

THE SPORTS, POLITICS AND ECONOMICS OF THE HOSTING OF MEGA SPORTS EVENTS IN MALAYSIA: EXPLORING THE COMMONWEALTH GAMES OF 1998 AND THE F1 GRAND PRIX *

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ABSTRACT

Today, bidding to host international sports events is no longer a privilege of certain developed countries. Hosting international sports events has attracted many developing countries, as they have begun to realize the multiple benefits that it can offer. Sports as a form of popular culture that cuts across class, caste and ethnicity has a lot to offer to many developing countries that are still grappling with many crucial national agendas, provided its benefits and potential effects are creatively exploited. The successful hosting of a high-profile international sports event would not only trigger and promote national pride and a sense of patriotism, but quite often, its socio-economic outcome may outweigh the political effects. Whilst the political focus of sports is usually related to aspects such as national pride, improving the image of a nation as well as national unity, the economic dimension of sports has always been linked to economic growth, tourism and creating new frontiers for the economy. Over the past decade Malaysia has seen growing interest and intensive government investment in sports. The success of the Kuala Lumpur 1998 Commonwealth Games and the Sepang Formula 1 Grand Prix has gained the country outstanding international reputation in the hosting of world sports events, despite its average achievements in sports. This paper attempts to examine the underlying factors that prompted Malaysia to actively become involved in promoting itself as a host country for several world sports events in which it has never before partaken nor had achieved international reputation. In addition it will also look into the country sports policy as well as the roles of government and sports bodies in making sports an important dimension to strengthen the country's domestic and international agendas. The paper argues that for many developing countries, the role of government

is still far more crucial than any other factors in the development of sports. Sports have far-reaching implications in the development of a country and should not be viewed merely as a form of popular culture. Therefore, many more 'focus studies' should be carried out to further apprehend the contribution that sports could make in developing countries.

INTRODUCTION

Since its inception as an independent state in 1957, Malaysia has been able to portray itself as a country that has some good reputation in sports. Its achievement in badminton then (1950s-1960s), has led the country to champion the Thomas Cup and the All England Tournaments several times. In football, it emerged as one of the best teams in Asia in the 1960's and 1970's, and at times, even ahead of South Korea and Japan. In addition, Kuala Lumpur has also played the role as the host city for a number of games and tournaments at various levels.¹ Whilst the scale of the games and the complexities of being the host then might not be as immense as it is today, it is important to note that these examples clearly demonstrate that the Malaysian government since independence has realized the importance of sports for the country, and has placed sports in its appropriate position in the country's national agenda. This prevails in as far as the present government is concerned, despite the overall inconsistencies in the performances and the moderate achievements of its national sports teams at international level competitions over the past decade. Clearly, the Malaysian government is fully aware that sports, as a form of popular culture that cuts across class, caste and ethnicity, has a lot to offer for the country still grappling with many crucial national agendas.

As a multi-ethnic society, Malaysia's demographic composition is very diversified.² Amidst its relative stability and rapid economic development especially over the past two and half decades, the objective of nation-building to create a 'united and fully integrated Malaysian nation' has not been entirely accomplished. Thus, this issue continues to constantly dominate its national focus and has led the government to incorporate the agenda for nation building in almost all key national policies. Sports policy too is no exception.

To what extent does sports have a direct bearing on the country's development as a newly industrialised economy and within the framework of its nation-building programme? In what manner would the efforts of hosting international sports events be able to contribute towards attaining this vision? Whilst it is obvious that sports alone may not be sufficient to address the delicate problems of nation building in the multi-ethnic society of Malaysia, it is argued that sports could be geared towards promoting patriotism as well as to ease and stabilize national tension that emerge from centrifugal tendencies such as that of ethnic divisions. Outstanding achievement by national teams at international level, and by being able to be a successful host country for high profile international sporting events will ultimately result in instilling national pride and

patriotism but, above all, it would also bring about lasting socio-economic benefits for the country (French and Disher, 1997).

