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Football's grobalization or globalization? The lessons of Liverpool Football Club's evolution in the Premier League era

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In the last two decades, the percentage of foreign players and managers in the English Premier League has increased markedly. In addition, advances in satellite technology have created a global fan base for England's biggest clubs, with global entrepreneurs vying for club ownership. Previous academic studies highlight these changes focusing on the excessive commercialization of football while mostly ignoring clubs, which are increasingly global sociocultural, political and economic agents, yet historically the source of intense local identity. Adopting Samuel Huntington's definition of institutions as 'stabled, valued, recurring patterns of behavior' and focusing mainly on the last two decades, this essay analyses how Liverpool FC as an institution dealt with the myriad challenges of globalization. Relying on qualitative interviews and archival documentation, it also tests George Ritzer's concept of *grobalization*, which predicts that the effects of globalization will result in all clubs becoming increasingly similar. The study reveals through a new conceptual framework called 'localism anew' that globalization's effects are not uniform but depend on institutional capacity and the local-societal setting.

Introduction

When George Gillett and Tom Hicks took control of Liverpool Football Club (LFC) in 2007 from long-time Liverpoolian owner David Moores, most fans were hopeful that their arrival would herald a new era for the club. Historically, one of the most successful English clubs, it had fallen on hard times since the start of the Premier League (PL) era in 1992. Although it famously beat AC Milan in the 2005 Champions League final, the club had not won a single PL title since 1990. The relative lack of success was made worse given the tremendous success experienced by the club's regional rival, Manchester United (MU), which has secured 13 PL titles since 1992. In light of the painful diverging trajectories, Liverpool fans hoped that the American owners would be able to make the financial investments necessary to challenge the likes of MU and Chelsea that had dominated the PL era in which access to capital had become a critical determinant of playing success. The following numbers will bear this out. Whereas total revenue for MU constituted £20 million in 1991, it reached £278 million by 2009 after the club was purchased by American Malcolm Glazer in 2005. At Chelsea, Russian oligarch Roman Abramovich has invested £740 million of his own money since purchasing the club in 2003.¹ In this new economic climate, global businessmen with deep pockets were

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increasingly seen as the only ones capable of providing the finances necessary to compete for trophies. Given the high hopes that had accompanied the Americans' entrance into top-flight English football, it was a stunning turn of events to see Gillett and Hicks in court fighting to maintain control of the club only three years later following an organized campaign by Liverpool fans to force them out. While much of the surrounding discussion has (understandably) been about the nefarious impact of money on the game of football, an equally important issue is how clubs have responded to not only the growth of international capital into domestic leagues, but also the concomitant import of foreign managers and players that have been a direct result of the influx of global capital.

This essay examines the question of how globalization has impacted clubs as manifestations of local institutions. It will first briefly outline the economic and political background against which football clubs were founded, which will explain why clubs can be classified as important local institutions. After assessing the changed economic and political climate in which clubs operate, it will turn to the central question of how LFC has adapted to this new era and in doing so test George Ritzer's theory of globalization, which holds that globalization overwhelms local institutions.²

Clubs as local community institutions

While rudimentary games of football have been played for hundreds of years,³ the roots of modern football can be traced to the English public school system in the middle of the nineteenth century. After representatives from a number of selected schools came together to codify the rules governing the game in 1863, the sport quickly grew in popularity. In addition to its simplicity and low-cost appeal, the sport's popularity was in large part a function of the fact that it resembled many of the folk games the lower classes had played in their villages before moving to the cities. The rapidly increasing popularity of football to the working classes in the cities of the Northwest attracted the attention of local businessmen and politicians. Businessmen were drawn to football by the prospect of cashing on the popular connections between the working classes, leisure and sport, while politicians sensed they could gain popularity by being associated with a local successful club. The latter consideration had become more acute in light of the 1884 Reform Act, which extended the male electorate and enhanced the need for democratic legitimacy. In other words, both structural economic and political variables contributed to the growing institutionalization of the game in its early years. Most clubs were founded in the mid-to-late nineteenth century as important local sociocultural, political and economic institutions. This link between football and local communities is a strong one since many of the earliest clubs were founded out of local community institutions such as churches, pubs, social clubs and work teams. In short, football clubs filled the void that many individuals felt when moving from the countryside to the cities in nineteenth-century England and served as an important source of identity.

Football clubs: from local institutions to global brands

The founding of LFC serves as one example of an interesting set of local characters and dynamics. In 1879, members from St. Domingo's church founded Everton Football Club. Initially the premier team in the city, it appointed John Houlding as

the club's president, a self-made local businessman who had worked his way up to become a sizeable figure in business circles and politics. Although civic pride was a driving factor for Houlding, so was making a buck, which upset many Everton members who decided in early 1892 to establish a separate club, taking the bulk of the team to a new location in Goodison Park. Left with no team and having recognized the importance of football to his ambitions as a local businessman and politician, Houlding wasted no time establishing a new club: Liverpool Football Club was formed on 15 March 1892.

