

## What Price The Beautiful Game?

**Ross** Welcome to Renegade Inc. With football's Euro championships under way, many people love the passion that comes with supporting their team. But this reminds us that many more people feel disconnected from domestic football, not because of a pandemic or stadium exclusions, it's much more about absentee owners, sky high ticket prices and the ruthless fracturing of the fan-club relationship. So how much is rampant profit seeking ripping the soul out of the beautiful game?

**Ross** Stefan Szymanski, welcome to Renegade Inc.

**Stefan Szymanski** Oh, thank you for having me on.

**Ross** Stefan, sitting here in the U.K. and looking around the Premier League and all the other divisions, one gets the sense that the beautiful game, pandemic or not, has started to lose its soul a little bit. What's your view on the commercialisation of football and the sort of global reach now of investors, television companies buying up rights and beaming it around the world for punters in far flung places?

**Stefan Szymanski** Well, I think one of the most important things to note about the development of football in the U.K. is the way in which ownership has shifted over really a very long period of time from being very widespread amongst many, many shareholders, to being very concentrated in the hands of one or two individuals. So if you go back 30 years or so, all of the clubs were limited liability companies with shareholders, but usually they had many thousands of shareholders. And nowadays, really, the clubs have come to be concentrated in the ownership of just one or two individuals. And that's probably not entirely healthy for the future of the game in terms of the diversity of opinions going into each team. They've become the playthings of the rich and the famous. It's important to note that football has become more popular in the last 30 odd years, not less popular, so that in some sense the trends that we've seen have been positive in terms of creating fan interest and creating a following for the game. The danger is that as ownership becomes more concentrated, these owners really want to change the structure of the game. And we've seen that last year with the proposal to limit promotion and relegation or limit access to top level competition. And that is really the threat. The one thing that really maintains the attraction and interest in football more broadly, I think, in the opinion of many people, is the promotion-relegation system and losing that would really be a long term problem.

**Ross** What is the agenda? Take, for instance, an oligarch comes along, wants to change the rules around relegation and promotion. What's the underlying there?

**Stefan Szymanski** The model of sports league organisation in North America is one of closed leagues where there is no promotion and relegation. The teams are fixed from year to year. If you want to join the league, you have to pay an entrance fee, which adds up to billions of dollars.

**Ross** It's wonderful to have a cat. Let's carry on.

**Stefan Szymanski** OK, so it requires an entrance fee which amounts to billions of dollars. And the problem with that is that the concentration remains the same, owners dominate, there is very little turnover at the top. But the owners have really an incentive to create that system because it's more profitable for them. It helps them to make more money. And so they are likely to want to adopt this system, even if it's not what the fans want and what is good for the long term health of the game.

**Ross** OK, let's talk about the fans, because often when we talk about the problems in football, we concentrate hard on the oligarchs. What are the moans and groans that you hear most from fans in the UK now? Is it as blunt as football has become an incredibly commercial game, a plaything for for the rich owners, or is it something more nuanced?

**Stefan Szymanski** I think the issue for fans has always been that the interests of their club. So, for example, one of the main concerns, of course, is the risk of financial failure. And we've seen over the years many clubs fall into insolvency and that's something that the fans want to avoid. I think also there's a problem for fans is that they want their club to be successful, but they also have an interest in seeing the league being successful. So you often see this with Manchester United fans. One of the problems for them, is they are very angry about the Glazers, who actually took money out of Manchester United. And you can understand why they're angry about that. But on the other hand, had all that money gone into being to propping up Manchester United's success, then the issue would have been that Manchester United would have become like Bayern Munich - they would have won the league title every year. And that's also not good for the fans. So the problem is that there is a central paradox of being a fan, which is you want your team to be successful. But in the end, you also want there to be real competition for your team, and I think that represents a difficult circle to square. I think fans would like a bigger say, and I think there's a good argument for giving them a bigger say. So organisations like Supporters Direct have done a good job in raising the profile of fans supporter groups and trying to persuade them to have more of a say in the running of the club. And I think that's something that could be learnt perhaps from the German system is giving fans more of a say, giving them some entitlement. I'm not so sure I would agree with giving fans full control of the clubs, but I think enabling them to have a voice in the running of their club is a good thing. Although bear in mind, historically, it never was the case in England that you could do that. Fans, historically, never had much of a say in the running of the clubs. So I think it's not that there is a golden age where things were so much better, it's that things could be better than they are now with really sensible reforms enacted.

