

Ownership British style:

SUPPORTERS CAN IMPROVE THE GOVERNANCE OF CLUBS

by Kasper Lindberg



Let's not forget that football at the end of the day is a game and not a business, says Christine Oughton, director of the Football Governance Research Centre in London.

In England, supporters' trusts are gaining influence and bringing a new set of old values into soccer

In 2001, Chesterfield Football Club was saved from bankruptcy by its supporters who stepped in when the owner's fraudulent activity threatened the existence of the club. That was the beginning of the supporters' trust movement in English football where football fans are increasingly gaining influence on the governance of their club – and essentially trying to reclaim the game from profit-seeking businessmen.

Two speakers at Play the Game 2005 dealt specifically with this movement and its potential to improve football governance. Christine Oughton, Director of the Football Governance Research Centre in London, believes that supporters' trusts can act as a useful counterbalance to the plc's of today's Premier League where profit maximization is the name of the game.

"The trust has got a number of social objectives, tackling racism, encouraging youth involvement, building bridges between club and community. The idea is that the trust by having bought representation in the club starts to change the values of the club," she said.

Today, 65 out of 92 Premier League clubs have supporters' trusts. Of these, four of the clubs are actually owned by the trust. However, most clubs are reluctant to give away influence and so far only 25 trusts are represented on club boards.

The problem is that there is a natural clash of interest between supporter share holders – who want ticket prices low – and commercial investors who want profit. But Oughton believes that the benefits of the trust movement have been proven and she called for a change in the attitude of the clubs.

"Supporters can improve governance at their clubs. That has been shown in a number of clubs in England. And there is a great deal of potential to extend this influence. Ideally, what we want is for all clubs to be community owned, to be clubs which is what they used to be. And not to forget that football at the end of the day is a game and not a business," she said.

Supporters behind progress

Dr. David Hindley of Nottingham Trent University also sees the supporters' trust movement as a necessary acknowledgement of the supporters as important stakeholders in football. For many years, supporters have had no real voice in the development of football.



Supporters groups often have different values to those of business men. This picture stems from a public meeting where supporters groups and Manchester United fans met to discuss and protest against the takeover of the club by American sports tycoon Malcolm Glazer. Photo credit: Polfoto

Hindley also pointed out that in spite of an increased money flow in football, big clubs have a hard time making profit. If football is to survive its current financial crisis, then clubs must enlist the support of whole communities and supporters' trusts are a step in this direction.

"It is widely recognized that this new trend of supporter involvement has benefited the clubs concerned, helping to widen democracy, dilute decision-making and allowed fans to have a more responsible voice in the way their clubs are run," Hindley said.

Like Christine Oughton, he felt that the main stop gap is probably the unwillingness in clubs and sport's governing bodies to give up influence.

"Interestingly where there are signs of progress, it is not amongst the game's governing bodies – which have an inherent aversion to external interference – but through the rise of the supporters' trust movement," he said.

"...thank you for an informative and extremely inspiring Play the Game 2005 conference. I met a lot of new friends and brought home a number of ideas I will try to develop into something readable."

Peter Pettersson Kymmer, sports editor, Göteborgs-Posten, Sweden

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CLUB USED TO LAUNDER MONEY

by Kasper Lindberg

The recent success of English club Chelsea has to a large extent been put down to the financial power of club owner Roman Abramovich. It is hard to imagine a football club that would decline if a wealthy businessman walks in off the street and offers to secure the club financially – and even harder in a poor country like Brazil.

So when Iranian-born businessman Kia Joorabchian less than two years ago offered to cover the huge debts of Corinthians, the second most popular football club of Brazil, the decision to let him do so and at the same time basically assume control of the club, was not too difficult.

At Play the Game, Rafael Maranhao, sports journalist of the Brazilian newspaper O Globo, told the story of Kia and the Corinthians.

Since taking over, Kia and his associates – through the company MSI – have spent millions and millions on new players. The only problem is that no one knows where all this money comes from. And strong allegations point towards extensive money laundering being carried out through the club.

"In less than a year, MSI spent more than 60 million dollars on players. These men really wanted to be part of Brazilian football. But why? Would you invest money in something that you know could not be profitable? 60 million dollars? It was clear that there was something wrong," Maranhao said.

He spoke of money coming from bank accounts in tax havens such as Virgin Islands, the buying of hugely overpriced players, and Kia's possible connections to Russian organized crime. And indeed football would seem like the perfect scene for money laundering.

"Why does money feel comfortable in football? Because nobody questions if you pay 30 million dollars for a player. Nobody knows exactly how much it costs. It is not a car or a house. And you can easily send millions from one continent to another. If you want to clean your money, there is no better place," Maranhao said.

Public prosecutors in Brazil are currently investigating the contract between Corinthians and MSI.