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To cite this article: John Williams & Stephen Hopkins (2011) 'Over here': 'Americanization' and the new politics of football club ownership – the case of Liverpool FC, *Sport in Society*, 14:2, 160-174, DOI: [10.1080/17430437.2011.546517](https://doi.org/10.1080/17430437.2011.546517)

To link to this article: <http://dx.doi.org/10.1080/17430437.2011.546517>



Published online: 18 Feb 2011.



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‘Over here’: ‘Americanization’ and the new politics of football club ownership – the case of Liverpool FC

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This paper focuses on arguments concerning sport and Americanization, especially in relation to English Premier League football clubs. The central case study here is of Liverpool football club in the north-west of England. The recent economic trajectory of football in England is analysed, as is the current attractiveness of the English game to foreign investors. The specific history and traditions of the Liverpool club and the city of Liverpool is offered as a means of contextualizing the initial response locally to the leveraged buyout by Tom Hicks and George Gillett Jr early in 2007. The paper considers the almost complete breakdown of relations between the new owners and Liverpool fans between autumn 2007 and spring 2008. It concludes that in attempting to maintain core aspects of the Liverpool club’s organic traditions the Liverpool board, paradoxically, paved the way to the excessive commodification of the club and the alienation of many of its own supporters.

Americanization and the new economics of English football

From around the late 1960s the discourse of cultural imperialism in academic theorizing about popular culture tended to characterize the critical reception of globalization by casting the associated processes as the diffusion of specifically *American* values, consumer goods and lifestyles.¹ Later, Roland Robertson’s influential work took a rather different route by seeking to establish globalization as ‘the process whereby the world becomes a single place’ but one characterized culturally less by American influences *per se* but by ‘a general mode of discourse about the world as a whole and its variety’.² In the field of research on sport, recent critical theories of globalization have tended to run together the processes of commodification, homogenization and Americanization, though some accounts have stressed, instead, that we are, more accurately, witnessing an homogenization of world leisure practices and sports, rather than their Americanization.³ Still other approaches have stressed the emerging ‘glocal’ character of sport, as the unity of nation states is dissolved or pluralized, thus giving way not to homogenization, but to processes of global diversity or polyculturalism.⁴ Other accounts have argued, in relation to elite football in England and in Europe, that processes of *Europeanization* or of *internationalization*, rather than Americanization or free-market globalization, best define recent developments, especially in relation to the transnational flows of capital and cultural signs across national boundaries, and in the area of player recruitment.⁵ Finally, and in a typically provocative and challenging thesis, the Australian sports-media theorist David Rowe has suggested that, rather than articulating processes of either globalization or Americanization, the very

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constitution of sport makes it a wholly inappropriate vehicle for the carriage of such a project in its fullest sense, primarily because of late-modern sport's ultimate dependence on the production of *national* cultural difference.⁶

Notwithstanding the very different positions outlined above, the recent intensive commodification and marketization of the top levels of English professional football – its emphasis, for example, on branding and merchandising; on producing highly packaged and spectacularized ‘leisure experiences’ aimed at sports ‘customers’ and ‘consumers’ (including advertisers); and its television-driven agendas that define sport as a digestible, dramatic *yet* pacified ‘entertainment’ for otherwise uncommitted armchair viewers⁷ – have all been argued to correspond with some key features of the Americanization thesis. One commentator has even argued that the recently stated ambitions of the Premier League in England to stage some of its fixtures in countries around the world correspond best to the global domination of US fast food franchises: in short, ‘We are witnessing the birth of the McLeague’.⁸

American-based global corporations continue to be key figures as sponsors in the staging of world sporting and football mega-events, of course, but what has been ‘missing’ from the English domestic football model – until fairly recently at least – has been the direct involvement of American sports entrepreneurs in the ownership structures of elite-level English football clubs. This has now begun to change. Since 2006 three top Premier League clubs (out of 20) – Manchester United, Aston Villa and Liverpool – have been purchased by American owners. How can we best interpret the new transatlantic ownership structures of elite English football clubs? One obvious narrative to explore here is the changing corporate structure and financial outlook of English football clubs in the new global markets for professional sport.

Historically, the distinctiveness of the ownership structures of UK football clubs lay in their limited liability corporate structure, a feature which dates back to the late nineteenth century. The Midlands and Northern Methodists and the local businessmen who first set up the Football League in England in 1888 also embodied in their sporting work a philosophy of ‘mutual protection’ in which wage restraints exercised on players, via adherence to a fixed national maximum wage, for example, and also the defence of a retain-and-transfer system which effectively tied players to their clubs, were designed to ensure that the League’s better-off clubs would share common and reciprocal interests with its less wealthy members.⁹ In this supportive context of mutuality and cross-subsidization, the sport’s governing body in England, the Football Association (FA), introduced Rule 34 to its regulations in order to restrict the payment of dividends to football club owners and to prevent the payment of salaries to club directors. Football, it argued, should not be about generating profits for owners.