**Ross** But what we haven't had in the past is financialization. And we can't really talk about the running of a football club without talking about, as the Glazers did at Manchester United, lumbering that balance sheet with debt. Football clubs have been used as a plaything - financial instrument, if you like - and then when they become surplus to requirements, the owner, whoever that might be, just either gets rid of a loss, but they've performed a useful financial function. Again, fans left totally disenfranchised - places like Sunderland, places like Blackburn, places like Portsmouth. You can understand their anger when the football club that they cherish has been so badly treated.

**Stefan Szymanski** Well, you can understand the anger of fans. You can understand the desire of fans to be involved in running the clubs. And there is an argument to say that the

commercialisation of football has caused problems in the management of teams. On the other hand, it's also probably important to say that the commercialisation has been accompanied by a massive growth of interest. If you look, for example, at the following that, say, the Premier League has globally, that's actually something that has grown substantially over the years. So I think one has to balance with that. I think the other thing to say is that clubs have not disappeared. So in under capitalism as it normally works, if a club is it was bankrupt, it would just go to the wall and vanish completely. And that's not happened anywhere, really to any significant degree in the world of football, not just in England, but across Europe. And I think what's important then to really think about is how to make sure that fans have involvement in their clubs and feel that the club is committed to them, rather than necessarily saying that there is a one way of running a club or one way of doing things or only one form of ownership.

**Ross** You are an economist. You'll have heard the term trickle down economics. I don't know what you think about trickle down economics. I don't have much time for it. And the reason I ask this question is to talk about whether money is getting to the bottom leagues, to the grassroots at football, because ultimately you can shower the rich players at the top with as much salary and benefits and TV rights monies as you want, but ultimately, if you haven't got good grassroots movement, then the national team is going to suffer. And that isn't what any of the football fans in this country want.

**Stefan Szymanski** No, I mean, I think trickle down economics is widely discredited and it's not really a serious economic theory of growth and development. But I think one of the problems is I think football fans need to face up to the reality of the trickle down story in football and that's the trickle down story is based around the transfer system and the mistaken claim that teams lower down the leagues develop talent which they then trade to the bigger clubs and therefore survive financially. That's not true. It never really has been true to any significant degree. Moreover, I think fans also - and fans do not like this argument - but the fact is the transfer system itself is an inequity. Players are traded like assets as if they were horseflesh and treated in ways which no other employees are treated. Anyone else who moves jobs is free to do so when they choose. And their former employer is never entitled to demand a fee in exchange for that. And I think my own proposal is that what we need to do is replace the transfer system, abolish the transit system, and replace it with something more like an insurance system whereby each club in each league or in each country pays in a fixed percentage of revenue, a relatively small percentage, into a central fund, and then when teams get into financial trouble, they're entitled to draw on that bailout fund on the condition, of course, that they run the club in ways that are seen to be regular and reasonable. And one of the particular reforms you could introduce this way would be to require clubs to give significant voice to the interests of the fans in exchange for financial support.

**Ross** I'd like you to get your crystal ball out as we conclude. Tell us what football looks like three, five, 10 years out from now? What does the UK, Football League and Europe look like with the increased franchising, the talk of European super leagues, condensed ownership? Where do we go from here and what might it look like?

**Stefan Szymanski** First, I should offer a health warning. I'm an economist, which means that my predictions are going to be completely wrong, but probably for the right reasons.

**Ross** Of course.

**Stefan Szymanski** The way I would think about this is that we have been in a perpetual struggle for the last 20, 30 years about whether we have a European Superleague, whether we transition to an American system of league structure with closed leagues, with a limited number of clubs and with smaller clubs really disappearing in the way that they did in North America, or we preserve our promotion-relegation system, which really is the lifeblood of the system - the system of community support that we see in football and always have done. And right now, I'm reasonably optimistic that the promotion-relegation system will survive because it has political support. But again, that requires coming through financial crises like the one we're going through at the moment. And my view is we need some structural reforms in order to ensure that. My proposal is to create a kind of a bailout fund in perpetuity based on the revenues that the clubs generate in good times. And I think with that kind of reform, we can preserve the system and actually have football operating in the way that most of us would like to see.

