

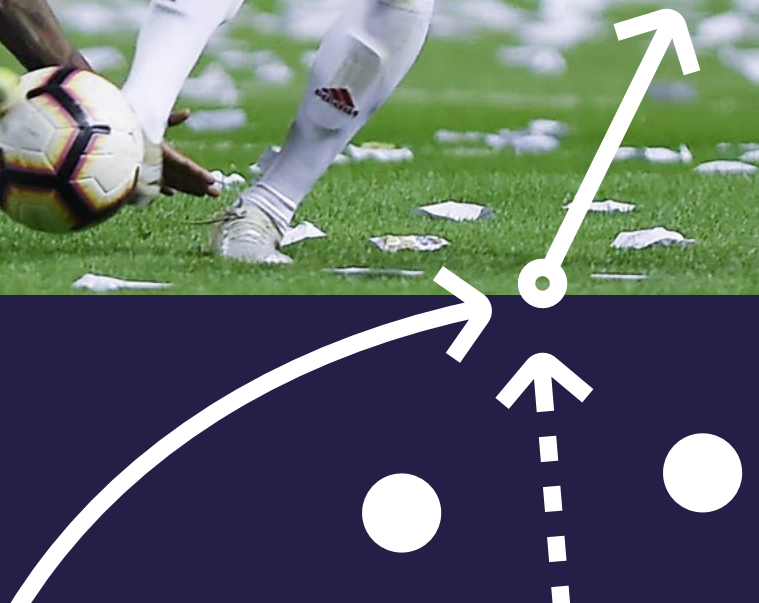


2021 | SHAPING OUR FUTURE

INDUSTRY DEVELOPMENT AND
GOVERNANCE STANDARDS FOR
A SUSTAINABLE GAME



Men's football industry report





COVID-19

The COVID-19 crisis has had a big impact on the global economy and society, including football markets around the world. The economic and social impact of the pandemic requires football stakeholders to find new approaches to strengthen the resilience and recovery of the industry. Player unions have been vital in this period. Their support and services for players and the football industry as a whole have been fundamental in managing and addressing the immediate needs in this crisis. The industry must not only repair the damage, recover for today and support those most hit by the crisis, but also deliver and build a better game for the world of tomorrow.

Source: ANP

ABOUT

ABOUT FIFPRO



- The Fédération Internationale des Associations de Footballeurs Professionnels (FIFPRO) was founded 1965 in Paris
- FIFPRO unites the voice of professional football players to ensure they are internationally represented in the decisions affecting their working environments and the sport overall
- We are the worldwide representative organisation of professional footballers
- Representing more than 65,000 players in total, male and female, across all employment segments of the professional football industry
- The world players' union currently has 66 national players' associations as its members across global football markets.
- Driven by player centric beliefs and values that set general directions for the football industry and the world of work of players

The FIFPRO Shaping Our Future report provides an overview of the global men's football industry. At its core is an analysis of the economics of global football markets and player conditions. The industry and its regulations, rules, policies, commercial, and competition models are continuously evolving. The Shaping Our Future report navigates this landscape to help the reader understand the segmented nature of the sport. The report looks at the state of the industry before the COVID-19 pandemic and addresses the impacts of the crisis.

The aim of the report is to provide a complementary resource to the 2016 FIFPRO Global Employment report. It gives the players' perspective on the most recent growth patterns and trends, best practices, and policies and regulations relevant to the future sustainability of the professional game.