THE NATIONAL SPORTS POLICY: TOWARDS THE DEVELOPMENT AND THE DEMOCRATIZATION OF SPORTS AND PROMOTING NATION-BUILDING

To sustain its multi-ethnic society, constant economic growth and the development of social integration are very important for Malaysia. Without that, neither political stability nor ethnic harmony can be achieved in the country.³ Therefore, most national policies that were devised in the post independence era have always took into account the agenda of nation building as part and parcel of their larger objectives (M.Mustafa Ishak, 1999). In sports, the Ministry of Youth and Sports of Malaysia in 1988 outlined two rationales in the formulation of the National Sports Policy (NSP).

First, as the NSP is a sports policy for all, it encompasses both *high performance sports* and *mass sports* aimed to achieve national development, unity and continued stability.⁴ Second, sports which serves to promote healthy competition, goodwill, tolerance, understanding and the development of physical and moral qualities, provides a conducive platform for integrating the various ethnic groups into a 'united nation', as well as for enhancing national prestige.

With these two rationales, the ultimate aim of the NSP is to develop an active, healthy and fit society through sports and physical recreational activities in line with the overall efforts of the government within the framework of nation building. To strengthen the NSP, the Sports Development Act was formulated in 1997, thus granting all the necessary power to the Ministry of Youth and Sports to implement the NSP. Whilst it was clearly spelt out at the outset that its focus was about sports and recreation, the highest ideal that the Malaysian National Sports Policy sought to attain, however, was highly political, that is, nation building. Therefore, the NSP, together with several other national policies such as that of the language and education policy, the cultural policy etc. are all geared towards promoting and achieving the objective of the nation-building project.

In as far as the strategy and the implementation of the NSP are concerned; the government insists that both mass sports and high performance sports are to be developed simultaneously, though, with a different emphasis. These two sports will complement each other in a continuum. In implementing the relevant programmes for these sports, the Ministry of Youth and Sports concentrates on promoting mass and recreational activities based on the 'MALAYSIA CERGAS' concept.⁵ Conversely, the National Sports Council, that is an agency under the Ministry, focuses on coordinating and assisting the development of high performance sports so as to enhance the achievement of Malaysian athletes both at national and international competitions. This is done with the support and cooperation of the Malaysian Olympic Council and the relevant sports bodies in the country.

It is clear that the core objective of the Malaysian Sports Policy is to make sports available to everyone and to actively promote its development. Secondly, it seeks to produce champions. "This is something that we are trying to do in Malaysia but it will take some time to develop a sports culture." Such were the remarks made by the present Malaysian Sports Minister, Azalina Othman, after she visited Cuba recently to learn more about the developments of sports in the country (The New Sunday Times, January 30, 2005).

Apparently, Malaysia hopes that by having a clear and sound policy on sports, its vision to instil the necessary values pertaining to the development of sports culture will be achieved in the near future. To further enhance mass participation and the democratisation of sports, very recently the Ministry of Education announced that sports and physical education would be given more serious attention in school education. This is to support and materialize the government objectives of promoting sports culture amongst the masses as well as to produce quality international athletes for the country. It is also hoped that this endeavour would lead towards promoting inter-ethnic interaction amongst school children through sporting activities (Berita Harian, 18 February 2005). The proposal, which was tabled in the Cabinet, includes revision of the physical education syllabus and the use of specialist teachers to make it an examination subject. In conjunction with the development of programmes towards realising the objectives of Sports for All and High Performance Sports, the Education Ministry will concentrate on three areas, namely, infrastructure and sporting equipments curriculum and programmes; and teachers and coaches (The Star, 18 February 2005).

