 'business of sport' at all levels can be a positive force for good health, peace, development and ethics in a world that is hungry for values.

Even those in the sports industries may not yet, in my view, have come to terms with the influence they now have, and can have, due to the emergence of globalisation and the many threats and challenges which now arise.

Sport plays a unique part in our lives. After work itself it is the largest focus of mass civil participation. It has more voluntary community level leaders and teachers than any

other human activity including religion. Together with related services it is the largest employer. It attracts the largest audiences of any activity on the planet. It consistently fills more pages in more newspapers, uniquely transcending geography, politics, class, race, sex, culture and religion.

It has many of the best-known and most potent global brands in sporting goods, sports teams and associated sponsors. It is populated by the best known celebrity personalities.

It is the subject of the world's highest value TV and communications deals, and the highest priced advertising slots – the TV rights to the last Soccer World Cup and Olympic Games combined were reported as being over \$2.3 billion (that's 40 cents for everyone on the planet).

It can also be a trigger for urban development through regeneration led by sports developments as we have seen in many inner city areas.

### **Retail: 600 billion US-dollars**

Sport business is also very big. The sporting goods industries alone are estimated to have an annual retail market possibly of over \$600 billion, linked to a global network of small and big businesses, focused primarily

on the 16 to 25 age group – which is more than the GDP of many countries.

This doesn't count in media revenues and sponsorship, travel and tourism, infrastructure, associated food and beverages, gambling, corporate entertaining, and millions from sports club and entrance fees. European soccer leagues alone are said to be a \$10 billion market.

Like few other industries, it has from the start exploited the potential of globalisation, and has been at the forefront of internationalisation for almost a century.

And yet, uniquely, and with the exception of activist campaigns against some branded goods, it has escaped the storm of public protest now associated with almost all other aspects of globalisation.

### **Sport's great potential**

Sport also has a major role to play in the world due to critical problems of health and increasing rates of non-communicable disease linked to diet and lack of physical activity which according to the WHO is fast becoming the main health danger worldwide.

It is not surprising that sport, in spite of much publicised soccer hooliganism, has been a medium for vital and pioneering j ...

*By and large media companies as businesses are cautious, show risk adverse behaviour and have a herd instinct, says Robert Davies*

## Sport and the Media: A force for the good?...

... peaceful contact between East and West, Hindu and Muslim, across the religious divides in Northern Ireland or heralding in ping-pong matches the opening of China in the late 1960's.

It has suspended conflict in the no-mans-land between the First World War trenches, refugee camps in the Balkans, between Capitalism and Communism during the Cold War, between the North and South Korea.

Sport can underpin and celebrate diversity. A common language we have with the people of Israel, Palestine, Jordan and Iraq is the language of soccer.

Sport must be a critical potential component of development in a world where some three billion people live on less than \$2 a day, or amongst the unemployed on our own door-steps.

### Trust is important

Sport and its values of 'fitness, fair play and participation' has a unique part to play in a troubled world.

The shocking events of doping scandals, Olympic bribery and corruption, of the past year since the 11th September, and also the crisis of confidence caused by corporate governance scandals, have all brought home to us all how fragile, small and vulnerable our inter-connected world is and how important trust is.

Also how these far off global issues are now on our doorstep, and how according to reliable attitude surveys our stakeholders – consumers, investors, employees, regulators, media and the public in general – are wanting values based leadership.

The media has a uniquely important part to play in functioning democracy and open market economies as a vital check and balance on abuse of political and economic power.

Journalists themselves, who protect their editorial freedom fiercely, at least in many countries, are rightly proud and protective of their professional ethics. But then it gets complicated.

The survey conducted by Mandag Morgen (see pp. 8-10) confirms a trend of superficial content in sports coverage focusing on personalities, events and gossip rather than much if any serious content, and almost nothing on the political, economic and social aspects of sport.

It seems to many extraordinary that commercial advertisers are subjected to more rigorous standards of decency and honesty in most countries, and subject to greater scrutiny, yet the tabloid text along-

side the advert may carry innuendo, half-truth and misrepresentation defended as editorial freedom.

### Business with a herd instinct

Some journalists attempting to cover broader issues of sport, including doping and bribery scandals, economic interests and corruption in the sports world have faced ridicule, intimidation, censorship and dismissal before their stories proved sound.

The media has played key roles in exposing bad ethical practice, scandals, vested interests and double standards whether in business or in personalities.

But the media often faces criticisms of putting events, personalities, entertainment, gossip and sensationalism – I guess what makes 'the news' – ahead of the need to explain context, take a more analytical view and look at issues in the longer-term way.

Then there is the problem of patronage and marketing deals for exclusive rights, often overpriced as we have recently seen in the cases of collapsed European media organizations, to compliant bidders in a sellers market.

The media as commercial organizations, and organizations prosper on access to critical events and stars – whether valuable World Cup rights, access to lucrative Chinese markets, access to exclusive Presidential and Prime Ministerial press briefings or ringside seats in the amphitheatres of War.

They also recognize where their interests lie in avoiding 'provocative action' that may make them vulnerable to being excluded from access to a deal or privileged briefing opportunity, even if temporarily, and thus lose competitive advantage to other media companies.

By and large media companies as businesses are cautious, show risk adverse behaviour and have a herd instinct.

