

Globalization, Sport and Corporate Nationalism

Jay Scherer and
Steve Jackson

THE NEW CULTURAL
ECONOMY *of the*
NEW ZEALAND
ALL BLACKS



100% PURE NEW ZEALAND
2011

Peter Lang

Although New Zealand exists as a small (pop. 4.3 million), peripheral nation in the global economy, it offers a unique site through which to examine the complex, but uneven, interplay between global forces and long-standing national traditions and cultural identities. This book examines the profound impact of globalization on the national sport of rugby and New Zealand's iconic team, the All Blacks. Since 1995, the national sport of rugby has undergone significant change, most notably due to the New Zealand Rugby Union's lucrative and ongoing corporate partnerships with Rupert Murdoch's News Corporation and global sportswear giant Adidas. The authors explore these significant developments and pressures alongside the resulting tensions and contradictions that have emerged as the All Blacks, and other aspects of national heritage and indigenous identity, have been steadily incorporated into a global promotional culture. Following recent research in cultural studies, they highlight the intensive, but contested, commodification of the All Blacks to illuminate the ongoing transformation of rugby in New Zealand by corporate imperatives and the imaginations of marketers, most notably through the production of a complex discourse of corporate nationalism within Adidas's evolving local and global advertising campaigns.

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Preface

'I'm a catalyst for change. You can't be an outsider and be successful over 30 years without leaving a certain amount of scar tissue around the place'.

— RUPERT MURDOCH

One of the most fascinating propositions made by the sociologist Eric Leifer (1995) in his book, *Making the Majors: The Transformation of Team Sports in North America*, was the need for the major sports leagues to abandon traditional understandings that franchises represent distinct geographic communities, if any league – or popular franchise for that matter – was to be considered a truly global entity. Leifer further argued that the types of local/civic loyalties that were essential in the early days of spectator sport – loyalties that could still be sustained and nourished as television networks sought to establish national audiences and markets – were now in conflict with the ambitions of most leagues to pursue global audiences and revenue streams. In other words, too many major international cities and markets were being neglected by the current structure of North American professional sport which requires teams to play half their games in one locale. Leifer suggested that one strategy to cultivate a more prosperous international presence and overcome the barrier of place identity was to attach the brands of transnational corporations (TNCs) to teams that would compete on a global circuit. In this context, cities would compete to host scheduled matches among all teams that would take place in 'multisport stadiums... as part of entertainment and shopping villages' (Leifer, 1995, p. 301). As Leifer explained, 'Rivalries in the global marketplace could spill over into the field of sporting competition. Even the Americans might get more enthused over a showdown between Coke and Pepsi on the gridiron than another confrontation between Dallas and Buffalo' (p. 299).

Leifer's vision of a global sporting landscape has, of course, not fully transpired. Clearly, new trade agreements, the deregulation of barriers that once restricted the mobility of capital, and a host of substantive

technological developments have opened up new markets to the point that many of the most popular international sport franchises and clubs now have a global merchandise presence and established online followings. However, the optimism of global expansion in the 1990s, and a belief that the most popular North American sports – the National Basketball Association (NBA), Major League Baseball (MLB), the National Football League (NFL), and the National Hockey League (NHL) – could succeed in locales around the world has been tempered in recent years. To be sure, each of these leagues has enjoyed some success staging exhibition matches in many countries, with the NBA being the most successful in terms of establishing itself as a global presence, most recently in China. For the most part, however, sustained, regular interest in North American professional sport has not been forthcoming and long-standing local traditions and sporting affinities have proven far more resilient than anticipated. For example, while the NFL may indeed have a brand and licensed merchandise presence in Mexico and Europe, gridiron football has failed to usurp other local sports (e.g., baseball and soccer in Mexico) and rivalries, while newly formed leagues like NFL Europe have collapsed altogether.

A more modest version of these global ambitions is, at least, partially visible in New Zealand where the New Zealand Rugby Union (NZRU) – alongside its partners, News Corporation and principal sponsor Adidas – has recently attempted to access and engage non-traditional rugby markets in Asia. For example, in 2008 the All Blacks played a Bledisloe Cup match against the Australian Wallabies in Hong Kong, and a year later these teams met again drawing large crowds in Tokyo. These developments, which have resulted in test matches being played in countries that are ‘home’ to neither team, perhaps point to a more subtle disruption of place identity in the global economy than those that were originally foreseen by Leifer. However, they do point to the willingness of sport organizations like the NZRU to aggressively pursue new marketing streams and opportunities for visibility in non-traditional markets via partnerships with global media conglomerates and other TNCs, like Adidas. These types of promotional exercises – like the recent Bledisloe Cup matches in Hong Kong and Tokyo – bring benefits for all parties involved, including the NZRU, who profit directly from these lucrative revenue-sharing matches, and indirectly through the promotion and visibility of the All Black brand, and the ensuing merchandise opportunities.

