

Why European Super League failed—from the management perspective analysis

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Abstract. Due to the financial strain of the COVID-19 pandemic, Real Madrid football club's president, Florentino Perez initiated the idea of the European Super League, which included, and was supported by a consortium of football's most recognizable clubs. This breakaway league was formed with the goal to provide extra competition, as well as incomes for the competing clubs and hoped to eventually serve as an alternative for pre-existing competitions such as UEFA's Champions, Europa and Conference leagues. This interrogation will include how the league and its leaders failed to rally popular support for its inauguration, how the league faced constant legal action, as well as sanctions, from pre-existing governing bodies from FIFA and UEFA as it failed to gain their cooperation, and how the infrastructure and aim of the novel league also faced staunch opposition from the players themselves. Towards the conclusion of this essay, a series of suggestions will also be provided, primarily detailing how the league and its leaders could've, to an extent, remedied these problems, such as the major conflict of interest it provides for the clubs, as well as the exclusive structure which it proposed.

Key Word. European super league, UEFA, Capitalism, European football industry, Public opinion guidance.

1. Introduction

A European Super League (ESL) has been proposed numerous times since the turn of the century, but has failed to take shape due to opposition and threats of sanctions from UEFA (Union of European Football Association). Finally, on 19 April 2021 at 6am BST, 12 of the most established European Clubs - Real Madrid, Barcelona, Atletico Madrid, Chelsea, Manchester City, Manchester United, Liverpool, Tottenham Hotspur, Arsenal, AC Milan, Internazionale and Juve - announced that they would participate in the formation of the European Super League. The news caused an instant uproar within the footballing community, both within professionals and the popular masses. For the European football world, the outbreak of COVID 19 pandemic has been a major blow to revenue streams such as broadcast revenues and ticket revenues. According to statistics, the 12 European Super League giants have a total debt of £5.6 billion. However, the pandemic only acted as a catalyst which exacerbated preexisting problems for most of the major clubs. A long distorted player transfer bubble, a high premium payroll system and an economic crisis have gradually overwhelmed the European football industry. These problems stems from a variety of reasons, and can hence be divided into direct and indirect causes. Firstly, the financial losses suffered by the major giants as a result of the pandemic, primarily due to the restrictions on fan attendance. Consequently, the pandemic has also led to a reorganisation of the UEFA Champions League, which subsequently saw the big clubs receiving a smaller share of the tournament prize money, as UEFA took a substantially larger share to remedy their losses from the pandemic, fostering a lot of resentment from the big clubs. This resentment manifested in the major clubs' support for the European Super League, turning it into a medium of protest against UEFA, demanding compensation for their participation in the Champions' League[1]. Secondly, American financial institution JP Morgan Chase has provided a loan of € 3.5 billion to kick start the European Super League, which, combined with the high quality of clubs and thus better competition, seemed poised to attract a larger amounts of broadcast revenues, thus remedying the clubs' losses from UEFA's restructuring. For the major footballing giants, the allure of money provided further incentive for the clubs' participation in the Super League. Thirdly, management of a football club quintessentially mirrors a competitive firm, which, *ceteris parabis*,

means that they are profit-driven. The need to maximise their profits thus indicates why the prospect of the Super League was such a powerful incentive[2]. However, UEFA and FIFA, also possibly in attempts to protect their own profits, provided disincentives via jointly sanctioning the European Super League. The original prospect of increased profits, both in the short and long run, would then become greatly diminished due to these sanctions. Under UEFA, in their statement on April 19th 2021, leader Aleksander Ceferin declared that The World Cup and Euros will not allow players who play for teams that may compete in the closed league, meaning that the players in the Super League could lose the right to participate in all football competitions around the world and even the 2022 World Cup. A further attempt at protest from Barcelona, Juventus and Real Madrid proved nonetheless fruitless, as the 17th Commercial Court, Sofia Gil Garcia, upheld UEFA's right to proceed with the sanctions. These sanctions became a consequence that no football club president can afford. This essay thus sets to analyse the reasons for the failure of the UEFA Super League in three primary aspects, and to also provide reasonable solutions to each of these faults. The three primary aspects are first the discontent of the fans, second the disapproval of UEFA and other executives, and thirdly, Players, the most important part of the football industry, are also opposing the UEFA Premier League. Striking a balance which attends to the competing interests of both UEFA and the clubs nonetheless remains a problem to be solved for the post-pandemic footballing world.