Notwithstanding the fact that complaints about exorbitant wages, unaccountable club owners and 'foreign mercenaries' are as old as the game itself,⁴ clubs today operate in an environment that is fundamentally different from the era when clubs were founded. For most of the twentieth-century restrictions including the existence of a maximum wage, foreigner quotas and limits on the payments of dividends, constituted the central features of a corporatist agreement between league administrators, owners and players that limited clubs from pursuing a strict profit motive and aimed to maintain a distinct level of parity between clubs. However, the confluence of economic, technological and political developments in the 1980s introduced the era of globalization that would ultimately upend the regulatory framework that had governed football for over a century. For this essay, globalization will be defined as the

process which embodies a transformation in the spatial organisation of social relations and transactions – assessed in terms of their extensity, intensity, velocity, and impact – generating transcontinental or interregional flows and networks of activity, interaction, and the exercise of power.⁵

These transcontinental flows have been made possible because of a transformation in the spatial organization of social relations (i.e. time-space compression) that has led to the emergence of a global economy, which can act as a unit in real time. This era of 'interlinked economies'⁶ has coincided with the rise of neoliberalism as the dominant economic philosophy in much of the West, which implies that globalization is also a political process. Globalization and its effects on English football can be discerned by analysing the pivotal role of television and the influx of transnational flows into English football.

Although the transmission of football on television dates back to 1937 when the FA cup final between Sunderland and Preston North End was broadcast, the role of television was limited until the 1960s (clubs refused cameras onto their grounds for fear of declining attendances). In 1964, agreement was reached between the BBC and the Football League to allow the broadcast of extended highlights of football matches on the programme *Match of the Day*. The £5000 paid by the BBC, in line with the dominant Zeitgeist, was divided equally between all 92 Football League teams. By the 1980s, however, negotiations for a new contract took place in a changed environment. Margaret Thatcher, a keen proponent of the invisible hand, had come to power in 1980 and was opposed to the concept of public service broadcasting and the corresponding traditional licence fee because she deemed it antithetical to free market principles.⁷ Furthermore, the advent of technological and political developments, satellite television and the moves towards creating a single European market respectively, implied that English football clubs could cater to an international audience. Aware of their greater marketability the top English clubs created

the PL in 1992, which enjoyed commercial independence and ended the structure of the Football League that had existed unchanged since 1888. In short, the combination of Thatcher's deregulation policies, growing television ownership, English football's global popularity, and developments in satellite television has ensured that broadcasting revenue figures for the PL grew at an annual rate of 27% since the 1991/92 season, exceeding £1 billion in the 2009/10 season.⁸

This rapid growth is a function of the PL's global popularity. Whereas the value from international rights sales constituted a mere 10% of the total in 2000, it had climbed to 40% by 2010⁹ fuelled by contracts with broadcasters in more than 200 territories where 75 million viewers tune in weekly to watch the PL. As a result, the number of fans worldwide who support an English club team has grown exponentially. Although reliable figures are difficult to collect, the top English clubs have millions of fans not only in Europe, but in Africa, North America and Asia as well.¹⁰ To offer these fans the opportunity to see their beloved team play in person (and to promote the club's brand), clubs routinely travel to financially lucrative places to play matches during preseason. Asia especially has become a regular stop¹¹ because it is a vast market where many new fans are to be won. In China alone, 60 million people support Liverpool FC.¹²

Because of the technological advances that allow footballers to perform in front of millions, wages have grown spectacularly: total wages for PL clubs in 2009 constituted £1.4 billion compared to £75 million in 1991.¹³ To finance the ever-increasing wages, clubs have aggressively raised ticket prices. In the last two decades, prices at most clubs have jumped more than 1000%. At LFC, the cheapest ticket for a top match in the 1989 sold for £4 whereas the cheapest ticket for a similar game currently averages £45. Notwithstanding the danger that these increases would price out a large section of the local community, clubs pressed ahead based on the belief that fans would pay more because of their undying loyalty, a conclusion borne out by a 1997 report written by City analysts who designated football as an entertainment product; clubs as brands; fans as a captive market; and the subsequent demand for tickets as inelastic.¹⁴ Around this same time, clubs started referring to themselves as brands and their clientele as 'customers' rather than 'fans'.¹⁵

Fans around the world also follow PL matches to watch the performances of fellow nationals following a considerable jump in the number of foreign players in England's top league. This development is legacy of the European Court of Justice's (ECJ) 1995 *Bosman* ruling, which declared foreigner quotas (on players from European Union member states) as illegal restrictions of the free movement of persons. Whereas in 1989 only 8.4% of all players were foreign born, this number had increased to 53.5% by 2009.¹⁶ In the case of LFC, this number jumped from 22 to 83%. In addition, clubs increasingly put their faith in foreign technocrats to modernize the English game. Currently, more than half of all PL teams have employed a foreign manager since 1990, whereas prior to 1990 no foreign manager had ever been in charge of a top-flight English club. LFC again is no exception and had a foreign manager at the helm from 1998 until 2010 when the club replaced Spanish manager Rafa Benitez with Englishman Roy Hodgson. Finally, the prospect of ever-increasing television contracts (profits) has resulted in global investors vying for control of PL clubs. The purchase of London-based club Fulham FC by Egyptian businessman Mohamed Al Fayed in 1997 marked the first time a foreigner owned an English PL club. Currently, half of all 20 PL clubs are owned by foreign investors most of whom are from the USA.