It is likely that these types of overseas matches – in particular matches of significance like the Bledisloe Cup – will only take place sporadically for the time being. Moreover, the significant crowds that watched these matches arguably do not point to a substantial cultural or economic presence in these locales, but instead speak to the appeal of particular sports and teams – like the All Blacks – for a segment of affluent, mobile young men who aspire to take part in a global consumer culture, and take pleasure in consuming world-class sports brands. In this respect, these types of one-off, cosmopolitan sporting events are clearly limited to those who can afford them, and in this respect do not point to enduring changes in the habits of ordinary people, let alone widespread transformations of regional or national cultures (see Gruneau and Whitson, 2001).

Nevertheless, it can be suggested that the differences between popular, long-standing national teams like the All Blacks and other commercial enterprises are becoming increasingly difficult to discern. These developments have been lauded by many of the businessmen who run New Zealand rugby, and other prominent entrepreneurs including Phil Knight, the CEO of Nike, who made the following candid observation: ‘We see a natural evolution... dividing the world into their athletes and ours. And we glory [sic] ours. When the US played Brazil in the World Cup, I rooted for Brazil because it was a Nike team. America was Adidas’s (as cited in Coakley and Donnelly, 2009, p. 439). Others, however, have lamented the intensive commodification of sport, including the Uruguayan-born journalist, historian, and political activist Eduardo Galeano, who offered the following commentary following Brazil’s victory over Germany at the 2002 FIFA World Cup: ‘The two countries have been finalists many times, but never before had they faced each other in the World Cup. Turkey took third place, South Korea fourth. Translated into market terms, Nike took first and fourth, while Adidas came in second and third’ (2003, p. 226). It is worth noting, however, that these promotional ambitions, and indeed the push to attract more up market global audiences, have antagonized many local and less-affluent fans who resent the tendency of administrators and marketers to treat iconic teams like the All Blacks as commercial vehicles whose sole purpose is to attract worldwide audiences. Similar concerns have been directed at the decisions to limit access to live telecasts of All Blacks matches to those who can afford subscription television, and more recently at the exorbitant costs of tickets to attend the 2011 Rugby World

Cup (RWC), an event that the New Zealand government is underwriting at a substantial cost to taxpayers. Indeed, as rugby and the All Blacks are transformed by these economic imperatives it is becoming increasingly difficult for ordinary New Zealanders to access premier events featuring the national team. It is likely that most New Zealanders, like sports fans in numerous nations around the world, are now well aware that they do not control or own 'their' team, and that the pursuit of global revenue streams and worldwide audiences increasingly trumps other long-standing loyalties, traditions, and aspects of cultural heritage.

These commercial practices which have been commonplace in North America for many years have, however, only recently emerged in New Zealand. This book explores the powerful economic pressures shaping sport and popular culture in New Zealand; pressures that are rapidly incorporating the All Blacks into the new global cultural economy. These types of developments can be seen on a number of levels, including most significantly the landmark 1995 broadcasting deal between the South Africa, Australia and New Zealand Rugby Unions (SANZAR) and News Corporation, and the emergence of transnational sport corporation, Adidas, as the principal sponsor of the All Blacks in 1999, at the expense of long-time local sponsor Canterbury of New Zealand. Moreover, the emergence of a global sports labour market – in particular the inflated salaries on offer from French and English clubs – has produced a new set of challenges for the NZRU with respect to player retention. In this respect, celebrated All Black Dan Carter was granted a sabbatical in 2008 to play in France. As a consequence, some rugby fans and pundits are questioning the relevance of an arguably outdated and highly restrictive eligibility rule that stipulates that players must play their professional rugby in New Zealand in order to represent the All Blacks. These issues also speak to the accumulation of an associated, but different type of pressure: i.e., the pressure for the All Blacks to perform at the highest level in every test match and RWC for the team to retain its international appeal and popular reputation as the most successful rugby team in the world. Indeed, to the disappointment of New Zealanders, the All Blacks have yet to win a World Cup since New Zealand hosted the inaugural tournament in 1987.

Over the course of the last two decades, similar incursions of global capital have radically transformed New Zealand's political economy, and it is within this context that long-standing national traditions and meaningful aspects of national popular culture – like those associated with rugby and the All Blacks – are being similarly challenged and reformulated. Although New Zealand is a relatively small (population 4.3 million) and isolated nation in the South Pacific, it offers a ripe and unique site to examine the multi-directional, but uneven political-economic and socio-cultural impacts of globalization. Indeed, while we focus on only one aspect of national popular culture, our analysis is intended to tease out some of the broader and more complex interactions and contradictions as ordinary New Zealanders confront the intended and unintended effects of over two decades of deregulation, free trade, and a host of other neo-liberal policies. These developments have radically transformed New Zealand's economy and culture, while the nation is now more diverse than ever before as a result of immigration.

