THE ROLE OF THE EUROPEAN UNION IN FOOTBALL GOVERNANCE

Marina V. Strezhneva

Institute of World Economy and International Relations of the Russian Academy of Sciences, Moscow, Russia

Article history: Abstract: The European football is in need of proper governance. This fact has been acknowledged in a number of EU documents, as well as by some of its member-states, Britain and France in particular. Weak governance undermines the financial stability of football clubs and the ability of sport to fulfill its key social functions. Besides other things, it opens channels of external interference in the functioning of FIFA and UEFA as self-regulating bodies of football governance. The present article is devoted to the exploration of governance modes transformation in European and international football, influences by the European integration process. Global governance is employed here as an analytical approach. It allows to specify the role of the EU in development and maintenance of rules and norms, which limit the freedom of state and nonstate actors, involved in the sphere of football. The 2007 Lisbon Treaty endowed the EU with direct competence in the field of sport. But today it will still be a mistake to conclude that the European institutions are directly responsible for the formation of new structures of football governance. Nevertheless, their activity does have an impact on the lives of those who are involved in it. Unsatisfied stakeholders (football clubs, players and fans) turn to the EU for support when seeking alternative ways for settlement of disputes, when they do not find resolution in the internal structures of football governance. Vertical pathways, established in the traditional pyramid of the European football governance are subsequently undermined. Thus, the EU influence makes it easier to turn to structures of network governance.

Introduction

Over the last fifteen years sports governance has attracted considerable attention from the research community.¹ This growing interest is well founded, as the amount of governments’ interference in sport has greatly increased. This increase is mostly due to the pro-market commercialisation and professionalisation of sport, with major sporting events now attracting millions of viewers and generating huge revenues. Between 3-4% of the European Union’s annual GDP is generated through sports and sports in a general have a high average annual growth rate. At the same time, issues of corruption, match fixing and ‘bad governance’ are undermining the very integrity of sport, robbing sport’s own governing bodies of the power to deal with these challenges by themselves.

These changes are influencing the way that sport is regulated, terminating the previous, exclusively self-regulating, modes of sports governance and opening a window for intermediation by European institutions and other external actors.² In addition to this, ² Geeraert, Arnout; Mrkonjic, Michäel; Chappelet, Jean-Loup. A Rationalist Perspective on the Autonomy of International Sport Governing Bodies: towards a Pragmatic Autonomy in the Steering of Sports // International Journal of Sport Policy


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the most obstinate individual sportsmen and women, seeking to defend their own rights, employ the legal system more actively than before when solving disputes that arise between them and sport organizations, which are now subject to a greater level of scrutiny and public interest. Last but not least, it is possible to trace efforts at the international level to capitalize on the malfunctioning of sports governing bodies in order to add sporting and cultural events to the list of possible targets for Western sanctions against Russia, applied in retaliation for Russia’s policies towards Ukraine.

The most powerful governing bodies over football are FIFA and UEFA. FIFA, the Fédération Internationale de Football Association, founded in 1904, governs the World Cup (the quadrennial international football tournament), while UEFA, the Union of European Football Associations, is one of the six sub-branches of FIFA, and runs the European championship. As pointed out by Richard Parrish, “FIFA’s responsibilities include drawing up regulations and provisions and ensuring their enforcement. Every person and organisation involved in the game of football is to observe FIFA ‘law’. The tasks of UEFA are to regulate the game at a European level and settle disputes between national member associations within Europe”.3

In May 2015, seven high-ranking FIFA officials were detained by Swiss police on suspicion of corruption following a request made by the American Department of Justice. Subsequently, the president of FIFA, Joseph Blatter, and the head of UEFA, Michel Platini, have been suspended for eight years from all football-related activities following an ethics investigation. The exact timing of these interrelated events, given the fact that corruption in FIFA is acknowledged to have been going on for a quarter of a century already, and has long been an open secret, leaves room for speculation that they were set in motion with the side aim of applying pressure to the governing bodies of football, which were unwilling to side with the anti-Russian sanctions policies of the West.

