

# Is the FIFA World Cup Organization affected by Owner Financing?<sup>1</sup>

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## ABSTRACT

Since the Qatar bribery accusations, the FIFA Organization has lost in legitimacy and is constantly tackled by both journalists and international regulation committees. The objective of this paper work is to show that not everything is over for the FIFA organization and that some solutions exist to make FIFA great again. To do this, articles helped to underline the ongoing problems inherent to the organization but also understand how the situation degraded itself. Then, after reading and analyzing the articles, a summary was made, and so were links established. Last but not least, ideas and solutions had to be debated and settled precisely. Finally, in order to enhance the thoughts, data had to be found and analyzed. As a solution, opening the organization and bidding process to more people and instituting more details seems to be a viable solution. The organization nowadays remains troubled with bribery and corruption, and leading to a more arbitrary organization would re-brand the FIFA.

**Key Words:** Owner Financing, World Cup, Corruption, Local Impact, International Impact, Overall Benefits, FIFA

## INTRODUCTION

Historically, major international events were hosted by the most powerful countries in the world. These powerful countries were chosen and elected by the 22 FIFA Member Associates, and were to respect some specific rules. These rules can easily be found on the FIFA website, but when it comes to specifics, it is harder to find the detail. Indeed, the archives of the Bidding Processes for the previous FIFA World Cups are impossible to find. There must be a reason for this, and this reason must be that there has been a change of governance and new challenges were to be overcome. Looking at the World Cups of the late 90's and beginning of the 21<sup>st</sup> century, one can easily see that the hosting countries were mostly Economically Developed Countries (France, USA, South Korea/Japan, Germany) but nowadays the hosting countries are no longer selected for their economic situation, but seem to be selected for their political and

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economic influence. Both politics and economy go together and influence one another. This can be seen with the recent accusations against the FIFA for having accepted money coming from rich families in order to facilitate the acceptance of the Bidding Processes to be a host for the World Cup. That is why this topic is an important topic: to what extent does the corruption and Owner Financing affect the soccer universe, and more specifically the 2022 Qatar World Cup?

Hosting a huge event such as a World Cup should be very valuable for the host country. Indeed, not only does it bring many tourists, which brings more income to the state thanks to taxation, but it is also the opportunity for the hosting country to show to what extent the country is becoming a global modern country, and mostly shows its greatness and ability to organize a global event to the world. Nowadays, the countries which are able to host such events see their candidature darkened because of corruption. This is a very recent topic since the Qatar World Cup supposed to be held in 2022 is the most notorious of all. Indeed, the FIFA scandal which occurred in 2015 saw the FBI accuse the Government of Qatar for Bribery and State Corruption.

The point of this document is to show how Owner Financing can influence decisions, impact a country from its politics to its economy. We will try to see the consequences of Owner financing in the 2022 World Cup in Qatar on a political level, on a local level, and on an economical level. The objective of this paper is to try finding a solution so that the FIFA World Cup Institution never suffers from scandals again, and why not access a “participative” model rather than a “democratic” model.

## **1. PROBLEM DEFINITION**

In the FIFA organizing for the World Cups, there are 22 decision takers, who are voters, for the hosting country accordingly to the Billing Process. The model was constructed on solid foundations which are supposed to make a clear understanding of the intentions of the potential hosting country, but also clearly show the intentions of the country as to who it plans on organizing the event. The issue here is that the elections relies on these 22 people, and one knows that put under the pressure of money and processes, one can easily fail to be objective in the decision and vote for the most offering country. This is exactly what happened for the Qatar 2022 World Cup, and the scandal was made public in 2015. The point of this paper is to understand what were the main litigations and how they could be prevented from happening for the following World Cup Billing Processes.

## **2. FEASIBLE ALTERNATIVES**

In order to make sure that the problems faced during the previous World Cups and the coming ones, for which the Bidding Processes have already been accepted and expenses already generated, it would be necessary for the FIFA to act as mentioned below:

- I. Pass to a democratic model in order to undermine the voters' power
- II. If the undermining doesn't work, add more specific detail to the Billing Process
- III. If the details are not respected, add more decision takers into the Process
- IV. If the new decision takers are not reliable, form them and inform them of the new details and that must be reached and then vote.
- V. Arbitration as the last choice, doing a step by step voting according to the detailed Process settled.

## **3. DEVELOPMENT OF OUTCOMES**

### **A. Democratic Model Imposed**

The democratic model involves the FIFA organization first the acceptance of the failure of their Billing Process, not only on a company level but also on a local/financial perspective, and second the willingness to settle a new internal organization for the decision making process. This feasible alternative could be called the Legitimacy.

