

Towards a geopolitical economy of esports: making sense of Saudi Arabia's investments

Daniel James Joseph and Tom Brock

*Department of Sociology, Manchester Metropolitan University,
Manchester, UK, and*

William Clyde Partin

*School of Journalism and Mass Communication,
The University of North Carolina at Chapel Hill, Chapel Hill, North Carolina, USA*

314

Received 30 September 2024
Revised 18 February 2025
27 May 2025
Accepted 27 May 2025

Abstract

Purpose – This study aims to argue that the esports industry is structured by geopolitical economic dynamics and must be understood through a geopolitical economic lens. Focusing on Saudi Arabia's substantial investments in esports – both domestically and internationally – as part of its soft power strategy, the authors examine the geopolitical economy of the industry. As esports organisations grow increasingly reliant on Saudi capital, researchers concerned with the long-term sustainability of professional gaming should scrutinise these emerging geopolitical entanglements.

Design/methodology/approach – This study uses a methodology grounded in a geopolitical economic framework, which views nation states and other actors as using esports to advance geopolitical and economic objectives. To operationalise this framework, the authors conducted a trade press analysis (Corrigan, 2018) on industry reports, mass media and financial publications and the enthusiast press.

Findings – The analysis reveals the increased role of state-sponsored esports initiatives, particularly through entities like the Savvy Gaming Group and other state-sponsored investment groups. The authors also uncovered a notable decline in corporate esports investment in 2023, which has elevated both the relative and absolute significance of state-sponsored events.

Originality/value – This study offers original insights into the economic and social sustainability of esports by situating its analysis within the framework of the geopolitical economy of sports. The authors identify a distinct phase in the esports industry characterised by digital globalisation, shifting investment patterns and increased state involvement.

Keywords Political economy, Saudi Arabia, Team management, Esports, Geopolitical economy

Paper type Research paper

Introduction

As esports continues to grow into a global phenomenon, it is attracting significant investment from various entities and countries, reshaping the geopolitical and economic landscape in a variety of ways. One of the clearest examples of this is the rise of the Savvy Gaming Group



(SGG), a Kingdom of Saudi Arabia (KSA) based gaming and esports company established in 2021, which is wholly owned by the Saudi Arabian Public Investment Fund (PIF). Under the leadership of CEO Brian Ward, a former executive from Activision Blizzard, SGG has become a major player in the esports sector. SGG's emergence underscores the KSA's broader ambitions under its Vision 2030 plan: an initiative that aims to diversify the country's economy away from oil dependency by investing in technology, tourism and digital entertainment. For example, the \$4.9bn acquisition of the mobile game publisher Scopely and the formation of the ESL FACEIT Group highlight a strategic move to position the KSA as a hub for esports. Such investments mirror moves by SGG to secure a five-year partnership with Qiddiya City to develop a dedicated esports district. Recently, Qiddiya City secured its position as sponsor and host of the Esports World Cup for a three-year period. These kinds of investments are not new for esports; both South Korean and Chinese Governments have long promoted esports as a cultural and economic asset (Chee, 2023; Wong and Meng-Lewis, 2023). Nonetheless, these new developments are raising an important question about the role of state-backed entities in shaping global entertainment narratives alongside ethical considerations around such investments, both at a time when esports is struggling financially (Browning, 2022) but also in the context of human rights and censorship concerns in the KSA (Al-Atrush and Bradshaw, 2023). As such, this example orientates our thinking towards the geopolitical and economic landscape in esports and what issues emerge.

This article argues that the current era of esports should be understood through a geopolitical economic lens. This approach emphasises the critical role of states, corporations and other entities in the quest for power and resources, with esports emerging as a key component. The context of contemporary esports is one of digital globalisation propelled by consumerism (Brock and Crawford, 2024), dominant tech platforms, global market volatility, high operational costs and the shifting dynamics of capital flows between the Global North to the Global South (Joseph *et al.*, 2023). These dynamics help explain the so-called "esports winter" – discussed in greater depth below – that began in 2022 as layoffs, bankruptcies and investor pullbacks roiled the esports industry after a decade of consistent, if sometimes fitful, growth. (Maas, 2023). Our research shows that, for now, esports will be defined by the intervention of states at the level of cultural and industrial policy (via strategic investments in infrastructure such as stadiums, tax breaks and subsidies and direct sponsorship in line with soft power goals). This means that the economic, cultural and environmental sustainability of teams is, in many ways, dependent on geopolitical economic dynamics and capital flows.

This paper contributes and extends a growing body of literature on the *geopolitics* of esports, which focuses on the political dynamics that shape and are shaped by the growth of esports as an economic (Brock, 2017; Boluk and LeMieux, 2021) and cultural phenomenon (Wong and Meng-Lewis, 2023). We augment this work by rooting it within the tradition of the political economy of communication, which focuses on how media and cultural commodities circulate through complex systems of power shaped by unequal forces in the global economy (Mosco, 2009a, 2009b). These two bodies of literature are triangulated by recent interventions in sports management literature that introduced the concept of *geopolitical economy* (distinct from *geopolitics* as such) as a useful heuristic tool that goes beyond neoclassical and utilitarian approaches (Chadwick, 2022). Similarly, while the study of the politics and economic aspects of esports is established (Johnson and Woodcock, 2021), we argue that the *geopolitical economy* of esports adds an important dimension to the study of an industry that has increasingly become tied up with geopolitical considerations on top of purely capitalist, growth-oriented ones.

This article begins by outlining our theoretical contribution to the political economy of communication and the geopolitical economy of sport management. We then review relevant literature on the geopolitics of video games and esports, political economy and sport management. To explore this theoretical frame further, we introduce our empirical study by way of trade press analysis (Corrigan, 2018), looking at market research agency publications, the mass media and financial press and the enthusiast press. We demonstrate that the aftermath of the COVID bump and crash has shaped esports along geopolitical economic lines as the KSA leveraged an industry desperate for investment around itself.