2. Main body

2.1 The perspective of fans

The foundation of European football lies in a broad spectrum, involving fans of all ages. For example, football's importance in countries like England and Spain cannot be underestimated, as the sports popularity has been imbued within their culture and national identity. People are introduced to football from a young age, and continually follow the sport, as 70-80 year olds are still following the teams they love. Thus, this permeation of the sport has led to the a rapid professionalism, as well as accompanying institutions, within their youth training systems. The scouting process thus has become extremely thorough, and has helped clubs identify every child who has the talent to play football and, through a process of selection, to progress to the next level and even the first division to achieve their dreams of playing professionally. This love of football, nurtured from an early age, has made the continually permented their footballing passions[3]. So when the European Super League came along, most fans spoke out against it, especially those in the Premier League. This outrage was founded off the basis that the major teams' - Liverpool, Arsenal and Chelsea collectively known as the BIG 6 - participation in the Super League and subsequent removal from the Premier League, would be a monumental blow to its historic tradition and popularity. Similarly with Real Madrid and Barcelona in La Liga, whose seminal this classic rivalry draws 134 million fans in viewership, would deal the Spanish league a similarly devastating blow if they joined the Super League. To sum up, no fan wants to see the football league they will love for the rest of their lives go down the drain[4].

Bach, the president of the National Olympic Committee, who is also a football fan, also poignantly said 'a closed super league represents a threat to the European sporting model. The social mission of sports organisations is being replaced by the purely profit-oriented goals of commercial providers and investors. The social mission of sport can be lost if the impact of sport on society is measured only by economic rules. Last but not least, a European Super League deprived of the support of billions of fans could become a building without roots. Football cannot develop without the support and participation of its fans. The fan culture that Europe is a proud tradition that has been passed down through generations of fans. Come rain or shine, the home fans will wear the home team's uniforms and scarves and make colourful tifos to cheer on the fans. Fans who can't make it to the stadium also go to the bar to support their favourite team with strangers[5]. These fans are the moral support for the whole team, so it is often said that the fans are the 12th man of the team. It's not just moral support that the fans give, they also give material support. Whether it's tickets to the stadium, peripherals in the fan shop or the sky-high broadcasting fees, it's the fans who ultimately pay the bills. If the

European Super League insists on clinging to a closed system and abandoning the fan base, it may not easily survive the polemics and uproar of the fans.

What makes football the number one sport in the world is the unpredictability of football. It is because of the constant innovation of tactics, the transfer of players and the emergence of young talent that football has seen dark horse teams beat the traditional powerhouse clubs[6]. The 'Leicester City Miracle', as it is now known, was Leicester City's 15-16 season, when they won the most competitive Premier League. In the late 1970s, Nottingham Forest won the European Cup twice as a lower league team, innovating the concept of short passing and ball control[7]. Not only were there dark horse miracles, but there are also globally renowned players like Messi and Ronaldo. It is these unique charms of football that have left fans with an enduring legacy of classic duels and timeless glory, attracting fans after fans to the sport. But the near-monopolistic future that the European Super League has done irreversible damage to break up these elements of football. Wouldn't it be a lack of reverence for the history and culture of the game for long-time, title-less Arsenal and Tottenham Hotspur to be involved in the European Super League, and then for teams that are aspiring to revival like Ajax to not qualify? And the implementation of a European Super League could well end up in a centrally-organized committee such as how the NBA manages all its clubs[8].

2.2 The perspective of organization

UEFA, as the premier football organization of Europe, was very much against the hosting of the European Super League. As we all know, UEFA and the UEFA Super League are different bodies, and it is clear that the European Super League is trying to compete for the interests of UEFA. The conflict of interest is the first tension for UEFA and the ESL[9]. Secondly, UEFA, as the organisers of the premier football tournament in Europe, are in control of the development of all the big and small leagues throughout Europe[10]. They are not willing to allow the emergence of a European Super League to break their own previous monopoly on European football. If UEFA were to compromise to a duopoly, not only substantial profits, but authority would also be lost. Not only that, but the European Super League is played in the middle of the week, clashing with the UEFA Champions League, which was originally organised by UEFA. And with such a high level of competition in the European Super League it will certainly take away the attention that originally belonged to the Champions League and UEFA, leading to UEFA's revenue from these two tournaments dropping significantly. Besides UEFA, the English Premier League, organizing six of the biggest teams in the world, is thus incentivised in trying to join forces with UEFA to sanction the ESL. The then Prime Minister of the United Kingdom, Boris Johnson, even tried to pass legislation to abolish the labour cards of the BIG6 players in the Premier League. The Premier League is the most commercially valuable league in the world, worth € 8.9 billion, about € 4.8 billion more than the second ranked league Serie A. And with the BIG6 accounting for 60% of the annual revenue of the entire Premier League, the importance of the BIG6 to the Premier League cannot be overstated. If the BIG6 were to withdraw, the overall value and spectacle of the Premier League would be greatly reduced, and without the attraction there would be no more sponsors, no more revenue for broadcasters, leading directly to the slow decline of the league. Naturally the British government would not stand idly by for the disintegration of the Premier League.