The Shaping Our Future report offers insight and guidance to:

- INFORM**
industry policymakers, influencers and media about the needs and fundamental interests of players in a changing employment market,
- CONTRIBUTE**
to factual, evidence-based, player-driven accountable analysis and decisions,
- ENGAGE**
in transparent discussions about the future shape of the professional football industry,
- DRIVE**
player-centred policy development to protect and safeguard the rights and interests of the professionals at the heart of the game,

CONTENTS

A NEW SOCIAL CONTRACT

6

Welcome	6
---------	---

SHAPING THE FUTURE OF OUR GAME

8

A player-centered agenda to shape a sustainable future of the game	10
Domestic football markets & player conditions at a glance	12
Global football markets overview	14
The way forward	16

THE WORLD OF WORK OF PLAYERS

24

Shaping the future world of work of footballers	26
The world of work of players	28
Workforce priorities for players	30
Player Benefit & Protection Schemes (PBPS)	32
Player mobility: market restrictions & free movement	34

SYSTEMIC TRENDS THAT SHAPE THE GAME

36

Landmark developments in the football industry	38
Systemic trends that are driving the football industry today	44

GLOBAL MARKETS – REVENUE STRUCTURES

54

Club revenues & expenditure	56
Club revenue overview	60
Broadcasting & media rights	64
Attendance & matchday analysis	70
Transfer market spending	76
Social media (commercial)	84

MARKET STABILITY & EMPLOYMENT CONDITIONS

88

Comparative football market review: approach and methodology	90
Global football markets overview	94
The six clusters at a glance	94

ANNEX

112

Research framework & methodology	114
Global football market data	116
Frequently Asked Questions	118

A NEW SOCIAL CONTRACT

As we continue to navigate our way through a global health crisis, football markets and stakeholders across the world must prepare for a decade of unrivalled challenges, complexity and opportunity. To achieve a sustainable football industry for the next 10 years, we must establish a new social contract based on collective negotiations. Only then, can we try to build and sustain a stable environment for competitions and employment across football markets of all sizes.

The global health crisis should open up a broader discussion about the structure, economic and social stability of the football ecosystem, with the objective to make the whole industry more resilient and sustainable. The research in this report is based on analysis which aims to understand the relationship between the driving factors of the global football markets, and the required working conditions of the players, for it's this that makes professional football the biggest and most popular team sport in the world.

THE NEED FOR A NEW PLAYER-CENTRIC SOCIAL CONTRACT

The systemic trends that shape our societies have brought a sharp focus on the need to form a more sustainable environment for professional football. The findings of this report show that the disruption of the professional football industry has accelerated to a point where only an improved social contract between players, clubs, competition organisers and governing bodies can address the challenges and opportunities facing the game. Only then, can we achieve fair employment conditions for players, and more advanced football markets for competition organisers.

THREE KEY PILLARS CAN SHAPE THE FUTURE OF WORK

To help repair the economic and social instability created by market imperfections, and to address the weak governance mechanisms in many domestic football markets, we need to focus on the actions that strengthen our industry. We have identified three elements that can shape future industry development and governance standards for a sustainable game at all levels. They are:

-  Player careers and conditions
-  Institutions of work and the game
-  Sustainable work in the football industry

Investment into these broad strategic pillars must be both financial and non-financial. This will strengthen the economic and social stability of the industry, and create a governance system fit for the next decade. The details of how this can be done, based on the findings of this report, are further outlined in the executive summary.

A COMMITMENT TO PLAYERS AND THEIR NEEDS IN ALL MARKETS

Despite the challenges in our game, there is a case for fresh optimism that we can build a more resilient, fair and inclusive professional football landscape for the next decade. We believe that the following objectives are achievable: direct player benefit and protection schemes; competition innovation across all market sizes; a fair share of generated revenues; access to independent arbitration mechanisms; safeguards against excessive player workload; collective governance structures; an inclusive and discrimination-free football industry, and the safe integration of new technologies.

All of these goals work hand in hand to improve player conditions and the overall opportunities for football markets and competition organisers. On behalf of FIFPRO and our members, I am looking forward to working with you to create a football industry that is sustainable, and which can continue to grow.



