IPS

DEMOCRACY AND SOCIETY 11.07.2025 | Sebastian Sons

More than a game

In today's changing world order, sport has become a means of projecting power and diversifying the economy. Saudi Arabia is a prime example

Like it or not, Saudi Arabia has become a major player in the world of sport. The Kingdom now seems to be everywhere. A prime example is the 2025 FIFA Club World Cup in the United States, which reaches its conclusion on Sunday. The Saudi coast on the Red Sea is prominently advertised as an attractive tourist destination in the advertising breaks during the games. Furthermore, the logo of the Saudi Public Investment Fund (PIF) is all over the advertising hoardings in the stadiums. With more than a trillion US dollars in deposits, the PIF is financially one of the most powerful sovereign wealth funds in the world and has established itself in recent years as the Saudi Kingdom's investment driver, especially in sport.

Under its chairman, Crown Prince Mohammed bin Salman (MBS), the PIF has not only taken over English legends Newcastle United in October 2021, but has also invested massively in domestic football and, for example, has a majority holding in the four main Saudi clubs. One of these is Al Nasser, with which Cristiano Ronaldo has just signed a new contract, with wages of $550 000 a day and over 200 million a year.

The deal with FIFA for the Club World Cup is only the highest point in the PIF's investment offensive *so far*. The Fund paid FIFA a billion US dollars to secure the worldwide TV broadcasting rights via pay-TV broadcaster DAZN. Besides football, the PIF has also invested in golf, motorsports, wrestling, boxing, tennis and eSports. It seems to have established itself as a big player in global sport in no time at all. By the end of 2024, the PIF was involved in 346 direct or indirect sports sponsorships and investments. Overall, between 2021 and 2023, Saudi Arabia invested more than six billion US dollars in over 900 sponsorship agreements. The highlight of this campaign is hosting the football World Cup in 2034.

A powerful tool of soft power

A number of strategic goals are in play. Saudi Arabia and other Gulf states, such as Qatar, would like to use sport to attain what political scientist Alexander Vuving calls ‘beauty’, ‘brilliance’ and ‘benignity’. He uses these terms to define the striving of nation-states for international recognition. This is particularly evident in sport. For example, with the ‘beauty’, attractiveness and popularity of sport, actors such as Saudi Arabia first generate international appeal and strengthen their brand as popular tourist destinations and investment locations.

Second, they present themselves as professional, ‘brilliant’ organisers of major sporting events and innovative knowledge centres. Saudi Arabia thus uses sport to promote itself as a pioneer in technological development, especially in the energy sector. State oil firm Aramco has signed long-term agreements with FIFA, Formula 1 and Formula E. As an oil producer, Saudi Arabia seeks to use such partnerships to boost its image as a ‘green champion’, committed to the development of emission-free fuels and e-mobility, and thus to shed its negative image as a polluter. This is notwithstanding the fact that oil revenues still account for more than 60 per cent of state income.

Third, the Gulf states aim to use ‘benignity’ to build up reliable networks with other actors. They would like to be perceived as good hosts and trustworthy members of the global community, capitalising on sports diplomacy to cast off their somewhat delinquent image.

It’s all about prestige and a desire to be taken seriously.

Saudi Arabia and other Gulf states now control large parts of sport beyond the playing field, but on the pitch, they remain mere bit players. That should and has to change if the business model is to be successful. That is why Saudi club Al-Hilal’s 4:3 victory over star-studded Manchester City in the Club World Cup quarter-final was far more than a sporting victory by the underdog over a far superior team. It was rather a statement that Saudi football is now becoming internationally competitive, at least a bit at a time. Videos of Al-Hilal President Fahad bin Nafal crying for joy and celebrating fans after the club’s triumph speak volumes and show how much football fans and officials in Saudi Arabia yearn for success on the pitch. And also how strong the pressure is to justify the massive financial investments with victories.