Over the course of the 20th century, rugby has, of course, been routinely mythologized as a powerful element of national culture that has brought disparate New Zealanders together, and allowed people to imagine important points of connections. These popular and distinctly gendered representations of time-honoured rituals associated with rugby are often heavily laden with nostalgia and obscure a host of historical tensions and differences (e.g., the debates over New Zealand's continued sporting contact with apartheid South Africa), and beyond this, more enduring structural divisions in the neo-liberal and post-colonial context. Indeed, when we consider the significance of these broader political-economic and socio-cultural tensions – tensions stemming from regional, gender, ethnic, and economic differences – it is important to remember that they will require long-term political solutions. While the national sport has served as a politicized and contested terrain at a few key moments (e.g., the protests over the 1981 Springbok tour), it is unlikely that rugby or any other ritual of identity will be able to minimize these broader tensions, especially as the sport and its associated traditions continue to be inexorably transformed into a global entertainment commodity.

This book sets out to understand and critically interpret the issues and pressures that are transforming rugby against the backdrop of these broader political-economic and socio-cultural debates and developments that are re-configuring various traditions and power relations in New Zealand. In this complex, diverse, and ever-changing context, it can be tempting to long for a return to a 'simpler era' of both rugby and New Zealand society that exists in the warmth of nostalgic recollections that continue to hold considerable appeal for many New Zealanders, although these understandings of a common culture have always glossed over a range of inequalities. It is, in fact, these very idealized images of past national traditions and heritage that are reproduced and continue to feature prominently in contemporary advertising campaigns for global corporations, like those of Adidas – the principal sponsor of the All Blacks.

Such processes of corporate nationalism are, of course, not unique to New Zealand. However, they do illuminate the significant role of advertising in an ever-expansive global consumer culture. In their quest to conquer new markets, TNCs seek out new alliances and engage in flexible forms of accumulation that enable them to adapt and localize within and across the world's national contexts. Crucially, sport, as both a cultural form and practice, plays a central role in the new global cultural economies of TNCs. As Rowe and Gilmour point out:

The growing popularity of these sports entertainment cultures reflects emergent media and leisure economies combining global aspirational cosmopolitanism with local cultural identities and histories.... Sport, we argue, is especially well suited to such cultural adaptations and reconfigurations, given the protean, mobile nature of its organizations, texts and practices. (2009, p. 171)

Indeed, it is precisely these types of long-term developments and transformations that necessitate new interpretations and understandings of the role and position of various national sporting traditions and cultures – like those associated with the All Blacks and New Zealand rugby – and it is in this spirit of critical inquiry that this book is written.

Introduction

In 2006, an intriguing book was published just prior to the FIFA World Cup, a tournament that was eventually won by Italy. Entitled, *The Thinking Fan's Guide to the World Cup*, Matt Weiland and Sean Wilsey's edited collection features essays dedicated to each of the 32 nations that qualified for the tournament written by politicians, journalists, novelists, and other authors. While many of the chapters provocatively discuss a range of challenges facing various national teams and local soccer cultures, the most stimulating pieces invite readers to relate those issues to broader political-economic questions concerning the uneven impacts of globalization on nations and individuals around the world.

In one essay, for example, Mexico's former Foreign Minister Jorge G. Castañeda questions why Mexicans excel at individual sports (boxing, running, tennis, etc.), yet 'perform with mediocrity – at best – in collective ones: baseball, and most important, football' (2006, p. 190). While acknowledging that such sweeping generalizations are often undesirable – and in Mexico's case at least partly false – the author grants that the performance of the country's soccer teams reflects the soul of the nation: 'somehow we never quite make it to the top, and we are never up to our potential' (p. 190). Indeed, for Castañeda, Mexico continues to disappoint. Despite moments of great optimism (e.g., the signing of North American Free Trade Agreement (NAFTA), and Mexico's membership in Organisation for Economic Co-operation and Development), half of its population lives in poverty;

where approximately four hundred thousand young men and women leave the country each year seeking opportunities in the US; where joblessness, delinquency and the absence of the rule of law contribute to poverty, insecurity and a lack of competitiveness; and where nearly a quarter of a century of stagnation and fits and starts have generated a collective frustration alleviated only by individual solutions, as in boxing versus football. (p. 191)

Castañeda goes on to lament that, in contemporary Mexico, the pursuit of individual solutions has overpowered 'attempts to work as a collective, as a community, as a nation' (p. 193). He observes, for instance, that Mexico not only exports labour (i.e., as citizens immigrate to the US to seek employment and better lives for themselves and their families), but also capital and most notably 'foreign direct investments by huge Mexican conglomerates' (p. 194). While the Mexican rich have been taking their money out of the country for years to purchase real estate in major US cities, now even national companies look to invest abroad for the simple reason that 'it is better business for them than to do so only in their country of origin, that is, their collectivity' (p. 194).