All these efforts and programmes will certainly require time before they could actually produce and improve Malaysia's achievement in sports. Nevertheless, the government, since the Mahathir administration (1981-2003), has embarked upon promoting Malaysia as the venue for high profile international sports events. The endeavour started with *Le Tour de Langkawi* bicycle racing in 1995 with the main objective to promote Langkawi Island as the world new tourist destination.⁶ The project also attempted to emulate the popularity and the success of the French project of *Le Tour de France*. Then came the two-mega sports events, namely, the Commonwealth Games and the F1 Grand Prix. What prompted Malaysia to venture into the "business" of hosting mega sports events? What does Malaysia hope to achieve by so doing, and to what extent has this been successfully materialized? Whilst the political focus of all these efforts was presumably to promote the country's international profile and strengthen the national pride and nationalism, its effects to the country might have gone well beyond politics.

THE 16TH COMMONWEALTH GAMES AND THE SEPANG FORMULA 1 GRAND PRIX: THE SPORTS THE POLITICS AND THE ECONOMY

For the first time in its 65-year history, the Commonwealth Games was held in Asia when Kuala Lumpur was chosen to host the XVI Games in 1998. It was also the first

time an emerging country was given an opportunity to host the Games. For Malaysia, the Games was the first and the biggest sporting event that the country had ever hosted. All the 70 countries in the Commonwealth with more than 5,000 athletes and officials participated in the Games, making it the largest ever to be hosted prior to the Manchester Games of 2002.

Having won the bid to host the Games in 1992, massive efforts have been carried out by the government to prepare the country for the big event. The government invested over RM1 billion (approximately 300 million Pounds Sterling) to organize the Games, which saw the biggest portion of the allocation going to the building of new sports facilities in the country, especially, the construction of the National Sports Complex in Kuala Lumpur. With that came the new National Stadium located within the premise of the complex, which cost RM900 million (about 115 million Pounds), and has the capacity to accommodate a maximum of 100,000 spectators. About RM35-40 million was spent to improve existing sport facilities around the country. In addition, RM40 million was allocated to develop the National Doping Centre that turned out to be the biggest doping centre in Asia that was accredited by the International Olympic Council (IOC). Another RM65 million was spent to develop a non-sporting family park within the area of the National Sport Complex. In total, the Malaysian government spent more than RM1.029 billion for the Commonwealth Games, and the total bill-(including the provision of new roads, railways, land acquisitions, and other facilities, plus the new Kuala Lumpur International Airport (KLIA)) came to nearly US\$5 billion (Asiaweek, September 1998).

Despite the Asian economic crisis and the political upheaval that followed which shadowed the Kuala Lumpur 98 Games, the Games went on without glitch. Riding on the spirited slogan of “Malaysia Boleh” (Malaysia Can), Kuala Lumpur passed with “flying colours” in staging the last Commonwealth Games for the 20th century from September 11 to September 20th, 1998. Juan Antonio Samaranch, the then President of the International Olympic Council, praised the event as the best-organized Games ever hosted in the history of the Commonwealth Games (The New Strait Times, 22 September 1998).

Malaysia’s achievement in the Games had also surprised many observers. The country emerged in fourth place in terms of medal tally, behind Australia who was the champion, England in second place and Canada in third place. In all, it was the best achievement Malaysia had ever attained in the Commonwealth Games. It is argued that the success of the Games has contributed towards generating a certain degree of the “feel good factor” into the Malaysian political arena at the time the country was confronted with the Asian financial meltdown. The Games probably brought some balance to the country at a time when the nation was severely hit by one of its worst economic and political crisis, which saw several of its neighbours succumbing into fatal economic collapse, which subsequently led to the change of the political regimes (M.Mustafa Ishak and Soffian Omar Fawzee, 2001). However, unlike its neighbours, Malaysia was spared of the similar grim scenario. It is perhaps an exaggeration to attribute this to the success of

the Commonwealth Games alone. However, it seemed that Malaysians have been able to put aside their hardships and political differences for a while to demonstrate their support and unity for the Games. Obviously, the profound effects of sports and national pride in peace-making and reconciliation endeavours cannot be simply under-estimated.