All of these, taken together, show that esports team management scholarship has a lot to consider about the future of teams, leagues and esports itself. In line with Chadwick's (2022) argument that "established notions of sport management" are "no longer fit for purpose" (p. 686), we take the first step towards integrating these strands of literature to develop a more adaptive framework capable of examining the complexities of digital gaming competitions in a rapidly shifting 21st-century context.

Political economy and the geopolitical economy of sports

Research has long examined how sports influence and are influenced by global political and economic processes. Some of the earliest research explores how sports create global networks that connect different cultures and economies, enhancing global interconnectivity (Giulianotti and Robertson, 2004). Research also highlights the role of transnational corporations in shaping sports through sponsorships, broadcasting rights and global marketing strategies (Andrews and Ritzer, 2007). One important concept that emerges from this literature is Nye's (1990) concept of "soft power", which is frequently applied to sports, examining how countries use sports to enhance their global image and influence. In the context of sports, research shows that countries leverage their achievements and the global appeal of sports to project a positive image and cultivate international cooperation. A particular focus has been given to the impact of hosting mega-events like the Olympics and the FIFA World Cup as an effective way to exercise soft power (Grix et al., 2019).

The role of global media in shaping the political economy of sport is relevant here. This refers to how media rights, broadcasting deals and the global dissemination of sports content influence the sports industry and international relations. Boyle and Haynes (2009) explore the relationship between sports, media and popular culture, focusing on how media coverage and broadcasting rights impact the global sports landscape. Research shows that sports broadcasting in this way has been used as a tool for political influence and soft power (Dubinsky, 2019).

Research on the politics and economics of sports runs alongside and intersects with the political economy of communication, which has long set a precedent for researching how media companies operate in contemporary capitalism. As Meehan (1993) says, the primary goal of the political economy is to "uncover connections between ownership, corporate structure, finance capital and market structures to show how economics affects technologies, politics, cultures, and information" (Meehan, 1993:105). Mosco's (2009a, 2009b) definition of political economy also provides a pithy and ambitious research programme: "the study of control and survival in social life" (3). Many of the studies cited above can be considered to operate within this paradigm. However, what we believe is lacking is research on esports scholarship that connects the geopolitical and political economy. Specifically, we need research on the *geopolitical economy*, a concept that originated from analysing the role of the state in the global economy.

Desai (2013) introduced the concept of "geopolitical economy" to describe the capitalist world order and its historical evolution as the product of the interaction – conflicting,

competing or cooperative – of multiple states. Each state must navigate capitalism domestically through economic planning and regulation while also engaging internationally. For example, some states, like Saudi Arabia, align closely with the USA through military and economic ties, while others pursue a more balanced strategy, cooperating when advantageous but also asserting independence through initiatives like the Group of 77 – a coalition of developing countries within the United Nations. Others, such as the Cold War-era socialist bloc, positioned themselves in opposition to the US-aligned spheres of influence. Geopolitical economic theory also suggests that the mid to late 20th and early 21st century was defined by unstable US dominance, which has recently given way to a “multipolar world” shaped by various “contender states” (van der Pijl, 2006) engaged in accelerated, state-driven development. From this perspective, global economic patterns are not simply outcomes of market forces but of strategic political and economic interventions. As a heuristic, geopolitical economy emphasises the centrality of state agency in shaping markets, culture and global order.

Chadwick *et al.* (2023):3; also see (Chadwick, 2022) define the geopolitical economy of sport as being:

The way in which nations, states, and other entities engage in, with or through sport for geographic, political and/or economic reasons in order to build and exert power, and secure strategic advantages through the control of resources within and via networks of which sport is a constituent part.

This definition, in our view, productively combines the core research aims of political economy’s focus on power, control and survival at the corporate level while putting it into dialogue with the concerns of geopolitical economy’s focus on state intervention and competition. It then links geopolitical economy explicitly with the study of sport. Chadwick’s fundamental argument is that a variety of “giga changes” have begun to impact society, and as such, the world of sport. These giga changes are epochal in scope, derived from digital technology, globalisation, geopolitical shifts and the environmental crisis. As such, “orthodoxies of many industries are now being challenged” and “No human existence is being left untouched by a time that will be viewed in retrospect as one of the most important periods in human history” (686).

Key is that Chadwick’s original argument was that two dominant paradigms in sports management theory (neoclassical management theory and utilitarianism) were fundamentally unable to comprehend the scale and scope of these giga-changes because of their liberal and normative assumptions about society and sports. We agree that similar approaches would fail to fully make sense of the changes going on within esports either. As such, we locate ourselves within this new critical tradition of the sociology of sports and sports management. Our theoretical contribution lies in integrating political economy, geopolitical economy, the geopolitical economy of sports, and, in the next section, the geopolitics of esports.

Geopolitics and esports

Scholarship on the relationship between video games, esports and geopolitics generally falls into two areas. One focuses on how geopolitics and state ideologies shape game content and context. For example, Mukherjee’s (2017) monograph on video games and postcolonialism focuses on the narratives and gameplay of popular video games and how they reflect colonial perspectives and ideologies. Jarvis and Robinson (2021) also show how military-themed video games reflect narratives of exceptionalism in the USA.

The second area of scholarship examines the geopolitics of esports, focusing on how esports is shaped by geopolitical forces. For example, [Yu \(2018\)](#) illustrates the pivotal role that local incumbents have played in developing esports in China. Yu notes that Tencent, specifically, strategically expanded across the globe, acquiring significant stakes in established developers such as Riot Games and Activision Blizzard. Yu shows how Tencent's growth in esports came at a time of massive strategic investment in tech by the Chinese Government designed to stimulate the digital economy alongside a national plan to transition to more service-oriented economic development. Similarly, [Wong and Meng-Lewis \(2023\)](#) frame China's involvement in esports as "esports diplomacy", emphasising the geopolitical significance of its engagement in the industry.