Advantages:

- A less biased vote
- A more optimistic approach to the development of the competition
- And a more accurate perspective of the details asked for

Disadvantages:

- Loosing power is never a good impression in an organization
- More legislation

### **B. Broader Detail brought to the project**

Bringing more detail to the Billing Process makes the project more selective and makes sure that the values of the World Cup are respected. Indeed, the Organizing of the World Cup is supposed to be that of equal opportunity, and corruption due to money and abuse of power is contrary to this value. This Feasible alternative could be called the Detailing.

Advantages:

- More precision

- A certainty on the long term that the event is affordable and will benefit the hosting country both socially and economically
- Dilute the corruption in the soccer industry

Disadvantages:

- More qualifications needed for the voters since an ability to synthesize and be concise is needed
- Difficulty to choose which country is best to host the event since more there will be more conflict points

### **C. Add decision takers**

By adding decision takers, the power is diluted which enables the decision making process to be more precise and legitimate. In an era where the corruption stains most of the pillars of our economy, having a strong transparency is a symbol of strength and legitimacy. By doing this, the events organized by the FIFA, especially the World Cup, will earn in reputation and send a strong global message to the world, message saying that the era of corruption is weakening and coming to an end, and that power will now be given to the people. Since soccer was proven to influence both political and social decisions, this would be a very important point in this new Process. This feasible alternative could be called the widening phase.

Advantages:

- Legitimacy given to the selected country
- Clear understanding of the practices and objectives of the new Processes for every stakeholder involved in the World Cup
- Give a global push towards transparency

Disadvantages:

- Dilution of the information
- Giving power to too much people can blur the decision making process

### **D. Forming the new decision takers**

If the decision is taken to add new voters into the Bidding Process, the Project Manager responsible for this transparency and widening must ensure that the new voters are well aware of the impacts and aims of this project. This can be made only by forming them, and selecting them by qualifications. Adding specialists into the process might be a good thing since a clear understanding of the issues can be made and spread to all of the voters. This feasible alternative could be called the Forming Phase.

Advantages:

- Precise decision making, based upon high quality analysis for every single detail of the new Bidding Process
- Good analyzing of risks and opportunities

Disadvantages:

- Giving power to specialists increases the conflicts of opinion given a specific topic
- Transforming the organization into a bureaucratic organization asks for more time, which the World Cup lacks of

### **E. Arbitration**

Arbitration would be the most important step and last path to transparency and making sure that the hosting country has the capacity and power to host such an event. For instance, the World Cup of Qatar for 2022, and that they spend approximately \$500 million a week, is a clear example that hosting such an event asks for a lot of money and unfortunate spending which could have been avoided. Indeed, most of these expenses are due to heat issues and standards that are to be met for the players and fans not to die of heat, since during the months of June and July, temperatures in Qatar can reach 110°. Arbitration is the opportunity for the FIFA to take clear step by step decisions and vote in complete knowledge of the potential countries Billing Processes.

Advantages:

- Have a clear overview of the detail for each potential hosting country
- Vote in a step by step method, detail by detail
- The country responding positively to most of the details and having most votes for each detail will earn the right to host the Soccer World Cup

Disadvantages:

- Very long process
- Poor countries might not be able to host the World Cup since they might not be able to fit to most of the details asked for.

## **4. SELECTION OF CRITERIA**

The selection criteria for the above processes to resolve the issues concerning the FIFA World Cup Bidding Processes is to be divided accordingly to 5 specific but extremely important points: transparency, equal opportunity, clearness of the overall overview, overall complexity, and accordance to the specific details.

**Alternative Dispute Resolution Clause between Original Bidding Process and New Bidding Process**

Keyword	Legitimacy	Detailing	Widening	Forming	Arbitration
Transparency	YES	NO	NO	YES	YES
Equal Opportunity	NO	NO	YES	YES	YES
Clearness of General Overview	NO	NO	NO	YES	YES
Complexity of the Process	YES	NO	NO	NO	YES
Accordance to the Specific Details	NO	NO	NO	NO	YES

