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# Let's Take a Look at Football Economy of as the Leagues Begin



With the start of football leagues immediately after the Olympics, the agenda has changed again, of course. However, I can say that football, which spends a lot of money but never changes its bad luck, will not make everybody happy in the 2024-2025 season. The reason is clear: Not knowing the Football Economy.

After my term ended as the General Secretary at the Turkish Football Federation, I did not stop my scientific studies on this subject. During my membership in the UEFA Marketing Committee, I can say that my horizons expanded and I started to analyze the stakeholders of football more accurately.

Michel Platini, who welcomed me by putting on the silver lapel pin, was a difficult character to understand. Still, I confess that I enjoyed performing the task he assigned.

Infantino, who is now the President of FIFA, was the UEFA General Secretary at that time. He was as complex as Platini but a more closed box executive.

All the work before the pandemic showed that the Football Economy was not in a bad place but used its resources very poorly. To make an analysis, it is useful to look at the parameters of the teams in UEFA Competitions.

## Bad management is not an exception

Before 2020, an average of 42% of the revenues of European Clubs came from TV broadcasting rights. In Italy, this rate was 48%, in France 47%, in England 43%. Interestingly, Spain's rate was low: 40%. Germany's was even more striking: 23%. This means that revenue items vary from country to country.

The payments to football players accounted for around 48% of the total revenues of the Clubs participating in UEFA Competitions. Personnel expenses were around 13%, and operating expenses were around 34%. UEFA's statistics show us that these ratios do not

change much but in exceptional times.

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Bad management is not an exception of course. If we say that clubs are managed correctly throughout Europe, no one would believe it.

Here, we are generally talking about ratios derived from the financial statements of clubs that consistently participate in the Champions League. By saying "where there is stability, there is proper management," we consider these ratios as "appropriate" or "optimal."

Yet, no matter where we go, the same reality always comes up: As the quality of football decreases, clubs' negotiating power decreases against broadcasters, sponsors, and financial institutions.

When the goals set by the clubs and conveyed through the media do not materialize and become expectations, naturally, disruptions occur in the financial structure.

## The rating struggle

Excluding the Premier League, when competition and quality in football decrease, broadcasters gain the power to dictate the timetable of football matches to clubs or federations. Because Clubs are dependent on the revenue coming from there. They make transfers accordingly. Therefore, the rating struggle between TV Channels becomes material.

It is seen that Football Clubs with low negotiating power face high funding costs against financial institutions. They pledge not only the money coming from Broadcasting Companies but also the future incomes that may come, mortgaging the future.

For this reason, UEFA had banned financial

institutions from pledging the revenues from the Europa Leagues and the Champions League. Clubs cannot get loans anymore by showing these revenues as collateral. There are serious sanctions against those who violate this rule.

### Sponsors want to see not only professionals but also executives who can take initiative against them

Of course, sponsors would never involve in an action that would decrease their brand value. This situation arises not only from the failure of football but also from the failure of the authorities managing sponsorship relationships.

Sponsors want to see not only professionals but also executives who can take initiative against them. If neither of them is present, the negotiating power of the sponsor will always be higher than that of the club.

In conclusion, Modern Football has now become a "business." Contrary to popular belief, the possibility of making a profit from this activity and creating value has increased. However, for 90% of European Clubs, the ability to compete has now disappeared. Because UEFA has put Federations and Football Clubs into a very serious match traffic with innovations such as the "UEFA Nations League."

## Football has ceased to be just a sport

While trying to extract money from football, it has turned football players into gladiators. It has also made federations and clubs in financial difficulties dependent on support and aid.

Recently, Haaland, a player from Manchester City, made a statement saying "we are constantly playing matches, there is no joy in football anymore."



*Football has ceased to be just a sport, it has now become a huge entertainment platform. Those who will disrupt the harmony of this entertainment will be disqualified by UEFA - Emre Alkin*

Countries that are not financially and administratively prepared are not only lagging behind in this race, but also suffering serious wounds. The gap between advanced countries in football and countries that continue to stagnate is widening.

European Clubs need to prepare for the future with a very different understanding. Now, not only the football on the field, but also the money in the cash register, the value creation and the "brake even rule" are being discussed.

In short, Football has ceased to be just a sport, it has now become a huge entertainment platform. Those who will disrupt the harmony of this entertainment will be disqualified by UEFA.

Those who act according to their budget will accidentally participate in the Champions League, and for the rest of the time, they will accept their fate. If they exceed their budget, they will be told to "know their place" and sanctions will be imposed. By the way, they are already being imposed.

Spanish Squad is trying to keep the spirit of football alive and the European Football Championship gave us hope. I hope UEFA does not sign deals that prevent new heroes from emerging on the path it took with the goal of being the "best continent for football in the world."

The rules it has set are not enough to

rehabilitate football. Do they realize it? Or can't they "see the darkness from the light of the stars?"

I just don't know.