Similarly, another essay by *The New Yorker* columnist James Surowiecki tempers the optimism that surrounded the rapid introduction of market forces, private property rights, and consumerism in Poland, and the popular portrayal of the country as a potential major player in the European Union (EU). While many welcomed the new Right's claims about the superiority of markets over central state management, others are continuing to experience new forms of material disadvantage while 'national' allegiances are being stretched in the borderless economy. Indeed, Surowiecki observes that, under these new conditions, a significant number of Poles are increasingly seeking employment abroad, 'just as the best Polish soccer players, in the wake of entry into the EU, now do' (2006, p. 218). Nevertheless, these changes have not been entirely welcomed by Polish soccer fans who, following the early exit of their team in the group stage of the 2002 World Cup, indicted these very players as professional mercenaries who were 'more concerned with money than with national pride' (p. 221).

Yet, it is also worth noting that in some cases, the presence of foreign talent in superior competitions in England, Spain, and Italy has been to the benefit of other national teams. For example, in the 'Afterword' to the *The Thinking Fan's Guide to the World Cup*, Franklin Foer (2006), the editor of the political magazine *The New Republic*, proposes that the exposure of soccer migrants to superior competitions in Europe can significantly bolster the performance of nations without much of a history of success at the World Cup, particularly those in Europe (e.g., Sweden) as well as those in Africa and Latin America. Still, as Foer points out, the cumulative

effect of the extensive migration of players to the powerful professional leagues in Europe is the continued crippling of domestic leagues in other parts of the world where, in the words of Eduardo Galeano, soccer is now an 'export industry' (2003, p. 206).

Beyond this, these developments have meant that the sheer number of a nation's soccer players who draw salaries from the most prosperous European club teams (e.g., Chelsea, Manchester United, Real Madrid, AC Milan) is arguably now one of the key indicators of the potential ability of a national side. For example, in his essay on England, celebrated author Nick Hornby bluntly acknowledges the impact of the globalization of the transfer market on international soccer:

If your national team doesn't contain players from those clubs, it's because those clubs don't want them, which means your national team is no good.... In the old days, an international-class footballer would have been first on any club's team-sheet. Now, it depends – on the quality of the club, and the quality of the country. (2006, pp. 124–125)

While Hornby asserts that the presence of foreign imports has 'dragged the cream of the English players, somewhat reluctantly toward something approaching competence' (p. 125), the sheer number of imports has also triggered extensive debates about potentially limiting the number of foreign players per side. Nevertheless, while each of the essays in Weiland and Wilsey's (2006) collection differs in their focus, a common thread that is contained in many of these brief vignettes is the scrutiny of popular claims about the benefits of globalization on and off the pitch, especially for countries like Mexico and Poland that are considered semi-peripheral in the global economy. For many, a more equitable 'new world order' has yet to materialize, while even affluent nations like England face substantial challenges in the intensely competitive and uneven global economic landscape.

If we return briefly to Franklin Foer, he is perhaps best known for his book *How Soccer Explains the World: An (Unlikely) Theory of Globalization* (2004); an enthralling commentary on soccer, the promises and perils of economic interdependence, and the winners and losers in the age of globalization. Foer documents the emergence of a new type of exceedingly wealthy and powerful oligarch, including men like Silvio Berlusconi,

Prime Minister of Italy and the owner of AC Milan, who have prospered handsomely in politics and beyond. Indeed, in the global economy it is increasingly common to find prominent sports teams owned by powerful TNCs or, in the case of the English Premier League (EPL), global-minded sports entrepreneurs who reside outside those local communities.¹ While these changes speak to the broader transformation of many sports into exceedingly valuable economic properties, it is important here to highlight the emergence of a global elite (Bauman, 2001; Sklair, 2001) who are well-positioned to prosper under a neo-liberal policy culture that opens up countries, and their sporting resources and traditions, 'to the upper-level professional circuits of global capital' (Sassen, 2007, p. 188). Yet, members of this socio-cultural 'bubble' (Bauman, 2001) – like Berlusconi – have increasingly very little in common with the lives of less affluent citizens and the immobile low-wage earners of whatever city, region, and nation within which they reside. Indeed, with respect to their sporting properties, they are more often interested in pursuing new global revenue streams (e.g., merchandise) and worldwide audiences (most commonly through satellite television) than the more modest revenues that can be accrued through the gate receipts and the loyalty of local fan bases.