In summary, the transnational flows of capital, players, managers and owners in English football can be safely designated as globalization, which has posed substantive challenges for clubs, including LFC. This fundamental challenge is touched upon comprehensibly by David Whitson and therefore worth quoting in full:

In the early days of spectator sport, teams were largely composed of local men, and operated under the auspices of 'clubs' that acted as organizers of ethnic, class, or town affiliations. Together, these phenomena contributed to a popular sense that teams were community institutions, and that their performance reflected the character of the communities they represented...However, as the potential for making money from the staging of sporting entertainment became clearer, and as cities themselves grew and changed, these community associations and meanings would be abraded and transformed by the logic of the marketplace. By the late twentieth century, although professional sports operators routinely appeal to civic (and national) sentiments when it suits their commercial purposes, the languages of communal tradition and loyalties are increasingly supplanted by corporate images and by the discourse of consumer choice.¹⁷

The answer to the problem raised by Whitson is important for clubs but also for political scientists, who focus on the impact of globalization on institutions, famously defined by Samuel Huntington as 'stable, valued, recurring patterns of behavior'.¹⁸ Huntington's definition is useful since it also proposes to measure the level of institutionalization for a particular organization by its adaptability, complexity, autonomy and coherence. While adaptability refers to the success with which organizations have been able to respond to environmental changes, autonomy is premised on the distinctiveness of its norms and values. Finally, coherence means a degree of consensus about the mission and future of the organization. What the former implies is that those institutions that are receptive to change (adaptable); possess coherence (unity); and reflect autonomy (distinctive norms and values) will be more successful in responding to changes in the external environment than those that are not.

Globalization or Grobalization?

To George Ritzer, the aforementioned developments in English football are more aptly described as *grobalization*, which he defines as the 'imperialistic ambitions of nations, organizations, and the like and their desire, indeed need, to impose themselves on various geographic areas'.¹⁹ Ritzer's concept of grobalization is premised on the belief that globalization is a powerful force producing increasing *sameness* that leaves little room for the local; in other words, the homogenizing effects of globalization (i.e. capitalism and related processes of rationalization and efficiency) reduce cultural distinctiveness in spite of countervailing local processes to maintain distinct cultural traditions and values. In short, the global overwhelms and severely impairs the local.

Employing Ritzer's framework to the structure of modern-day football, Cornel Sandvoss has argued that football clubs have grown increasingly similar-looking. As evidence, he cites the following developments: the ever-increasing number of games clubs plays annually; the consistent ticket price hikes; the growing physical convergence of football stadiums; and the standard formula that is employed to broadcast football matches, which tends to erase everything that is characteristic about a stadium or the neighbourhood in which it is played. One consequence of

these aforementioned developments is that football landscapes are increasingly 'placeless', which means they are barely distinguishable from each other. As football's landscapes have become placeless, football clubs, Sandvoss contends, have become 'contentless organizations' in an effort to strip themselves of their sociocultural heritage in order to appeal to fans globally with the ultimate aim of securing new revenue.²⁰ Concretely, using Ritzer's and Sandvoss' terminology, globalization's homogenizing pressures have produced a distinct degree of sameness.

Sandvoss is correct to state that globalization, in particular, the combined effects of technological innovations – the rise of satellite television – and political decisions – liberalizing measures taken at the national and supranational level – has altered the landscape football clubs have to navigate and has led to clubs acting similarly on a number of fronts. Most pronounced are the ubiquitous ticket price hikes, which have priced out working-class sections of the local community that have historically constituted clubs' core fan base.²¹ However, while helpful as an analytical construct, ultimately the concept of globalization suffers from its rigidity and subsequent inability to explain the manner in which the global and the local interact. Furthermore, his examples are of a generally superficial nature and do not reveal in a meaningful way to what degree clubs are impacted by these trends. For example, it can be plausibly argued that the renovation of many stadiums (which he cites as an example of physical convergence) constitutes a development that was long overdue given the numerous disasters that had occurred in years prior.²² In other words, what Sandvoss refers to as an example of increasing placelessness can be more aptly coined as plain progress. More importantly, the theory of globalization presents a zero-sum vision of the relationship between the global and the local, which does not capture the importance of local agency.

Global outlook with fidelity to local roots

What a careful analysis of the Liverpool archive coupled with interviews with key stakeholders shows is that the club has gone to great lengths to ensure that the manner in which it responded to globalization would be in keeping with the club's traditions and satisfy the club's stakeholders. In doing so, it adopted a policy that I will coin a *global outlook while maintaining fidelity to its local roots*. It adopted a global outlook because part of the identity of the club is success, and for success one needs income, which in turn requires commercial strategies in order to accrue the necessary revenue. The former notwithstanding, the club also realized that what makes it special is its sociocultural heritage and its bond with the local community. As a result, all decisions that the club has taken in this intense period of globalization can be framed within this paradigm, which reveal the institutional dynamics of adaptability, coherence and autonomy. Furthermore, a framework of global outlook with fidelity to local roots makes clearer the conclusion that globalization's effects are not uniform but depend on local conditions.

While rapid changes in the external environment of the 1990s required a paradigm shift in its *modus operandi*, LFC was ill positioned to do so because of the legacy of two major disasters involving its fans – Heysel in 1985 and Hillsborough in 1989²³ – which had ensured the club was focused *inwards* at a time when it should have been looking *outwards*. However, the inward-looking approach was not exclusively a function of Heysel and Hillsborough; instead, it was partly a consequence of the long period of success that had transformed it from a club

