PART II

Organisation
Introduction

Governance has been one of the most fashionable topics in European sport in the last decade. This interest in sport governance is relatively recent, though. It took high-profile scandals for the sporting movement and public authorities (meaning governmental institutions and authorities across different levels of governance, including national, supranational (EU) and subnational) alike to question the credentials and the effectiveness of the structures organising sport in Europe. The bribes of International Olympic Committee (IOC) members around the election of Salt Lake City to host the 2002 Winter Olympic Games and other subsequent accusations of corruption within the IOC put the issue firmly in the headlines. Approximately at the same time, the doping scandal of the Festina team in the 1998 Tour de France questioned the willingness of governing bodies to tackle widespread doping practices in sport. Governments and sponsors around the world demanded reforms if the IOC and the world of sport were to regain their credibility. But, more importantly, this generated a renewed interest in the governance of sport. Questions were raised not just about corruption, but also more generally about the structures of European sport, the role of non-governmental sports organisations, the need for the involvement of public authorities and the transformation of European sport in the last decades as a result of commercialisation and massive professionalisation.

Curiously, football was not concerned with the global scandals that are identified as the turning points in the new ‘governance approach’ towards sport. However, the beautiful game has not escaped this intensified interest in the (good) governance of sport. From the global to the national and the local, interest in (and criticism of) football governance has only risen in the last decade. Examples are numerous nowadays, but for our purpose in this introduction it could serve to give some illustrative examples. At a global level, world football’s governing body (FIFA, the Fédération Internationale de Football Association) has been accused of severe governance failures: corruption in the election of Qatar to host the 2022 World Cup; irregularities in the last presidential election; underrepresentation of women in the executive committee, to name a few. At continental level, in Europe, UEFA has stepped up its efforts to encourage sound financial management of clubs and leagues with the creation of the so-called Financial Fair Play (FFP). Even at the national level, in the United Kingdom, for example,
sports minister Hugh Robertson recently declared that football was ‘the worst governed sport in the country’.

This list is not meant to be exhaustive, but only to give an idea of the breadth of governance-related issues that football is facing nowadays. These examples have something in common; they can all be related to governance. However, at the same time, they represent very different interpretations of what governance means. It is quite clear that there is wide interest in football governance developing among academics, public authorities, and the game’s governing bodies and other stakeholders. However, it is not that easy to delineate the main components of these debates, because there are too many intervening variables: contrasting opinions among stakeholders as to who should take governance-related decisions, diverging definitions of governance and a large diversity of structures in football do not make it easy for parsimonious analysis.

This chapter intends to summarise the current state of affairs in the increasingly important field of football governance. Thus, the chapter proceeds in three steps. First, a conceptual definition of governance, as applied to football, is provided with the help of the literature. This definition will be divided into two different pillars, namely systemic governance and good governance. Second, the chapter will then explore the systemic transformation of football governance from pyramids of vertical hierarchies to horizontal networks of stakeholders. Third, the chapter will summarise the most recent debates in the area of football’s good governance and management.

**What is governance?**

This section presents a succinct definition of governance which serves to structure the remainder of our discourse. Governance is a multifaceted concept and, as such, this definition does not claim to cover all dimensions. Indeed, this is better understood as an applied definition to the case at hand: football. In other words, the next few paragraphs outline the conceptual base in order to understand the relationship between governance and football structures.

Probably one of the reasons behind the complexity of the debates on football governance is the nature of the concept itself. Roderick Rhodes (1997: 47) has pointed out that the term governance is perhaps used in too many contexts and with different meanings. For our discussion here, though, the focus will be on two main elements: (1) governance as a network to structure the relationships among a large number of stakeholders (Rhodes, 1997: 53); and (2) governance as ‘good governance’, which is defined as involving the principles of effective, transparent and democratic management (Rhodes, 1997: 49–50). Thus, as Holt (2006: 4) points out these definitions of governance can be seen as both analytical (or descriptive) and normative. Applied to football, this means that we can use it to analyse how the game is governed structurally and to comment on how well it is or should be governed.