However, as neo-liberal economic and social policy began to dominate the wider political agenda in the UK in the 1980s, and with English football immersed in a series of crises around stadium provision, fan safety and hooliganism indicative of a wider crisis around the relationship between public provision and social class in Britain, these traditional ‘custodian’ English football club directors began to be publicly criticized.¹⁰ A new breed of more entrepreneurial football club owners and directors rapidly began to appear in the sport in England as pressure grew inside the elite Football League clubs to ‘modernize’ and to change or evade the FA limits. When the London club Tottenham Hotspur became the first British football club to be listed on the Stock Exchange in 1983, it set up a holding company (Tottenham Hotspur plc) to act as a parent company for the football club in order to evade FA rules – including Rule 34. This example of ‘regulatory capture’ not only revealed the FA’s feebleness as a regulator, but it also encouraged other clubs to adopt similar corporate structures prior to their own flotation.¹¹ It was in this ‘marketized’ climate that, in 1992, the independent FA Premier League was established in

England by a breakaway group of the sport's senior clubs, largely on the back of launch income derived from new satellite television conglomerates. Its effect was to shatter the historic mutuality of existing arrangements in the old Football League.¹² By 1998, in a public admission of its apparent impotence in the face of the aggressive new market-driven economics of the sport, Rule 34 was finally abandoned altogether by the FA.¹³

Today, the appetite for satellite television for live coverage of the Premier League shows little signs of slowing. Even in the shadow of a global economic downturn, the latest broadcasting deals involving matches of the Premier League clubs (2007–10) raised some £2.7 billion. These returns can be added to the enormous potential earnings that now exist in new sports markets which are being carefully excavated by English clubs in China, India and the Far East – and in North America too – as we have witnessed the ‘accelerated expansion of transnational capital and its extension into the sport/cultural realm’.¹⁴ With the relative absence of effective FA regulation and British government reluctance to ‘politicize’ football, for example by seeking to restrict foreign ownership in the English game, professional football clubs in England today have come to be regarded, less as distinctive social and cultural associations that require protection against hostile external investment and potential asset stripping, rather as ‘just another business’. It is in this new febrile global business context for sport that foreign club owners have recently moved inexorably into English football including into one of the most culturally distinctive, and certainly one of the most successful, of all English football clubs, Liverpool FC.

Liverpool FC: a club ‘in turmoil’

In February 2008, academic and football activist Rogan Taylor, launched the Share Liverpool FC group, a fans consortium which planned to persuade 100,000 of the club's fans worldwide to pledge to contribute £5000 each for the purchase of a single share in the club in an audacious attempt at a £500 million buyout from its new American owners. This latest example of what Wyn Grant has called the ‘politics of resistance’ among fans in the English game promised a new ownership structure for Liverpool, loosely based along the membership lines of Spanish clubs, including Barcelona and Real Madrid.¹⁵ Meanwhile, in March 2008 another group of the club's supporters formed an entirely new local football club, AFC Liverpool, apparently as a protest against Liverpool FC's increasingly public and discordant ownership wrangles and rising ticket prices at Anfield.¹⁶ Finally, at Liverpool home matches throughout the second half of the 2007/08 football season, supporters of the club regularly organized a series of angry public demonstrations, insisting its new American owners did not care either for the fans or for the club. According to the British sporting press, the traditionally stable and highly private Anfield organization was now, very publicly, a football club ‘in turmoil’.

Liverpool supporters, it must be said, are no strangers to expressive forms of collective solidarity and protest in the wake of perceived external attack or threat to the club and its followers, or to the city of Liverpool.¹⁷ But this more recent series of collective outbursts and gestures was something almost entirely new. Crucially, perhaps, it contravened a dominant rhetoric which had settled around a clutch of cultural and organizational practices popularly associated with the club locally and which is known, colloquially and affectionately among its supporters and the press, as the ‘Liverpool way’. Ironically derived from a form of autocratic closure skilfully practised by the club's board of directors in the 1950s, its modern variant asserts that Liverpool fans and officials should show unity in the face of ‘outsiders’ and never be knowingly publicly critical of the club's staff or owners.¹⁸ Accordingly, ‘difficult’ issues of the sort that actually plague *all* football

clubs – supporter unrest, training ground bust-ups, financial disputes, management disagreements, boardroom rows, player indiscretions – should always be settled consensually and privately, rather than in the glare of the public eye.

This is a general approach to managing club affairs which the ex-Liverpool chief executive Rick Parry summarized recently as the ‘natural conservatism’ of Liverpool football club. But it also reveals an archetypical, and a much more general, suspicion on Merseyside of the national news media and what are assumed to be its nefarious agendas in relation to the city and its people.¹⁹ It calls up, too, the very real late-modern ambivalences inside Liverpool FC concerning the value and specific meaning of the club ‘brand’ today and how it compares, for example, to the much more commercialized and glamorized, and more media-driven approach of fierce local rivals Manchester United. According to Rick Parry, for example:

The great thing that Liverpool had never done was to prostitute its brand. And that is terrific The brand values that we have developed for Liverpool well the key word for us was ‘respect.’ In the ‘70s and ‘80s we were not loved by everybody, but there was always a respect for Liverpool, and that’s a value that I think is extremely important.²⁰

When the commercial bases of football in England were already beginning to change quite radically in the 1980s and early 1990s, the dominant football club *on* the field in England – Liverpool FC – soon slipped some way behind its commercial competitors off it. In fact, it might be said that the eventual (but hasty) sale of the Liverpool club to new foreign investors from the United States early in 2007 can best be read as a belated acknowledgment of the new realities and the inevitable re-ordering of the sport’s financial base in the new global era. All this meant that the recent fan protests in the city about the policies and ownership of Liverpool FC were as much a reminder of the club’s glorious and largely stable recent past as they were a signal of current and future tensions. It was also connected to the character of the city and some of the specifics of the American takeover; a slick piece of image management this, which, initially at least, seemed to promise considerable financial *and* emotional investment by the club’s co-buyers.

