
Theorising the role of the EU in sport: a Principal-Agent approach

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Abstract

This paper demonstrates that a Principal-Agent (PA) approach is especially suited to analyse the role of the European Union in international sports: the relation between the EU and sport is, in essence, characterised by a tension between the large autonomy international sport organisations have enjoyed for a very long time and control on these organisations by the EU.

In this regard, as a heuristic device, Principal-Agent (PA) theory leads to a better understanding of the complex multi-dimensional environment of European Football (Elgie 2002, p. 190). In addition, it allows for the interpretation and explanation of the broad role the EU plays in professional sports. The only attempt in the literature to theorise the role of the EU in sport governance thus far is made by Foster (2000) and is further elaborated by García (2009). García (2009; 2013) argues that the current approach by the EU towards sports federations corresponds with ‘supervised autonomy’, which implies that EU institutions do not have a proactive role in directly regulating sports governance, but that they “play a supervisory role to ensure sport organisations behave within the limits of EU law” (Foster 2000, p. 58; García 2009, p. 280). Our PA-inspired analysis demonstrates that this conceptualisation is too narrow since it focuses on the regulatory aspect of EU intervention in sport. In doing so, we present a more holistic theoretical approach than previous academic work, which focused on certain aspects of the reality of football/sports governance. Our contribution to PA literature is that we define and explore the EU as a complex control mechanism for principals with multiple actors (The European Council, the Council of the EU, the European Parliament and the European Commission) and multiple mechanisms (public and private enforcement, and steering).

We conceptualise football stakeholders and national public authorities as principals, Fédération Internationale de Football Association (FIFA) and

Union Européenne de Football Association (UEFA) as agents, and the EU institutions in terms of control, namely as a complex control mechanism. We assert that principals have two routes they can follow in order to control agency behaviour: the 'EU law' route, which has been the most important route since its introduction in 1974, and the 'EU sports policy' route, which is still in a developing stage. Analysing both routes on the basis of PA theory, we assess their general limits and opportunities.

Although the EU cannot force international sport organisations to comply with the soft instruments used under the EU sports policy interventions, this research suggests that the EU has an enormous potential to achieve good governance in international sports. Evidence demonstrates that the EU can steer the behaviour of international sport organisations using EU sports policy since these organisations realise that not being cooperative with the EU will have repercussions on the goodwill on the part of the EU under EU law. This creates a fear that induces compliant behaviour on the part of international sport organisations. It must be noted that international sport organisations have been able to decrease this fear via to out-of-court settlements, the development of dispute settlement mechanisms within the sports, and lobbying of the EU institutions. Because the EU sports policy route is still in a developing stage, the EU has thus far not reached its potential in achieving good governance in international sport organisations. Much will depend on the initiatives of the European Commission and on willingness of the EU Member States to let the Commission assume such a role.

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