The health of the players would also have to be taken into account, as too much involvement in the competition could lead to frequent injuries, which could affect the players' performance during the season or even throughout their careers. Furthermore, UEFA believes that a European Super League would be detrimental to the promotion of football and would widen the gap between clubs around the world. Once the European Super League is established, the tournament system and economic system that European football has been cultivating for more than a decade will collapse with it. In recent years, with the rise of external funding for the Big Six football clubs, there has been a widening disparity between the strengths of European clubs. If the European Super League is established, these giants will be able to get a lot of money from it and use it to sign the best players in the world to join their teams and make them more dominant, as United and City have demonstrated,

having spent 903 million and 826.6 million Euros in transfers in the last decade. The rest of the teams would be "retirement homes" for the powerful teams. It is likely that fans will never again witness the miracle of Leicester City winning the Premier League in the 15-16 season.

At the same time, the prices and salaries of top players will rise, and the financial fairness plan that UEFA has worked so hard to put in place will become nullified. Beckenbauer once said that 'it's not football that rolls on the green field, it's gold'. This is the most accurate summation of football capitalism. As a result of the inflated market of the football industry, the top players are among the highest paid athletes in the world. Figure 1 shows the highest-paid athletes in the World 2022. The figure shows that footballers Lionel Messi, Ronaldo, and Neymar are ranked 2-4 in the top five, and even the NBA's basketball star LeBron James, who is ranked first, earns a similar amount. The team that Messi and Neymar play for is Paris Saint-Germain, whose shareholders are a Qatari investment consortium that is in charge of over US\$450 billion. The deep involvement of capitalists such as these in the football industry has not only led to an increase in player salaries, but also to hyperinflation in the transfer market, which has led to an increase in the cost of transferring players to clubs. The Big-5 league soccer players are shown according to their predicted global transfer value as of June 2022. Mbappe, who plays for Paris Saint-Germain, is even worth more than €200 million. So the gap between rich and poor football clubs is growing at an exponential rate, with small and medium-sized teams simply not having the financial means to attract players and afford their wages. This has led to the top stars only flocking to the big teams and the fans not paying attention to the small and medium teams, directly destroying the competitiveness of the football world. The footballing giants' financial capital have made it difficult for many small and medium-sized clubs to survive, and the income of those working at the bottom of the table has been abysmal. Although UEFA has introduced the Financial Fairness Act, there are many loopholes in the implementation of the Act, and some people in the industry even know that UEFA favours certain clubs that undermine financial fairness out of self-interest. On the face of it, the European Super League brings together 12 teams of essentially the highest standard from around the world as the main competition, with the intention of presenting the most intense matches to the fans. We can understand that the big clubs have invested more and naturally want to get more for their money. But with the global economy being negatively affected by the ongoing COVID 19 Pandemic, the increased financial strain on smaller clubs has seen a larger need of financial fairness reforms from UEFA. For the immediate benefit, these giants are trying to form their own league to ensure they get the best sponsorship, traffic and maximise the benefits from it in a short period of time, so that most of the benefits of the football market will be concentrated in the giants, but this will deal a huge blow to the teams outside the giants and upset the balance of interests in the football market.

2.3 The perspective of players

Last but not least, players' voices and rights should not be ignored. Beckham, both as a previous professional footballer and now as a club owner, knows that the emergence of a European Super League is not conducive to the development of European football as a whole. And we need a competition based on merit, not a fixed 15-team league like the European Super League. Because they qualify regardless of their performance, it just takes away the players' motivation and determination to win. The beauty of football is that players fight on the greenfield, work with their teammates and compete to be the better team to win the championship. In addition to this, the President of UEFA has made it clear that all players who play in the European Super League will be banned from the Euros and World Cups. The European Cup and the World Cup are the two biggest tournaments in which any player can represent his own country, and both are held only once every four years, so it is a rare opportunity. Every player has to perform well in their clubs matches in order to be called up by the national team head coach. For everyone, it definitely be a great honour to represent their country. So it is unlikely that they will willingly give up the opportunity to represent their country at the highest level of competition because of a club tournament.

Money is important, but money is not everything. It can't buy the bond between players and fans and club, it can't buy the players' love of football, and it can't buy the players' high level of play on the field. Liverpool's club motto is 'you will never walk alone', but now they are joining the European Super League. Manchester United, a club with over 100 years of history, born of the working class, are now joining a league without relegation or competition, both a betrayal of the club's heritage. Likewise, the Zidane's volley, Ramos 9248' last-gasp goal, Kroos last minute goal against Sweden, Cristiano' bicycle kick...Those are some things that we just can't really pay for it.

