

Lecture 1, Part 2: Late Capitalism, Neoliberalism, and Contemporary Sport

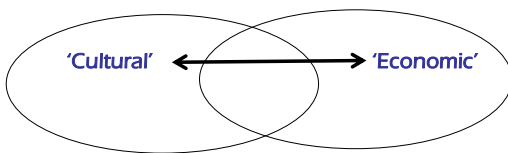
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The term 'cultural economy' tries to outline the ways in which the economic is interrelated with the cultural.

The term refers to how cultural meanings are embedded in economic life, and that we cannot explain how economic practices are coordinated without understanding the cultural meanings behind these actions.



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Industrial Capitalism (1850-1950)



- Economy centered on the production and consumption of *material* products
- Limited variety within goods and services
- 'Mass culture'

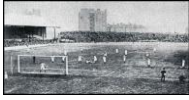
Late Capitalism (1950-present)



- Economy centered on the production and consumption of *cultural* products
- Increasing variety within goods and services
- 'Niche culture'

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Sport was *historically* a 'semiautonomous sphere of culture' (that is, somewhat removed from the practices and pressures of the marketplace)...



However, in the second half of the 20th century and into the 21st century, sport and physical activity became *increasingly entangled with the values and directives of late capitalism and neoliberalism*, and intertwined with the practices of multinational corporate entities."

Source: Jameson, F. (1991). *Postmodernism, or, the cultural logic of late capitalism* (p. 48). Durham: Duke University Press.

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Sport Organizations, Celebrities, and Spectacles: "Culture Industries"



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Sport as 'Culture Industry'

"The sport industry is always embedded within a *network of interdependent economic and cultural institutions* ... the complex industrial processes and relations together *produce sport* as one of the world's largest economic enterprises."

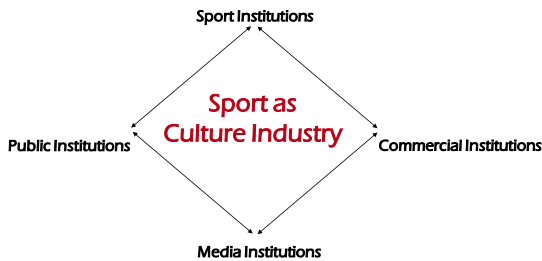


Source: Rowe, D. (1995). The sports industry: Paying for play. In *Popular cultures: Rock music, sport and the politics of pleasure* (p. 115). London: Sage.

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Sport as Culture Industry:

“interdependent economic and cultural institutions”



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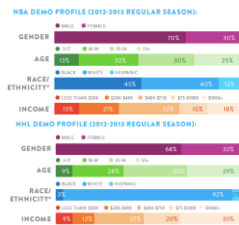
Sport as Culture Industry:

Although regularly used to describe popular music, film, television, and fashion sectors, sport has rarely been identified or addressed as a culture industry.

However, contemporary sport exhibits the “profit making” focus and “rationalized organizational procedures” exhibited by the more readily accepted culture industries.

Negus, K. (1997). The production of culture. In P. Du Gay (Ed.), *Production of culture/cultures of production* (pp. 67-118). London: The Open University.

Sports Industry Overview					
Estimated Size of the Sports Industry U.S.	Amount	Units	Overhead	Revenue	Source
Estimated American Sporting Goods Manufacturing U.S.	\$1.5B	100,000	20:1		
Major League Baseball					
MLB League Revenue	\$7.2	MLB	20:1		PMR
Number of MLB Teams	30	Teams			PMR
Average MLB Team Attendance (12 Game Season)	36,126	Seasons	20:1		PMR
Average MLB Team Revenue (12 Game Season)	\$6.1	Seasons	20:1		PMR
National Football League (NFL)					
NFL League Revenue	\$1.5B	MLB	20:1		PMR
Number of NFL Teams	32	Teams			PMR
Average NFL Team Attendance (12 Game Season)	68,007	Seasons	20:1		PMR
Average NFL Team Revenue (12 Game Season)	\$1.5B	Seasons	20:1		PMR
National Basketball Association (NBA)					
NBA League Revenue (Basketball Season) Revenue	\$1.1	MLB	20:1		PMR
Number of NBA Teams	30	Teams			PMR
Average NBA Team Attendance (42 Game Season)	19,126	Seasons	20:1		PMR
Average NBA Team Revenue (42 Game Season)	\$1.1B	Seasons	20:1		PMR
National Hockey League					
NHL League Revenue	\$1.5	MLB	20:1		PMR
Number of NHL Teams	30	Teams			PMR
Average NHL Team Attendance (42 Game Season)	17,000	Seasons	20:1		PMR
Average NHL Team Revenue (42 Game Season)	\$1.5B	Seasons	20:1		PMR



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Sport as 'Culture Industry' & Social Identity:

• **The NBA** has the youngest audience, with 45 percent of its viewers under 35. It also has the highest share of black viewers, at 45 percent—three times higher than the NFL or NCAA basketball.