As football is both the most important and most commercialised sport in Europe, efforts are now being made in earnest, and by the EU in particular, to raise the standard of governance in the European football sector, focusing specifically on the principles of democracy, transparency and inclusiveness, seeking to represent all interested stakeholders.4 Thus, in this article, the review of literature on the specifics of EU relations with FIFA/UEFA sheds additional light on how the EU functions in relation to sports governance. Not long ago football’s governing bodies had full autonomy: there was practically no outside control or regulation. The headquarters of both FIFA and UEFA are in Switzerland (outside the EU immediate territory).3 And the EU’s competencies in the field of international sport, even today, cannot be seen as strong. Nevertheless, over time, the EU has accumulated policy instruments allowing it to limit the autonomy of both FIFA and UEFA, and to execute some forms of influence over them. For both economic and political reasons, as well as due to the internal faults of football’s self-regulating bodies, the EU has become more closely involved in regulating football.

The EU as a metaorganisation

There are various theories that can be applied when studying the EU’s influence over international sport governance. These include agency theory, stewardship theory, institutional theory, resource dependence theory, network theory, stakeholder theory, a democratic perspective and managerial hegemony theory.6 One of the most popular of these theories is the principal-agent theory (agency

3 Most EU law, nevertheless, applies in Switzerland on the basis of a series of the EU-Switzerland bilateral agreements.

theory), although it is a little far-fetched to present the relationship between the EU and FIFA/UEFA as one between a principle entity and its agents. The EU, plainly, does not control FIFA/UEFA; and neither FIFA nor UEFA act on behalf of the EU.

This article favours the global governance as an analytical approach. It allows for the role of the EU to be identified better as an agent in the arising global multi-actor (sport) governance, participating in the development and maintenance of rules and norms that limit the international behaviour of both state and non-state actors. The notion of governance per se implies a collective process of political regulation (steering) in the absence of a single governing centre or organising principle. The global governance narrative, in its turn, brings to the forefront vertical and horizontal dimensions to this process. By choosing global governance as an analytical tool, we can better understand the ‘dynamic interplay’ between civil society, business and public sector actors involved in global and European politics.

Accountability is a key aspect of global governance. In the context of global politics it is particularly challenging to enforce, since “governmental and non-governmental organisations around the world practice a very wide range of incompatible systems of domestic governance, making it exceedingly difficult to reach agreement on formal and informal norms, standards, responsibilities and sanctions associated with decision making”.

The integrated European system of governance (meaning setting of rules and their application, as well as enforcement) is a multilevel one. In the EU decision making is termed multilevel as it connects national administrations with each other and the European institutions without establishing a clear hierarchy between them. It is blurring the distinction between centralised and decentralised decision making by networking various types of decision makers. As a result, European governance is not monopolised by national states, and civil society organizations are involved in the respective political process. At the same time, the EU system can be presented as a transnational governance, as it is characterised by complexity, its non-hierarchical features, and horizontal/diagonal policy networks. There are many reasons to evaluate governance within the EU as ‘experimentalist’ or ‘innovative’, as European policymaking is endowed with unique features that distinguish it from policymaking at the national level. It combines supranational legal regulation with self-regulation (executed by the economic subjects themselves, although under strict European and national control) and co-regulation (typically referring to situations where the industry develops and administers its own arrangements, while a government provides legislative backing to enable the arrangements to be enforced).

European social dialogue is an important and attractive example of co-regulation.

consultations, negotiations and common actions, undertaken by two sides – by trade unions and organisations of employers. At the European level, it has two main forms: bilateral (a direct dialogue between social partners under the control of the European Commission) and trilateral (with the involvement of other European institutions). In the international arena, the EU, while being an unconventional foreign policy actor and a multipartite entity at one and the same time, is capable of promoting alternative modes of governance, based on its own example.