**Network governance**

Network governance is an analytical concept. It refers to a systemic structure where actors interact continuously in networks because they need to exchange resources and negotiate shared purposes. This definition of governance refers to the management of a structure with a large number of stakeholders where power, authority and resources are diffused and distributed across the system (Rhodes, 1997: 53). It is difficult, therefore, to single out a focus of power and decision-making because policies are negotiated among stakeholders in the network. In the area of sport, Andre-Noel Chaker has defined sports governance as ‘the creation of effective networks of sport-related state agencies, sport non-governmental organisations and processes.
that operate jointly and independently under specific legislation, policies and private regulations to promote ethical, democratic, efficient and accountable sports activities’ (2004: 5). Chaker’s understanding of governance in the field of sport is, therefore, quite similar to Rhodes’s abstract and general definition. In both cases there are three important elements: a network structure; the role of non-governmental organisations with a degree of self-regulation; and the participation of public authorities in the networks. The purpose of this chapter is to explain the evolution of football’s governance structures. This relates to questions about the role and responsibilities of governing bodies such as FIFA, UEFA or national FAs and the level of power and representation of stakeholders such as players, supporters or professional clubs. The chapter makes a special emphasis on the transformation of football governance, whereby the power and authority of the governing bodies has been challenged by other stakeholders, such as players’ trade unions, professional clubs and leagues.

**Good governance**

Those who study governance are also interested in the notion of ‘good governance’. Rhodes (1997: 49–50) describes good governance as involving the principles of effective, transparent and democratic management, and we can certainly examine these in the context of sport. Good governance refers to the extent to which stakeholders observe principles of good management, transparency, democracy and/or accountability. Certainly, the notions of good governance and network governance are complementary, as one would expect those involved in network governance to observe good governance principles. In the case of football, the necessity to observe good governance principles is applied to governing bodies and their policies (see for example Michie and Oughton, 2005), but it is also applicable to other levels, such as clubs in their management of economic and human resources (see for example Gardiner et al., 2001: 170–1; Hamil et al., 2004).

The study of good governance is based on the definition and implementation of a series of ‘principles of good governance’. The academic and non-academic literature on the principles of good governance is extremely vast. It is outside the scope of this contribution to undertake a systematic review of good governance principles (if only for reasons of space), but it is necessary to note recent efforts to provide some coherence to this very heterogeneous body of literature. Jean-Loup Chappelet and Michaël Mrkonjic have worked over the past few years to design a model containing a number of well-defined and measurable good governance principles. In their BIBGIS (Basic Indicators for Better Governance in International Sport) model, Chappelet and Mrkonjic (2013) designed a tool to assess good governance. In this model the principles of good governance are: organisational transparency, reporting transparency, stakeholders’ representation, democratic process, control mechanisms and sport integrity.

In a very similar exercise, the Danish Institute for Sport Studies and the think tank Play the Game have led a pan-European project entitled ‘Action for Good Governance in International Sports Organisations’ (AGGIS). Involving leading academics in the field of sports governance and financed by the European Commission, the AGGIS project (see Alm, 2013) also designed a good governance measuring tool, called the AGGIS Sports Governance Observer (Alm, 2013: 218–25). Clearly influenced by the work of Chappelet and Mrkonjic, who were also involved in the AGGIS project, the Sports Governance Observer is simpler than the BIBGIS model, as it only covers four dimensions corresponding to good governance principles, namely transparency and public communication, democratic process, checks and balances and solidarity (Alm, 2013: 219–20).
The merits of these two very recent contributions rest in their attempt to homogenise the broad body of literature on good governance principles. In both cases the foundation of the model is a solid review of the literature, both academic and non-academic, including a large number of lists of good governance principles. It is also commendable that both models attempt to provide clear and measurable definitions of each principle, in an attempt to objectivise as much as possible the analysis of good governance in sport.

If one were to produce a single list of good governance principles merging the AGGIS and BIBGIS models, it could be summarised as including transparency and communication, democracy (democratic process, stakeholder representation), accountability (checks and balances) and solidarity. These, however, mainly relate to governing bodies. It is necessary to add also the interest in sound financial management at club and league level, which is of utmost importance in the case of football, as the chapter will argue later on.