languishing in the second division in the 1950s to a national and European powerhouse in the 1970s.²⁴ Responsible for this transformation was Bill Shankly who took over at the club in 1959 at a time when the Keynesian mechanisms governing the sport were starting to show the first signs of strain. Concretely, Shankly's emphasis on unity and collective effort (coherence) and continuity (autonomy) proved vital factors in the club's transformation, which will be key to understanding the club's actions in today's era. With regard to the former, Shankly's devotion to collective effort and his desire to satisfy the local fans with whom he strongly identified served as an important foundation upon which future success was built.²⁵ To reinforce the message that the players needed the fans as much as *vice versa*, Shankly routinely had the young players play practice games against the local garbage collectors. In addition, Shankly imposed a policy of near-equal wages because he believed that success was a result of collective effort. It was also a function of Shankly's openly professed socialism, a legacy of his upbringing in a mining community in Scotland²⁶ and an integral part of his life and management style. Continuity was another hallmark of Liverpool FC during this era and was ensured by Shankly surrounding himself with a dedicated backroom staff that included Bob Paisley, Joe Fagan, Roy Evans and Reuben Bennett who were at the heart of the famous boot room tradition²⁷ and who would all (with the exception of Bennett) become Liverpool manager following Shankly's resignation in 1974. In fact, this unwritten policy of *promotion from within* that ensures the traditions and culture of the club are upheld has a distinguished history at LFC²⁸ and was pushed by John Smith, who was chairman from 1973 until 1990. The promotion of Bob Paisley in 1974, Joe Fagan in 1983 and Kenny Dalglish in 1985 all occurred during his reign. The same emphasis on continuity was applied when looking for new players who were told to play within the prevailing system, and in practices, which mostly consisted of five-a-side games.²⁹ A final hallmark of the Shankly era was the concept of the 'Liverpool Way'. A term cherished by everyone who supports the club yet slightly ambiguous,³⁰ it means to represent the club with respect; to act united when facing the outside world (to keep one's dirty linen indoors); and to support the manager unconditionally.³¹ In summary, Shankly's core philosophy premised on collective effort and continuity rooted in the club's distinctive norms produced great results on the pitch³² but also percolated through to the management side of the club. It also ensured that core traditions and the club's heritage would be maintained even in a changing external environment.

Notwithstanding the successes that LFC enjoyed from the arrival of Shankly in 1959 until the creation of the PL,³³ it was initially slow to respond to the changes associated with the era of globalization. However, responding to globalization proved difficult for most clubs that had been created in the late nineteenth century as 'institutions of belonging'³⁴ and thus were not prepared to act according to the dictates of market logic. Furthermore, part of the failure to adapt was the very success Liverpool had achieved in the previous decades; engaging in strategic change when winning is simply more difficult than when losing since the impediments to change are far less formidable in the latter instance. Moreover, Liverpool's inability to adapt to globalization was not exclusively due to lack of prescience or rootedness in the past but also a consequence of deliberate design because the club was concerned about 'losing its soul'.³⁵ Put differently, it was a consequence of the club's institutional characteristics centred on the club's distinctive norms. Much has been made of the fact that in 1991, at a time of unparalleled domestic and international

dominance, LFC's total revenue was 25% less than that of MU. In addition, that the club did not have a website by the end of the 1990s, was slow to build executive boxes and missed out on the opportunity to capitalize on its remarkable comeback in the 2005 Champions League final by closing the club shop the day afterwards, have been cited as illustrating the club's 'local corner shop mentality'.³⁶ That said, one could plausibly claim that these examples emphasize the club's agency to chart its own course, and its determination to stress the local, cultural importance of the club at the expense of more overt economic considerations. Unwillingness instead of inability is thus the key factor. Opposition to the commercial exploitation of football clubs as brands has been a common feature at numerous English clubs due to their historic working-class background but especially at LFC given the intimate relationship between the club and its fans, and its history as a port city that was hit hard by the changing economic landscape during the latter half of the twentieth century, a process that accelerated during the Thatcher years. As a result of these trends, the state has been equated with Thatcherite, neoliberal policies, which means the club has had to tread very carefully when pursuing commercial opportunities.

The overarching policy to reconcile the global with the local can also be discerned in the club's strategy of appointing managers, executives and owners, respectively, as the following paragraphs will reveal. In 1991, manager Kenny Dalglish, who had replaced Joe Fagan in 1985, resigned. Dalglish's replacement, Graeme Sounness had very different views on how the club needed to adapt to the free market ideologies of English football. Politically, Sounness was a fan of Margaret Thatcher in clear contrast to the mentality of the club, and many of the city's residents.³⁷ Furthermore, Sounness involved himself in the players' diets and ended the tradition of players taking the bus from the stadium to the club's training ground to practice and sharing a lunch at Anfield afterwards.³⁸ Nonetheless, Sounness was appealing to the Liverpool board because he combined a reputation for modernization (he played in Italy during his career and had been a successful manager in Scotland) with a history as an ex-LFC player. The decision to go with Sounness can thus be interpreted as an attempt to balance local loyalty and continuity with the recognition for the need to appoint someone with foreign experience. When it became apparent that the partnership with Sounness was not producing the expected results, a desire for stability and certainty led to the club's appointment of Roy Evans, one of the boot room disciples who had been on the Liverpool staff for 30 years. While the quality of football improved during his reign, results did not. So in 1998, in light of the influx of foreign players in the league and bolstered by the early success of manager Arsène Wenger at Arsenal, which had led to English clubs increasingly looking abroad to fill managerial vacancies, Liverpool did so too and settled on Gérard Houllier, a French technocrat similar in style to Wenger. Importantly, Houllier was an admirer of LFC having studied in Liverpool as a university student in the 1960s and having visited the famous Kop section of Liverpool's Anfield stadium. In other words, Houllier's understanding of the social and cultural importance of LFC made him acceptable to the board and the fans. However, reluctant to embrace fully the paradigm shift that the decision to appoint a foreign manager would entail, Houllier was asked to share responsibility with Roy Evans who was kept on to maintain the Liverpool tradition.