Finally, this Liverpool fan unrest may have reflected a much more general concern about emerging new patterns of global investment and governance at the top levels of the English game in the twenty-first century. As Rogan Taylor had put it at the launch of Share Liverpool FC, ‘The time is right to offer a different solution to the rising concerns that football fans have about the patterns of ownership developing at our major football clubs’.²¹ In fact, there is relatively little evidence, beyond abstract assertions, that the proposed ‘democratization’ of ownership of major football clubs has popular support amongst English fans. But we would also argue that to understand fully exactly how Liverpool and its supporters came to this quite atypical pitch of agitation and discord about the ownership of the club in 2007 and 2008 we need to examine specific aspects of the cultural traditions of the city as well, briefly, as the management and ownership history of the Liverpool club. In this sense we assert, via Raymond Williams, that the local ‘structure of feeling’ in English cities – and the ‘lived cultures’ at specific English football clubs – have an important part to play in explaining local resistances and accommodations to broadly global processes.²²

Football and local business in Liverpool: a brief history

Historically, English football clubs have always been undercapitalized, with little or no retained profit, and they have always relied on borrowing and overdrafts as a source of funding. However, Tischler has also argued that early professional football in England represented nothing less than a ‘microcosm of the larger business environment’ and that

local Victorian and Edwardian businessmen made profits indirectly out of their role as local football club directors.²³ The early traces of the origins and forms of governance at the major Merseyside football clubs, Liverpool and Everton, would suggest that it was the *Liverpool* club, under local Tory and brewer John Houlding, which was rather more commercially driven and certainly more closely controlled by a few key shareholders, than was Everton.²⁴ But Liverpool FC was also, palpably, a *family* business. The Liverpool board was historically dominated by Orangemen and Freemasons, but also by fathers and sons drawn from a small cabal of wealthy local families – the Williams in the first two decades of the twentieth century; the Martindales from the 1920s to the 1940s; the Cartwrights in the 1930s and then the 1960s; and the Reakes in the 1960s and 1970s.²⁵ Unusually, however, in the city of Liverpool one single family was to become a very dominant feature of the funding of *both* of the major professional football clubs in the latter half of the twentieth century.

Stephen Morrow suggests that the Moores family falls firmly into the camp of those football club benefactors for whom normal business criteria have been set aside when it comes to football.²⁶ The Moores made their money from the Littlewoods Pools and mail-order businesses that originated between the wars and the family has, at different junctures, made investments in both the Liverpool and Everton clubs. John Moores, the co-founder of the Littlewoods Pools business, introduced his first pool in 1923 and the Littlewoods company grew to become a major and generally respected employer in Liverpool over the next 60 years. In the wake of falling attendances and perceived declining local rivalry, it was Everton Chairman John Moores who directly stimulated the Anfield club to reject its own frugal spending policies of the 1950s in a move which, ironically, spurred Liverpool, not Everton, to become the dominant football club in England, and briefly in Europe, during a period spanning the mid-1960s to 1990.²⁷

When David Moores – nephew of John – eventually inherited part of the family fortune, and with it shares in Liverpool football club, he was set reluctantly on a path which he could never have envisaged for himself: he eventually became nominated as the new Liverpool football club chairman, in 1991. With the sport in England now in a period of frantic economic and cultural transformation and stalked by asset strippers and profiteers, the Liverpool club had, once again, sought comfort and stability in seeking out reliable domestic finance and by drawing on the reassuring tropes of localism and ‘family’. But David Moores offered little in the way of effective leadership or political skill; in fact, he hated formality and public speaking. Notoriously thin-skinned, he confessed to having no real head for public scrutiny, conflict or high finance. At best, he acted as a bulwark against the excesses of the new market economics of the sport; at worst, he was some way out of his depth, contributing to the very real sense that Liverpool FC lacked both direction and leadership in the 1990s when the sport was rapidly diversifying, globalizing and commodifying.

It’s a whole new ball game

It has been argued that globalization and the international circulation of sports capital has effectively homogenized the international ownership and investment structures of football clubs, but Morrow rightly suggests it would be a mistake to exaggerate the common features here at the expense of their local and national cultural peculiarities.²⁸ In Italy, for example, elite clubs are often still owned by domestic family groupings and companies (Fiat, Pirelli Parmalat, etc.) in which a small number of individuals maintain control via holding companies and cross-shareholdings and by having their voting rights concentrated at the top of a pyramidal structure. In France, the local authority is a major investor in local

clubs and stadium facilities; while in Spain, season ticket and fan investors are often registered as club members who fund clubs and who vote periodically for the club president and board members, who are usually local industrialists and businessmen.

In Britain, by way of contrast, sport is the 'quintessential example' of an activity locally driven by private capital and regulated autonomously in the sphere of civil society.²⁹ There is little historical evidence of traditions of public investment in major English clubs; nor are there cultural or legal prohibitions today on foreign investment in clubs or, indeed, in any other British businesses and cultural institutions. Instead, the British Government (and the Premier League) has seemed, willingly, to have ceded control of its role in the world economy to a new elite of freebooting, super-rich free-market speculators and institutions that promised accountability, economic stability, transparency and thrift but, in the main, arguably delivered more volatility, chronic indebtedness, greater uncertainty and a sense of being remote from people's everyday lives.³⁰ In this changing governance and investment context, the market success of elite English football clubs in the twenty-first century seemed, increasingly, to demand billionaire speculative global investors, rather than rooted and committed local ones.

Since at least 2003 Liverpool FC had been urgently seeking out potential new major investors. Central here was the fact that the club had limited facilities for use on non-match days and no excess stadium capacity for league matches – customers were being turned away. Meanwhile, income streams derived from 'sweating' sports stadiums had begun to climb rapidly. But in the wake of stadium redevelopment and relocations elsewhere in England, the Liverpool club remained rooted in its historic, but by now outdated, Anfield home. Liverpool FC had actually been talking since 1999 about building a new stadium to increase the capacity from the current 45,362. The project had been closely bound up with the proposed regeneration of Anfield and Breckfield, one of the most deprived areas of the city, but by the summer of 2008 projected costs had risen four-fold to close to £400 million and preparatory work on the stadium site had barely begun. By 2010, in an economic downturn, the club still had no new stadium and no obvious way of funding one.