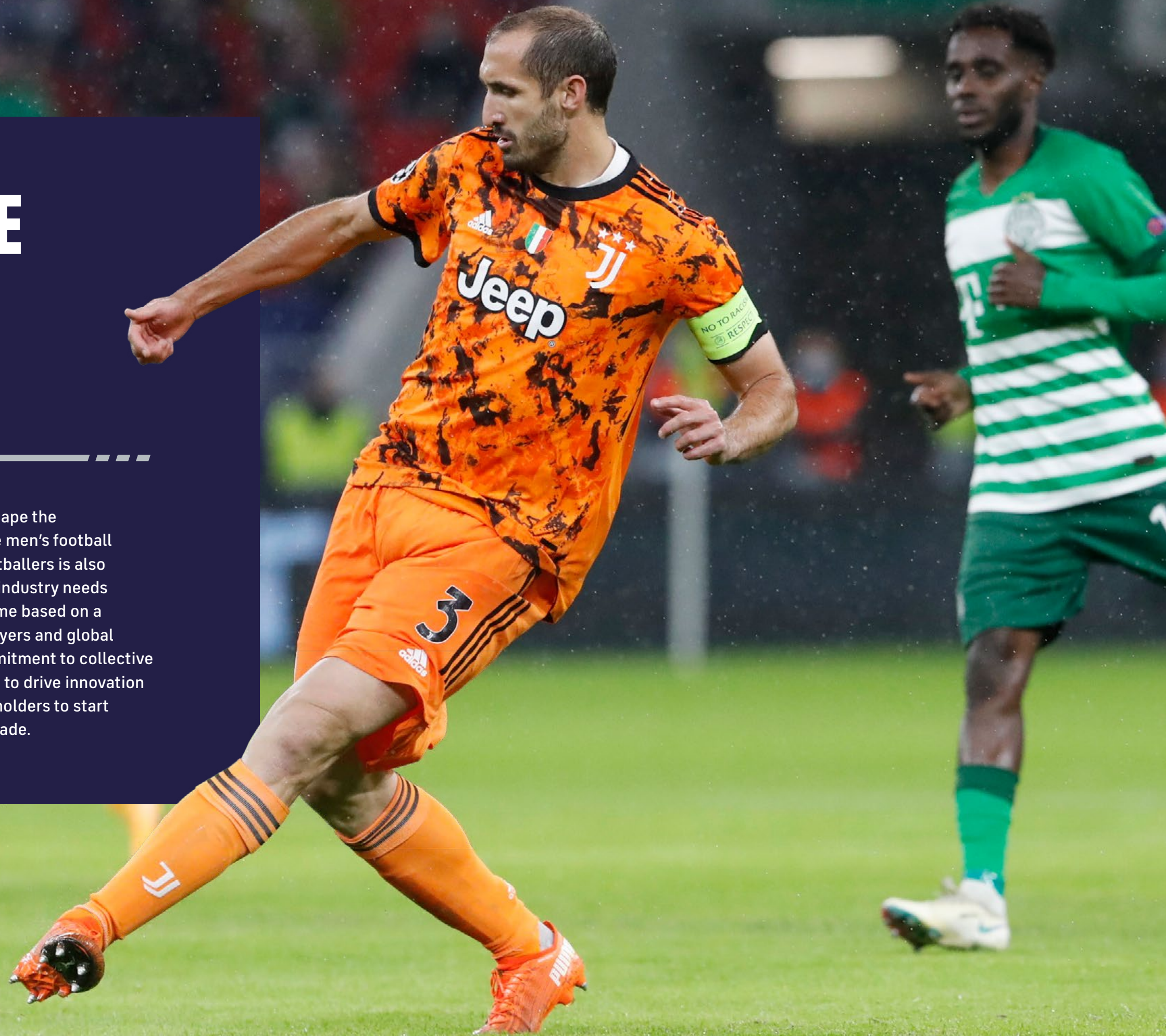
Jonas Baer-Hoffman
FIFPRO General Secretary



"To achieve a sustainable football industry for the next 10 years, we must establish a new social contract based on collective negotiations."