[Trithara \(2022\)](#) explores the tensions between the USA and China through Blizzard Entertainment's response to star player Blitzchung's support for the 2019 Hong Kong protests, highlighting the difficult position of US media companies caught between geopolitical powers and the potential political roles of esports players and teams. [Boluk and LeMieux \(2021\)](#) have also investigated how the trade war initiated by the USA shaped how attendees at the DoTA 2 International Championship in Shanghai talked about and interacted with online ticketing systems and platforms.

Literature on the geopolitics of esports has similarly looked beyond the rise of China as a centre of esports growth. [Bae \(2021\)](#), for example, investigated the biopolitical factors that influenced Korea's rise on the international esports stage. [Chee's \(2023\)](#) scholarship demonstrates the Korean state's sociotechnical and socio-cultural role in the development of the local video games industry. Other scholars have looked at how national identities and politics in complex geopolitical arrangements shape esports in Australia ([Cumming, 2023](#)), the USA ([Taylor, 2021](#)) and Brazil ([Falcão et al., 2020](#)). What is clear from an overview of this literature is that there's a clear tradition of researching the geopolitics of esports. Yet, to build the concept of esports 3.0 on solid foundations, we wish to expand on the study of esports by way of the *geopolitical economy of sports*.

A prehistory of the geopolitical economy of esports

It is well-established that some of the earliest competitive video games were geopolitical. A *Spacewar!* competition, held at Stanford University in 1972, was one of the first video game competitions ([Turner, 2008](#)). It took place against the backdrop of the Cold War, where demonstrating technological superiority had become a key part of the rivalry between the USA and the Soviet Union. As such, *Spacewar!*, with its space exploration and militaristic themes (e.g. spaceships, ballistics, etc.), reflected the geopolitical issues of the day. Its role in one of the world's first video game tournaments, named the "Intergalactic Spacewar Olympics", traces geopolitics back to the early days of competitive gaming. Importantly, this trend continued throughout the 1980s and early 1990s with events like the *Space Invaders Championship* (1980) and, later, the *Electronic Circus* (1983), the Video Game Masters Tournament (1983–1987) and the *Nintendo World Championships* (1990) embedding competitive gaming within US popular culture. As [Borowy and Jin \(2013\)](#) note, trade shows in the 1980s and the "experience" economy were key to the development of certain dimensions of what would later become esports. [Brock and Crawford \(2024\)](#) extend this analysis to argue that consumer experiences are at the heart of the esports economy.

Across the Pacific, the emergence of PC bangs (internet cafes) and LAN gaming in South Korea laid the foundation for esports to become a major cultural and economic activity in the country ([Chee, 2023](#)). From the early 1990s, South Korea's Government began recognising the potential of the gaming industry. Initiatives like the "Cyber Korea 21" aimed to establish South Korea as a leader in information technology, which included substantial investment in

internet infrastructure and recognition of the opportunities afforded by the global online gaming market. As a result, some of the world's first esports organisations, like Korean e-Sports Association and global tournaments, like the *World Cyber Games*, were founded in South Korea in the early 2000s. Similar developments were also taking place in Europe. *DreamHack*, *Insomnia Gaming Festival* and *Gamescom* emerged as leading digital festivals that had esports competitions at their core, often featuring matches between well-established teams on the *Clanbase* or *Cyber Professional League* ladders.

The rapid growth of internet connectivity played an important role in the development of esports from a regional to an international industry. It was during the early 2000s that saw the emergence of online tournaments and leagues, often developed by game publishers. The development of these infrastructures played an important role in partnering with esports tournament organisers like *Major League Gaming* (MLG) to support the professionalisation of competitive gaming.

Later, many of these platforms brought the first examples of what we understand as livestreaming today. MLG leveraged the growing interest in online gaming to pioneer live streaming of its events through MLG.tv. Xbox Live also integrated a way to watch live and record matches, thereby helping to grow a spectator base for esports and presumably bring in large advertisers to cover the increasingly larger costs of organizing expensive tournaments and leagues. It was during this time that saw the professionalisation of esports through the elevation of players into “celebrities” within the gaming community. Players like Dave “Walshy” Walsh and Tom “Tsquared” Taylor were well-known figures within Halo, attracting major sponsors like Redbull. The intertwined nature of masculine celebrity, new technologies and advertising has not been lost on esports researchers and historians (Taylor, 2021). It is hard to imagine esports growing to geopolitical economic importance without a clear industrial trajectory that mirrors American and European football.

From the 2010s, esports experienced intense growth. The rise of high-quality live streaming platforms such as Twitch, YouTube and Facebook Gaming changed how audiences consumed esports content. Twitch became the popular platform for amateur and professional gamers to broadcast their gameplay to a global audience, increasing the visibility and reach of esports content (Taylor, 2019). Investment also rapidly changed during the 2010s. Esports organisations began to secure significant sponsorship deals alongside more substantial prize pools being listed at major esports tournaments. Similarly, the emergence of franchised leagues, such as the *Overwatch League* and the *League of Legends Championship Series*, saw esports adopt a professional funding structure akin to some traditional sports leagues. It was also during this time that esports began being listed alongside other major multi-sport events, including the *Asian Games* and the Olympics.

In the intervening years, there has been growth and contractions of the industry's prospects. While profits generally lagged, educational institutions began to show interest in esports as a part of their educational and athletic programmes. Sponsorship contracts continued to grow in importance and value while advertising continued to be the economic base upon which the industry sat, despite pleas by many insiders to diversify income streams.