Figure 1: Multi-Attribute Decision Making Tools

**5. ANALYSIS AND COMPARISON OF THE FEASIBLE ALTERNATIVES**

**DOMINANCE (USING PAIRWISE COMPARISON)**

KEYWORD	Arbitration vs Legitimacy	Arbitration vs Detailing	Arbitration vs Widening	Arbitration vs Forming
Transparency	EQUAL	BETTER	BETTER	EQUAL
Equal Opportunity	BETTER	BETTER	EQUAL	EQUAL
Clearness of General Overview	BETTER	BETTER	BETTER	EQUAL
Complexity of the Process	WORSE	EQUAL	EQUAL	EQUAL
Accordance to the Specific Details	BETTER	BETTER	BETTER	BETTER
DOMINANCE	YES	NO	NO	MAYBE

Figure 2: Multi Attribute Decision Making Tools

Dominance (USING PAIRWISE COMPARISON)

KEYWORD	Legitimacy vs Detailing	Legitimacy vs Widening	Legitimacy vs Forming	Detailing vs Widening	Detailing vs Forming	Widening vs Forming
Transparency	Better	Better	Equal	Equal	Worse	Worse
Equal Opportunity	Equal	Worse	Worse	Worse	Worse	Equal
Clearness of General Overview	Equal	Equal	Worse	Equal	Worse	Worse
Complexity of the Process	Better	Better	Better	Equal	Equal	Equal
Accordance to the Specific Details	Equal	Equal	Equal	Equal	Equal	Equal
Dominance	Yes	Maybe	Maybe	NO	NO	NO

Figure 3: Multi-Attribute Decision Making Tools

Quality	
Excellent	3
Good	2
Fair	1
Poor	0

Transparency	
Legitimacy	3
Detailing	1
Widening	0
Forming	1
Arbitration	3

Equal Opportunity	
Legitimacy	0
Detailing	1
Widening	1
Forming	2
Arbitration	3

Clearness of General Overview	
Legitimacy	1
Detailing	1

Widening	0
Forming	0
Arbitration	0

Complexity of the Process	
Legitimacy	2
Detailing	0
Widening	0
Forming	1
Arbitration	1

Accordance to specific details	
Legitimacy	0
Detailing	3
Widening	1
Forming	1
Arbitration	3

Attributes	Legitimacy	Detailing	Widening	Forming	Arbitration
Transparency	3	1	0	1	3
Equal Opportunity	0	1	1	2	3
Clearness of General Overview	2	0	1	1	1
Complexity of the Process	2	0	0	1	1
Accordance to specific details	0	3	1	1	3
Totals	1,4	1	0,6	1,2	2,2

Figure 4: Compensatory MADM Method

## 6. SELECTION OF THE PREFERRED ALTERNATIVE

Using the Compensatory MADM Method used previously, it is time for the selection of the preferred alternative. By taking the actual Organization of the FIFA Bidding Process, scoring an average of 1,4 and the Arbitration Organization, scoring a 2,2 overall average, it can be said that the Arbitration should be more effective by 57%! This means that if the FIFA wanted to settle more details, more regulations, and opening the votes to more experts, the FIFA would gain in legitimacy and re-brand its worldwide image, and would be as powerful on a world leading basis, being the cog of political, social, environmental and economical evolution.



## 7. PERFORMANCE MONITORING AND POST EVALUATION OF RESULTS

In order to do this, the FIFA should recruit a team of Project Managers to work on the detailing of the Bidding Processes. Once this would be done secretly, the Project Managers could erect a list and amount of new potential voters, form them, and then gather all of the new processes into a new big entity, a big new Organization, extolling the Worlds' new ambitions and objectives. The evaluation of results could be done by one mean only: that the next World Cup organized thanks to this Organization would be legitimate, financed accordingly to strict prerequisites, and run smoothly thanks to local political stability.

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**Léo Peigna** is currently a Masters Student at SKEMA Business School on the Lille Campus. This student paper has been produced with the means of getting it published with the PM World Journal, and is part of a key module named “The International Contracts” under the direct supervision of Doctor Paul Giammalvo, the Course Director, and Professor Paul Gardiner, the Program Director. Léo comes from Costa Rica, where he was born in 1995, and has been living in France since the age of 5. At first, he lived in Biarritz, then moved to Bordeaux in order to attend International Classes. He obtained his Economic Baccalaureate in 2013 with honors. By 2015, after attending 2 years of Preparatory Classes, he was able to enter SKEMA Business School. Previously, he has served as a Project Manager during an entire year running as Vice-President of the Sports Student Office at SKEMA Business School, and also had a 6 month internship in Paris in 2017 as Junior Project Manager. He is a certified AgilePm Practitioner. Contact him on: [leo.peigna@skema.edu](mailto:leo.peigna@skema.edu) or [leo.peigna@gmail.com](mailto:leo.peigna@gmail.com).