• **Major League Baseball** shares the most male-heavy audience, at 70 percent, along with the NBA.

- **The NHL** audience is the richest of all professional sports. One-third of its viewers make more than \$100k, compared to about 19 percent of the general population.

- **Nascar's** audience has the highest share of women (37 percent) and highest share of white people (94 percent).

•**The Professional Golfers Association** has the oldest audience by multiple measures: smallest share of teenagers; smallest share of 20- and early 30-somethings; and highest share of 55+ (twice as high, in the oldest demo, as the NBA or MLS).

- **Major League Soccer** has the highest share of Hispanics by far (34 percent; second is the NBA at 12 percent) and the lowest income of any major sports audience. Nearly 40 percent of its fans make less than \$40k.

•**The NCAA** demographics for football and basketball are practically identical but they are surprising old (about 40% over 55+) and surprisingly white (about 80%), which clearly has as much to do with who owns a TV rather than who follows the sports.

<http://www.theatlantic.com/business/archive/2014/02/which-sports-have-the-whitest-richest-oldest-fans/283424/>

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Sport as Culture Industry:

Sport's increasing centrality within the American and global cultural economy has led some to call *sport the 'original reality television'* based on its growing popularity and commercialization.



As Bell and Campbell have noted, "Its drama, its personalities and its worldwide appeal mean that *21st century sport is the new Hollywood*".

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What are some examples of *institutional interdependence* related to particular contemporary sport events?

Where do we see connections between sport, public, commercial and media institutions?



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Lecture 1.2 In-Class Discussion, Part 1:

Identify the 'interdependent' institutions that were involved in the production and development of the NFL's Super Bowl LIV:



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Within late capitalism, a particular version of highly commercialized, entertainment-oriented, and media-driven sport has become the *hegemonic (dominant) structure of sport organizations around the world*. This model has been referred to as:



“Corporate Sport”
(Donnelly, 1996)

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A 'Corporate Sport' Model



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Cartelized Ownership

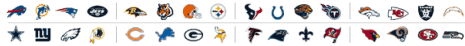


“A cartel is a group of firms that organize together to control production, sales, and wages within an industry.”

Sage, G. H. (1998). *Power and ideology in American sport: A critical perspective* (Second ed.) (p. 196). Champaign: Human Kinetics.

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Franchise Structure



According to former NFL Commissioner, Pete Rozelle:

“On the playing field, member clubs are clearly competitors--and every effort must be made to promote this. But in their business operations, member clubs of a league are less competitors than they are **partners or participants in a joint venture.”**

Sage, G. H. (1998). *Power and ideology in American sport: A critical perspective* (Second ed.) (p. 196). Champaign: Human Kinetics.

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Rational (Re)Location

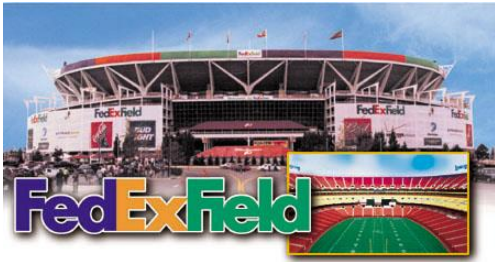


“Control of the number and location of franchises is one of the important advantages of cartel organization in professional sports.”

Sage, G. H. (1998). *Power and ideology in American sport: A critical perspective* (Second ed.) (p. 199). Champaign: Human Kinetics.

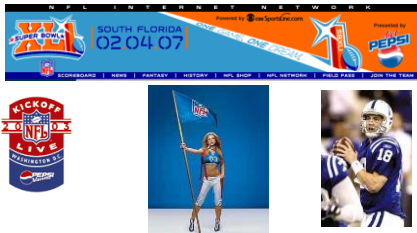
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Corporate Sponsorship



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Brand Marketization



"The operative word: experience. It's the Starbucks experience ...the Nike experience...the Caterpillar experience... the Levi's experience...the Absolut experience...that experience can be designed and managed very specifically."

Peters, T. (1998). The circle of innovation (p. 26).