At the same time, many observers in the esports industry characterize the present moment as an “esports winter” [1]. The post-COVID period brought a specific set of interconnected challenges for the industry, as slow revenue growth failed to keep pace with the meteoric valuations of esports organizations driven by VC investments in the 2010s. Macroeconomic shifts further challenged the industry, which could no longer rely on cheap debt to finance teams that were otherwise financially unsustainable. As one of us (Partin, 2025):187-188 elsewhere summarizes:

The final blow for many esports organizations came over 2022 and into 2023, when the central banks around the world began raising interest rates, which had been at historic lows over the preceding 10 years, to combat stubborn inflation across advanced capitalist countries. Consequently, the cost of borrowing money increased considerably, putting additional pressure on companies to generate new revenues or cut costs in an urgent bid for profitability. Worse, these financial struggles were amplified by a reduction of ad spending and sponsorship by advertisers (which still made up the bulk of the industry's revenues) and a rapid crash in the cryptocurrency ecosystem, on which many teams were dependent. Even the most successful and well-funded teams found themselves in a cash crunch. Mass layoffs and outright bankruptcies followed.

It is into this scene – one in which private markets are no longer a viable source of capital for the esports industry – that our analysis begins, as esports became increasingly (even more than it already was) embroiled in geopolitical economic dynamics.

Method

To build our theoretical contribution, we conducted a qualitative analysis of a variety of trade press publications, including market research agency reports, journalistic accounts and industry blogs. We built this analysis on top of an established approach to the political economy of communication that [Corrigan \(2018: 2751\)](#) has described as “trade press analysis”, which navigates the “vexing methodological hurdles” faced by researchers in the field. These hurdles are based on the secretive nature of for-profit organisations: even if they are publicly held, considerable amounts of information about business decisions remain non-public. This penchant for secrecy is even more acute in the digital games industry, which prides itself on information control. [Corrigan \(2018: 2756\)](#) describes two approaches inherent to trade press analysis. Firstly, there is “burrowing down” into what data is made publicly available by public and private interests. This constitutes a “paper trail” of bureaucratic documents that include white papers, annual reports, earnings calls, user guides and trade press articles. The second approach, “listening in”, has researchers looking for the insider conversations and discourse that takes place about “business practices and industry conditions”.

We began with a handful well-established insider industry substack and newsletter services: SuperJoost Playlist (written by Joost Van Dreunen, founder of SuperData market research), Game Discover Co. (founded and written by Simon Carless, former director of the Game Developers Conference) and GameDevReports (written by Dmitriy Byshonkov). This initial group of newsletters gave us an up-to-date picture of the digital game industry's picture of itself, as different market researchers and consultants churned out reports for sale and promotion. This led us to more primary sources, such as the market research agencies themselves: organisations such as InvestGame, Niko Partners, Newzoo and Interpret. These agencies exist in an ecosystem alongside other groups, such as Digital Development Management, which offer investment advice and consulting services. Trade bodies like the Consumer Technology Association (CTA) similarly play an active role in the trade press, often commissioning reports by market research agencies and then publicising them. Finally, we also analysed the traditional trade press reports in the mass media, financial and enthusiast press: some examples are *Esports New UK*, *The New York Times*, *The Financial Times* and *Bloomberg*. In total, we analysed 54 distinct articles from these sources between the years of 2021–2024. Our analysis involved close readings of this data and developing a variety of themes such as “precarity of financial stability of esports” or “sudden influx of KSA capital”.

Our methodology is limited in several ways. Firstly, we are, ultimately, relying on an account of the industry as it is transmitted via what is publicly available in the media and in industry

reports. This inherently puts us on the back foot when it comes to deep insider knowledge. Our market research and industry data is also limited to what is publicly disclosed in earnings calls by publicly traded corporations as well as that which is contained in the free, “taster” reports of market researchers and consultants. Often, the source of some data is kept secret, and the collection and analytical methodologies are unclear. We read these reports critically and refer back to our methodological approach, where we are able to create “trustworthy” accounts of it, triangulated against other sources of data and discourse (see [Corrigan, 2018](#)).

Market research and industry reports

As noted above, we analysed market reports on esports produced by research agencies and interest groups. These include broad video game industry reports that briefly mentioned esports to focused reports on specific regions or quarters of yearly investment in esports. These kinds of industry market reports often reflect an economic and temporal sentiment that changes drastically as more data becomes available, especially after the COVID-19 boom, when sales and user growth were at their highest. For example, Interpret and the CTA in 2021 spoke of massive esports user growth focused in the USA and Europe by 2024 ([Sinclair, 2021](#)). One CTA research analyst even said that “The rise of esports as a new form of media is here for the long-term”. Such sunny predictions faded out by the end of 2023 when one report from [InvestGame \(2024\)](#) said that in what was “a relatively slow year for deal making activity” esports was “struggling more than others”.

Yet this developing economic picture comes up against the sudden growth and influx of investment from the KSA by the SGG. For example, in their 2023 Q4 investment report DDM ([Byshonkov, 2024a](#)) reported that esports “was in a crisis”. Another primary example of the general weakness of esports was the sale of FaZe Clan for \$17m when only one year before it had been valued at its SPAC listing at \$725m. [Investgame \(2024\)](#) likewise described the industry as in a “market slump” with ongoing uncertainty slowing investment. However, in the same reports, a series of large purchases by SGG in 2022 are prominently mentioned. [Investgame \(2024\)](#), for example, noted the large purchase of the ESL for \$1.05bn. DDM pointed out the SGG 2023 purchases of Scopely for \$4.9bn alongside a \$265m investment in the China-based VSPO as some of the biggest deals. Regional analysis from agencies like KSA-based Shorooq Partners (2024) describes the KSA as the “pillar of the MENA gaming industry, holding nearly half of the regional market share”.