**Ross** Stefan, thank you very much for your time and thank you very much for all that insight. It was fascinating.

**Stefan Szymanski** It's been a pleasure. Thank you very much for having me on.

**Ross** Devon Rowcliffe, welcome to Renegade Inc. Great to have you.

**Devon Rowcliffe** Thanks for having me, Ross. I appreciate it.

**Ross** Devon, you've written a lot about fan ownership in football and thought even more so about it. Why have we got such low levels of fan ownership in the English game or the British game? And what if we had fans owning football clubs a little bit more? What would that do to the often testy relationship between fans and owners?

**Devon Rowcliffe** I would say it goes back to the very beginning of how professional football clubs were organised in the UK. When they were first organised as members clubs or workers clubs, they tended to be amateur and membership run societies. But as time went on and the clubs became professionalised, they became essentially companies, privately owned companies. And that started in the late 1800s and we're still there today. Many other countries went in a very different way in that they decided to keep membership driven societies as their football clubs. In fact, in many countries it's actually legally required for all sports clubs, even at the professional level, to be membership owned in countries like Germany, Norway, Sweden, Turkey, Argentina, etc.. So it's just a different culture. It's where the countries went in different routes, in different directions in the late 1800s. If clubs went more fan owned in the UK, it would probably lead to better outcomes. Something that we'll probably talk about is the European Super League. And in the case of the UK clubs in the UK Superleague, none of them actually consulted with the fans before going through with this. So we see a lot of decisions being made with these increasingly commercialised clubs really just to make more money. Like one of the biggest goals of clubs nowadays isn't so much to do charity work in the community, it's more about selling kids overseas or it's more about maximising revenue. So there's very little thought to fans and football clubs. I mean, you

could almost argue that the acronym FC stands for Football Company in the UK these days, unfortunately.

**Ross** Is it all about the profit motive? Is all about pound, shilling and pence, or is it also a bit of a status trip, if you like, for owners? Do they do it because they like the power and the prestige of owning a football club, coupled with the fact that they can rinse a load of money through it?

**Devon Rowcliffe** Yeah, I think it's a bit of all that. It is a bit of a power trip or an ego or vanity project for owners. But yes, the clubs these days seems to be a lot more focused on the money. They are very commercialised and I guess you could say they take fans for granted. They think the fans will always be there. They'll always be attending in the stadium. They'll always be buying the merchandise. They'll always be subscribing to the TV services. And you're seeing more and more people starting to get frustrated and walk away from the game or in some cases go enjoying non-league clubs instead or form breakaway clubs, because the club's ethos doesn't really seem to be about the fans. I think the fans are being taken for granted a lot these days. And I think with the Internet and social media, fans are discussing a lot more the power that they do have and that the protests that they can participate in do go a long way. So we're seeing a bit of a shift, especially at clubs like Liverpool now. We're seeing a bit of a shift since the collapse of the European Super League. So it is promising. This summer actually marks the 20th anniversary since clubs started to go fan owned in the UK. There's about 50 clubs in England now, maybe about 65 including all of the UK. So it's positive. We're seeing a lot more changes. But yeah, the big clubs are very, very commercialised in focus and unfortunately fans have little say, even though really the clubs should be about them. If you think about what clubs should be, members in a club should have a say. But in most clubs, unfortunately, they have little to zero say.

**Ross** Was that a moment in the beautiful game? Could that be crystallised as a moment where actually, you know, you saw a grovelling apology from Liverpool Football Club to their fans saying, you know, we're listening and the Glazers as well at Manchester United, all on bended knee and we're terribly sorry? Is that a moment, a crystallised moment, where the fightback has begun from fans?

**Devon Rowcliffe** I think so. It's certainly made a lot more fans appreciate the power that they do have. There have been supporters trusts around since, I guess, 1992, but very few fans were involved with them. But the supporters trusts were instrumental in organising protests against the European Super League, for example. So fans do seem to know now that they have a lot more power than they did in the past and they're willing to flex that muscle. And as you said, we've seen some of the clubs finally have a mea culpa, a bit of a kowtow to the fans. It does seem to be helping. So it does seem like the European super leagues collapse, this three day circus, was a bit of an event for allowing supporters to know the true power that they do have. And we are seeing some some of the muscles being flexed already, definitely.