**Indirect influence**

Since the 1970s, the EU’s involvement in affairs of sport has been pushed through by private actors, demanding observance of the Single European Market (SEM) freedom of movement principle, as well competition rules, in the sport’s sphere as well as elsewhere. The EU’s freedom of movement law establishes a worker’s right to travel within the territory of the EU in the pursuit of employment. Thus, in 2001, FIFA and UEFA on the one side, and the EC – represented by Commissioners Monti, Reding and Diamantopoulou – on the other side, reached an agreement concerning FIFA’s rules on international football transfers, based on the European Court of Justice’s (ECJ) Bosman preliminary verdict, in which the Court ruled that the old system of transfers placed an undue restriction on the free movement of footballers as workers and was, in fact, prohibited by Article 39(1) of the EC Treaty (now Article 45(1) of the Treaty on the functioning of the European Union). Jean-Marc Bosman, a Belgian professional footballer, and all other EU, as well Icelandic, Lichtensheinian and Norwegian football players were subsequently given the right to a free transfer at the end of their contracts, with the provision that they were transferring from a club within one EU association to a club within another EU association.

In 2005, in the Simutenkov ruling, the ECJ held that the 1994 EU-Russia Partnership and Cooperation Agreement provisions (Art. 3 (1)) also protected Igor Simutenkov, a Russian citizen legally employed in Spain as a footballer, against discrimination in terms of working conditions, remuneration or dismissal. Revision of European football rules concerning the number of foreign players in teams was once again reconsidered. This new ECJ ruling meant that non-EU sportsmen covered by this and other agreements with similar clauses (for example, the ACP-EU Partnership Agreement, signed in Cotonou in 2000) should not be discriminated against, when legally employed within the EU, either.

The Bosman and Simutenkov cases proved quite influential for the whole international transfers situation in European football, leading to, in a practical sense, the end of any distinct category of person called a foreign player. Although national federations could still try to limit ‘foreigners,’ it became much easier for individuals to overcome these limitations. In other words, the EU successfully challenged the monopoly exercised by the governing bodies of the sport and legitimised the claims of players. Nevertheless, FIFA and UEFA remained the leading actors in football governance, making every effort to restrict any concessions to other stakeholders. Challenges brought before the ECJ and/or the EC to club ownership rules, selection criteria, the use of transfer windows to regulate player movement and the FIFA player-agent regulations remained unsuccessful.

In 2007, the EC White Paper on sports noted that self-regulation allows for most challenges that affect sport to be dealt with, if

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18 The Agreement the EU concluded with African, Carribean and Pacific group of states.

good governance and EU law are respected. In all honesty, changing the predominantly self-regulating mode of European football governance was beyond the means of the EU, even if it wanted to. That said, the Commission did strongly contribute to the development of co-regulation in addition to self-regulation, namely—to the creation of a structured dialogue with interested stakeholders. A European social dialogue between employers (clubs) and employees (footballers) was launched for the professional football sector in 2008, allowing for discussions, consultations and negotiations on labour related issues. The Commission of the EU provided important resources to the European sectoral Social dialogue committee for professional football (SDCPF) and supported its projects and studies.

In 2012, the social dialogue in European professional football, including parties such as UEFA, the European Professional Football Leagues (EPFL), the European Club Association (ECA) and the Fédération Internationale des Associations de Footballeurs Professionnels Division Europe (FIFPro Division Europe)—consisting of 29 member associations—concluded its first agreement on the minimum requirements for standard player contracts. At this point, FIFA remained the only excluded organisation that could be interested in participating in the SDCPF. According to Arnout Geeraert, “FIFPro’s participation in the social dialogue has unquestionably improved its representativeness and legitimacy, and has thus enhanced its position in the governance of European football. By providing expertise and indirect financial support through, for instance, the reimbursement of travel expenses, the Commission further contributed to the empowerment of FIFPro. Finally, by making sure that actors are brought together in a room, where they are obliged to dialogue, the Commission made sure that FIFPro was able to influence the decisions made by the governance network.”

Football’s powerful governing bodies could no longer afford to neglect previously marginalised interest groups such as clubs and players. The EU institutions were performing a useful monitoring function, ensuring that the activities of international football’s governing bodies do not extend beyond the limits set by EU law.