Some reports build their case for the importance of the KSA’s entrance into the market on the growth of the industry but also on the relative youth and high engagement of KSA citizens with video games and esports. [Niko Partners \(2024\)](#) described the KSA, UAE and Egypt as strong emerging markets, expecting growth of more than 8%. [Niko Partners \(2024b\)](#) builds on this research to go on to give extensive coverage on the blog of the 2024 Esports World Cup in Riyadh, which was funded by the KSA’s PIF. Finally, KSA involvement arises again in more recent reports with the announcement of the Olympic Esports Games. As [Konvoy Ventures \(2024\)](#) discusses in its Q2 2024 report, their 12-year partnership with the KSA has the potential to “significantly progress esports”. They note that being recognised by the Olympics “brings legitimacy to any sport” and “exposes esports to billions of people”.

Mass media and financial press

The mass media’s coverage of esports in the past three years mirrors much of the above trends, but it is worth noting how acute the focus of coverage is: the narrative goes from a rather gloomy picture of the industry as in a seriously dire financial position to one counterbalanced by the large movement of Saudi capital throughout the industry. An example of the former in the *New York Times* discusses the lack of profits in esports, noting

that despite the investment, “the money has not followed” (Browning, 2022). A particular point of pain for large investors is that broadcast rights were “less lucrative and consistent” than those in other US-based sports. A follow-up article (Browning, 2023) discussed how “team owners are cutting costs by laying off employees and ending contracts with star players” alongside looking to sell their teams. In addition to this, some of the most important numbers look gloomy: viewers of the Esports Championship Series were down 22% from 2021’s high.

Comparing these articles from 2022 to 2023 to more recent coverage shows how stark it is: nearly every article in our data set discussed the influx of money from the KSA or Qatar. We see the *Financial Times* covering a \$1bn investment in Embracer, noting Savvy’s previous investments in Faceit and Modern Times for \$1bn as well (Gross, 2022). Articles cover the acquisitions of the KSA acquisition of Scopely and the Qatar Investment Authority’s investments in Washington Wizards’ parent company Monumental Sports, which includes a significant esports division (Germano and England, 2023). The *Financial Times* ran a special report titled “Saudi Arabia spends billions in drive to dominate global games industry”, discussing Savvy’s \$8bn investment spree, framing it within the overall drive to diversify the economy away from reliance on oil revenues (Al-Atrush and Bradshaw, 2023).

The focus on business transactions does give way to another important narrative in the past two years: criticism and pushback to KSA investment on human rights grounds. In an article titled “Saudi Money Makes a Big Splash in Video Games”, *The New York Times* covered the inaugural Esports World Cup featured numerous discussions of “games washing”. As one interviewee said, “We’ve gotten to the point where if you draw the line and say, ‘I’m not working for a Saudi-owned company,’ or ‘I’m not going to Saudi Arabia,’ your career in e-sports would probably be very short lived”. A 2024 *Bloomberg* article covering the Esports World Cup in Riyadh discussed event boycotts, featuring quotes from hosts such as Stella Chung declining to participate in the event due to the KSA’s record on human and LGBTQ+ rights (Burke et al., 2024).

More recently, however, *Bloomberg* resurfaces the general crisis of the esports industry. In an article on Savvy’s lucrative purchase of Scopely and its mega success *Monopoly GO*, it is noted that “Not all of Savvy’s investments have been as immediately lucrative” and that esports has struggled to attract audiences and sponsors (D’Anastasio and Burke, 2024). As Savvy’s CEO Brian Ward goes on to say, “...Savvy is done making large investments in esports”.

Enthusiast press

Enthusiast press outlets like *Esports News UK* and *Esports Insider* provide a different perspective on the industry, one caught between what might be termed “objective” reporting and ambivalence and criticism. Numerous stories about the esports industry include discussion of the large investments by Savvy or partnerships with KSA organisations. For example, in a 2023 article, *Esports News UK* discusses a recent partnership announcement between the McLaren Shadow team and NEOM, one of the KSA’s proposed tech city megaprojects (Sacco, 2023a, 2023b, 2023c). *Esports Insider* likewise reports on developments in the KSA as organisations, such as South Korea-based Gen.G, set up local operations in Riyadh and discuss partnerships (Xu, 2024).

This kind of press release reporting is sometimes given a small contrast. In a story on Guild Esports’ CEO celebrating the creation of the Esports World Cup in Riyadh, it is reported very briefly that the announcement “was criticized by some” as a product of “petrodollars” as it became clear that a variety of esports influencers and personalities had been given payments to simultaneously promote the event on Twitter (Sacco, 2023a, 2023b, 2023c). In an *Esports News UK* opinion piece Dom Sacco discusses how difficult it has been

in recent years to cover, critically, the KSA's newfound centrality in esports. Sacco says that if he *was* invited to join as a partner with Saudi organisations, he would refuse, yet he knows that this would functionally lock him and others out of future business partnerships. *Esports Insider*, in reporting on the International Olympic Committee's announcement of a 12-year contract with the KSA for the Olympic Esports Games, does give a small mention at the end of an article that the Saudi Government's esports initiatives "are often often criticised as a form of 'esportswashing', due to the country's human rights record on women and LGBTQ+ communities" (Šimić, 2024).

Discussion and conclusion: Saudi Arabia's esports gamble

Our trade press analysis helped us to frame the geopolitical economic circumstances surrounding esports from 2021 to 2024. Firstly, market research agencies and industry reports, as well as the financial press, focused on precarity: that the esports industry was in a global economic slump following the "height" of the COVID-19 emergency. It was unclear if advertising, sponsorships or other revenue streams would be able to satisfactorily cover costs and fund future industry growth for its capitalist investors. Secondly, all three noted, in a surge of articles, the sudden and massive investments and partnerships that the KSA made via Savvy and other government-linked agencies. Thirdly, we note that the unique social and political situation in the KSA gave rise to coverage in the financial and trade press: both discussed that the rights of women, LGBTQ+ people and other minorities generated considerable discourse about the ethics and morality of the industry. Fourthly, the financial press began to discuss esports after the end of the KSA's spending spree.