In seeking out new finance, Liverpool were clearly keen to conserve as much as possible of the status quo ante, in terms of the cultural heritage, the character of the administration and the 'family ethos' of the club. Ideally, in their prospectus for future development, the 'Liverpool way', built patiently over many generations of essentially conservative (and often Conservative) stewardship, would remain intact and relatively unsullied. But despite this ambition and Liverpool's complex mix of parochialism and historical 'openness' as a city – its status as a site of both economic and cultural exchange, with the port facing outward at the hub of an historic, global network of interwoven relationships³¹ – the realization that investment in Liverpool football club was now being sought from all corners of the globe made some fans – especially *locally based* Liverpool fans – uneasy.³²

But then a consortium representing Dubai International Capital (DIC), an arm of the Dubai government and ruling family, reportedly offered a total of £156 million for the purchase of all existing Liverpool shares, plus funds to cover debts and the building of a new stadium on nearby Stanley Park, a total package of around £450 million. The Liverpool board under David Moores seemed keen to accept the Dubai bid, despite human rights concerns.³³ However, just two months later, in February 2007 two American sports and property tycoons, Tom Hicks and George Gillett Jr, men who had never worked seriously together in business, raised the offer for the club to £5000 a share, or £172 million, plus promised funds for a new stadium. The DIC group had earlier sneered that the supposed 'soccer-phobic' Gillett would not know Liverpool FC from a 'hole in the ground', but it was now publicly furious at the sudden collapse in their negotiations, describing the Liverpool

board as 'dishonourable' and the club as 'a shambles'.³⁴ Liverpool chairman David Moores eventually decided to take the plunge and agreed to sell his controlling stake to the US entrepreneurs, a decision which would raise his own cut of the club buyout by some £8 million, to a reported £89.6 million. He was also installed as honorary life president of the club in recognition of his decade-and-a-half service, and he was charged to act as something of a nominal 'boardroom delegate' for astonished Liverpool fans. But Moores may well have favoured passing on his Liverpool across the Atlantic for reasons other than mere profit. After all, these were two identifiable sports benefactors, people who seemingly understood the city of Liverpool and global sports business and who had money to invest, but who also had the club apparently at heart. These may have looked a better bet for a port with strong business and cultural links to the USA than a faceless and culturally 'alien' corporate government body from the Middle East.

But what is more significant here is that this piece of late-modern corporate sports profiteering seemed like a complete reversal of the history of the patrician and custodian local funding for Liverpool FC; indeed, it seemed like an inversion of the entire Moores family project of long-term economic investment in the two Merseyside football clubs and in the city of Liverpool itself over more than 70 years. In short, this was a business deal archetypically quarried out of the new age of global liberalization, and one that plainly traduced the core tenets of the 'Liverpool way'. It was certainly unlikely to endear David Moores to Liverpool fans in 2007, even to those who approved, initially at least, of the American investment over that offered by the men from Dubai.

Fistfuls of dollars

Two American billionaires, Tom Hicks, owner of the Texas Rangers baseball franchise and the (US) National Hockey League's Dallas Stars, and George Gillett Jr, owner of the Montreal Canadiens and formerly of the Miami Dolphins, had cobbled together in just two months an unlikely alliance to secure a reported £470 million funding package via a loan from the Royal Bank of Scotland to buy Liverpool football club and to allocate some £215 million to begin work on a new stadium. Hicks, a Texan former business partner of President George W. Bush, had precisely made his fortune from raising private equity to fund multimillion dollar corporate takeovers. Liverpool football club was suddenly in the hands of the sort of global sports capitalists who had initially made no secret of their financial motives, their ignorance of 'soccer', or of their ambitions to model this rather atypical English football club, commercially, along the lines of an NFL franchise. They openly highlighted the attractions of English football's booming TV monies, the growing internet income streams for the English game, expanding markets for the Liverpool club in South-East Asia and in South America, the prospects of stadium naming rights, and even their plans for introducing American-style 'bunker suites' into the proposed new Liverpool ground: underground 'living rooms' where corporate elites could dine in plush splendour and watch banks of TV sets before taking an elevator ride to their match seats.³⁵

All this seemed like a swamping 'Americanization' writ large. And yet initial local resistance on Merseyside to this cultural, as well as corporate, takeover of one of the city's defining institutions was, for some commentators, surprisingly muted to say the least. As football business analyst David Conn later put it:

There was remarkably little Scouse scepticism... about the men wearing scarves; the pair were presented as billionaires who would take Liverpool into their new stadium, girdled by all the banqueting required to finance competing with Manchester United, Arsenal and [Chelsea's] Roman Abramovich.³⁶

This apparently benign reception for the Americans on Merseyside was mainly for four reasons, all strongly locally sourced. Firstly, as Conn implies, something of a realist resignation now existed among most Liverpool supporters that, in the age of open borders, globalization and sporting capital flows across national boundaries, international financing – and probably the additional commodification that was likely to come with it – was an almost inevitable cost for any late-modern football club in England with serious pretensions to be competitive for titles at home and in Europe. More knowledgeable (and, perhaps, more cynical) Liverpool fans could even make the appropriate historical connections here, about the origins of the club and its commercial hard-headedness. As ‘Real Deep’ reminded readers of *Through the Wind and Rain* in 2007:

Haven’t we been a plaything for the rich from day one, when we were formed, not for sporting reasons, but to fill a recently vacated Anfield and provide the owner, John Houlding, with a steady stream of income from both paying customers at the game and the sale of beer in the nearby hostelry? And *he* imported a whole troop of Scottish mercenaries to fill the team.³⁷

Secondly, the cosmopolitan and transient ‘city of the sea’ of Liverpool was no stranger, of course, either to global exchange or, more specifically, to American cultural and commercial penetration. Historically, Liverpool exceptionalism had looked west, to Ireland and the United States, for guidance and inspiration on finance, culture and identity issues more than it did to England or national government. The port at Liverpool had provided direct employment for up to 60,000 people in the city, much of it in trade involving North America, and its seafront streets aped those its seafarers had experienced in America. Even before the First World War, Americans were envied in Liverpool for their supposed modernity and stylishness, and American fashions were imported by Liverpool tailors, who regularly copied clothes brought in by seamen from the eastern seaboard of the USA.³⁸ Later, this maritime connection – seamen on the passenger services to the USA were known locally as ‘Cunard Yanks’ – also fed directly into Liverpool street idioms and language, nightlife and music, with ‘the most American of English cities’ acting as a site of feverish transatlantic cultural exchange of a sort which allowed the city to take the lead in pop music in the world during the 1960s.³⁹ In short, the city of Liverpool already had deeply ingrained American sensibilities and sympathies well before Tom Hicks and George Gillett strode into Anfield early in 2007 with their ‘good ole boy’ homilies about ‘tradition’ and ‘heritage’. The possibility of transatlantic investment and exchange in football was no especially alien or threatening intrusion in that sense.

Thirdly, allied to their obvious commercial savvy and despite their early carelessness with talk about profit and franchises, the new Liverpool co-owners were actually unlikely experts in what Erving Goffman has famously called ‘impression management’.⁴⁰ They showed little of the alleged arrogance of the absent Glazer family, the new American owners at rivals Manchester United, for example, who seemed to believe that money was its own explanation for their actions and who had made little attempt at all to engage with Manchester United fans. ‘They are very private people’, said Tom Hicks of Malcolm Glazer and his family, by way of explanation. ‘He [Glazer] showed us how *not* to do it’.⁴¹ With the Merseyside press acting as unreflexive local cheerleaders, the Liverpool buyout would *not* involve the kind of leveraged deal which had loaded more than £600 million worth of Glazer debt onto the Manchester club. Indeed, in the offer document for Liverpool the Americans had made it very clear that any loans taken out to secure the deal would be personally guaranteed and that payment of any interest, ‘will not depend to any significant extent on the business of Liverpool’.⁴²

The new owners also cleverly played back to Liverpool's supporters some of the familiar and comforting tropes about the club's history. 'We are custodians, not owners, of the franchise' said Gillett to the press, thus uneasily blending aspects of the Victorian paternalism of John Houlding with the capitalist discourses of late-modern American sport, a combination of the reassuring and alarming. George Gillett, showing admirable restraint, told the same journalists on 6 February 2007 that the new owners were keen, but untutored, students of the club: 'Respect is the way we feel about the history and the legacy of this franchise [sic] . . . I am still learning about the club but I will get it into my blood in every way I can'.⁴³

Finally, another rhetorical device skilfully employed by the Americans and their advisors to mask some of the bleak economics of the deal was that about the Liverpool FC 'family' tradition. The patrician Moores family dynasty and its antecedents would now be seamlessly replaced inside the club by a transatlantic equivalent, made up of the Gilletts and the Hicks. It was almost as if the club had been acquired through marriage by some august royal family from a superior and distant culture. Gillett's son Foster would work inside the club on a day-to-day basis on an executive level with Rick Parry, while Tom Hicks Jr would join the club board. Symbolically this move was astute but how, exactly, it would work in practice remained a moot point because it seemed potentially full of tensions and conflict. By the end of the 2006/07 season there were already reports that Liverpool club coach Rafa Benitez had started to bypass his chief executive Rick Parry, and was talking directly to Foster Gillett in order to expedite transfers and other matters. Parry was the self-appointed guardian of continuity and the 'Liverpool way' inside the club; but he was already starting to look increasingly isolated in the new Liverpool ownership structure.

The back of love

By the spring of 2007 new tensions were clearly emerging around the administration of the club and the traditionally strong bond of trust that existed between Liverpool supporters and the club's board. By the autumn of 2007 it had become clear that the American owners would have to renegotiate a new financial package worth £350 million with RBS and the American investment bank Wachovia in order to pay off their original loans and raise cash to begin work on the Liverpool stadium. Revised plans for the new stadium insisted upon by the new owners had considerably increased its price, so proposals to raise a further £300 million for the funding of the new ground would now have to wait until 2009 at the earliest. Worse, despite their initial denials, the American owners now, reportedly, wanted to load the whole of the original acquisition debt of £298 million onto the club's balance sheet, thus replicating core aspects of the Glazer deal at Manchester United. This was reported to have been 'fiercely resisted' inside the club, presumably by Rick Parry and members of the Liverpool board.⁴⁴

Tom Hicks seemed quite unfazed by suggestions that the Liverpool leverage deal now looked very like the Manchester United buyout. Gone, too, was much of the earlier ameliorating discourse about 'respect', 'tradition' and the 'heritage' of the Liverpool club. Instead, Hicks chose to compare the purchase of Liverpool FC to his earlier acquisition of a breakfast cereal company:

When I was in the leverage buyout business we bought *Weetabix* and we leveraged it up to make our return. You could say that anyone who was eating *Weetabix* was paying for our purchase of *Weetabix*. It was just business. It is the same for Liverpool: revenues come in from whatever source, and if there is money left over it is profit.⁴⁵

In the climate of an unpredicted global credit crisis initiated by the sub-prime market collapse in the USA in 2007, borrowing was now much more expensive and more difficult to secure, and a £500–600 million loan would be around 16 times Liverpool's operating profits for 2007; Manchester United's borrowings were eight times their operating profits and Arsenal's only four times.⁴⁶ Nevertheless, the first element of the refinancing package was finally agreed in January 2008, with £105 million of the debt saddled on Liverpool and £185 million secured on a holding company, Kop Investment LLC, held in the tax havens of the Cayman Islands and in the US state of Delaware. These were the routine machinations of global capitalism in full flow. The Americans increased their personal guarantees, mainly in the form of credit notes, to around a reported £55 million, but by early 2010 the reported Liverpool FC debt stood at some £237 million. This suddenly looked like very deep financial water and not the sort of deal that most Liverpool fans, or the club's guardians, had anticipated.

By January 2008 any residual debate there might have been among fans concerning the 'politics of resistance' to the *principle* of foreign ownership had effectively already been replaced by a starker pragmatism: Liverpool supporters were photographed holding up a large home-made banner reading: 'Yanks out, Dubai in: In Rafa we Love'.⁴⁷ This popular position, in favour of both DIC investment and Benitez, hardened still further when it was revealed by Hicks that he, Parry and Gillett had all secretly met with potential replacements to discuss the managerial role at Liverpool should Benitez's position at the club become 'untenable'.

Finally, as rumours began to circulate early in 2008 that DIC were considering making a new £500 million offer for the club, it was clear that Hicks and Gillett were no longer even in direct communication with each other; nor could they agree on the future of Liverpool. Gillett looked as if he might be willing to sell his share of the club, possibly to DIC, while Hicks publicly demanded the resignation of the 'failing' Rick Parry, who soon left the club. By 2010, with the business empires of Hicks and Gillett badly damaged by the global downturn, and in an increasingly uncertain global business climate, potential new investors from India were reported to be on the horizon.⁴⁸ Liverpool FC, once a model of conservative and unobtrusive (if rather autocratic) stability in the English game, suddenly seemed impossibly split; a club that appeared rudderless and constantly in the public eye.

Some conclusions

On Saturday 23 February 2008, the visiting Tom Hicks Jr was hounded out of an Anfield pub by angry Liverpool fans. Ironically, the Liverpool club had been founded by John Houlding in the same Sandon public house some 116 years before. Rarely, if ever, during that time had the club's fans been so publicly at odds with its owners. The recent Liverpool story is one that charts the complex impact of global financing and deregulation on late-modern sporting identities and attachments in a specific local setting. It maps economic change and the new business trajectories of global sport as they interpolate with local cultures and structures and shifting patterns of local adaptation and resistance, in an era in which sport is increasingly colonized by the market, transforming both its organization and production.⁴⁹

Within this contextualizing frame, the 'condition' of Liverpool football club and its supporters in 2008 might be interpreted, by some, as simply the routine outcome of the 'normative' tensions that are likely to exist today between the profit-driven ambitions of (American) global capitalists and the 'romantic' aspirations of English football club

supporters. We have tried to argue something slightly different in this account. We have suggested that, paradoxically, it was actually the clumsy attempt to *defend* and even to reproduce specific aspects of what we have called here the ‘Liverpool way’, the economic and cultural DNA of the Liverpool club – its distinctively modern local communalism and patrician ownership structures and cultures – that played a part in bringing the club to what (early in 2010) appeared to be a rather doomed scenario with its divided transatlantic investors.

We have also suggested that because of local historical and cultural practices which produce a highly distinctive local ‘structure of feeling’ in the city of Liverpool, ‘Americanization’ – at least as represented by transatlantic investment in the Liverpool club – was initially cautiously regarded locally as something of a positive *continuation* of Liverpool exceptionalism rather than a fracturing or dislocation of important local traditions. Sophisticated techniques of impression management around the sale of the club also contributed to this initial sense of local well-being – even pride – about the club’s new American owners. This was reinforced by the public articulation of the supposed differences in the Liverpool financing strategies compared to those adopted by the Glazers at Manchester United. Street-smart Scousers had, in fact, been sold a pup; a native embarrassment. Also crucial here was the mobilization in the Liverpool case of powerful rhetorics about the emotional – as well as financial – investment supposedly in play in the buyout, including comforting tropes about the continuation of familial forms of club ownership and governance, albeit in a new global setting.

Liverpool FC had delayed its entry into the global marketplace for investors, in part precisely because of its innate conservatism, but also because of an honourable, if ultimately misconceived, attempt to try to resist some of the excesses of late-modern sporting commodification. In pursuing a politics of co-option and engagement its American owners seemed, initially at least, to share some of the Liverpool administrators’ and the club’s supporters’ anxieties and concerns about preserving traditional and specifically *sporting* values at Anfield. But the club now seemed impaled on the horns of a familiar dilemma concerning balancing its international playing ambitions and the spread of its global brand – aspirations which many of the club’s supporters still share – against more long-standing and local Liverpool traits that go right back, through the Moores’ investors and the other Liverpool family owners, to the Victorian administration of John Houlding and his followers. Indeed, the early local response to the American investment in 2007 suggests to us an uneasy, and palpably unequal, tension: that between a relatively sophisticated and conditional willingness on the part of fans, in straitened times, to embrace external financing – something which is broadly in tune with the wider cultural and economic traditions of the city – *and* a determination to defend the highly specific sporting integrity and traditions of the club as a valued local sporting and cultural institution.