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Product Diversification



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Media Spectacularization



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Celebrity Individualization



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Are there no alternatives to corporate sport? The relative influence, popularity and general dominance of the corporate sport model (both in the U.S. and abroad) suggests that we are living in an age of *'corporate sport hegemony'*: there are few alternate models for thinking about and organizing sport.



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Topic 2: Linking 'Late Capitalism' and 'Neoliberalism'

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What is 'Neoliberalism'?



"Individuals are also seen as being *solely responsible* for the consequences of the choices and decisions they freely make; *instances of inequality and glaring social injustice are morally acceptable*, at least to the degree in which they could be seen as the result of freely made decisions." (Thorsen and Lie)

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Late Capitalism (economic formation):

- focus on cultural products over industrial products, *consumption over production*
- increase in importance of *branding, symbolic value, and interpellation*

Neoliberalism (economic philosophy):

- focus on *individual* over collective, and prioritizes *private/market* over *public/state*
- places *responsibility on the individual* for both successes and failures, and generally ignores conditions and circumstances

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Neoliberalism $\neq$ Late Capitalism

These terms are **not** interchangeable, but they are 'overlapping':

- The economic formation of late capitalism is driven in part by the neoliberal focus on the *free market*
- Neoliberalism is supported by the focus on *individual consumption* within late capitalism

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Before 'Neoliberalism': The 'New Deal' and the "social welfare state"

For much of the twentieth century, politics was concerned with protecting the populace from the exploitative and unequal aspects of industrial capitalism, especially following the Great Depression (1930s). This led to the election of Franklin Delano Roosevelt ('FDR') and the government policies and programs of the 'New Deal'.



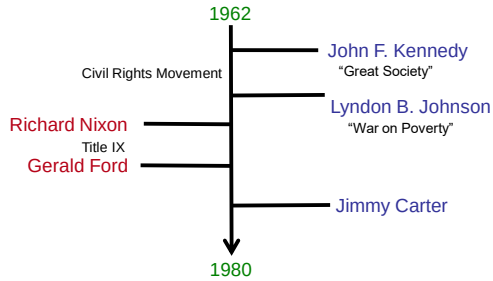
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Before 'neoliberalism': The 'New Deal' and the "social welfare state"



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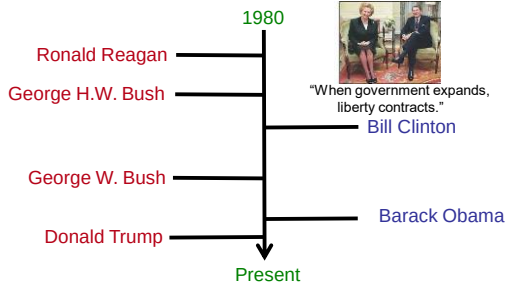
From "Social Welfare" ...



Throughout this period, the dominant political model involved *increased involvement of the state* in addressing economic issues and social inequalities, often expressed in terms of race, gender, & social class.

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...to "Neoliberalism"



Throughout this period, the dominant political model has involved the *removal of state involvement in social life and economic markets*, and a corresponding shift to a *focus on individual/private, consumer and corporate 'freedoms'*.

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Neoliberalism: Sport and the City

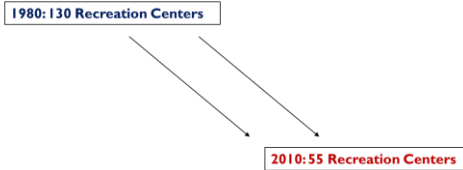
Top Five Most Expensive Sports

Sport	Cost
Ice Hockey	\$275
Men's Lacrosse	\$195
Football	\$165
Baseball	\$108
Field Hockey	\$30

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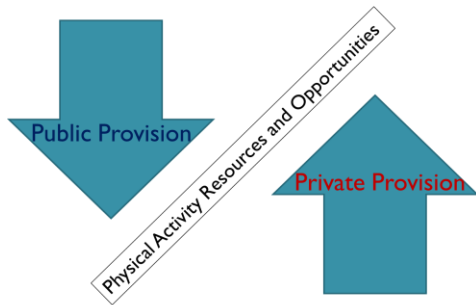
Neoliberalism: Sport and the City

While commercial gyms and other private forms of sport and physical activity have continued to increase, public services – including Baltimore's Recreation and Parks department (BCRP) – have seen reduced funding and support:



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Neoliberalism: Sport and the City



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Let's analyze "Youth Sports Inc." in light of our discussion of "neoliberalism"...



<https://www.youtube.com/watch?v=9ATwFKpVys&t=2s>

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