While this paper is focused on the rise of the KSA as a geopolitical economic actor, it is also invested in furthering a research agenda on the future of esports that is sensitive and attendant to geopolitical economic dynamics. In this sense, what we have captured in the data is how an industry can, in large part, be put in the thrall of a geopolitical entity if the conditions are ripe. It is not inevitable, we think, that the KSA captured such a variety of pillars in the esports industry. For instance, it is hard to imagine the KSA successfully rolling out a programme of partnerships and acquisitions if the industry itself had not been reeling from a sudden growth slump after the COVID-19 boom. Would these teams, developers and leagues have sold themselves off if they were confident about their future valuations going even higher? Geopolitical economy gives scholars a lens to look at these dynamic moments when states step into spaces normally reserved for corporations and make sense of them.

Geopolitical economy also helps make of esports beyond the calculus of investing in esports in a neoliberal context, i.e. that esports only represented a perceived long-term investment in a multi-revenue stream advertising-dependent audience-generating machine. Instead, esports *might* represent these things, but the economic situation has not radically improved. But geopolitical entities like the KSA are interested in things that esports can bring to them beyond profit. For example, one of the key areas that the KSA PIF has been tasked with is diversifying the KSA economy away from an overreliance on fossil fuels. This has meant investments in green technologies, the service sector, and, of course, esports. This diversification does not guarantee profit: but it does broaden the country's investment portfolio and allows it to gamble on several possible futures of economic growth. While the overall investment looks large to the esports community, it is merely an important line item alongside a variety of other investments to the PIF. Leagues, teams and infrastructures for esports represent assets to park capital.

Esports, and sports in general, also represent a branding exercise, or as many discussed in our data set, a form of sportswashing. The KSA has two big reasons to do this with global audiences: the overwhelming association of the country with fossil fuels and the negative

impacts of climate change, as well as an ultra-conservative approach to women's rights and sexuality. While the current leadership of the KSA has spent considerable time in the past decade discussing reforms, most of these have been small or non-existent. The murder of a prominent journalist, Jamal Khashoggi, by state security forces was also covered widely in the press, as it was closely linked to the current de-facto leader of the royal family (Hubbard, 2019). It is notable that not long after Khashoggi's murder that the KSA opened a new visa programme to encourage tourism to the country, doubling back on decades of travel restrictions. It is hard not to link the rise of tourism and esports to a broader programme to change the international image of the KSA from a socially repressive and closed society to one of youth, entertainment and growth. That it is obvious to those inside the esports industry, based on what we saw in the mass media and enthusiast press, does not change that it *will* lead to more engagement with the country if one is professionally involved in esports. In this way, the geopolitical economy of esports addresses a core element of Desai's (2013) theorization of capitalism in a state-led global economy as a long process of managing national capitalism in the context of a ruthless world market with severe power disparities. While esports have dubious profit margins, its role as a soft power tool can help contender states deepen cultural and economic ties with other states.

Future esports research should adopt a geopolitical economy lens to explore areas beyond this article's scope. While the KSA dominated our data set, deeper trade press archives reveal significant investments by other actors, such as Chinese state-owned enterprises and other Gulf states. A geopolitical economic lens would also help esports scholars make sense of how various leagues have navigated Russia's war in Ukraine or Israel's war on Gaza. The next decade of partnerships between The Olympic Esports Games and the KSA similarly deserves close geopolitical economic attention. There are many more such examples. But, for now, the KSA has staked a huge gamble on the future of esports, and the esports industry is still figuring out how to deal with it now that the spending is over. It remains to be seen if this gamble is successful.

Note

1. The term "esports winter" recalls (and may itself be inspired by) the concept of "AI winters", periods of reduced funding, interest and progress in artificial intelligence research, usually following unmet expectations and hype (Floridi, 2020). Similar to esports' own ups and downs, these downturns have happened multiple times in AI history, notably in the 1970s and late 1980s. The metaphor is a potent one, for it simultaneously acknowledges the materially undesirable conditions of the present while also promising an eternally soon-to-arrive renewal.

References

- Al-Atrush, S. and Bradshaw, T. (2023), "Saudi Arabia spends billions in drive to dominate global games industry", *Financial Times*, 13 June, available at: www.ft.com/content/f172f599-d5ef-430c-b036-e3932d04e888 (accessed 20 September 2024).
- Andrews, D.L. and Ritzer, G. (2007), "The global in the sporting glocal", *Global Networks*, Vol. 7 No. 2, pp. 135-153.
- Bae, K.Y. (2021), 7: "Too many Koreans': esports biopower and South Korean gaming infrastructure", available at: <https://bristoluniversitypressdigital.com/edcollchap/book/9781529213386/ch007.xml> (accessed 25 September 2024).
- Boluk, S. and LeMieux, P. (2021), "Golden ticket: money games at the dota 2 international championship in China", *ROMchip*, Vol. 3 No. 1.