In September 1999, exactly a year after the Commonwealth Games, Kuala Lumpur once again captured the world attention. This time around it was about the biggest motor sports event, namely the Formula 1 Grand Prix. Similar to the Commonwealth Games of 1998, this was also the first time for Malaysia to host the Formula 1 motor racing at its newly built circuit, adjacent to the new Kuala Lumpur International Airport. Malaysia is the first country in the South East Asia to have a Formula 1 track, second in Asia, with Japan being the first. Formula 1 is currently the third most watched live sporting event, second only to the Olympics and the World Cup Football.

The Sepang International F1 Circuit (the SIC as it is popularly known today) was proposed in 1994, built in 1997 and ready for its first use 15 months later. It cost the country RM286 million and was built on 260 hectares of agricultural land. The grandstand is capable of taking in 30,000 spectators while its natural hill stand can accommodate approximately 100,000 spectators. The F1 motor racing was then considered as something that was very new to many Malaysian sports fans. Prior to this, Malaysia could not boast of a sportsman who had ever participated in the F1 Grand Prix. Yet, only a few years after the F1 was introduced in the country, Malaysia succeeded in producing its first F1 driver, Alex Yoong, in the 2001 season. Although Yoong, who was tested by the KL-Minardi's team, had a poor first season (2001-2002), and his current involvement in the sports is unclear, his appearances in the F1 racing have indeed make Malaysia proud and have inspired several more Malaysian youngsters to follow his success.⁷ In addition, Petronas, the Malaysian national petroleum company, has begun to invest in the event through its cooperation with the Sauber team. It has also invented its own engine for the Sauber-Petronas team to compete with the rest of the teams in the F1 event.

What does Malaysia hope to achieve in the hosting of the F1 Grand Prix in Kuala Lumpur? Is not the investment far too expensive for Malaysia? It is undeniable that the F1 and the Grand Prix are expensive sports. Nevertheless, the revenue generated by the event is also huge. The Mahathir's government then reiterated that the F1 would bring in revenue and tourists for the country. In addition, the government had felt that this is one of the easier ways to promote the country annually each time the event is being held. The SIC management had also hoped that in the near future it would be able to bring in at least RM300 million foreign investment into the country (The New Straits Times 17 February 2005). It is still not clear in what manner and in which area the investment is going to be pumped into the event. Perhaps this would go into areas such as advertising, promotions and event broadcasting through satellite TV channels. According to research, there are 2.5 billion people watching each of F1 17 phases and research shows that 64 per cent of F1 home viewers are in Asia (www.sic.com). The

Sepang F1 Grand Prix from 1999 onwards was televised live to 130 countries with an estimated 330 million viewers.

According to the SIC official WebPages (www.sic.com), some of the greatest benefits of Sepang F1 Circuit would be to gain international recognition and as promotional 'instrument' for Malaysia. Apart from the publicity that such an event would draw, the country would benefit in many other ways. For one, as the government said, Malaysia could learn from the technology related to engine design and production so as to fabricate their own car transmission system, especially the engine. This has been proven right, as the Sauber-Petronas team has already come out with its own engine recently, mainly being developed by Malaysian engineers themselves. Malaysia is keen to improve and further develop its automotive industry through motor sports. This is to be achieved through the purchase of Lotus by Proton, the Malaysian major national car industry, and with the collaboration of Petronas with Sauber.