Similar to the way in which the appointment of Houllier represented a step to come to terms with globalization while not diluting core Liverpool traditions, so

did the appointment of Rick Parry as chief executive reconcile the wariness of monetizing the Liverpool FC brand with the recognition that it had fallen behind the curve compared to other English clubs in off-the-field developments. Rick Parry may have been viewed with suspicion by sections of the fan base given his crucial role in the creation of the PL and his business background but his history as a life-long Liverpool FC fan meant he was acceptable to those who feared that the club was about to abandon its roots by trying to cash in on its commercial appeal.³⁹ Parry himself was very careful in trying to reconcile Liverpool's traditions with the need to raise revenue to be able to compete on the field. When asked how he navigated this tension, he argued that:

My belief was always that it was critically important both in a very fast-moving environment in England and the increasing internationalization of the game that we actually made special efforts to stay close to our roots and to highlight the fact that we were a football club first and foremost because I think that is what makes us distinctive and what paradoxically our international audience wants to buy into. They're not buying into a multinational brand; they're buying into Liverpool Football Club and what's special about it because that's why they became fans in the first place so to me it was always really important to positively reinforce that.⁴⁰

The club's decision at the time to enhance the Liverpool badge on the shirt to stress that the Liverpool brand equals tradition can be seen in this context. Parry's quote is revealing in another way since it touches on the fundamental challenge that all clubs face: how to respond to globalization (i.e. the increasing internationalization of the game) while retaining their culture and identity as a local institution (i.e. stay close to our roots). In an era where given the influx of foreign money, clubs have to be more businesslike to survive – and which subsequently 'forces' clubs to pursue the bottom line, in turn leading credence to globalization's predictions that foresee greater homogeneity – the days when traditional directors viewed football clubs 'not as a private, profit-making domain, but rather as public institutions whose purpose was the provision of an inclusive public good to the working population'⁴¹ are forever gone. Clubs therefore have to adopt sound business strategies in order to secure revenue in order to compete on the field. That said, the business terminology that accompanies this new thinking (i.e. the customer, brands) is inherently limited since the fans' intimate relationship with their local side can never be reduced to an exclusively monetary transaction. This last point implies that while globalization has unquestionably resulted in powerful dynamics that constrict clubs' autonomy to act, it is not a one-size-fits-all phenomenon that impacts all clubs similarly. In fact, what the former examples have illustrated is that Liverpool's strategy to cope with globalization was conditioned by its sociocultural context and the particular local-societal setting. In LFC's case, it is the local root that is being branded and sold globally.

The Gillett and Hicks era

The pressure to leverage continuity and tradition, but compete globally was at the heart of the search for a new owner after long-time Liverpoolian owner David Moores had come to realize in 2004 that he no longer possessed the finances to provide the investments for the stadium and top players.⁴² The prospect of Liverpool FC being sold to foreign investors, while expected to some degree, nonetheless

came as a shock to many fans because the Moores family represented par excellence the patrician nature of football support that dated back to the founding of football clubs in the nineteenth century. In the aftermath of Moores' decision to sell, many investors showed interest, including former Thai Prime Minister Thaksin Shinawatra, local businessman Steve Morgan, and Dubai International Capital (DIC), a state-owned private equity company connected to the Dubai ruling family. In the end, Moores decided to sell the club in 2007 to two American businessmen, George Gillett and Tom Hicks. Although this decision was a disputed one with some arguing Moores did so to pick up an extra £8 million (on top of the £81 million he would have earned had the DIC bid been accepted), Moores insisted that the desire to find a 'suitable custodian' who would act in the best interest of the club in light of its historic traditions, was his sole motivating factor. A similar conclusion is reached by John Williams, academic and Liverpool FC historian. Looking back on Moores' decision to sell, Williams argues that:

Certainly he did realize that he no longer had the finances, or local people no longer had the finances ... and that Liverpool was now a club of such stature in this new era that you needed people with hundreds of millions, not tens of millions, to invest. His duty now was to find someone who had the same feelings for the club as he did; someone who wouldn't ransack it and wouldn't come in to try and make profit out of it, but would somehow carry on this custodian duty but in a new era, in a global era which again, almost certainly meant non-local money.⁴³

While Moores' desire to find a responsible custodian may seem idealistic and naïve in an era dominated by financial considerations, it fits the narrative of Liverpool FC as an important local institution, which for much of the local community represented more than a venue for weekly entertainment. The language that Gillett and Hicks employed during the press conference announcing the sale (i.e. being custodians rather than owners) indicated that they understood the Liverpool Way and the club's sociocultural relevance. Only a few months later, the very sentiment that Gillett and Hicks were oblivious to the Liverpool Way following the revelation by journalist David Conn that they had placed significant debt on the club⁴⁴ (despite explicit promises to the contrary) caused great anger among Liverpool fans. Hicks' interview on the eve of the 2007 Champions League final in which he likened buying Liverpool FC to buying Weetabix⁴⁵ (a cereal company) convinced many of the need for action, which resulted in the creation of the Spirit of Shankly (SOS) in January 2008, a football supporters' union aimed at removing the American owners. The subsequent effort to oust Gillett and Hicks hints at the complicated views held by many Liverpool fans towards globalization; while on the one hand clamouring to compete with rich clubs like MU and Chelsea, there is also a distinct pride among LFC fans in doing things the traditional way even if this means foregoing winning prizes. This ambivalence has been expressed lucidly by University of Liverpool Professor and LFC fan Liz Crolley, who reflected on the Americans' reign as follows:

I think that one of the things the experience of the last few years has shown is that for a lot of hard-core traditional fans like me, we realize that we would rather do it our way, even if that means not necessarily being first, but do it our way, true to our values and our traditions. Do it the proper way even if it means a bit of sacrifice.⁴⁶

SOS' efforts, which included a collective and committed campaign to dissuade financial institutions from extending additional loans to Gillett and Hicks once they ran into financial difficulties succeeded⁴⁷ in late 2010 when the club was sold to the New England Sports Ventures group led by American businessman Tom Henry for £300 million.⁴⁸