- Borowy, M. and Jin, D.Y. (2013), "Pioneering eSport: the experience economy and the marketing of early 1980s arcade gaming contests", *International Journal of Communication*, Vol. 7, p. 21.
- Boyle, R. and Haynes, R. (2009), *Power Play: Sport, the Media and Popular Culture*, Edinburgh University Press, available at: www.jstor.org/stable/10.3366/j.ctt1r20kn (accessed 18 June 2025).
- Brock, T. (2017), "Roger Caillois and E-Sports: on the problem of treating play as work", *Games and Culture*, Vol. 12 No. 4, pp. 321-339.
- Brock, T. and Crawford, G. (2024), "The esports experience economy: a multiple-case study of esports events, peripherals and fashion", *Internet Research*, doi: [10.1108/INTR-02-2024-0138](https://doi.org/10.1108/INTR-02-2024-0138).
- Browning, K. (2022), "The excitement around E-Sports is growing. But where are the profits? The New York times", 26 November, available at: www.nytimes.com/2022/11/26/business/video-game-esports-profit.html (accessed 20 September 2024).
- Browning, K. (2023), "The E-Sports world is starting to teeter", *The New York Times*, 20 May, available at: www.nytimes.com/2023/05/20/technology/e-sports-revenue-video-gaming.html (accessed 19 September 2024).
- Burke, C., Abuljadayel, F. and D'Anastasio, C. (2024), "Saudi Arabia chases gaming dream with more prize money than PGA", *Bloomberg.com*, 3 July, available at: www.bloomberg.com/news/articles/2024-07-03/esports-world-cup-riyadh-offers-bigger-prize-than-pga (accessed 20 September 2024).
- Byshonkov, D. (2024), "DDM: gaming investments in Q4 2023; 2023 results and 2024 forecasts", In: *GameDev Reports*, available at: <https://gamedevreports.substack.com/p/ddm-gaming-investments-in-q4-2023> (accessed 19 September 2024).
- Chadwick, S. (2022), "From utilitarianism and neoclassical sport management to a new geopolitical economy of sport", *European Sport Management Quarterly*, Vol. 22 No. 5, pp. 685-704.
- Chadwick, S., Widdop, P. and Goldman, M.M. (Eds) (2023), *The Geopolitical Economy of Sport: Power, Politics, Money, and the State*, 1st ed., Routledge, Abingdon, Oxon; New York, NY.
- Chee, F. (2023), *Digital Game Culture in Korea: The Social at Play*, Lexington Books, Lanham.
- Corrigan, T.F. (2018), "Making implicit methods explicit: trade press analysis in the political economy of communication", *International Journal of Communication*, Vol. 12, p. 22.
- Cumming, D.J.-J. (2023), "'What they love about sports is what I love about esports': how esports factors into Australian national identity", in Gilardi, F. and Martin, P. (Eds), *Esports in the Asia-Pacific: Ecosystem, Communities, and Identities*, Springer Nature, Singapore, pp. 159-184, doi: [10.1007/978-981-99-3796-7_8](https://doi.org/10.1007/978-981-99-3796-7_8) (accessed 25 September 2024).
- D'Anastasio, C. and Burke, C. (2024), "Saudi Arabia's savvy games to invest more in mobile after 'monopoly go'", *Bloomberg.com*, 19 April, available at: www.bloomberg.com/news/articles/2024-04-19/saudi-arabia-s-savvy-to-put-more-into-mobile-after-monopoly-go (accessed 20 September 2024).
- Desai, R. (2013), *Geopolitical Economy: after US Hegemony, Globalization and Empire. Future of world capitalism*. London: Pluto Press, available at: <http://site.ebrary.com/id/10659956> (accessed 24 July 2024).
- Dubinsky, Y. (2019), "From soft power to sports diplomacy: a theoretical and conceptual discussion", *Place Branding and Public Diplomacy*, Vol. 15 No. 3, pp. 156-164.
- Falcão, T., Marques, D., Mussa, I., et al. (2020), *At the Edge of Utopia. Esports, Neoliberalism and the Gamer Culture's Descent into Madness*, Universität Bremen. Epub ahead of print 21 December 2020, doi: [10.26092/elib/411](https://doi.org/10.26092/elib/411).
- Floridi, L. (2020), "AI and its new winter: from myths to realities", *Philosophy and Technology*, Vol. 33 No. 1, pp. 1-3.

- Germano, S. and England, A. (2023), "Qatar investment authority takes 5% stake in Washington wizards owner", *Financial Times*, 10 July, available at: www.ft.com/content/e2eb8398-13c5-40e3-8471-f26d617f1ff4 (accessed 20 September 2024).
- Giulianotti, R. and Robertson, R. (2004), "The globalization of football: a study in the glocalization of the 'serious life'", *The British Journal of Sociology*, Vol. 55 No. 4, pp. 545-568.
- Grix, J., Brannagan, P.M. and Lee, D. (2019), "Sports Mega-Events and the concept of soft power", in Grix, J., Brannagan, P.M. and Lee, D. (Eds), *Entering the Global Arena: Emerging States, Soft Power Strategies and Sports Mega-Events*, Springer, Singapore, pp. 23-36, doi: [10.1007/978-981-13-7952-9_3](https://doi.org/10.1007/978-981-13-7952-9_3) (accessed 25 September 2024).
- Gross, A. (2022), "Saudi wealth fund takes \$1bn stake in gaming group embracer", *Financial Times*, 8 June, available at: www.ft.com/content/2d25c368-f64f-4c4c-b5ae-a6c4da95d676 (accessed 20 September 2024).
- Hubbard, B. (2019), "Saudi Arabia seeks death penalty for 5 suspects in Khashoggi killing", *The New York Times*, 3 January, available at: www.nytimes.com/2019/01/03/world/middleeast/saudi-arabia-khashoggi-death-penalty.html (accessed 13 February 2025).
- Investgame (2024), "2023: striving for elevation", February. Investgame, available at: <https://investgame.net/wp-content/uploads/2024/02/FY-2023-IG-Report.pdf> (accessed 19 September 2024).
- Jarvis, L. and Robinson, N. (2021), "War, time, and military videogames: heterogeneities and critical potential", *Critical Military Studies*, Routledge, Vol. 7 No. 2, pp. 192-211.
- Johnson, M.R. and Woodcock, J. (2021), "Work, play, and precariousness: an overview of the labour ecosystem of esports", *Media, Culture and Society*, Vol. 43 No. 8, pp. 1449-1465.
- Joseph, D., Nieborg, D. and Young, C. J. (2023), "One big store: source diversity and value capture of digital games in national app store instances", *International Journal of Communication*, Vol. 17, pp. 7246-7264.
- Konvoy Ventures (2024), "Gaming industry report – Q2 2024", available at: www.konvoy.vc/content/gaming-industry-report-q2-2024 (accessed 19 September 2024).
- Maas, L. (2023), "What is the esports winter — and how to navigate the cold? In: esports insider", available at: <https://esportsinsider.com/2023/11/what-is-esports-winter> (accessed 6 May 2025).
- Meehan, E. (1993), "Commodity audience, actual audience. The blindspot debate", *Illuminating the Blindspots: Essays Honoring Dallas W. Symthe*, Ablex, Norwood NJ, pp. 378-397.
- Mosco, V. (2009a), "Overview of the political economy of communication", *The Political Economy of Communication. Second*, Sage Publications, London, pp. 1-20.
- Mosco, V. (2009b), *The Political Economy of Communication. Second*, Sage Publications.
- Mukherjee, S. (2017), *Videogames and Postcolonialism: Empire Plays Back*, Palgrave Macmillan, Cham.
- Niko Partners (2024), "MENA-3 games market report series", *Niko Partners*, 4 March, available at: <https://nikopartners.com/middle-east-north-africa-games-market/> (accessed 19 September 2024).
- Nye, J.S. (1990), "Soft power", *Foreign Policy*, No. 80, pp. 153-171.
- Partin, W.C. (2025), *The E in Sports: The Platformization of Professional Gaming*, Ph.D. The University of North Carolina at Chapel Hill, North Carolina, United States, available at: www.proquest.com/docview/3205835533/abstract/BD7724741B644CBCPQ/1 (accessed 20 June 2025).
- Sacco, D. (2023a), "Guild applaud announcement of esports world cup in saudi", available at: <https://esports-news.co.uk/2023/10/23/esports-world-cup-saudi-guild/> (accessed 20 September 2024).
- Sacco, D. (2023b), "McLaren shadow announce NEOM as official principal partner", available at: <https://esports-news.co.uk/2023/11/13/mclaren-shadow-neom-partnership/> (accessed 20 September 2024).
- Sacco, D. (2023c), "Navigating through Saudi Arabia's rise in esports", available at: <https://esports-news.co.uk/2023/10/19/saudi-arabia-rise-in-esports/> (accessed 20 September 2024).