In addition, SIC has estimated that through ticket sales alone, the expected sales generated from just the grand stand tickets is about RM50 million (US\$13.09 million). Furthermore, there are some 60,000 three day passes ranging from RM250 (US\$66) and RM500 (US\$131) for the natural stand surrounding the 5.542 km-long circuits. The SIC has ticketing agents in 22 countries. Commercial companies that are interested to display advertisement at SIC will have to pay rental price of RM40, 000 per day (about US\$10,000). For the 2005 season, which will take place from 18-20 March, the SIC has targeted 120,000 spectators, out of which 80,000 will be domestic fans, while the remaining 40,000 are international fans and tourists (Utusan Malaysia, February 11, 2005). The spill over of the event will also benefit the tourism industry. The Malaysian government aimed to attract some 40,000 international tourists each year for the Sepang F1 Grand Prix. The hosting of the F1 Grand Prix in the country will certainly boost the hotel industry, the airlines and tourism sectors in the country, at a time when the tourism industry is confronted with hard times following the political turbulence and uncertainties in the world today.

The hosting of the Commonwealth Games in 1998 and the Sepang F1 Grand Prix has brought in a number of pertinent issues and new dimensions with regard to the debate concerning mega sports events, the politics and the economy in Malaysia. Although the initiatives to organize the events had never formed an integral part of the national sports policy, it has in one way or another significantly affected the development of sports in Malaysia. Firstly, without the events, Malaysia would probably have taken a much longer time to have the modern state of the art sports facilities in the country. The idea to have the national sports complex was first mooted more than 25 years ago by then the second Prime Minister of Malaysia, the late Tun Abdul Razak. However, it was only with the hosting of the Commonwealth Games that it finally came into being. From now on, Malaysia is ever ready to offer hosting of any kind of international large-scale sporting events should the opportunity arise. The same also applies to the Sepang International Circuit.

The success of the two-mega events organized by Malaysia has imprinted the country's name onto the world sporting maps. Despite the criticism that have been levelled against the government, the success of the events had been able to demonstrate to the world the degree of success and the stages of development that the country has managed to achieve in nearly 50 years after its independence. Most of the critics against the events were centred on the question of the huge amount of money being spent by the government to organize the events. However, they have been somehow silenced in recent days as time progresses. Apart from that, quite notably the people at large are now beginning to realize the benefits of having the modern national sports complex as a result of the hosting of the mega events. In short, it is argued that to some extent, the growth in several sectors that Malaysia has recorded prior to the 1997-98 Asian economic crisis can undoubtedly be attributed to the hosting of the events and the related mega development projects that were carried out in conjunction with the events. The development of the National Sports Complex, the new Kuala Lumpur International Airport and many other infrastructure projects like new motorways and railway facilities are among the cases in point.

With regard to the question of instilling patriotism and national pride, it is perhaps much more difficult to be accurately measured, as these would involve the inner-selves of the people. As argued earlier, it was such a coincidence that the two events occurred at the time Malaysia, together with its Asian neighbours was faced with the unprecedented economic crisis as a result of the collapse of their currencies and the financial market. Thailand, Korea, and Indonesia saw old political regimes being ousted as a result of the people's disenchantment with them for failing to resuscitate the economy. Malaysia, however, was exceptional. While the financial and economic measures taken by the Mahathir's government were often said to be very successful in coping with the crisis, what remained obvious was that, the government then had carefully and extensively exploited the events through national media and other government agencies to the advantage of the ruling party at the time the political oppositions in the country reached their strongest position as a result of the economic and the political turmoil that followed. In brief, while some people might want to argue that politics and sports should be separated, there are many instances, which clearly demonstrate that politics and sports could go hand in hand, and its obvious effect in instilling nationalism and reconciliation processes has to be adequately acknowledged.

It is not an exaggeration or trying to be too optimistic to argue that sports therefore, should no longer be regarded as a supplementary initiative in nation-building, but instead its potential in the healing of political wounds caused by political divisions has to be seriously recognised. Many observers perhaps can still remember the extent of the effects left by the success of Catherine Freeman (the first Australian aborigine to win the gold medal in the Olympic Games) at the Sydney 2000 Olympics in highlighting the plight of the aborigines in Australia. Through extensive media coverage, Australia seemed to re-emerge as a nation making peace with itself, despite the history of the hundred years of aboriginal oppression (M.Mustafa Ishak and Soffian Omar Fawzee, 2001).