Media and communications companies are part of the mainstream international commercial business community. This past decade has seen the issues of corporate social responsibility move increasingly rapidly from the fringe of management practice of a few pioneers, some of them in your industries, to a major issue for the Boardroom agenda.

In the process it has attracted increasing attention and widespread public interest, and is now seen by many institutions, from the United Nations, World Bank, European Union, and OECD down, as a key part of the solution to pressing governance and development challenges.



Put simply, Corporate Social Responsibility is the framework for the role of business in society – it is the set of standards of behaviour to which a company subscribes in order to make its impact on society positive and productive.

The production and selling of goods and services, business ethics, environmental practices, recruitment and employment conditions, approach to human rights and investment in the community are examples of such impact.

### An impact of their own

Globally the media is dominated by some 10 companies and 50 sub-regional companies. The case for corporate responsibility in the media rests on the facts that:

- Most media companies are themselves commercial enterprises and cannot exempt themselves from these pressures and expectations
- The media who often report on bad business practices and harmful impacts of companies should themselves ensure their practices are sound – the fact that they communicate about others doesn't exempt them from communicating about their social impacts
- It is necessary as the survey findings suggest to establish and maintain trust to the benefit of their audiences, employees, advertisers

*The media as commercial organizations prosper on access to critical events and stars – and may avoid 'provocative action' in order not to be excluded*



PHOTO: POLFOTO

raises new challenges about editorial freedom and responsibility. It has become one of the major drivers in the pressure for social responsibility in business and in sport and other areas of life.

It is this new dimension in politics and mass communication, particularly among the young, which will start to dictate new terms for the engagement of major sports sponsors in controversial areas – such as countries with questionable human rights records, not least China in the run up to the 2008 Beijing Olympics.

And as 2008 nears all those involved, not least the sporting goods industry and major Olympic sponsors will find that the pressures to address key areas of social sustainability will follow – such as human rights in the areas of labour standards and broader issues of religious freedom amongst Turkic Muslims in Xinjiang, Tibetans and other groups.

This is not meant as a criticism, but is an observation on an inescapable issue which will surely engage us all in a dialogue – a US Congressional Committee, lobby groups and activist campaigns in Europe and America are already turning their attention to this, including a US shareholder activist campaign gathering momentum in prom-

oting resolutions at company AGMs on the so called 'China Business Principles'.

Understandably, high profile global sporting events are seen as a frontier for raising issues of injustice and social responsibility – they always have been.

The death of a woman campaigning for womens' right to vote in England, by throwing herself under a racehorse, is a poignant reminder of the use of sport as a medium for protest.

But the power of the Internet and the text message makes it all the easier to mobilise campaigns and public opinion these days. It is important the media understand the issues at stake.

The alliance of sport and media is an amazing force for civic participation, entertainment, excitement, global harmony and development; for celebrating human achievement, diversity and excellence at its best.

But globalisation has changed the nature of power and responsibility and the media and journalists are on the front line.

*Robert Davies is the Chief Executive of The Prince of Wales International Business Leaders Forum – [www.iblf.org](http://www.iblf.org) Read his whole paper at [www.play-the-game.org](http://www.play-the-game.org)*

- The particular power of the media places a higher onus on being legal, decent and honest which are essential tenets for media companies

- In some cases the cross ownership and media concentration creates near monopolies that must be addressed by the encouragement of pluralism for public good

- Finally, on an aspirational basis, many issues troubling the world can be improved with the positive support of the media – whether initiatives to secure press freedom, exposure of censorship, training in responsible journalism in newly democratising states and the learning power of media.

### A countervailing source of power

One of the exciting developments is the nature of change of the electronic media and ICT industries over the past few years and the undreamed of opportunities for affordable access to low cost technologies and the Internet that has given most ordinary citizens opportunities for new forms of media. It has also put power digital technologies into the hands of activist groups who have themselves become part of the check and balance originally reserved for the media.

This provides a countervailing source of influence to the traditional media and

## 7 ways to be responsible

How could the media be a force for good in sports development, and what would a socially responsible media company look like? Here are eight suggestions from Robert Davies:

1. Media companies themselves could adopt corporate social responsibility charters – based for example on the 'CEO Charter for Global Corporate Citizenship' which the IBLF produced with the World Economic Forum in January 2002. They should adopt the UN Global Compact.
2. Media companies could undertake social reporting which is what the FTSE4Good and Dow Jones Sustainability indexes suggest is good practice in transparency – Bertelsmann and Axel Springer Verlag have been rated as leaders in self-reporting, and Pearson Group and AOL Time Warner as rising.
3. Conflicts of interest where journalistic standards may be surrendered for access to countries, events and personalities and influence of vested interests must be kept in check and pressures resisted and honestly debated. Especially where countries can play one media company off against another.
4. The media company must strive for accuracy and fairness and to balance news with analysis, promote access and pluralism and ensure adequate redress for justified complaints. They should not shy from investigating and exposing corruption.
5. The media company will play its part in promoting access to wider and minority issues and opinions, and also play a role particularly in developing markets and countries, in helping train journalists, advise them on tackling matters of personal safety, and develop media skills and emerging industries.
6. Similarly responsible media companies will engage in communities, and also reflect in employment and engagement the diversity of the communities they cover.
7. In the massive resources devoted to sports coverage there is a strong case for ensuring that the many development aspects of sport that exist get some attention and promotion, and that the ethics of sport are strengthened.