Foer, however, is also quick to address some of the cultural 'limits' of globalization in sport and beyond. He does, of course, acknowledge the concomitant power of 'mega-brands like the clubs Manchester United and Real Madrid, backed by Nike and Adidas, who have cultivated support across continents, prying fans away from their old allegiances' (2004, p. 5). Still, his observations of soccer cultures around the world point to the resilience of the familiar, and the day-to-day manifestations of local traditions, entities, and even 'ancient hatreds' (p. 5). However, Foer cautions against embracing nostalgic versions of some traditions in soccer cultures, most notably those inspired by violence and xenophobia. Here the social anthropologist Ulf Hannerz similarly warns against un-reflexive retreats to local tradition in the face of globalization, and proposes that long-standing local meanings must also be de-mystified, 'reinterpreted, reorganized, even rejected' (1996, p. 28).

1 These include Chelsea (Roman Abramovich), Manchester United (Malcolm Glazer), Liverpool (George Gillett and Tom Hicks), and Aston Villa (Randy Lerner).

We begin our discussion of globalization by mentioning two books on soccer, or football as it is known in most parts of the world, because they provide valuable insights into the uneven impacts of globalization on sport, on nations, and on the everyday lives of ordinary people. Foer, for example, addresses the many upsides of globalization for consumers and fans of soccer including those fans who have cultivated powerful allegiances with numerous teams around the world: in Foer's case, FC Barcelona. Within New Zealand, a growing number of sports fans similarly enjoy competitions like the English Premier League, the NBA, the NHL, and follow the careers and tabloid lives of global sporting celebrities like David Beckham. At the same time, the emergence of new media technologies, including the internet and satellite/digital television, has enabled New Zealand sports, teams, and athletes to gain much greater global exposure than ever before. Even the inaugural New Zealand 100% Pure Winter Games (2009) were forecasted by World Television to have a global audience of over 350 million (Cook, 2009). Quite simply, the expansion of the sporting horizons of New Zealanders and the New Zealand media has been remarkable.

Nevertheless, any discussion about New Zealand sport would be remiss if it did not pay homage or at least make reference to rugby. Rugby's place within New Zealand popular culture has been described and characterized using all the usual clichés: a national obsession, a fundamental part of the nation's character and values, the raw material of the social fabric of society, and a national religion. Indeed, while other rugby nations, including South Africa and Wales, closely follow the trials and tribulations of their respective teams, historically, in no other country has the sport of rugby captured the national imaginary as it has in New Zealand. Yet, despite the fact that rugby remains the most popular sport in New Zealand judging by television viewership, newspaper coverage, radio talkback and even everyday conversations, its taken for granted centrality is being increasingly called into question (Obel and Austrin, 2005). As previously noted, New Zealanders have greater access to a wide range of other sport and leisure activities, both as participants and spectators. Soccer, for example, is the number one participation sport for New Zealand youth though this has, to date, not translated into long term or widespread spectator interest, although the qualification of the All Whites (the national men's soccer team) for the 2010 FIFA World Cup will probably generate substantial interest in the sport, at

least in the short term. Netball remains a very popular participation sport for females and television audience ratings for the national team, the Silver Ferns, are relatively high. Conversely, attendance and television ratings for New Zealand rugby's National Provincial Championship (NPC), Super 14 (soon to be Super 15) competition featuring teams from Australia, New Zealand and South Africa and even All Black international test matches have declined in recent years. Although an admittedly limited snapshot, a 2009 UMR survey revealed the lowest level of public interest in rugby recorded since tracking began in 1993 (*Interest in Rugby Plummetts*, 2009). Of course, this needs to be kept in perspective given that 60% of respondents still indicated that they were *very* or *fairly* interested in rugby.

All of these developments, however, highlight the significance of context and local specificity when trying to understand broad social phenomena like globalization. No doubt, countless sporting codes in many nations around the world would be ecstatic if they enjoyed a similar level of ubiquity as rugby does in New Zealand. Thus, while it can be granted that interest in the national game may be declining, perhaps due to increasing access to other sport and leisure activities, it is the sport of rugby, the fate of the All Blacks, and the enduring provincial rivalries that continue to take precedence for most New Zealanders. Hence, as Foer argues, the predictions of the emergence of a global monoculture have not yet been realized, and the continued resilience of 'old-fashioned nationalism' (2004, p. 6) and other residual identities and local traditions speaks to some of the potential obstacles to globalization (Rowe, 2003).