SHAPING THE FUTURE OF OUR GAME

While global and systemic trends drastically shape the opportunities and challenges in and around the men's football industry, the world of work for professional footballers is also shifting. Our findings suggest that the football industry needs to develop a new vision for the future of the game based on a fundamental understanding of the needs of players and global football markets. There is no doubt that a commitment to collective governance and regulatory standards will need to drive innovation and interventions required from football stakeholders to start shaping the future of our game for the next decade.



A PLAYER CENTERED AGENDA TO SHAPE A SUSTAINABLE FUTURE OF THE GAME

The executive summary provides the player-centric perspective on how the professional football industry can prepare for a sustainable future in a decade of unprecedented complexity and uncertainty. The influence of players on the football industry has never been greater, and their experiences will be fundamental to shaping the future of the game. The players’ voice in the decision-making of the industry, their activism on the issues that matter to the game and beyond, provides them with a profound responsibility for the governance of the industry.

INDUSTRY DEVELOPMENT AND GOVERNANCE STANDARDS FOR A SUSTAINABLE GAME

Professional footballers are the ones who make the sport the most popular in the world today, and who captivate millions of people across the world. These players have a distinct view on the most important topics affecting national and international football, as well as their working environment.

While global and systemic trends drastically shape the opportunities and challenges in and around the men's football industry, the world of work for professional footballers is also shifting. Our findings suggest that the football industry needs to develop a new vision for the future based on a fundamental understanding of the needs of players and global football markets.

The players’ voice is essential to the development, governance and growth of the game in this ever-changing football landscape. Given the rate of change in society, which is transforming sport and football, there has never been a greater need to listen to the views and expertise of players and better integrate them into governance and decision-making which defines their future world of work. In this environment, players themselves recognise their responsibility to discuss, comment, and influence new developments within the game.

The way forward must include a review of how the football industry can further improve its economic and social stability – including the direct support of players from smaller markets and lower leagues, more integrated governance mechanisms, and effective forms of redistribution based on greater financial transparency.

BLOCK ONE: STRATEGIC INVESTMENTS INTO THE WORLD OF WORK OF PLAYERS



INCREASE INVESTMENT IN PLAYER CAREERS AND CONDITIONS

If players are to thrive in a transforming football industry, the broader dimensions of player conditions and careers need attention, including their basic rights concerning working conditions, contracts and salaries and the enabling environment that improves their performance.



INCREASE INVESTMENT IN THE INSTITUTIONS OF WORK AND THE GAME

The work of players is shaped by the institutions and regulations under which they operate. From regulations and employment contracts to collective agreements and governance mechanisms, these institutions are the building blocks of a fair football industry. They need to be strengthened as they help to build equal partnerships, reduce working poverty and secure economic security.



SUSTAINABLE WORK IN THE FOOTBALL INDUSTRY

The systemic shifts under way will have both disruptive and transformative effects on playing environments and on work. Investments are needed to shape and guide new opportunities for players and competitions across all markets, as well as the implementation of safeguards and stability mechanisms that protect players and the industry.

BLOCK TWO: A PLAYER CENTERED AGENDA TO SHAPE A SUSTAINABLE FUTURE OF THE GAME



GOAL 1 STABILITY & PROTECTION

Commit to a new social contract and direct player benefits and protection schemes.



GOAL 2 SUSTAINABLE GROWTH

Build an ecosystem that can invest in the future of work and the game.



GOAL 3 JOBS & INNOVATION

Create quality jobs for players and attractive competitions across markets.



GOAL 4 PLAYER VOICE & ACTIVISM

Integrate the voice of players in the decisions affecting their work, the game and our community.

DOMESTIC FOOTBALL MARKETS & PLAYER CONDITIONS AT A GLANCE

The analysis of domestic football markets highlights the fragmented state of the global football industry. A commitment to quality jobs for players, collective governance standards and a sustainable innovation plan for the industry are vital to shape the football industry over the next decade.

Here is a quick overview of the global football markets before the outbreak of the worldwide pandemic.