The EC has overseen measures against the use of doping and match-fixing, the activities of sports agents, and regarding transfer rules, demonstrating a regulatory approach to professional sport as an economic activity, with its regulating principles primarily established by states and not by private professional leagues. The EU has also brought about substantial change in football rules based on EU competition policy, legitimising the associated claims of clubs and players and putting into question the supremacy of the governing bodies such as FIFA and UEFA.

**Direct competence**

The 2007 Lisbon Treaty, which came into force at the end of 2009, for the first time endowed the EU with direct competence on matters of sport. Articles 6 and 165 of the Treaty on the Functioning of the European Union empower the EU institutions to support, coordinate or supplement the actions of Member States, though no European harmonisation of national laws has been admitted in this sphere. The emphasis has been on the social, cultural and educational particularities of sport, distinguishing it from other industries.

Article 165 allows the EU to directly fund sports-related programmes. The first budget line specifically dedicated to sport was opened

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in 2014 as part of the seven year Erasmus+ programme. It envisions support for grassroots projects and cross-border challenges, such as combating match-fixing, doping, and violence and racism in particular.\footnote{Erasmus+ is the new EU programme for Education, Training, Youth, and Sport for 2014-2020.} Having acquired direct competence in the field of sport, the EU has become relatively assertive. At the same time, due to the EU’s still limited competence in sports, its policy is ultimately defined not by the supranational EC, but by the Council, which consists of member-states’ representatives. Since 2009 the Council has become a more active player in the field. In general, EU action in this sphere has started to provide added socio-cultural value to the efforts of member states.

According to Richard Parish, Article 165 establishes a formal rolling political agenda on the meaning of the ‘specific nature of sport’.\footnote{Parrish, Richard. Social Dialogue in European Professional Football // European Law Journal, 2011, No. 17 (2), p. 219.} In the Bernard case\footnote{Hendrickx, Frank. The Bernard-case and Training Compensation in Professional Football // European Labour Law Journal, 2010, No. 3, pp. 380-397. Mode of access: https://pure.uvt.nl/ws/files/1305848/Hendrickx_The_Bernard-case_110209_publishers_embargo_1_y.pdf} Article 165 was cited to confirm the view of the ECJ that the specific characteristics of sport allow football clubs to seek compensation for training of their young players who then wish to sign their first professional contract with a club in another member state. Also, in 2013, the ECJ rejected FIFA and UEFA appeals over broadcast rights.\footnote{EU Court Slaps Down FIFA, UEFA over World Cup / Euro TV. July 18, 2013. Mode of access: http://sports.ndtv.com/football/news/210990-eu-court-slaps-down-fifa-uefa-over-world-cup-euro-tv} In this and other similar cases, it chose to side with those member-states who wanted to keep all of the World Cup and European Championship on free TV (the member states have the right to select a series of top sports events to be broadcasted on free television).\footnote{The Television without Frontiers Directive 89/552/EEC lays down the conditions, guaranteeing free access to the broadcast of events of major importance to society. A Member State can decide what events, national or non-national, it considers to be of major importance to society and which must be broadcast in its territory on free television accessible to a substantial proportion of the population.}

The traditional model of football governance in Europe was characterised by a pyramidal and hierarchical structure, running from international federations down to national federations and clubs. Lots of amateur clubs formed the basis for the top professional clubs playing on national and European level. In the 2000’s, in part due to EU influence, the traditional model underwent some transformation, becoming relatively more democratic on the way. Unsatisfied stakeholders (such as football clubs, players and fans) turned to the assistance of EU institutions as an alternative way to settle disputes which had previously found no accommodation within the internal structures of football governance.\footnote{Garcia, Borja; Meier, Henk-Erik. Limits of Interest Empowerment in the European Union: the Case of Football // Journal of European Integration // 2012, No. 34 (4), pp. 359-378.} In this way the vertical channels of power which previously prevailed in the traditional governing pyramid of European football, were undermined, while structures of network governance emerged and developed in which different stakeholders exerted power in different ways and in different contexts in a complex web of interrelationships between public, private and non-profit actors.\footnote{Groeneveld, Margaret. European Sport Governance, Citizens, and the State. Finding a (co-) productive Balance for the Twenty-first Century // Public Management Review, 2009, No. 11 (4), pp. 421-440. DOI: 10.1080/14719030902989516} In this way the EU has for quite a long time been criticised for its flawed governance, lack of transparency and accountability.\footnote{Tomlinson, Alan. The Supreme Leader Sails on: Leadership, Ethics and Governance in FIFA // Sport in Society, 2014, No. 17 (9), pp. 1155-1169. DOI: 10.1080/17430437.2013.856590} According to Pielke, who