Thus, good governance deals with the definition of principles and actions that are expected to be implemented in the management of sport. In this case, good governance shall lead us to evaluate the extent to which good governance features in the political agenda of football. It is outside our scope, however, to make an assessment of how good (or bad) football currently is at implementing governance standards. While it is certainly an interesting debate, space restrictions dictate that this debate be kept at a more general level.

This section has reviewed very briefly the concept of governance from a theoretical point of view. We have focused mainly in two dimensions: network governance and good governance. The remainder of the chapter is structured along this twofold distinction. We first analyse the structural transformation of football’s systemic governance from vertical pyramids to horizontal networks.

The transformation of football’s governance structures

The European football pyramid, with its vertical channels of authority situated governing bodies at the heart of the game’s governance. For a long time national FAs, UEFA and FIFA regulated football without much opposition. The structure was one of the best examples of what the European Commission labelled in 1998 as the ‘European model of sport’ (European Commission, 1998). The European model of sport, according to the European Commission features a pyramidal structure of governance. Thus, in football one can observe a system of national federations, that are affiliated to continental and international federations: ‘Basically the structure resembles a pyramid with a hierarchy’ (European Commission, 1998: 2). From the bottom-up, this structure is formed by clubs, regional federations, national federations and continental federations. It is important to note that the Commission acknowledges not only the vertical dimension of this construction, but also its hierarchical nature, hence recognising the authority channels that come from the top (international and European federations) to the lower levels of the pyramid (clubs). The Commission explains that national and European federations have a ‘monopolistic’ position and that by using their regulatory power ‘these organisations try to maintain their position’ (European Commission, 1998: 3).

The European Commission revisited the matter of football’s organisational structure in its White Paper on Sport (2007: 12). It now considered it ‘unrealistic to try to define a unified model of organisation of sport in Europe’. This is relevant, for the Commission’s reluctance to support the European model of sport can be seen as a certification of the emergence of new governance structures in European sport (García, 2009b: 274). The remainder of this section explains the historical transformation of football’s governance structures. In other words, it offers an explanation of how the power and authority of the governing bodies has been
challenged by stakeholders, hence creating a more horizontal network of shared responsibilities. The first of these transformations involved professional footballers, who fought a lengthy battle against the rules regulating their working conditions, especially nationality quotas and the retention and transfer systems.

**Players break free**

Professional football players were the first stakeholders to contest the status quo in football governance. Players have traditionally been positioned at the bottom of the pyramid by football’s control structures (Tomlinson, 1983: 173). Football governing bodies have traditionally adopted two sets of norms to regulate the employment and registration of footballers: transfer systems and nationality quotas (Lanfranchi and Taylor, 2001: 218), but players themselves used to have little say in these decisions. However, representatives of the footballers now participate actively in the structures of the federations and FIFPro (professional footballers’ international trade union) is recognised by UEFA and FIFA as a valid interlocutor. The emergence of FIFPro is undoubtedly one of the first transformations of the football pyramid and, quite curiously, it was greatly facilitated by the regulations of the European Union.

The well-known ruling of the Court of Justice of the European Union (CJEU) in the Bosman case in 1995 sent shockwaves across the football system, but it is necessary to remember that footballers at national level had been fighting for their rights for a long time before Jean-Marc Bosman’s case. The first challenges came from England. The English Professional Footballers’ Association (PFA) stepped up its fight to modify footballers’ employment conditions in the early 1950s; the objects of the PFA’s attack were the retain and transfer system and the regulation of the maximum wage (Greenfield and Osborn, 2001: 76). In France, the footballers’ trade union negotiated in 1969 with the French league the abolition of the ‘life contract which had bound players to a club until the age of 35’ (Lanfranchi and Taylor, 2001: 217). In Spain, professional footballers challenged the so-called derecho de retención (right to retain) in the late 1970s and early 1980s. The Spanish Footballers’ Union (Asociación de Futbolistas Españoles) called three strikes in the period between 1979 and 1982 (González, 1982, 1979).