CONCLUSION

The discussions in the paper have highlighted several important issues. It has been demonstrated that the hosting of the prestigious international sports events has multiple benefits for the country, provided it is well managed and receives strong support from the central government. Although what is good for the development of sports in a given country may not necessarily be good for the country's economy, research has indicated that sports have a strong potential to generate economic growth as demonstrated by the Malaysian case highlighted in the paper.

A huge investment in terms of money and effort in the hosting of mega sports events has far-reaching implications for newly industrialized countries like Malaysia, which is still grappling with many crucial national agendas. Apart from helping to boost the international image of the country, it can also help in instilling national pride and patriotism, which are crucial in the context of nation building. The hosting of mega sports events is also important for the development and spread of specific values pertaining to sports culture within the society. This is especially true for the developing countries and the newly industrializing economies. The Malaysian experience has clearly illustrated that apart from the political and economic dimensions, the performance and the development of the particular sports can also be improved should a country play right the and effective role as the participating host in the staging of prestigious sports events. Perhaps many more focus studies are needed in the areas to further apprehend all these pertinent issues.

ENDNOTES

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¹ To note a few events, Kuala Lumpur has hosted the Badminton Thomas Cup Final for quite a number of times since the 1960s. In 1975, World Cup Hockey was held in Malaysia. It has also played host for the Heavyweight Boxing Championship, which involved the bout between Muhammad Ali and Joe Bugner in 1976.

² The Malays and other indigenous communities who constitute about 55 per cent of the population are classified as 'Bumiputera' (lit. sons of the soil). On the other hand, ethnic Chinese who make up about 35 per cent and Indian communities who contribute the remaining 10 per cent are classified as 'non-Bumiputera'. Neither of these groups is homogeneous, being made up of peoples with varying languages and religions. The religion and language divisions in Malaysia, therefore, occur both within and across ethnic groups. As a result, the questions of nation building and national unity have always been high on the country's national agenda.

³ Constant economic growth is very important for Malaysia as the country since the 1969 ethnic riots has been determined to rectify the inter ethnic socio-economic imbalances in the society. This is considered as one of the major factors that has hampered ethnic harmony in the country in the past and will continue to cause problems for the country in the future should the problems continue to prevail.

⁴ *High performance sports* refer to competitive sports organized in accordance with International Federation and Olympic Committee rules and conditions at national or international level to determine the winners. On the hand, *Mass sports* (sports for all) refer to sports and physical recreational activities, which may be spontaneous or organized, aimed at encouraging greater participation rather than for competition at national or international level.

⁵ MALAYSIA CERGAS is based on the Sports for all concepts in which people are encouraged to live an active lifestyle through their participation in sports and physical recreational activities as well as to strengthen the social and inter ethnic relations.

⁶ Malaysia continues to organize the cycling racing, i.e., *Le Tour de Langkawi* each year, and in 2005, the programme entered its tenth anniversary. The international dimension of the event is now of Olympian standards. Riders from such far –flung countries as South Africa, Brazil, the Ukraine, Canada, Ireland, Colombia, Spain, the USA and Russia have all written glorious chapters in the history book of the Langkawi event which now rates the fourth richest national touring the world, behind those of France, Italy and Spain.

⁷ Malaysia is enthusiastically hoping to have more F1 drivers. The F1 series, especially the Sepang F1, has undoubtedly contributed in promoting interest in motor sports racing amongst Malaysians. Many Malaysian youngsters have shown interest in the event in recent years. The giant national oil company, Petronas, has begun to sponsor Malaysian youngster Fairuz Fauzi who was the six times Asian Kart Prix champion to be the next Malaysian F1 driver by the year 2007. He is currently preparing to take part in the newly formed Grand Prix 2 series in Europe, teaming up with the 2003 Formula Renault V6 winner Jose-Maria Lopez of Argentina at Team Dams (The Star, 19 February, 2005).

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