We cannot easily predict from these uncertain economic times (February 2010) the endgame for Liverpool FC with either Hicks or Gillett. But it seems unlikely that these Americans can easily claw back the ground now lost with the club’s followers. Because the political economy of football is not conducive to an effective politics of consumerism – fans do not easily transfer their loyalty – opposition to the new owners in Liverpool thus far has been expressed via street protest and a nascent attempt at organizing a supporter buyout. But more realistic ideas about introducing, for example, a ‘golden share’ held by supporter trusts or national and local government in privately owned football clubs in England in order to prevent them being sold to foreign interests, obviously conflict strongly with the dominant free-market principles of the Premier League and the non-interventionist stance of British governments. The latter has undercut the possibility of an effective ‘politics of

resistance' at the elite levels of the sport.⁵⁰ Fan 'ownership' may ultimately also compromise the main reason why most people are involved with elite professional football in the first place – success on the field.

Conceivably, perhaps, the global financial crisis and the recent forced public investment in stricken banks in the UK and the USA might yet begin to challenge conventional thinking on state intervention and regulation in the private sphere. Internationally, too, the once dominant regulatory systems of the older, modern game in Europe seem potentially newly energized in their determination to try to limit some of the economic adventurism of football's global investors, perhaps especially those recently drawn into the English game from the USA. In the summer of 2008 Michel Platini, the UEFA president submitted new regulatory plans for football to the European Union, plans which would involve a licensing system to prevent indebted clubs from competing in European competitions. Platini had previously called such clubs and their new foreign owners 'cheats' for inviting substantial debt, and asked rhetorically about American owners in England, 'You don't think they come here for the football? They don't know what football is'.⁵¹

A spokesperson for the British Government nervously dismissed Platini's plans as 'an unnecessary Europeanisation of sport', but in November 2008 at a meeting of sports ministers in Biarritz the French presidency put forward proposals for a new European financial commission for football, styled on the national DNCG which monitors and regulates sport in France.⁵² Again, these proposals were aimed at limiting club debt and thus at making competition between European football clubs more 'fair'; though it is difficult to see, initially at least, how such regulatory practices might easily be applied equally to clubs in France – where local public subsidy for professional sport is the norm – as well as to those in England, where elite clubs are mainly privately financed. These new regulatory regimes will also be strongly opposed, of course, by the major European leagues in England, Spain and Italy and possibly by EU law.⁵³

Despite these potential new interventions, we broadly agree with Wyn Grant that it seems unlikely that the British state will become more systematically engaged in the difficult task of regulating and 'politicizing' football.⁵⁴ Given this fact – and although the global economic downturn may also play its part here – Hicks and Gillett may not be the last American owners attracted into the highest reaches of the English game. And if the Liverpool story is no simple case of Americanization, nor is it – or other similar instances – easily categorized either as an example of the 'natural' cultural and economic dissonance that exists between rampant American sports capitalists and the more organic European markets for sport. In August 2006, for example, in Birmingham in the UK, the Cleveland Browns' owner and credit card billionaire Randy Lerner purchased control of the ailing Aston Villa club from its autocratic British owner Doug Ellis – and without raising a dollar of debt. Unlike Liverpool, Villa had no recent extended period of success to retrieve. Lerner then spent £4 million restoring the Holte, a Victorian public house alongside the Villa ground, whose decay had long symbolized the club's decline. In June 2008 Villa became the first Premier League club to accept loss of income by adopting the charity, the Acorns Children's Trust, as their shirt sponsor.⁵⁵ Simon Inglis, stadium historian and Villa fan, commented on Lerner that his philanthropy put most other football club chairmen to shame and that he, 'seems to have appreciated that heritage is not a luxury but an intrinsic part of football clubs'.⁵⁶

Here, on the face of it at least, was a twenty-first century transatlantic reinvention of the English Victorian custodian club owner of exactly the type that Liverpool's Rick Parry and David Moores had searched so long – and so fruitlessly – to find.

But the rather different American ownership cases in England of Hicks and Gillett at Liverpool, the Glazers at Manchester United and Randy Lerner at Aston Villa, and the recent revival of questions about the need for increased domestic and international regulation in football, suggest that rather than focusing exclusively on the impact of processes of either globalization or Americanization, perhaps we also need to examine rather more difficult issues concerning EU law and the wider political economy of European football.⁵⁷ But we would also argue we must address questions about national and local traditions, and the ‘lived cultures’ and other specificities which shape patterns of football club ownership – and response to it – at the local level. In this final sense, of course, we may find that some of the fundamental questions concerning recent transatlantic football club buyouts in England might still be rather prosaic ones: *Which city? Which club? And, exactly, which Americans?*⁵⁸

Acknowledgements

We want to thank the two anonymous reviewers for their helpful and constructive comments which have helped to improve, considerably, the earlier version of this paper.