The situation of players’ working conditions can be characterised as a governance dispute between a group of stakeholders (i.e. the players, who in this case are also employees) and a coalition of another group of stakeholders (i.e. the clubs, who are also the employers) with the regulators (i.e. governing bodies). Despite some adjustments in different countries, the international transfer system still presented obstacles to the free movement of players and when Jean-Marc Bosman took his personal case to the CJEU he did so with the support of FIFPro. In effect, the Court can be conceptualised as an alternative policy venue (Baumgartner and Jones, 1991) that the players decided to explore when the internal football structures failed to address their demands.

First and foremost, of course, the direct outcome of Bosman was to transform the two pillars that had regulated the employment of professional footballers for many decades. Nationality quotas were the first to go (Goodbody, 1996) and despite taking some time, the international transfer system was also amended in the end (European Commission, 2001, 2002). But for the purpose of this chapter the most important consequence was that the intervention of the CJEU added new layers to the governance of sport. As a result of the players’ successful challenge, footballers’ unions have now earned a formal place in the governance structures of football as recognised stakeholders. FIFPro has been recognised by both UEFA and FIFA as legitimate representative of the players (FIFPro, 2001, 2007; UEFA, 2007c) in a process that Holt (2006) has characterised as co-optation. FIFPro participates actively in FIFA’s committees implementing
and regulating the transfer system (FIFPro, 2001), it also participates in UEFA’s consultative bodies and it is represented in the Professional Football Strategy Council (UEFA, 2007b: Article 35, 2007a).

**Clubs’ new power**

Following the emancipation of professional footballers, it was the turn of clubs to contest the legitimacy of the governing bodies, both at national and European level. Top football clubs were specially motivated by the commercialisation of football in the 1980s and 1990s. Following the liberalisation of the audiovisual market in the European Union (Wheeler, 2004), new television operators were vividly interested in live football as a means to gain market entrance. Clubs realised the economic possibilities of professional football with the intervention of the media networks, and logically they wanted a share of the profits generated by the selling of broadcasting rights.

Traditionally, governing bodies used to market the rights for the competitions they organised. However, clubs contested the power of federations and where the League was already organised by the clubs themselves (e.g. England), those at the top of the professional game broke away with the second and third tiers. The movement of English top clubs to create the Premier League away from the Football League is perhaps the best example.

At the European level, there were also threats by the top professional clubs to organise a breakaway European super league. UEFA tried to adapt to the demands of the clubs in order to preserve the unity of European football by creating the Champions League (Holt, 2006: 24–37, 2007; King, 2003: 97–166; Morrow, 2003). Beyond the pure economic dynamics, it is also possible to conceptualise the struggles of UEFA and the top European clubs in terms of governance, where the traditional structures did not favour the latter’s drive for further economic development.

In this context, the emergence of clubs within the governing structures of football has been institutionalised at European level through different bodies/organisations. The group of 18 of the richest professional football clubs in Europe joined forces in 2000 creating the G-14. The G-14 was never recognised by UEFA or FIFA as a legitimate organisation, though. UEFA tried to counteract the actions of the G-14 by creating in 2002 the European Club Forum (ECF) to give a voice to the clubs. The ECF included 102 clubs representing all 53 UEFA national associations (Holt, 2006: 96–7). The ECF was the recognised partner by UEFA as the voice of the professional clubs, and was incorporated into the Professional Football Strategy Council as well (UEFA, 2007b: Article 35).

This conflict is now of less importance because of recent developments. European professional football clubs decided to dissolve the G-14 and to create the new European Club Association (ECA) (UEFA, 2008a). The new ECA is independent from UEFA, but it has been recognised by UEFA through a memorandum of understanding (UEFA, 2008a, 2008b) and it will be the representative of professional football clubs in their dealings with UEFA, FIFA and public authorities.