-
- Šimić, I. (2024), "Olympic esports games to take place in Saudi Arabia", available at: <https://esportsinsider.com/2024/07/olympic-esports-games-saudi-arabia> (accessed 20 September 2024).
- Sinclair, B. (2021), "Worldwide esports viewership will grow to 519 million by 2024 – Report", available at: www.gamesindustry.biz/worldwide-esports-viewership-will-grow-to-519-million-by-2024-report (accessed 17 September 2024).
- Taylor, N. (2021), "Kinaesthetic masculinity and the prehistory of esports", *ROMchip*, Vol. 3 No. 1.
- Taylor L. (2019) *Watch Me Play: Twitch and the Rise of Game Live Streaming*, Princeton; Oxford: Princeton University Press.
- Trithara, D. (2022), "Toward geopolitical gaming: exploring the tension between blizzard entertainment and political forces", *Journal of Information Technology and Politics*, Routledge, Vol. 19 No. 1, pp. 65-82.
- Turner F. (2008) *From Counterculture to Cyberculture: Stewart Brand, the Whole Earth Network, and the Rise of Digital Utopianism*, University of Chicago Press, Chicago, IL.
- van der Pijl, K. (2006), "A Lockean Europe?", *New Left Review*, No. 37, pp. 9-37.
- Wong, D. and Meng-Lewis, Y. (2023), "Esports: an exploration of the advancing esports landscape, actors and interorganisational relationships", *Sport in Society*, Vol. 26 No. 6, pp. 943-969.
- Xu, D. (2024), "Gen.G expands with new hub in Saudi Arabia – Esports insider", available at: <https://esportsinsider.com/2024/08/gen-g-expands-in-saudi-arabia> (accessed 20 September 2024).
- Yu, H. (2018), "Game on: the rise of the eSports middle kingdom[1]", *Media Industries Journal*, Vol. 5 No. 1.

Further reading

- Boluk, S. and LeMieux, P. (2017), "Metagaming: playing, competing, spectating, cheating, trading, making, and breaking videogames", *Electronic mediations*; v. 53; 53. Minneapolis: University of Minnesota Press, available at: <https://search.ebscohost.com/login.aspx?direct=true&scope=site&db=nlebk&db=nlabk&AN=1424651> (accessed 23 July 2024).
- Brock, T. (2023), "Ontology and interdisciplinary research in esports", *Sport, Ethics and Philosophy*, Vol. 19 No. 1, pp. 1-17, doi: [10.1080/17511321.2023.2260567](https://doi.org/10.1080/17511321.2023.2260567).
- DDM (2024), "Games investment review Q1 2024 executive summary report", available at: www.ddmagency.com/ddm-games-investment-review/ (accessed 19 September 2024).
- Giulianotti, R. (2015), *Sport: A Critical Sociology*, 2nd ed., Polity, Cambridge; Malden, MA.
- Grix, J. and Brannagan, P.M. (2024), "Sports Mega-Events as foreign policy: sport diplomacy, 'soft power', and 'sportswashing'", *American Behavioral Scientist*, SAGE Publications Inc, p. 27642241262042.
- Sharooq Partners (2025), "Q4 2023 gaming and entertainment report", available at: <https://sharooqpartners.typeform.com/to/ifn7dON6> (accessed 19 September 2024).
- Takahashi, D. (2021), "Niko partners: Asia is 54% of the \$1B global esports market", In: *VentureBeat*, available at: <https://venturebeat.com/esports/niko-partners-asia-is-54-of-the-1b-global-esports-market/> (accessed 19 September 2024).
- Tan, E. and Premfors, K. (2024), "Saudi money makes a big splash in video games", *The New York Times*, 12 July, available at: www.nytimes.com/2024/07/12/technology/saudi-arabia-video-game-investment.html (accessed 20 September 2024).

Corresponding author

Daniel James Joseph can be contacted at: d.joseph@mmu.ac.uk