Notes

- ¹ Tomlinson, *Globalisation and Culture*, 79.
- ² Robertson, *Globalisation*, 133, 135.
- ³ Featherstone, *Consumer Culture and Postmodernism*, 127.
- ⁴ Giulianotti and Robertson, ‘Globalization of Football’.
- ⁵ Martin, “‘Europeanisation’ of Elite Football”; McGovern, ‘Globalization or Internationalization?’.
- ⁶ Rowe, ‘Sport and the Repudiation’.
- ⁷ See Crawford, *Consuming Sport*.
- ⁸ M. Hyde, ‘Empty Seats and Dwindling Ratings? It’s Time to Launch the Global McLeague’, *Guardian*, 9 February 2008, 30; see also J. Williams, *Is It All Over?*, and ‘Screen Grab’ *Observer*, 4 November 2007.
- ⁹ Tomlinson, ‘North and South’, 33; Arnold and Webb, ‘Aston Villa’.
- ¹⁰ See Taylor, ‘English Football in the 1990s’.
- ¹¹ Morrow, *People’s Game?*, 80.
- ¹² See J. Williams, ‘Local and the Global’.
- ¹³ Brown, ‘European Football and the EU’; King, *End of the Terraces*, 128–31; Dobson and Goddard, *Economics of Football*.
- ¹⁴ Schimmel, ‘Sport and Political Economy’, 3.
- ¹⁵ See Grant, ‘An Analytical Framework’, for other examples.
- ¹⁶ ‘Liverpool Fans Form a Club in Their Price Range’, *Daily Telegraph*, 18 March 2008.
- ¹⁷ See J. Williams, ‘Kopites, Scallies’.
- ¹⁸ See J. Williams, *Red Men*.
- ¹⁹ See Belchem, *Merseypride*.
- ²⁰ Quoted in J. Williams, *Liverpool Way*, 153.
- ²¹ Quoted in Barclay, ‘Super Rich Owners’.
- ²² R. Williams, *Marxism and Literature*, 132.
- ²³ Tischler, *Footballers and Businessmen*, 69; see Taylor, *Association Game*, 70.
- ²⁴ Carter, *Football Manager*, 149; Kennedy and Collins, ‘Community Politics’; Kennedy, ‘Class, Ethnicity and Civic Governance’.
- ²⁵ See J. Williams, *Red Men*.
- ²⁶ Morrow, *New Business of Football*, 85.
- ²⁷ See J. Williams, *Red Men*.
- ²⁸ Morrow, *People’s Game?*, 77.
- ²⁹ Moran, *British Regulatory State*, 73.
- ³⁰ Elliott and Atkinson, *Gods that Failed*.

- ³¹ Belchem, *Liverpool 800*.
- ³² See Williams and Hopkins, *Miracle of Istanbul*, 179–81.
- ³³ See M. Hyde, 'No Place for Grass Roots in Shifting Sands', *Guardian*, 7 December 2006.
- ³⁴ 'The Anfield Rap', *Daily Mail*, 2 February, 2007.
- ³⁵ Bond, 'Texans Vow'.
- ³⁶ D. Conn, 'Prospectors for Gold Leave Liverpool with Mountain of Debt', *Guardian*, 23 January 2008.
- ³⁷ *Through the Wind and Rain* no. 75, 2007, 14.
- ³⁸ Lane, *Liverpool*, 81.
- ³⁹ Belchem and MacRaidl, 'Cosmopolitan Liverpool', 417–18.
- ⁴⁰ Goffman, *Presentation of Self*.
- ⁴¹ Rich, 'Quiet End', S7.
- ⁴² D. Conn, 'Prospectors for Gold Leave Liverpool with Mountain of Debt', *Guardian*, 23 January 2008.
- ⁴³ *Daily Telegraph*, 7 February 2007.
- ⁴⁴ *Daily Telegraph*, 21 December 2007.
- ⁴⁵ *Guardian*, 22 May 2007.
- ⁴⁶ *Daily Telegraph*, 6 September 2007.
- ⁴⁷ *Daily Telegraph*, 22 January 2008. On the same weekend, in January 2008, Manchester United fans daubed graffiti on the walls of the house of chief executive David Gill as a 'reminder' that a section of United's following remained 'betrayed' by the 2005 sell-out to the Glazers.
- ⁴⁸ Mukesh Ambani, chairman of Reliance Industries and Subroto Roy, chairman of Sahara Group were each reported to be willing to invest more than £200 million for a 51% stake in the club.
- ⁴⁹ Moran, *British Regulatory State*, 88.
- ⁵⁰ See Mitchie, 'Governance and Regulation'; also Grant, 'Analytical Framework'.
- ⁵¹ BBC, *Newsnight*, 14 November 2007.
- ⁵² Reported in the *Daily Telegraph*, 27 June 2008.
- ⁵³ M. Samuel, 'English Football at Risk from French Revolution', *The Times*, 19 November 2008.
- ⁵⁴ Grant, 'Analytical Framework', 88.
- ⁵⁵ *Guardian*, 4 June 2008. The new shirt sponsorship was reported to have cost Aston Villa £2 million per year compared to a commercial package.
- ⁵⁶ D. Conn, 'Guardian Profile: Randy Lerner', *Guardian*, 7 March 2008.
- ⁵⁷ Grant, 'Analytical Framework', has made a useful, ground-clearing, start on this project.
- ⁵⁸ This last point took on a special resonance when, in October 2010, Hicks and Gillett ended up in the High Court attempting to prevent the sale of Liverpool for £300 million to another group of American investors, New England Sports Ventures, led by John W Henry, and owners of the Boston Red Sox baseball franchise. As part of the refinancing of outstanding loans with the Royal Bank of Scotland Hicks and Gillett had been forced to place legal responsibility for the sale of the club to 'responsible' new owners effectively in the hands of its three British-born directors, led by chairman Martin Broughton. Hicks and Gillett claimed the club had been grossly undervalued, while Liverpool supporters attending the hearings were captured wildly celebrating the departure of its failing owners as the sale went through. The new Americans promised a winning team but also a debt-free future and their arrival was cautiously welcomed by the Spirit of Shankly group as 'Hopefully, the start of a bright future.' Time, as they say, will tell.

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