Nevertheless, since the 1990s, and most notably due to the entrance of satellite and pay television, specifically SANZAR's landmark broadcasting deal with Rupert Murdoch's News Corporation, the NZRU has been forced to confront the double-edged sword of globalization. In the late 1990s, former New Zealand MP, Rhodes Scholar and All Black Chris Laidlaw tried to express the precarious position of New Zealand rugby in the new global economy:

There is a real danger that control of the game in New Zealand will steadily be wrested away from New Zealand hands.... It is the bottom line of the national personality that is at stake and we are in danger of letting McWorld have it for a few pieces of silver. The massive deals that have been done with major sponsors were the only way of preserving that sovereignty. (1999, pp. 177–178)

Laidlaw's comments capture the challenge of dealing with and living with globalization: a dependency on foreign capital to maintain national traditions and heritage – at the potential expense of sovereignty. There is little doubt that, since the arrival of professional rugby and the monies that flow from television rights (News Corporation) and major sponsorships (Adidas and other TNCs), New Zealand rugby is richer (in financial terms) than ever, and the All Blacks have emerged as one of the world's premier sporting brands. However, this 'global' success has come at a steep price and the fate and future of New Zealand rugby, like other national traditions, continues to be uncertain. As we discuss in the following section, even the most storied and popular aspects of national culture and heritage in New Zealand are facing new sets of limits, pressures, and threats in the global economy.

New Zealand at the global–local nexus

The processes we are describing are not only economic, but also political and cultural, and have enormous resonances for collective organisation and identity.... The fundamental principle for political attachment in capitalist societies has been through national and nationalist identities, through citizenship of the nation state. This allegiance is now being undermined.... New forms of belonging and involvement are being forged out of the global–local nexus. (Morley and Robins, 1995, p. 74)

Globalization remains one of the most debated concepts in social, political, and public thought (Appadurai, 1990; Bauman, 1999; Beck, 2000a; 2000b; Castells, 1996; Featherstone, Lash, and Robertson, 1995; Giddens, 1990, 2000; Hall, 1991; Hardt and Negri, 2000; Harvey, 1990; Held and McGrew, 2002; Held, McGrew, Goldblatt, and Perraton, 1999; Hirst, Thompson and Bromley, 2009; Lash and Urry, 1994; Morley and Robins, 1995; Ray, 2007; Robertson, 1992a; 1992b; 1995; Schinkel, 2009; Sklair, 1991; Smith, 1990; Tomlinson, 1999). Its proponents vigorously herald the breathtaking possibilities of an inevitable borderless 'new world order' (Fukuyama, 1989; Ohmae, 1990, 1995), and the potential for unprecedented improvements in the standards of living for nations and citizens. Its many critics, however,

point to the exacerbation of a range of geo-political inequalities between nations, and the growing gaps between rich and poor citizens as evidence of the 'failure' of globalization (Ray, 2007).

Within the sociology of sport alone, a number of scholars have questioned whether these broad developments are better understood as evidence of mundialization (Wagner, 1990), modernization (Guttmann, 1991), or even the Americanization of sport (Jackson, 1994; Kidd, 1991; Klein, 1991; McKay and Miller, 1991; Maguire, 1990, 1993a). Building on these conceptual debates, what has emerged is a substantial body of research that examines specific issues and examples of the globalization of sport and popular culture, including: the transnational labour practices of sporting giant Nike (Frenkel, 2001; Sage, 1999), the new international division of cultural labour (Maguire, 1999; Miller, Rowe, McKay and Lawrence, 2003), the global popularity of various sporting celebrities (Andrews and Jackson, 2001), the associated global reach of the media sports cultural complex (Rowe, 2004), and the intensive commodification of sport and the promotion of globally recognizable and heavily branded teams like Manchester United and Real Madrid that are sold to fans worldwide (Amis and Cornwell, 2005; Andrews, 2004; Horne, 2006; Smart, 2007; Whitson, 2007). These developments point to the extent to which national and global popular cultures continue to be shaped by contemporary capitalism, and remain riddled with a number of contradictions, tensions, and disjunctures, particularly as local culture(s) and heritage(s) are increasingly enlisted and subsumed in the new global culture of enterprise (Morley and Robins, 1995).

We begin this section by conceptualizing globalization as the multi-directional flow of goods, services, capital, money, political ideologies, cultural products, and people – with some qualifications – across borders at unprecedented speeds (Hannerz, 1996; Robertson, 1992). While globalization is far from a new phenomenon, it continues to accelerate in the 21st century. In this sense, most writers agree that globalization involves the intensification of economic, political, and cultural processes through which the world is becoming increasingly interconnected (Robins, 1997). As Hannerz writes,

