

Regulation of controlling influence in German professional football – an empirical analysis of the interests of investors

Authors: Sebastian B. Bauers (1,2), Gregor Hovemann (1)

Institutions:

1. University of Leipzig

2. University of Wismar

E-mail: sebastian.bauers@hs-wismar.de

Issue

As in the past, German professional football is currently dominated by members' associations and their controlling influence. In contrast to other professional European top leagues, external influence by investors should be prevented. The majority acquisition of capital shares of an outsourced sport operating company by investors is permissible however. This is made possible by the so-called '50+1-rule' (DFB, 1999, pp. 1-2). The rule has been criticized on account of its ineffectiveness (Bauers et al., 2015). In this context, discussions center on possible modification of the rule to improve effectiveness (e.g. Lammert et al., 2009) or even abolishing the '50+1-rule' (e.g. Quart, 2010). In this regard, the contrary arguments have long not been considered from an empirical perspective. Thus, first the relevant arguments for retention and abolition of the '50+1-rule' were collected. Considered from a stakeholder-oriented approach, the arguments were used as the focus of a quantitative survey given to football clubs and fans. To capture the interests of an additional key stakeholder group, the present study focuses on the interests of investors in German professional football.

Methodology

The population of the quantitative online-based survey was determined in a step-by-step fashion. It consists partly of the equity holders of outsourced sport operating companies of the clubs in the German Bundesliga, 2. Bundesliga, 3. Liga and Regional Leagues. Based on an analysis of the structure of the existing equity shareholders, other possible or potential equity shareholders have been identified and included in the present investigation. The subject of the survey are the arguments for retention and abolition of the '50+1-rule' and the question of the necessity of modifying the rule or introducing new regulations.

Results and discussion

In the session, the main results of the investor survey are presented and discussed. In doing so, the focus lies on the similarities and differences in comparison to the response behavior of the football clubs and fans. A particular focus in this context comprises the arguments for retention (rn) avoiding an increase in commercialization (r1), maintaining co-determination by fans (r2), maintaining the integrity of athletic competition (r3) and the arguments for abolition (an) increasing international competitiveness (a1), facilitating equity financing (a2) and facilitating the establishment of financial stability (a3). In the present case, a constructive basis for discussion is thus created to assess the heterogeneous regulatory scope for action from a stakeholder perspective. Thus, the study makes a major contribution to the further discussion of the future of the '50+1-rule'. Finally, for a future regulation to be successfully implemented it is necessary that it give consideration to the interests of relevant stakeholder groups.

References

- Bauers, S. B., Lammert, J. & Hovemann, G. (2015). Beherrschender Einfluss von Investoren im deutschen Profifußball – Eine Bestandsaufnahme und Analyse bestehender Umgehungen der 50+1-Regel. *Sciamus – Sport und Management*, 6 (3), 1-17.
- DFB (1999). Sicherstellung der 'Eckwerte' des DFB bei der Ausgliederung von Kapitalgesellschaften aus Fußballvereinen der Bundesligen. *Ämtliche Mitteilungen*, n. 3, March 31. Frankfurt am Main.
- Lammert, J., Hovemann, G., Wieschemann, C., & Richter, F. (2009). Das Spannungsverhältnis von Finanzierungsinteressen und der Vermeidung eines beherrschenden Einflusses im deutschen Profi-Fußball. *Sport und Gesellschaft*, 6 (3), 203-233.
- Quart, P. E. (2010). Die '50+1'-Regelung bleibt auf dem Prüfstand – Handlungsbedarf auch nach dem DFB-Beschluss. *Zeitschrift für Sport und Recht*, 17 (2), 54-56.