Although the new owners have only been in charge for about 15 months, they have struck the right chord with many people inside and outside the club. During their first months in charge they personally visited club employees to get their feedback about the club's culture and their visions for the club's future.⁴⁹ The perception that they spent more time listening rather than talking and made efforts to reach out to local media and stakeholders was also acknowledged by people outside the club.⁵⁰ With regard to policies, the new owners' decision to fire Roy Hodgson in January 2011 after a disappointing first half of the 2010/11 season was welcomed by large sections of the Liverpool fan base who had been openly calling for his sacking.⁵¹ The same sentiment accompanied the subsequent decision to appoint as manager Liverpool legend Kenny Dalglish, which can be interpreted as an attempt to restore unity after the tumultuous Hicks and Gillett era that had led to fissures inside the club and among fans.

In hindsight, the central mistake made by Hicks and Gillett is that in their drive to increase profitability they neglected what makes the club special, which is its local connections with its fans. This is also the view of SOS, the supporter union, which designates Liverpool FC as a *global club with a Scouse heart*. SOS understands that in order to compete with other global clubs like Chelsea and FC Barcelona, Liverpool FC has to be globally driven and that, consequently, some of the income of the club will come from global sources. The lucrative sponsorship deal with Standard Chartered, an investment bank that has substantial business interests in the Far East, is one example of how the club aims to secure greater revenue from its overseas fan base. That said, SOS also argues that the global interest in Liverpool FC comes directly from its 'localness'. Like all global clubs, it is based *somewhere* and it is that somewhere that makes it unique in the eyes of many of its overseas fans. And according to SOS member Paul Gardner, it is the Scouse heart that the global fan base is buying into.⁵² The former means that the club, while geared globally, can never forget about its local fans.

Localism anew

What an overview of Liverpool's policies in the last two decades reveals is that in spite of dominant globalizing tendencies, local institutions are not nearly as powerless as Ritzer and Sandvoss assert. Globalization's effects are not pre-determined and impact clubs differently based on the local-societal setting and clubs' institutional capacity to withstand unifying pressures. How Liverpool FC managed the pressures of globalization depended to various degrees on its institutional capacity, which in turn was a function of Liverpool's history as a port city, its fans' political orientation, the legacy of Bill Shankly, Hillsborough and the boot room. Decisions to close the club shop in 2005 after the Champions League victory and to enhance the Liverpool badge on the shirt can be interpreted as illustrative of the club's lack of commercial acumen but seem more indicative of its strong local character. The drive for efficiency and ever-greater profit is not always a dominant concern at the

club and has not always supplanted a default to heritage. Rather than resulting in *contentlessness*, globalization at LFC has resulted in a *different content* based on both institutional capacity and the particular global–local interaction.⁵³

LFC's over-arching strategy, aimed at ensuring the global can be reconciled with the local, hints at the fact that the driving force in this process is the local. As was shown, Rick Parry argued that it was of the utmost importance in an era of increasing internationalization that Liverpool stayed close to its roots. The reason for doing so, Parry stressed, was not *sentimental* but *strategic* because the club's local roots is what makes the club distinctive and, critically important, is what the club's foreign fans buy into. In the same light, when articulating what the Liverpool brand entails, he noted: 'The brand is the successful club that cares about its roots'.⁵⁴ Parry's conclusion is echoed by John Thompson, *Liverpool Echo* journalist who, when meeting with Tom Hicks, recalled conveying a similar message. He stressed that notwithstanding the important task of seizing commercial opportunities, Liverpool's 'localness, and the empathy Liverpool has with its fans and that sense of belonging is actually a key asset and they must not destroy that in the race to be more savvy, commercially'.⁵⁵

The theoretical underpinnings of the proposition that local institutions possess the capacity to leverage the local to succeed globally, what can be coined 'localism anew', are traceable to Samuel Huntington's criteria of institutionalization. Concretely, localism anew is premised on three institutional characteristics: unity, strong heritage and accountability. As was shown, unity and the emphasis on collective effort have been distinguished characteristics of LFC following the arrival of Bill Shankly. The need to have unity can also be discerned in the Liverpool Way, which holds that it is essential to act united when facing the external environment. The second characteristic of localism anew is a strong heritage: LFC realizes presciently what it is and who its stakeholders are. As a consequence, the club has always acted with forethought when pursuing commercial opportunities. What this implies is that while institutions have to respond to, and anticipate, environmental challenges – that is, have to be adaptable – they need to do so in a way that will not sacrifice their heritage. Parry's comment highlighting the strategic need for Liverpool FC to stay close to its roots even in an age of increasing internationalization is testimony to this policy. This last point, in addition to being an issue of adaptability, is one of autonomy. LFC's heritage, centred on tradition is an important aspect of its autonomy and what makes it distinctive. The third component of localism anew is local accountability. While managers and executives possess a degree of independence when purchasing players or designing strategies to take the club forward, they are also aware of the need to be accountable to those who support the club, as was highlighted by the SOS campaign to force out Gillett and Hicks. Although the relationship between fans and the club is not yet institutionalized, recent invitations extended to SOS by the new ownership to discuss various club affairs may represent a first step in this direction.⁵⁶

While no comprehensive survey research of the club's foreign fans has been conducted, the arguments by Parry, Thompson and Gardner stressing the power of the local base seem credible based on the club's enduring popularity beyond its borders despite the fact that it has won few major prizes in the last two decades. Based on the findings of sport consultancy Sport+Markt⁵⁷ that highlighted the top seven most popular football clubs in Europe in 2010, an analysis of their trophies won since 1990 will be presented in the table below to reinforce this point.⁵⁸

