

An attempt to make football more beautiful

Alan Beattie

- 1 Summer is ending and a new soccer season is under way in the European leagues. This year, though, the clubs that dominate their top divisions are being closely marked by the regulators. Manchester City and Paris St Germain, respective winners of last season's English and French leagues, are having to cope with fines and spending limits under the Financial Fair Play regime. Introduced five years ago by UEFA, European football's governing body, the rules are beginning to bite.
- 2 That may not be a good thing. The problem the rules seek to address is real enough: a grotesque imbalance between a small handful of genuine championship contenders and a large pack of no-hopers. It is less clear, with inequality so strongly embedded in the game, that a relatively modest tweak will help.
- 3 The rules' "break-even requirement", broadly speaking, compels clubs to spend no more on players than they earn through gate receipts, broadcasting rights, sponsorship and merchandising. The aim is to prevent sugar daddy benefactors 26 competition by subsidising huge losses. Manchester City and Paris St Germain's title races were bankrolled by the ruling families of the United Arab Emirates and Qatar respectively.
- 4 Rivalry, generally a positive thing, takes on a particular importance in sport, where competition is itself the product. Some markets may be natural monopolies: it is generally most efficient to have only one national railway system.
- 5 But even Manchester United fans, with their notorious sense of self-regard and entitlement offended by their team's horrendous start to the season, might struggle to see the point of an English Premier League with only Manchester United in it. In reality the Premier League is an oligopoly funded by oligarchs: the paucity of real competition means that only five clubs have won the league in its 21 years of existence, Manchester United coming top a tedious 13 times. The problem, as a succession of sports economists have lined up to point out, is that the break-even requirement is more likely to worsen than to improve competitive balance. The bigger clubs will continue to rake in huge sponsorship deals, which will ensure their continued dominance.



- 6 Greater off-field income means superior players, which means larger crowds and the ability to charge higher ticket prices. It will be harder for lesser clubs to climb from the lower divisions to the top.
- 7 That clubs run at a perpetual loss in itself seems unobjectionable unless they actually go bankrupt: often a big issue in the lower divisions, where a steady stream of wealthy egotists is harder to come by, but less so at the top. If the rich want to subsidise public entertainment, let them. In horseracing, Britain's second-biggest sport by revenue and attendance, proprietors have merrily been losing money for a century without anyone bothering them. In 2012 racehorse owners spent £369m on their nags and recouped just £85m in prize money and sponsorship.
- 8 One solution is obvious but improbable: for European football to copy the oval-ball game in the US. America's National Football League is quite simply socialism in one sport. Revenues are shared between the teams, there is a cap on overall salary bills, and the worst-performing teams one season have the pick of new players the next. It seems to promote balance: 13 NFL teams have won the 32-club Super Bowl in the past 22 years as opposed to the Premier League's five. When cricket's Indian Premier League was set up in 2008, it took a similar approach, with a salary cap and open auction for players, and rapidly became a massive success.
- 9 Sadly, even if European football clubs improbably agree on the principle of centralised revenue and redistribution, it will require all their leagues to adopt such a system simultaneously. Otherwise, those without a salary cap will poach the best players from those with. (Since essentially no one else in the world plays American football, it being a terrible game, this is not a problem for the NFL.)
- 10 Footballers start playing professionally much earlier than NFL players, and European clubs have their own youth schemes, so an auction or draft system for the best new players is not going to work. A modified version of US Major League Baseball's "luxury tax", where a percentage of rich clubs' spending on players above a certain limit is distributed elsewhere, might be easier to implement, but arguments about the formula for redistribution are likely to be fierce.
- 11 Bringing competitive balance to football is a laudable aim. But as things stand, the fair play rules will do little to achieve it. Nice idea; clumsy execution; potential own goal. Those of us used to watching lower-division football know the feeling.

The writer, an FT journalist, supports Chester FC, a fan-owned club in the fifth tier of English league football

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