- 

Analysis of the 79 countries across the five indexes shows a fragmented global football industry, both between and within the same confederations.
- 

A total of 87% of the football markets across the global industry are facing systemic instabilities due to a lack of adequate governance standards in the industry, sub-standard employment conditions for players, and a challenging economic market environment.
- 

Within the sample of analysed football markets there is a positive correlation between the socioeconomic index value and the football economy scores (upward slope of the trend line, see chart on [Page 14-15](#)). Richer or more populous countries and those where the personal, civil, economic and workers' rights are stronger are expected to sustain a more advanced football economy.
- 

At the same time, football markets with a strong commitment to sound governance, stakeholder representation, and collective agreements with player unions can ensure not only better employment conditions for players, but also an increase in their market stability alongside sustainable development.
- 

However, even the football markets (13%) with a stable industry environment, so well-functioning football economies, and a commitment to adequate governance and employment conditions, are facing uncertainty due to the impact of systemic trends that are impacting the global development of the football industry.



From a player perspective this means that any future reform of the football industry requires: (I.) tangible mechanisms to protect players in vulnerable markets, (II.) a strengthening of governance and player representation to support the creation of better employment conditions, and (III.) a universal commitment to create quality jobs for players across as many markets as possible.



THE WORLD OF WORK OF PLAYERS

To understand the employment conditions of players in their entire complexity, the analysis takes specific playing and career conditions into account as well as a broader set of employment principles which are critical for the overall stability of the employment market for players.



GLOBAL FOOTBALL MARKETS

The analytical mechanism applies five indexes, each made up of multiple financial, operational and sports statistics metrics: Football economy, socioeconomic context, sporting success (performance), football popularity, and football participation rates.



GLOBAL FOOTBALL MARKETS OVERVIEW

A detailed market segmentation and comparative analysis was carried out in which football markets were categorised into six clusters. Each cluster includes football markets that displayed similar characteristics from a general socioeconomic, football economy and employment perspective.¹

- Countries displaying a similar development level in their general socioeconomic context and their domestic football economy were grouped into clusters. In total, six distinct clusters were identified.
- A country's higher position vertically means a better football economy index score, while the horizontal position is based on the socioeconomic index score.
- It is important to note that the clustering is strictly based on these two parameters and doesn't reflect other considerations, such as the general employment conditions of players in a country.



¹ For more details on the methodology and for the description of each cluster, refer to the Research Framework and the Annex of the report.



GOAL 1: INDUSTRY STABILITY

COMMIT TO A NEW SOCIAL CONTRACT AND DIRECT PLAYER BENEFITS AND PROTECTION SCHEMES.

1. THE STATE OF GLOBAL FOOTBALL MARKETS



Few football markets combine financial sustainability with sound governance and employment conditions.

- ✓ Review of **79** markets highlight the fragmentation of the industry
- ✓ The failure to design and enforce minimum protections is leaving thousands of players exposed.
- ✓ Only around **13%** of football markets are considered stable from the players' social and employment perspective

Improved employment conditions lead to more advanced football markets for competition organisers.

3. DIRECT PLAYER BENEFIT & PROTECTION SCHEMES

- ✓ Regional player salary protection schemes
- ✓ Standard Player Employment Contracts
- ✓ Access to independent arbitration
- ✓ Protections against abuse



Such mechanisms will support players, stabilise markets and ensure the sustainable development of the game.

4. A NEW SOCIAL CONTRACT

A new social contract must be established to shape the football industry in the next decade.



- ✓ Collective agreements help achieve fair conditions for all football stakeholders
- ✓ They protect dignified conditions for players and sustain football markets
- ✓ Agreements are required at both national and international level

Collective negotiations ensure a stable environment for competitions and employment conditions.