\textbf{The 2015 FIFA crisis}

Good governance is a \textit{sin qua non} condition of self-regulation for sports’ governing bodies. Weak governance undermines financial stability and the potential any sport has to fulfil its social functions. It also opens a window of opportunity for arbitrary external political and ideological, as well as commercial, pressure. FIFA has for quite a long time been criticised for its flawed governance, lack of transparency and accountability. According to Pielke, who
wrote an article evaluating the accountability mechanisms in the global politics of football, FIFA “demonstrated time and again that it has essentially no hierarchical, supervisory, peer or public reputational accountability, and minimal fiscal accountability”.32 Lack of adequate governance in international football was acknowledged in a number of EU documents, as well as by some member states, Britain and France in particular.

In the meantime, as Pieth argues, “FIFA – even though by law still a non-profit association – is in fact a potent corporate entity. This calls for a sequence of particular governance measures developed in the corporate world”.33 In his judgement, FIFA has made distinct progress by introducing international accounting standards and professional auditing, yet there is still room to further upgrade their systems of internal control.

Most of FIFA revenue comes from the World Cups. For example, in 2011-2014, FIFA’s total revenue was $5.718 mln, with operating profit of $338 mln.34 FIFA redistributes the majority of this revenue back into football through investment in development programmes, international football tournaments, football governance and organisation of the next FIFA World Cup. However, a proportion of any profit is held back to create a cash reserve, officially to be spent on insurance to cover the possibility of last-minute cancellation of a World Cup event. From a financial perspective, the last FIFA World Cup in Brazil in 2014 turned out to be a major success. Revenue significantly increased compared to the previous four-year period as a result of higher income from the sale of rights, particularly in the area of marketing and television.

The biggest scandal in the history of FIFA erupted at the end of May 2015 when Swiss police detained its seven highest-ranking officials in Zurich on suspicion of corruption, fraud, racketeering and money laundering. Overall, charges were pressed against 14 current and former football bureaucrats. According to the data made public by the US Ministry of Justice, $ 150 mln in bribes were received during 24 years.35

Before the scandal broke, Britain called on UEFA head Platini to oppose the president of FIFA, Joseph Blatter, and come out for a boycott of the 2018 World Cup in Russia in retaliation for Russia’s policy towards Ukraine and the annexation of Crimea. Denmark proposed holding an alternative tournament in 2018 with the participation of countries of Europe and Southern America; in addition to this, a group of U.S. senators called for Russia to be removed as host of the 2018 World Cup as well. Neither Blatter, nor Platini, by all appearances, demonstrated enough willingness to yield to this political pressure and side with the West’s anti-Russian sanctions.

In the midst of its corruption scandal, the European Union has called for FIFA to quickly reform itself. Natalie Vandystadt, a spokeswoman for the EC, said: “Millions of fans around the world have lost patience and they deserve better”.36 In June 2015 the European Parliament, with no power to take enforceable decisions related to sports, adopted a resolution recommending that FIFA’s decisions to award the 1998, 2010, 2018 and 2022 football World Cups to France, South Africa, Russia and Qatar respectively be reviewed. The move, attesting to how highly politicised the issue had become, was a direct result of the FIFA corruption and all of the suspicions of bribery hanging over its decisions.37

37 European Parliament Will Urge FIFA’S Sepp Blatter to Stand Down Immediately. June 10,
Tibor Navracsics, EU Commissioner for education, culture, youth and sport, was of the opinion that FIFA was no longer fit to run international football. The European Commission, however, declined to back calls for a boycott of the World Cup scheduled to take place in Russia in 2018. Russia, in its turn, insisted that it won the right to host the next World Cup in a fair competition. The President of Russia, Vladimir Putin, reacted to the whole situation by proposing that a resolution be adopted by the UN General Assembly that would confirm in international law the principle of sport as being depoliticized. He announced this idea at the World Olympians Forum, which took place in Moscow in October 2015. However, no resolution is likely to stop present-day natural process of sport becoming politicised, especially at a time when public interest in sport has seriously increased.