**Ross** You mentioned different countries and different ways of pricing tickets and different salaries and salary options for players. When you've been on your travels around the world, which is the country that you think are getting it most right when it comes to football and fans?

**Devon Rowcliffe** Well, there's there's several countries that seem to get it right. I would say Germany is one of the countries that does it quite well. They have a rule called fifty percent plus one in Germany. Basically, because of the legislation there, all clubs have to be member-owned societies. They can invite outside investment into the first team. So Bayern Munich, for example, as a first team, and they do have outside investment into that team. But fans ultimately hold that full control over the club or majority control, I should say, through that 50 percent plus one ownership. So that does allow outside investment to come in, but it does give fans a veto on essentially everything. So Bayern Munich did actually entertain going into the European Super League, but just because of the ethos of every single club being fan owned, I would argue that there's a very strong mentality that you must consult with the supporters on absolutely everything. There was a time where the Bundesliga was holding games on Friday nights and Monday nights and things like that to maximise television revenues. But the fans essentially protested this and they said, we don't want this anymore. We want games on Saturday, 3:00 p.m. or if necessary, Sunday, 3:00 p.m. so we can actually attend away games and they've really flex their muscle well. And they've they've achieved a lot of goals. There's some other countries that are kind of halfway between like Spain, for example, used to have a fair number of supporter own clubs. Actually, Barcelona and Real Madrid, two of the the clubs that were going to join this failed Super League, are technically supporter-owned. But in Spain, they just don't have the ethos of constant consultation with clubs. So I would say countries like Germany, Norway, Sweden, and as I said, Argentina and Turkey, have that ethos of listening to fans and constantly consulting them and engaging with them.

**Ross** Is it possible to equate success on the pitch, the culture of the club and fan ownership? Because, surely, if the guy at the top is just there to sell shirts, make money, sell players, whatever it might be, ultimately that creates a toxic culture which ultimately puts morale down, which means ultimately what we're saying is it's not a happy ship, right? Can the culture go in a different direction if it's fan-owned because actually they're doing stuff which is more communal, they're looking after one another, a lot more player welfare, a virtuous circle instead of a vicious one?

**Devon Rowcliffe** Yeah, absolutely. It's a completely different way of running a football club, essentially. One model is very much interested in making money by all means possible. The other clubs are very much old fashioned in that they're connected to their communities. They're interested in making the fans happy, both on and off the pitch. They engage in charity work, volunteerism. There's a lot more connection to the communities in fan-owned clubs. So you don't necessarily have to be fan-owned. A lot has to do with the ethos of the club. And you do see at the smaller football league clubs, and especially the non-league clubs, more of a family friendly or community focused ethos. But particularly at the higher levels, the larger clubs seem to almost completely ignore a lot of community involvement and take their fans for granted. And there's some people who argue that large clubs in England couldn't be competitive if they were fan-owned because they wouldn't have enough money or outside investment. But, you know, we've seen up until recently Bayern Munich were the European champions, the UEFA Champions League winners. They're a fan own club. So the clubs in the UK could potentially do well. There's a club in Ireland, Shamrock Rovers, who were recently 100 percent fan-owned, and they brought in 50 percent outside investment. So they have a 50/50 split rather than a 50 percent plus one. That could be a good model for English

clubs to adopt where fans own half the club and have essentially a veto over everything. And these outside investors have good power in the club but neither side has full power to do what they want and they have to have the blessing of the other side in order to make major changes.

**Ross** You've highlighted some of the sides in the UK - AFC Wimbledon, Portsmouth, AFC Rushden & Diamonds, no longer with us I don't think, Hinkley. Let's talk about the oldest football club in Wales and the third oldest professional football team in the world, Wrexham FC, established in 1864, now more than 150 years old. But enter stage-left Ryan Reynolds and Rob McElhenney. So Ryan and Rob, Hollywood types, now owning Wrexham. What are they going to do with it?