2. MARKET STABILITY & EMPLOYMENT CONDITIONS

2/3



**of players globally
experience instability**

**in their domestic
football market**

- ✓ Systemic market failures and imperfections that lead to unfair treatment of players
- ✓ High cases of player hardship caused by unpaid wages
- ✓ Lack of access to justice including fair trial
- ✓ Ongoing abuse and human rights violations

Without minimum protections COVID-19 has accelerated player hardship.

THE WAY FORWARD



ABOUT

- Professional football has seen year-on-year growth in its leading markets and across leading competitions. However, the comparative analysis of global football markets highlights an existing fragmentation of the football industry; while the financial performance of certain market segments have improved in the last decade, others continue to suffer from poor management, the absence of protection mechanisms, and a lack of investment.
- The impact of global and systemic trends that drive the future development of the football industry increase the risk of further fragmentation across global – and within – domestic markets. However, different arguments for and against the existence of a global, regional or national-level macroeconomic stabilisation policy have not been sufficiently discussed in the football sector.
- The case for intervention by governing bodies or competition organisers usually rests on the existence of some market failure, or imperfection. In the case of intervention for the purpose of employment stabilisation, the most frequent failure is the systemic inability of the football industry to (1) address overdue payables, (2) ensure stability of contracts, (3) provide access to fair dispute resolution or justice.
- The transition in the football industry from a national economy to an integrated supranational economy has significantly altered the financial dependencies, as well as the ability to generate revenues. It has also clearly highlighted the shortcomings in domestic governance systems and the absence of stakeholder integration into the decision-making of the industry as well as the need for global and regional macroeconomic stabilisation policy.
- So far, macroeconomic stabilisation policy schemes have relied in professional football on various redistributive mechanisms and revenue sharing models linked to (1) competition models, (2) the training and transfer of players, (3) specific funding programmes or other redistributive mechanisms. The direct beneficiaries of such schemes have been, in most cases, the football federations, the leagues, and the clubs while the direct employee-based protections have received little attention.



SITUATIONAL ANALYSIS

- Players are often immediately and directly affected by market failure and imperfection in the football industry, as proven by the large number of overdue payables to players. Stabilisation policy schemes do exist, but only a minority of players have benefited from them.
- The creation of direct Player Benefit & Protection Schemes (PBPS) play an important role in the overall macroeconomic stabilisation policy mix at global, regional and national levels. In particular, the integration of the football economy at the continental level shows that a direct player benefit and protection scheme would accomplish the mission of stabilisation, fair redistribution, and direct player support to build a more sustainable industry.
- Such schemes generate a flow of redistributive transfers from competitions and football industry segments with high structural market and employment stability to regions with fragile employment and low market stability. The FIFA Fund for Football Players in 2020 was a first step to create direct player salary protection mechanisms in the game. The demand from players shows the importance of the further expansion of such mechanisms.
- The potential size and design of Player Benefit & Protection Schemes (PBPS) is clearly related to the stabilisation effect that one would wish the scheme to have. The focus should, however, not solely rest on salary protection, but should take into account other market imperfections outlined above.
- A new ground-breaking deal on the future world of work of players and the sustainable development of the football industry is required. Similar to the ILO Global Commission report on the Future of Work², the football industry needs a new social contract to guide the game through the next decade. Such an agreement needs to offer solutions to the challenges experienced by players and football markets across the entire industry.

² https://www.ilo.org/global/publications/books/WCMS_662410/lang-en/index.htm



GOAL 2: SUSTAINABLE GROWTH

BUILD AN ECOSYSTEM THAT CAN INVEST IN THE FUTURE OF WORK AND THE GAME.

1. PLAYERS MAKE THE GAME

Players make football the most impactful sport in the world



Driving performance and entertainment



Connecting people



Building communities

But a more sustainable ecosystem is vital for them to succeed.