That interconnectedness has a great many aspects. We have ways of meddling with other people's environments, from the destruction of rain forests and the intercontinental dumping of toxic wastes to global warming; and with their bodies, as in a growing transnational trade in human organs for transplants. The goods we buy may come from far away.... People whose ancestors lived thousands of miles from one another, and hardly knew of each other's kind, are now in each other's immediate presence, rubbing shoulders; but even when they are not, the proliferation of media technologies allows their ideas, and the tangible shapes which they give them, to circulate without much regard for distance. (1996, pp. 17–18)

For many, the events of 9/11 illuminated the complex intersections and the increasing interconnectedness between global, local, and national events (Kellner, 2007). Clearly, the spectacle of global terrorism points to one of the most dramatic and sobering examples of globalization (Bergesen, 2003). The response to 9/11 has resonated globally, including in New Zealand where the government has increased border security and has deployed members of the elite Special Air Service (SAS) to Afghanistan in support of the US-led 'War on Terror'. Thus, there are substantial consequences that result from these processes as New Zealanders are now, more than ever before, increasingly connected to other people around the world and influenced by decisions made by distant nations, international organizations, and TNCs.²

The economic dynamics of globalization are fairly evident and have been widely critiqued by activists and scholars worldwide. It scarcely needs saying that money, investment capital, as well as countless financial goods and services now move around the world at incredible speeds. Consider the explosive growth in digitized global financial markets, a process which the Dutch sociologist Saskia Sassen (2007) refers to as the financialization of the economy. It is estimated, for example, that by 2004 the worldwide value of internationally traded derivatives was \$290 trillion, as compared to the value of cross-border trade (approximately \$11 trillion). The sheer volume of these financial transactions can overwhelm national banks and

- 2 Here we follow Hannerz (1996) and use 'international' to refer to relations or bodies that involve nation states, and 'transnational' to describe other connections (individuals, groups, business interests).

trigger economic crises like the one that erupted following the rapid withdrawal of over \$100 billion from countries in Southeast Asia in 1997–1998. More recently, the fragility of the global economy was revealed as a result of the structural issues underpinning US capitalism – issues which triggered a major financial and banking crisis that reverberated around the world. Clearly, such financial opportunities and crises are partly the result of technological innovations (Marchak, 1991), but more to the point, they are also the consequence of concerted long-term deregulatory efforts and agreements between various interest groups to establish a borderless, global economic market. Not surprisingly, these developments have also spurred a number of questions surrounding the power of global capital to ‘discipline’ national governments.

Indeed, over the course of the last thirty years, various trade tariffs and other barriers that once protected local businesses and products in many countries have been minimized or removed altogether enabling TNCs to sell their products simultaneously in numerous countries. Many New Zealanders continue to embrace the growing opportunities to expand their consumption horizons, not only with respect to consumer choice via global brands like McDonald’s, Nike, News Corporation, Ford, and Coke, but also in terms of lower costs through large discount chain-stores such as Kmart and the Warehouse that import inexpensive products from China, India and elsewhere. Yet, it is these very tendencies that have also triggered anxieties about cultural ownership and concerns about the ability of local businesses to compete in the hyper-competitive global economy. As the scholar and activist Jane Kelsey explains:

McDonalds and KFC now vie for custom with the ubiquitous fish and chips and meat pie. The difference goes beyond food – New Zealanders have a more cosmopolitan self-image. Mum’s hand-knitted jumpers have been replaced by sweatshirts with the ‘Nike swoosh’... SKY TV beams in sport from anywhere in the world – even the All Blacks have become a trade-marked commodity. (1999, p. 2)

Of course, economic globalization and international trade are not new and, as a settler colony on the periphery of the British Empire, New Zealanders have historically looked overseas for many of their goods and services. Yet, the processes of globalization have been intensified over the last quarter century and, aided by numerous technological developments, have

encouraged a new phase in capitalism characterized by global economic integration and the expanded reach and power of TNCs. Even a cursory look at the significance of TNCs reveals their increasing influence. For example, of the world's largest 100 economic entities, 51 are corporations and 49 are countries: 90 of the top 100 transnationals are located in the US, the European Union, and Japan (Kelsey, 2002).