It's all about prestige and a desire to be taken seriously. The fact that Al-Hilal triumphed specifically against Manchester City, which is funded by the UAE, made the victory all the sweeter. After all, it is not just in sport that the Kingdom and the UAE are competing for brand presence, power and market access. Such victories thus symbolise their growing competitiveness and boost the image of benignity, brilliance and beauty. This was already evident in the Saudi national team's sensational victory during the preliminary round of the 2022 World Cup against eventual world champions Argentina and superstar Lionel Messi. It unleashed a wave of euphoria and patriotism in football-mad Saudi Arabia.

Saudi Arabia thus needs emotional stories with its own heroes to show that it isn't just its money and oil that are dominating sport, but also its athletes. Sport is best sold via emotions and that's why the success of Al-Hilal and the national team are worth more than the billions invested. They achieve three things: first, they generate returns in the form of emotional impact. Second, they create inward identification. This also strengthens the power of the rulers. And third, they prove that it's possible to break the monopoly of Western sports, at least sometimes.

More than just 'sportswashing'

The Gulf states consider themselves to be upcoming middle powers that are not aligned with any particular camp in a multipolar world, but are instead pursuing a path of 'both-and'. They see themselves as platforms for dialogue and try to de-escalate wars and crises, as Saudi Arabia lately did with its détente with rival Iran. They regard themselves as, on one hand, partners of the United States and Europe, while at the same time maintaining close relations with Russia and China.

They use sport to strengthen these networks: investments in Western sports markets such as the United States and Europe represent key building blocks in this, complemented by partnerships with Asia and Africa. For example, Qatar Airways has supported the Nepalese football league for years — after all, many labour migrants in Saudi Arabia come from Nepal. The Saudi Smart City NEOM, another PIF mega project, reached an agreement on a partnership with the Asian Football Confederation in order to boost networks with Asia. Countries such as Korea or Japan are the most important customers for Saudi oil and China is its biggest trade partner.

It is therefore an error to continue to talk of the Gulf states as merely 'sportswashing'. In a changing world order sport has become a means of power projection and of economic diversification. For us in the West, this process is often accompanied by rejection, moral condemnation or outrage. But one thing is clear: in a time of rampant commercialisation of sport, the Gulf states are key donors who are pumping fresh funding into the sports business cycle. Nevertheless, they are not permitted to play on equal terms, being regarded condescendingly as exotic outsiders. This double standard is a missed opportunity because the Gulf states will increasingly help to shape the future, and not only in sport.

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It is therefore necessary to work out where the risks outweigh the opportunities. The Gulf states are often glorified as models of economic development or demonised as repressive regimes that disregard human rights. Nuance is lacking. This may lead to entrenchment: the two sides talk at each other but not with one another. But it is clear that they are no longer partners of choice but partners of necessity. Sport therefore offers an opportunity for cooperation rather than mutual defamation.

Practical approaches are key here. In popular and women's sports, exchanges should be intensified along similar lines to health care. Sport has long been popular in the Gulf, for example, as a way of boosting mental and physical resilience in a performance-oriented environment. Successes like that of Al-Hilal show that Saudi clubs can sometimes compete with European football, but Saudi talent did not play much of a role. Only three members of the Saudi national team – Nasser Al-Dawsari, Moteb Al-Harbi and Mohamed Kanno – featured in the starting eleven that defeated City.

The national team faltered recently in the qualifying stages for next year's World Cup. And if the country hopes to be successful as World Cup host in 2034 it needs local heroes. Intensifying talent development programmes with European associations could help here. To this end, dialogue and exchange formats, such as study trips, discussion forums and multicultural sports tournaments should continue to be organised. Other countries, such as Germany, are equally football-mad, so exchanges of experience in football and fan culture should bear fruit. This would also give rise to discussion spaces in which such issues as structural exploitation of migrant workers could respectfully be raised.

However, an approach like that requires long-term planning and courage on both sides. Otherwise, the risk is that any alienation would only get worse. Because one thing is certain: the Gulf states are here to stay. Anyone who fails to recognise that will also miss out on the potential for deeper cooperation.

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