2. CLUB REVENUES

I Growing revenues before the impact of the global health crisis

- ✓ Operating revenues have more than doubled in the last decade [reaching EUR 21 billion in 2018]

II Significant differences exist within and between markets

- ✓ More than 70% of the analysed 79 countries have an average club budgets of below €10m.³

III The Transfer System does not help to bridge the revenue gaps between clubs

- ✓ Transfer activity continues to grow, but it provides little redistributive effects⁴
- ✓ Limited added value for competitiveness and training compensation

IV 30 of 79 football markets have broadcasting deals valued under €5m.⁵

- ✓ In most markets gate revenues and sponsoring income are still critical
- ✓ Other forms of redistribution and innovation are important to stabilise markets

The broadcasting split leads to vastly different prospects for players and football markets.

3. INVESTING IN THE FUTURE OF WORK

Increase investment in the sustainable development of the game:



Invest in player careers & conditions



Invest in institutions of work & the game



Invest in sustainable work in the football industry

4. GUARANTEE A FAIR SHARE

Players must be guaranteed a fair and equitable share in the revenue and value creation of the football industry.



THE WAY FORWARD



ABOUT

- The players make the game. Without their passion, skill and desire, football would not exist in its current form. The game would not be the most popular team sport in the world, and it would not continue to create an ever-growing economic and social impact.
- The global football labour market and its domestic markets generate a select few revenue sources including matchday income, commercial and sponsorship revenue, and broadcasting profits. Each football market and every club will have a relative dependence on one or more of these revenue streams. In addition, clubs rely on an often complex macroeconomic system to redistribute revenue, and benefit from various revenue-sharing models as well as dedicated solidarity and redistribution mechanisms.
- Even the economic revenues of some of the more established markets provide concern, as players are still experiencing systematic abuse and violations of their rights, including their contractually agreed employment conditions. High-profile markets which tolerate bad practices in their ecosystem fuel legitimate concerns regarding the game's sustainability, as well as the implementation of sound business practices in the professional football sector.
- While club revenue is not the only factor when it comes to employment conditions, the two have a very strong direct connection. The fact that 30 different football markets out of 79 markets in this sample could not generate more than €5m shows how precarious many markets operate and how important it is to strengthen macroeconomic stabilisation policy schemes.
- At the same time, it is encouraging to see that some domestic footballing markets have succeeded over the years to create stable working and playing environments based on their own circumstances and economic structures.



SITUATIONAL ANALYSIS

- Professional football is an industry which, unlike many other sectors, relies on the absolute peak performance of its workers. As players constitute the main resource for the sporting success of a football club, it is not surprising that the central spending is therefore focused on the player to fulfil the main purpose of the club – sporting excellence.
- However, the single biggest obstacle for the sustainable development of the global game is the football industry's ability to transform job opportunities outside of the leading markets and top-tier competitions into stable and decent jobs for players in the entire professional football pyramid.
- This requires a player-centred agenda for the future of work that strengthens the social contract, and which places players and their work at the centre of economic and social policy within the football industry. This agenda consists of three pillars of action, which in combination would drive growth, equity and sustainability: (1) Increase investment in player careers and conditions, (2) increase investment in the institutions of work and the game, and (3) increase investment in decent and sustainable work in the football industry.
- In this context, FIFPRO defends the rights of its members and their collective efforts to provide better employment conditions to players in domestic football markets and to collectively negotiate a fair and equitable remuneration and protection for their work that furthers the stability of the overall football industry.

³ See Figure 7, Page 61.

⁴ See Figure 20, Page 78.

⁵ See Figure 10, Page 65.



GOAL 3: JOBS & INNOVATION

CREATE QUALITY JOBS FOR PLAYERS AND INNOVATIVE COMPETITIONS ACROSS MARKETS.

1. SYSTEMIC TRENDS & INNOVATION

Systemic trends – accelerated by the impact of COVID-19 – are changing the football industry



Internationalisation



Consumer dynamics



Social justice and equality



Digitisation & technology

These are transforming the working lives of players but require new standards. They create both opportunity and uncertainty.