Continuing now with the interrelated political dimensions of globalization, we can readily point to the increasing significance of international institutions like the World Trade Organization (WTO), the International Monetary Fund (IMF), and regional institutions like the EU. Moreover, countless free trade agreements like the NAFTA render national borders increasingly permeable and, in some instances, allow TNCs the right to sue governments if they impede or reduce the value of a foreign investment: even if that 'investment' is environmentally or socially damaging (McQuaig, 2001). These trends, however, also reveal the extent to which national governments have willingly abandoned certain economic obligations and functions that were once so central to nation-building and the collective identities of various countries. Here we are referring specifically to the ascendancy of neo-liberalism, the 'social and political counterpart to the globalization of production, distribution, and exchange' (Teeple, 1995, p. 5) that mandates global integration and pro-capitalist governance. This is an important point: while globalization encourages a limited role for government and public services, it does not imply the demise of the nation state *per se*, but rather a transformation of its role and authority. According to the geographer and social theorist David Harvey, the 'fundamental mission of the neo-liberal state is to create a "good business climate" and therefore to optimize conditions for capital accumulation no matter what the consequences for employment or social well-being' (2006, p. 25). Neo-liberalism in this sense runs in stark contrast to the preceding policies of many nations that strictly regulated foreign investment in critical sectors of national economies, and encouraged the growth of national industries. Since the 1980s, however, many governments have abandoned these policies and regulatory powers in favour of privileging foreign ownership and control of national economies, the removal of economic barriers, the reduction of public services, and the sale of government-owned enterprises (Laxer and Soron, 2006). Indeed, the proponents of neo-liberalism routinely herald

the efficiency of markets over government, and champion the ability of the private sector to manage these types of services in the global economy. As Wendy Brown has observed, in this deregulated neo-liberal context, citizens are cast primarily as economic actors, 'individual entrepreneurs and consumers whose moral autonomy is measured by their capacity for "self-care" – their ability to provide for their own needs and service their own ambitions' (2006, p. 694).

Notably, New Zealand continues to feel the effects from a radical experiment with neo-liberalism that was initiated when the David Lange-led Labour party government took power in 1984 (Kelsey, 1999). This neo-liberal shift, dubbed 'Rogernomics' in reference to Finance Minister Roger Douglas, was described by Marcia Russell in her book *Revolution* (1996, p. 9):

Between 1984 and '93, New Zealand became a laboratory for an experiment: the transformation of the world's first welfare state into the world's first post-welfare state. Around the world, gurus of market-driven economic theory watched in envy as a tiny nation in the South Pacific did an about-turn and marched in a different direction.

During the 1980s and 1990s, New Zealanders witnessed the full or partial privatization of numerous publicly owned entities including state banks, the national airline, railways, shipping and telecommunications amongst others, all in the name of 'national interest' (Kelsey, 1995).³ The proponents of the deregulation of the national economy and the sale of these assets enthusiastically argued that New Zealand companies and New Zealanders would emerge as 'winners' in the global economy, and that new investments and jobs would flow into the country. One of the main consequences of these processes, however, has been the transfer of much of New Zealand's infrastructure, and natural resource base to TNCs which now control 'key areas of the country's economic, social and cultural life' (Kelsey, 1999, p. 122).

- 3 Since the 1980s 'Revolution', the New Zealand government has slowly invested in or renewed ownership of a number of state-owned enterprises including: Air New Zealand, New Zealand Post Limited including 'Kiwibank', New Zealand Railways Corporation, Transpower, Genesis Power, Mighty River Power, Meridian and Solid Energy and Māori Television.

For example, during this time the communications landscape was radically transformed from a public service model towards a commercial one. What remained of public service broadcasting was re-packaged with the 1989 Broadcasting Act that restructured the national broadcaster, TVNZ, as a state-owned enterprise that was required to operate like other commercial services (Horrocks, 2004). That same year, the first privately owned television channel, TV 3, was launched.⁴ The commercial atmosphere was further heightened by the introduction of pay television in the form of SKY TV in 1990. By 1997, SKY TV had introduced direct-to-home satellite services and continues to enjoy a monopoly position in both pay and digital television, and as we will discuss in Chapter 4, has essentially wrestled control of the coverage of the most popular and desirable sports away from the other free-to-air networks. The lack of anti-siphoning legislation akin to policies that have been enacted in Australia and the UK remains an enduring issue that continues to impact on the viewing rights of New Zealanders by limiting access of live telecasts of sport to those who can afford to subscribe to SKY TV.

Meanwhile, between 1989 and 1999, New Zealand signed investment agreements with Chile, Argentina, Hong Kong, and China that contained NAFTA-like clauses, while the Closer Economic Relations (CER) agreement with Australia is regarded by many to be similar to NAFTA (Kelsey, 2002). What is evident here is a significant change in the relationship between governments and investors/corporations, to the extent that all levels of government (national, provincial, and municipal) now face substantial pressure to relentlessly pursue and attract flexible investment capital, including tourists, to their locales. These developments are readily seen, for example, in the government's willingness to underwrite the costs of hosting mega-sporting events, like the 2011 RWC, or the recent decision by the Dunedin City Council to heavily subsidize the construction of a new world-class rugby stadium to promote its urban brand and 'maintain' Dunedin's status in the national urban hierarchy (Sam and Scherer, 2008;

4 In 1991, the state announced the Broadcasting Amendment Bill that permitted 100% foreign ownership of a New Zealand frequency and that year Can West Global bought 100% control of TV 3.