**Devon Rowcliffe** Yeah, I wasn't thrilled with this. I'm actually from the same city as Ryan Reynolds of Vancouver, so it piqued my interest. And I had been to a Wrexham game before. I saw Canada play out there. Yeah, it's troubling. Wrexham were fairly big league club for a long time. Then they dropped down into non-league. And now you've got these two Hollywood owners. We've seen these documentaries pop up. They've happened at Tottenham and Sunderland and there's talk it's going to happen at Wrexham. So you do wonder about ulterior motives. They do seem like nice enough guys. And thus far they have been.....

**Ross** Yeah, but hang on. Hang on. All we've just said about owners selling shirts and wanting to juice a club for as much as they can. These are Hollywood types who are already making ironic documentaries with a Welsh speaker in there, you know, and it's all the usual pratfall stuff. You're not telling me that they're in it for the goodness of the people of Wrexham?

**Devon Rowcliffe** Well, a lot of rich people get very bored and need to have hobbies that they can throw their money out like confetti, I suppose. I would definitely prefer for the long-term benefit of the club to have fan ownership. They do seem like nice enough guys. But the problem is, no matter how benevolent these two guys are, eventually they're going to sell to someone else. So even if these two individuals do have the ethos of constant consultation with fans and do listen to fans, eventually they'll sell out to someone else and who knows what they would be like. Yeah, I was I was definitely disheartened when I heard that these two had taken over the club. I think more than 95 percent of the fans voted in favour of moving to private. And that's the issue with these big English clubs that do go fano and is that initially fans are very happy during the honeymoon phase because there's stability. But after three or four years, they get bored and they say, well, shouldn't we be in a higher division? Shouldn't we have outside investment? And they start looking at the other clubs where the grass is greener and they have these big outside investment. So I think the Wrexham fans did get a bit itchy because they want to be a football league club again. I don't think it's for the best interests of the fans in the long term, even if these two current owners do seem relatively good. But we'll have to see, I guess.

**Ross** Devon, people watching this, listening to you making absolute common sense points and thinking, you know what, I've had enough of schlepping to the Emirates to go and watch Arsenal. I've had enough of going to Stamford Bridge. What I'm going to do is I'm going to go and find my local fan-owned side and support them. What would you say to them? Is it a better experience? How do they wean themselves off the adrenaline at these big clubs? What would you say to them and how to best go about this?

**Devon Rowcliffe** Yeah, well, the FSA, the Football Supporters Association, has a list of clubs and they have a map as well. So if you're curious where your local fan club is, you can go there and see where they are. Fan-owned clubs do tend to be smaller, so there is a little bit less adrenaline, but they tend to be very community focused. And people who show up tend to get involved with the clubs. They often volunteer. They make a lot of friends. At the non-league level, often you'll see fans join the board. So it is a different experience, but it's a lot more rewarding of an experience to be involved with a fan-owned club. You know, the crowds aren't going to be quite as big as some of the clubs, but if English clubs, the large clubs, did go fan-owned we could see that, as I said. The biggest clubs in Argentina, River Plate, the biggest clubs in Germany, Bayern Munich, in Turkey, Besiktas, they're all fan-owned. So there's really nothing stopping the big clubs from going fan-owned. I would suggest that fans should contact their local supporters trust of their premiership club and get involved with that. But there are alternatives. So, for example, there's FC United in Manchester where Manchester United fans were disgruntled and started their own club. But there's also similar clubs in the non-league level for disgruntled Liverpool and Arsenal fans and even Manchester City fans.

**Ross** And let's face it, there's plenty of those. Devon, this has been really illuminating. Thank you very much. Your writing can be found at your website, which we'll flash up. And, Who Ate The Squid? Just give it a quick plug before you go.

**Devon Rowcliffe** OK. Yeah, it's Who Ate All The Squid: Football Adventures In South Korea. So it's the first book about South Korean football and what happened during the season that the first British manager went out to the K League and brought three players for English football with him.

**Ross** Fantastic. Thank you very much for your time. We'd love to have you back. And if you're ever in the UK, we'll go and eat a pie together on a terrace somewhere and support an arbitrary, but wonderful fan-owned side.

**Devon Rowcliffe** Sounds good, Ross. Thanks for having me. There's a lot of non league fan-owned clubs where you can actually drink and view of the pitch. So let's do it.