**From pyramid to networks**

The latest decision of UEFA to give a voice to the stakeholders in the professional game reflects the increasing importance of clubs, leagues and players, hence the transformation of the traditional pyramid. Following the publication of the Independent European Sport Review (IESR) in 2006 (Arnaut, 2006), UEFA decided to improve its dialogue with the representatives
of professional football. UEFA set up the European Professional Football Strategy Forum, composed of four UEFA vice-presidents, four representatives of the European leagues selected by the EPFL and four representatives of the clubs appointed (then) by UEFA’s European Club Forum (UEFA, 2007a: 1). This new body was set up ‘to enhance dialogue and cooperation between UEFA and the different stakeholders in European football, examining policy matters and working with the existing professional football consultative bodies on all relevant issues’ (UEFA, 2007a: 1). With the arrival of Michel Platini as the new President of UEFA in 2007 the Strategy Forum gained importance within the organisation’s structures. It was renamed the Professional Football Strategy Council and it was given statutory recognition (Article 35, UEFA Statutes) as a permanent body of UEFA (Chaplin and Harte, 2007: 1; UEFA, 2007d). Moreover, the membership of the Professional Football Strategy Council was widened to incorporate the representatives of the players. Four representatives of the players, nominated by FIFPro now sit on this Council (UEFA 2007b: 35).

Thus, the new governance of European sport features a complex horizontal dimension of stakeholder networks (García, 2007: 221), which is replacing the traditional vertical channels of authority defined in the European model of sport.

Professional football is probably the best example of this transformation into new governing structures (see Figure 9.1). Stakeholders such as the professional players trade union (FIFPro), the associations of top football clubs (be that the old G-14 or the newly established ECA) or the European Professional Football Leagues (EPFL) have now been recognised by FIFA and UEFA and incorporated into their consultation and decision-making procedures (García, 2007: 219ff., 2009a). The consequence of this new dimension in football governance is that authority is more diffuse and UEFA and FIFA have lost part of their power. This transformation has been assisted by the interventions of the EU in football. (It would be interesting to have a discussion about what is lost and what is gained in this process. FIFA and UEFA definitely had to adjust but I am not so sure they have lost power. The obvious losers are the National Associations and often UEFA and FIFA have had to step in to defend them.)

Figure 9.1 The transformation of European football governance.
Football's quest for good governance

The final part of our analysis focuses on the importance of good governance debates in football. This second part is shorter than its counterpart on systemic governance; this is simply a consequence of the very recent nature of the interest on good governance within football. This, in itself, is quite telling. Good governance has not received much attention in football. Mirroring the case of other sports or the Olympic movement, the agenda on good governance has been driven by high-level scandals. There are some notable exceptions to that, mainly the attempts made by UEFA and some national professional football leagues to establish control mechanisms to ensure proper management of football clubs.

Theoretical debates about good governance in sport are very much focused on the performance of governing bodies, as we have explained above. In the case of football, FIFA has attracted much attention due to high-profile scandals. In the last few years, FIFA has been embroiled in scandals such as bribery in the sale of TV rights (Conway, 2013a), the illegal sale and resale of World Cup tickets by FIFA senior officials for personal economic benefit (Harris, 2006), or acrimonious electoral processes to the presidency involving alleged attempts to buy votes (Ziegler, 2012). While FIFA’s governance problems received some attention in the past (see for example Sudgen and Tomlinson, 1998), it was in late 2010 and 2011 when pressure mounted on the governing body to reform. In December 2010 FIFA decided to award the World Cup in 2018 to Russia and 2022 to Qatar (BBC Sport, 2010). A decision that was criticised within the football family (USA Today, 2013) and heavily questioned from outside, with accusations of corruption and bribery (Kelso, 2011). A few months later, the 2011 FIFA presidential election was involved in a series of dubious decisions. Sepp Blatter was re-elected as FIFA president (BBC Sport, 2011a), and he denied any crisis within the organisation (BBC Sport, 2011d). However, the reality was that political pressures for some type of reform now included worldwide leaders such as the Australian and British prime ministers (BBC Sport, 2011b, 2011c). This was difficult to avoid and FIFA embarked on a two-year process of governance reforms that was only concluded in 2013 with the adoption of several structural changes by the governing body’s congress (Conway, 2013b). It is outside the scope of this chapter to assess the reforms, which are far-reaching for some and mere window-dressing for others. The important element to note for our purpose here is the fact that good governance issues were forced high onto the agenda of the governing body. FIFA, and by definition the rest of the game’s governing bodies around the world, are now very aware that they are under the spotlight of good governance principles. This is still a very recent transformation in the so-called football family and only time will tell of the consequences.