Politicisation generally means that more and more decisions in the associated sphere will become publicly contested and that they will be discussed by representatives of civil society, and that there are conflicting positions as concerns solution of the problems. Today it seems impossible to stop the politicisation of football governance, though in international politics in general a lack of politicisation remained quite common till the late XX century. Also, the EU itself used to be a depoliticised polity not so long ago, demonstrating a predominantly functional way of decision-making. Now we are witnessing both the processes of the politicisation and (albeit slow and painful) democratization of European integration, with its politicisation being a direct consequence of the increasing authority of the EU.

Conclusion

Football is a global sport that connects the world in a unique way. The European Union recognises the autonomy of international football organizations, and is far from assuming a primary responsibility for the sport. While the concept of politicisation generally relegates us to an increased involvement of civil society in collective decision-making, the concept of democratisation implies reforms allowing civil society to actually participate in governing processes. There can be politicisation without democracy, as well democratization with or without politicisation. One can conclude that, overall, the EU is exerting a benign influence over football governance, helping to make it more democratic.

FIFA encompasses a wide spectrum of stakeholders ranging from its member associations to players, referees, players’ agents, clubs, marketing professionals, the fan community and the public at large. This general interest, by itself, does not imply legal accountability to the general public. Yet, while formally non-governmental, FIFA is in practice expected to act as a quasi-public body. The EU in particular expects international and European football governing bodies to respect the core principles of law (especially the rule of law, the separation of powers, transparency, accountability and democracy).

All taken into consideration, these moves towards democratisation and the upgrading of football governance, and measures to increase its transparency and accountability – which are enhancing its legitimacy – are the best means to guarantee against (the unwelcome) intrusions from outside into football’s affairs, irrespective of these intrusions’ motives.

Литература / References:


По вопросам, связанным с российским законодательством и вопросам состояния спорта в России, обращайтесь по адресу: Россия, 119049, Москва, ул. Баррикадная, 3, ИМЭМО РАН, Институт мировой экономики и международных отношений имени Е.М. Примакова. E-mail: integra1955@mail.ru

Аннотация: Цель статьи - дать определение законодательному (представительному) ортодоксу, что в европейском футболе отсутствует должное управление, был призван в ряд документов Европейского союза, а также некоторыми государствами - членами ЕС, в особенности Великобританией и Францией. Слабое управление подрывает финансовую стабильность футбольных клубов и способность спорта выполнять свои ключевые социальные функции. Оно, помимо прочего, открывает каналы для внешнего вмешательства в функционирование ФИФА и УЕФА как ключевых органов футбольного управления. Настоящая статья посвящена анализу эволюции форм управления в европейском и международном профессиональном футболе, которая происходит под влиянием европейской интеграции. В качестве аналитического подхода использовано глобальное управление. Данный подход помогает уточнить роль ЕС в разработке и поддержании правил и норм, ограничивающих свободу действий государственных и некоммерческих организаций, вовлеченных в сферу футбола. На основании Лиссабонского договора 2007 г. ЕС был наделен прямой компетенцией в спортивной области. Но и сейчас было бы ошибкой утверждать, что европейские институты несут прямую ответственность за оформление новых структур футбольного управления. Однако их деятельность всё сильнее сказывается на жизни тех, кто в него вовлечён. Недовольные стейкхолдеры (футбольные клубы, игроки и болельщики) прибегают к содействию ЕС как к альтернативному способу регулирования споров, которые не находят разрешения во внутренних структурах футбольного управления. Тем самым подрываются вертикальные каналы власти, сформировавшиеся в традиционной пирамиде управления европейским футболом. Под влиянием ЕС облегчается переход к более демократическим структурам сетевого управления.

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