Club (in order of popularity)	League	Cup	European	Total Titles
FC Barcelona	11	3	5	19
Real Madrid	6	2	3	11
Manchester United	12	4	3	19
Chelsea	3	5	1	9
Zenit St. Petersburg	2	2	1	5
Liverpool	0	3	2	5
Arsenal	4	4	1	9

What stands out most poignantly is that the most successful clubs are also the most popular clubs. Although correlation does not imply causation, club success is generally understood to be a main driver of a growing fan base. In the Far East, many new football fans support MU because they are admired as a consistently successful club. Liverpool's presence in the top seven, despite not having won a domestic league title since the 1990, may reveal that its popularity does not exclusively depend on its trophy shelf. The former suggests that the global can actually buy into the local. More salient, if applied correctly, the local can leverage the local in order to succeed globally, which implies that local institutions do not merely react defensively against globalizing dynamics, or can only aim for a form of hybridization by combining global dynamics with local traditions.

The club's recent proposal to have the overseas television rights sold on a club-by-club basis following the ECJ's decision by the in the Murphy case – the court ruled that selling broadcasting rights on a country-by-country violates European Union competition law – constitutes another sign that local institutions can be the driving force in employing the local appeal to succeed globally. The plan to allow clubs to negotiate individual contracts is aimed at capitalizing on the club's popularity overseas since most fans in Asia and North America tune in to watch Liverpool FC (as well as Arsenal, MU and Chelsea) rather than the likes of Norwich City or Newcastle United. While it is unlikely that LFC's proposal will pass in its current form – to establish a new commercial arrangement, 14 of the 20 PL members need to vote in favour – it represents a local institution leveraging the power of globalization by upending a collective, nationally organized revenue agreement to strengthen its position locally. In summary, the potential exists that globalization does not comprehensively capture the exact relationship between global and local forces. Concretely, it does not allow for the opportunity that local entities can be the *driving force* in transforming globalization by leveraging the local in an attempt to succeed globally. As such, the potential for a new school of thought that can be designated as 'localism anew' may offer an important corrective to measure the manner in which global and local forces interact.

Conclusion

In the end, this essay is suggestive of the possibility that the beating of the Scouse heart may be the central factor behind a vibrant localism that does not merely flow in, through and around globalizing external forces, but shapes and leverages globalization to give life to a localism anew. Bill Shankly once commented that 'football is not life and death; it is much more important than that'. Perhaps in the interplay between the global and the local, Shankly might be right.

Notes

1. P. Kelso, 'Chelsea Owner Roman Abramovich Counts the Cost of European Failure: £740 Million and Rising', *The Telegraph*, 8 April 2011. <http://www.telegraph.co.uk/sport/football/teams/chelsea/8436348/Chelsea-owner-Roman-Abramovich-counts-the-cost-of-European-failure-740-million-and-rising.html> (accessed 13 June 2011).
2. In addition to George Ritzer, many other authors have written about the nexus of sport and globalization. For example, Richard Giulianotti and Roland Robertson see football as critical to understanding current globalization processes and have coined today's major football clubs as glocal transnational corporations. Guy and Amir Ben-Porat have measured the impact of globalization's labor, cultural and capital flows on Israeli football. In addition, Raffaele Poli highlights how increased migratory flows and nationality changes in modern sports, coupled with their global broadcasting has affected identity formation, which is no longer restricted by national borders or territorial criteria. Notwithstanding the extensive literature on sport and globalization, this paper will focus specifically on the work of George Ritzer because of its conceptual clarity and space considerations.
3. Goldblatt, *The Ball is Round*, 5.
4. During the 1890s, the Liverpool press decried the excessive wages paid to players. Moreover, the fact that Houlding controlled most of the club's shares proved a source of consternation as was the large contingent of Scottish players on the initial Liverpool team, earning it the nickname 'Team of the Macs'. For a comprehensive review of Liverpool FC's history, see Williams, *Red Men*.
5. Held et al., 'Rethinking Globalization', 68.
6. Ohmae, *The Borderless World*, 161.
7. King, 'Thatcherism and the Emergence of Sky Television', 280.
8. N. Harris, '£1.78bn: Record Premier League TV defies economic slump', *The Independent*, 7 February 2009. <http://www.independent.co.uk/sport/football/premier-league/163178bn-record-premier-league-tv-deal-defies-economic-slump-1569576.html> (accessed 27 July 2011).
9. Deloitte, *Annual Review of Football Finance*.
10. 'Top European Football Clubs have Global Fan Base'.
11. Liverpool FC has travelled to Asia every other year since 2001.
12. P. Kirkbride, 'Liverpool FC pre-season Far East tour to break new ground in China and Malaysia', *Liverpool Echo*, 18 June 2011. <http://www.liverpoolecho.co.uk/liverpool-fc/liverpool-fc-news/2011/06/18/liverpool-fc-pre-season-far-east-tour-to-break-new-ground-in-china-and-malaysia-100252-28898110> (accessed 2 July 2011).
13. Deloitte, *Annual Review of Football Finance*.
14. Conn, *The Football Business: Fair Game in the '90s?*
15. For an extensive discussion about the conceptualization of football supporters as customers and suggestions on how clubs can improve the relationship with supporter communities and other local stakeholders, see Brown et al., *Football and Its Communities*.
16. O. Williams, 'Where the Premier League's Players Come From', *BBC Sport*, 17 August 2009. <http://news.bbc.co.uk/sport2/hi/football/8182090.stm> (accessed, 14 May 2011).
17. Whitson, 'Circuits of Promotion', 59.
18. Huntington, *Political Order in Changing Societies*, 12.
19. Ritzer, *The Globalization of Nothing*, 15.
20. Sandvoss, *A Game of Two Halves*, 127.
21. D. Conn, 'The Premier League has Priced Out Fans, Young and Old', *The Guardian*, 16 August 2011. <http://www.guardian.co.uk/sport/david-conn-inside-sport/blog/2011/aug/16/premier-league-football-ticket-prices> (accessed 20 August 2011).
22. The massive loss of life in the 1980s led to the appointment of a commission to investigate fan safety. It recommended in 1990 that all stadiums remove their standing-only sections to be replaced by all-seaters.
23. Heysel refers to the Heysel stadium in Brussels where 39 Italian fans died during a riot involving LFC and Juventus fans prior to the 1985 European Cup Final while Hillsborough is the name of the stadium inside which 96 Liverpool fans died after being crushed prior to a match between Liverpool and Nottingham Forest.
24. Personal interview with John Williams, 20 May 2011.