The second dimension of the attention to good governance in football relates to the financial management of professional clubs and leagues. Conceptually, management is of course different from governance. The latter refers to the processes and structures that enable us to check, assess and correct (if necessary) the proper functioning of the former. Thus, while they are related terms, one should not use them interchangeably. Our attention here is not on the individual managerial practices at club level, but on the processes adopted by leagues and federations to ensure that these practices are sound. It was UEFA who first floated the idea of a licensing system. Licensing systems are basically a set list of criteria that need to be met by clubs if they want to participate in a competition. As such, the UEFA Licensing system affected those clubs willing to participate in European club tournaments. Following the adoption of the UEFA licensing system, several countries decided to employ similar schemes for their national competitions as well (Niemann et al., 2011).
In 2009 UEFA adopted its FFP concept as part of the licensing system (UEFA, 2009). The objectives of FFP are to improve financial fairness and to stimulate long-term investment in European football (UEFA, 2009). As a concept, FFP is basically an attempt to redress the finances of football clubs to a point where their financial losses do not exceed €45 million over a three-year period. In terms of governance, the FFP involves supervision by an independent body in order to ascertain the financial health of clubs. The jury is still out on the merits of FFP, not least because the first reporting period under the UEFA rules is not yet closed. While some scholars consider FFP to be a good initiative that, at the very least, is making clubs think twice about their finances (Geey, 2013), others consider that FFP is simply an anti-competitive rule that (besides being illegal under elemental antitrust law) will reinforce the dominance of the big clubs in Europe (Szymanski, 2013).

Beyond academic debates, it is interesting to see that the idea of FFP and other cost-control mechanisms is taking root within the football structures. Indeed, at the time of writing, both the English Football League and the Premier League have just adopted their own adapted version of the FFP rules, and the Spanish professional football league is also vigorously debating the need to adopt similar regulations. This is certainly a symptom of the need to manage finances consciously during Europe’s deep economic crisis. But it can also be understood as yet another consequence of the interest in good governance in football. It is not impossible to conceptualise the adoption of financial supervision (i.e. licensing) schemes as one of the latest transformations in football governance.

**Conclusion**

Football and governance are two concepts that were hardly linked in the past. However, over the last decade the interest in football governance has risen steadily on the agenda of both internal and external stakeholders of the football family. The concept of governance, while multidimensional, can be summarised in two pillars when applied to football. On the one hand, there is an analytical dimension that analyses the evolution of the power and authority structures within the game. Football has seen a marked transformation from a top-down hierarchical pyramid dominated by the governing bodies to a horizontal network of stakeholders whereby power and authority is much more diffused. The legitimacy of governing bodies has been challenged by stakeholders such as players, clubs and leagues. As a result, the power of the federations has been weakened. On the other hand, good governance is more of a normative take on governance. This explores how football should be governed and refers to the definition of principles of good governance and their implementation at all levels within football. Recent academic efforts have focused on the definition of clear and measurable governance principles tailored to the case of sport. Once these models of good governance are refined, it will be time to apply them to analyse the performance of the beautiful game. For the moment, it is fair to say that governing bodies, especially FIFA, are under increased pressure to address perceived governance failures that are leading to the discredit of the game due to corruption scandals. Similarly, governance has also reached the financial management of professional football with the adoption of licensing systems and cost-control mechanisms. Overall, it is fair to say that governance is very much on football’s agenda and it is there to stay. However, it will take some time to assess the consequences.
Notes

1 For example, in football FIFA, UEFA and the national FAs adopt rules for the regulation of the game that are later implemented at club level. Therefore, it is legitimate to expect that these governing bodies observe good governance standards in their decision making procedures, such as transparency, wide consultation, representation of stakeholders or accountability. It is also legitimate to expect that the governing bodies manage their economic and human resources in a transparent and effective manner.

2 The right to retain stipulated that clubs could retain the registration of players at the end of their contract by offering a 10 per cent salary rise. Players were unable to move to other clubs without the consent of their employer (El País, 1985).

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[All links accessed April 2016, unless otherwise indicated]

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Football and governance


Borja García


