

Does the Spanish Professional Football fulfil the requirements of solidarity?

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Introduction

Sport in Europe has a solidarity conception. This social function and cohesion dimension appears at Amsterdam Treaty (Declaration annexed to the final act of Amsterdam, No 29, on sport). Helsinki Report warns us about the tendency towards the increase of commercial aspects of sport in detriment of sporting principles and the social function of sport. This phenomenon may bring serious consequences for the principle of financial solidarity between professional and amateur sport.

One of the conclusions of the First Conference on EU Sport was the need for a system of collective negotiation of TV rights. This mechanism should achieve the redistribution of resources (from the richest clubs to the poorest ones and to fans) and the solidarity in European sport. Moreover, the participants in the Conference agreed that solidarity has to accomplish an authentic promotion of sport, especially among the youngest people (<http://europa.eu.int>). The General Direction X remarks this issue in its Model of European Sport.

Besides, in Spain, public institutions traditionally have supported financially clubs in order to balance their deficits. However, the most remarkable works about English football (Szymanski and Kuypers, 1999; Morrow, 1999; Dobson and Goddard, 2001) do not mention subsidies. Only Dobson and Goddard (2001; 89) refer to the effect of transferring funds from the richest clubs to the poorest ones (Cup competition system: share revenues). Nevertheless, this effect does not supply resources for amateur football.

Methodology

There are data from 34 clubs of the LNFP (Professional Football League). The data come mainly from the financial statements of the seasons from 98/99 to 01/02. In order to study the Professional Football solidarity, we will estimate the proportion of revenues with origin on government institutions (subsidies for investment or operative expenses). We will also analyse the sponsorship of clubs (it is common for local governments to sponsor clubs and this practice may be considered as a hidden subsidy).

In a second stage, it is interesting to examine the ownership composition of the share capital –for the clubs which are companies- in order to evaluate the magnitude of this source of funds from government institutions.

On the other hand, from the point of view of the resources coming from professional football to amateur football, we will study the evolution of collection from pools and the amount of money that eventually goes to support non-professional football. Finally, we'll check the relevance of professional clubs' payment of taxes and their degree of fulfilment of their tax duties.

The comparison between sources of funds from professional football and the money they receive is the key factor to conclude whether it supports amateur football or, by the contrary, wastes resources that could be invested on promoting amateur activities.

Results and discussion

The average amount per season –from 97/98 to 01/02- received as subsidies for the whole of the Spanish professional football clubs is € 13.641.978,05. Meanwhile, revenues from pools allocated for promotion of basic football –according with *art. 1 Real Decreto 258/1998*- represent only, on average, € 4'8 million. Moreover, the Spanish Professional Football League has signed an agreement with the Spanish Royal Football Federation in order to promote the basic football and the average of this subsidy has been € 3'9

million per year. So the money from professional football assigned to amateur football is only 65% of the subsidies that it receives from local governments or public institutions.

Therefore, it is deceptive to affirm that professional football supports with economic aid to basic football. Even, it could be beneficial for the last one to renounce money from pools and ask for the subsidies to professional football for itself.

In season 01/02, 30% of the First Division clubs and 49% of the Second A Division ones had public or semi-public institutions as a sponsor. We can then conclude that professional football wastes important resources that could be reserved to direct support of non-professional football.

Local councils and companies owned by them take part on the share capital of clubs –those, which are companies-. This phenomenon is especially remarkable in clubs with less expectative of a good economic performance. Simultaneously, the cession of venues property of local councils to professional football clubs is also frequent.

Only 38% of the analysed clubs, in season 99/00, had a positive tax on profits of companies. This tax for First Division clubs, as an average, was slightly over € 0'5 million, but for the Second A ones, it was negative (€ -15.178'31).

As consequence and final conclusion, it may be affirmed that professional football in Spain restricts resources that would be invested on non-professional football.

Moreover, it would be doubtful the advisability of public institutions taking part on business projects with uncertain social repercussion giving up amateur activities which are, for their own nature, short of financial funds.

Finally, these sort of public subsidies could commit violation of UE competence laws and could be adulterating European competitions whether other European clubs would lack of similar subsidies.

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