25. Ibid.
26. For a detailed work that outlines Bill Shankly's upbringing and political convictions, see Bowler, *Shanks: Authorised Biography of Bill Shankly*.
27. The boot room, physically, was a small room at Anfield where the player's boots were kept but it also served as the space where the club's trainers came together to discuss all matters football related. These discussions ensured that the boot room was more than merely an office; it literally and figuratively housed the club's accumulated knowledge and served as the club's beating heart. For an extended discussion of the boot room's importance to Liverpool's culture see Szymanski and Kuypers, *Winners and Losers*.
28. Testimony to the club's emphasis on stability and continuity is the fact that since 1892 it has only had a total of 18 different managers. In contrast, Chelsea FC has had nine different managers since 1996, all of them foreigners.
29. Hopkins, 'Passing Rhythms', 83.
30. The ambiguity surrounding the exact meaning of the Liverpool Way can be gleaned from the fact that few of the people interviewed for this paper, with the exception of Rick Parry, could point to a single definition. That said, while their answers differed, all of them deemed the concept a vital part of the club's culture.
31. For a comprehensive discussion of the origin and evolution of the famed Liverpool Way, see Hopkins, 'Passing Rhythms'.
32. The prizes won by Shankly during his tenure at the club include in chronological order: League Championship (1964), Charity Shield (1964), FA Cup (1965), League Championship (1966), Charity Shield (1966), League Championship (1973), UEFA Cup (1973), FA Cup (1974) and the Charity Shield (1974).
33. From 1964 until 1990, Liverpool FC won 13 League, 5 FA Cup, 4 League Cup, 4 European Cup and 2 UEFA Cup titles.
34. Conn, *The Football Business*, 204.
35. Personal Interview with John Thompson, 17 May 2011.
36. Reade, *Epic Swindle*, 43.
37. Williams, 'The Fall of Liverpool FC', 162.
38. Personal interview with Adrian Killen, 21 May 2011.
39. Personal interview with John Williams, 20 May 2011.
40. Personal interview with Rick Parry, 18 May 2011.
41. King, 'New Directors', 235.
42. Personal interview with John Thompson, 17 May 2011.
43. Personal interview with John Williams, 20 May 2011.
44. D. Conn, 'Indebted FC: Born in Liverpool, Owned in Dallas, Delaware and the Cayman Islands', *The Guardian*, 14 March 2007. <http://www.guardian.co.uk/football/2007/mar/14/newsstory.sport3> (accessed 27 June 2011).
45. Reade, *Epic Swindle*, 80.
46. Personal interview with Liz Crolley, 19 May 2011.
47. Enrich and Zuckerman, 'A Texas tycoon learns a lesson'.
48. R. Williams, 'NESV Completes £300m Liverpool Takeover with Promise to Listen', *The Guardian*, 15 October 2010. <http://www.guardian.co.uk/football/2010/oct/15/liverpool-sale-nesv-takeover-john-henry> (accessed 9 June 2011).
49. Personal interview with Ian Barrigan, 17 May 2011.
50. Personal interview with John Thompson, 17 May 2011.
51. 'Former Liverpool Players Believe Fans Pushed Roy Hodgson Out', *Guardian Sport*, 8 January 2011. <http://www.guardian.co.uk/football/2011/jan/08/liverpool-roy-hodgson> (accessed 28 July 2011).
52. Personal interview with Paul Gardner, 16 May 2011.
53. While the focus of this essay is Liverpool Football Club's institutional capacity to manage global processes, a related argument about the power of the local in an age of globalization can be found in the work of geographer Noel Castree, who also takes issues with the notion that globalization is producing sameness and homogeneity. Focusing on places (as locales), which he defines as a setting and scale for people's daily actions and interactions, Castree contends that while places are transformed by globalization, their uniqueness is not compromised. In short, heightened interconnections

and interdependence have not erased place differences. On the contrary, Castree argues that 'the more linked places become, the more place differences endure and are remade'. For a comprehensive discussion, see Castree, 'Place: Connections and Boundaries'.

54. Parry, 'Liverpool FC', 226.
55. Personal interview with John Thompson, 17 May 2011.
56. Personal interview with Paul Gardner, 16 May 2011.
57. 'Football Top-20', *Sport+Markt, AG*, 9 September 2010. http://www.sportundmarkt.com/fileadmin/Mailing/PK_Football_Top_20_2010/20100909_SPORT_MARKT_Football_Top_20_2010_Abstract_Press.pdf (accessed 3 January 2011).
58. The table includes domestic league titles; domestic cup titles; and European titles (the Champions League and the Europa League).

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