For the players of the smaller clubs, they hate the European Super League even more. Because once the European Super League is established, it will take away the attention from their club. This would be a huge damage to the revenue of broadcasters and ticket sales for small and medium sized clubs. And the gradual growth in the poverty gap between the small and medium clubs and the big teams will only lead to the good players gathering at the big clubs and the problem of the gap in standards between the two will get worse. At the same time, not being able to play on the same field as the high level players will only bring down the standard of the players of the small and medium sized clubs and also deal a blow to their mentality. They had hoped that in the process of playing against top players, they would be better able to improve their skills and work hard with a clear vision of their aims. But the emergence of the European Super League has only led them to degrade themselves. We will not allow the elite to destroy the possibility of these little people dreaming of getting ahead.

3. Conclusion

Above all, people against the establishment of European Super League from a lot of different aspects. Firstly, resolve conflict of interest issues. Firstly, resolve conflict of interest issues. The biggest reason why UEFA opposed the establishment of the European Super League was because they thought it would take away their revenue. The solution was for the European Super League and UEFA to work together to come up with a mutually acceptable distribution of money. For example, the ESL could pay UEFA € 360 million or more to negotiate terms that would benefit UEFA as well. This would not only reduce opposition from UEFA, but would also require UEFA to cancel its plans to restructure the UEFA Champions League. The original plan was to increase the number of teams from 32 to 36 in the hope of generating greater gate receipts. However, the increase in the number of teams directly led to a huge growth of rounds played, but this did not increase revenue for the clubs, which naturally led to resentment from the big clubs and the birth of the European Super League. At the same time, without the restructuring plan, the Champions League schedule would not have been as intensive, giving the ESL a more selective and rational schedule. Although the ESL's plans have been temporarily delayed by UEFA's restrictions on the participation of club players in national team competitions, it is unlikely that the ESL will be revived if outside capital offers the ESL more prize money or even other lucrative packages. The change that UEFA needs to make is to improve the enjoyment of the game. The weakness of competition within Europe's mainstream leagues is also a key backdrop to the acceleration of the ESL issue: Juve have won nine straight Serie A titles, Bayern eight straight Bundesliga titles, Paris have won seven times in the last eight years, and the Real Madrid-Barca duo have been the only proposition in La Liga for the last few decades. One of the reasons why the ESL also attracts a huge number of supporters and billions of euros from the US is that there is a great desire for a super league with strong rivalries and more exciting games and better quality. For the capitalists, such exciting matches mean high broadcasting revenues and significant ticket benefits. So if UEFA and WFC fail to improve the spectacle of the game, the consequences will not only be the creation of the ESL or even more similar revolts by clubs or fans.

Secondly, the European Super League was explicitly exclusive, as their original structure deemed that of the 20 teams included in their plans, 15 would become permanent members with no possibility of relegation no matter their performance. This provision received criticism from Manchester City manager Pep Guardiola, stating that 'it is not a sport if success is guaranteed'. Moreover, in the

know Super League structure that has thus far been provided, the format and the mechanisms for the inclusion of new teams have been kept ambiguous, which further means that only these 5 teams have a real chance at facing relegation, even if they do outperform the original 15 members in the competitive league tables. Thus, this essay suggest that this is a critical component of the original structure that should be amended, and instead should follow previously successful structures, such as the Champions League. A more competitive structure, with a chance of relegation for all clubs involved would see the proposed league become more inclusive, as it gives middle tier teams, such as Newcastle, and lower tiered teams, such as West Ham, all a chance to be included in the Super League's proceedings. This remedy would go to address Guardiola's concerns of guaranteeing success for the big clubs. However, this proposed remedy is dependent on a few factors. First, it would mean that the original 12 founding clubs may lose their original financial incentive to compete within the Super League, as Yahoo finance reports, these founding clubs stand to collect "excess of 10 billion euros" from their original participation agreements, as well as \$3.55 billion to just support their infrastructure investment plans and to counteract the impact of the COVID epidemic. The distribution of this money would then be disrupted, as a more competitive format implies that the smaller teams also need to receive substantial payments for participation. Additional money would also be hard to source, as JP Morgan originally only loaned the Super League 4 billion euros, meaning that providing extra payments would take a heavy financial toll, thus, the money needed to incentivize the smaller teams to participate would need to be taken from the initial sum promised to the founding members. This leads on to the second dependent factor, as due to the Super League being such a novel idea, it means that it does not hold the same prestige as the UEFA's pre existing competitions (Champions, Europa and Conference leagues), meaning that without the aforementioned financial incentives, convincing other teams to participate in the Super League instead may prove unsuccessful, as the Champion's League is often seen as the pinnacle of European football, diminishing the Super League's viability as an alternative to the age-old competition. Nonetheless, addressing the problem of exclusivity through a more competitive formmat remains a viable remedy for the Super League to consider.

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