2. SHAPING THE WORLD OF WORK OF PLAYERS

A player-centric agenda to manage the systemic trends of the next decade

Commitment to quality jobs for players across markets

Plan for peak performance

Ensure proper playing opportunities

5. PLAYER MOBILITY

The transfer system remains a significant restriction on player mobility while limited added value is generated for the industry

- ✓ Progressive reform of transfer and employment regulations are required
- ✓ More player mobility and effective redistribution would benefit all clubs and competitions

Allow players to optimise their game and take control of their careers.

3. COMPETITION INNOVATION I

Small and medium football markets must be improved

- ✓ New playing opportunities must be created
- ✓ Competition design ought to support jobs at each level of every market
- ✓ Facilitate sustainable playing environments through innovation



4. COMPETITION INNOVATION II

The leading market segments must continue to evolve

- ✓ The football industry has a long tradition of innovation and adaptation
- ✓ New playing opportunities **require workload** protections
- ✓ **Specific safeguards** in the international match calendar to allow for future innovation

THE WAY FORWARD



ABOUT

- In order to understand the current state of the game and be able to shape its future development effectively, it is crucial to recall how the industry has evolved over time and identify the systemic trends shaping its current development path. Systemic trends have triggered major competition reforms in the past that have not only significantly altered the employment conditions of players, but also fundamentally changed the development path of the entire football industry.
- Today, the employment context for players across global football markets is defined by a high degree of regional variety and diversity. For the economic and employment conditions of players this means that there are considerable differences between the football markets, which means players can face very different experiences throughout their playing career.
- Without adequate competition formats and playing opportunities, football markets and competitions cannot reach their potential. Today's investment in the future world of work of players will characterise the benefits and growth of the game tomorrow. This includes decent working conditions under which players train and perform to reach their peak.
- The current data on clubs in the top market segments of the global football industry in the summer transfer window of 2020 indicates lower – but still stable – club finances, even in times of uncertainty and decreased revenues.



SITUATIONAL ANALYSIS

- Shifts in the global landscape have been transforming our world in a profound way: with technological changes and the development of the digital economy alongside demographic growth, the globalisation of trade, changes in demand, individual aspirations, social justice issues and more shaping our societies and industries. Any analysis of the football industry must consider how the game is influenced by these global trends, as well as how working and playing conditions for players will be impacted in the future.
- The major systemic shifts under way will have both disruptive and transformative effects on the football industry and its competition landscape, including playing conditions. Major investments are needed to shape and guide these transformations to create a competition landscape that provides decent working conditions. Football markets must now prioritise long-term investments that favour innovative solutions for competitions across all market segments to shape a sustainable future.
- The innovative commitment and character of the football industry must focus on all segments and create new and more innovative competition formats for a larger group of players and clubs to protect and foster the diversity of the global game. This includes the national and international levels of competition.
- Suitable playing opportunities are fundamental for players to reach peak performance and to avoid over- and underload. In addition to competition design, a holistic review of the international match calendar is needed to direct the development of the professional game in the next decade.
- FIFPRO considers that a meaningful reform of the transfer system and related regulations is required not only to remove disproportionate restraining measures for the movement and freedom of players as employees, but also to benefit the overall industry and reduce speculative management practices as well as abusive business practices in some parts of the football industry.



GOAL 4: PLAYER VOICE & ACTIVISM

INTEGRATE THE VOICE OF PLAYERS IN THE DECISIONS AFFECTING THEIR WORK, THE GAME AND OUR COMMUNITY.

1. SOCIAL JUSTICE AND EQUALITY

Fighting for the respect and upholding of universal human rights in the game, and beyond:



To drive industrial action



To influence positive change



To amplify and lead social justice demands that impact our communities

Players embrace the responsibility to speak out and use their position for good.

2. A RIGHTFUL POSITION IN DECIDING HOW THE INDUSTRY IS RUN

Players must have a say in issues that affect their working conditions in the following ways:

- ✓ Through the integration in decision-making structures by competition organisers
- ✓ The embedding of a pro-active culture to form collective agreements
- ✓ Building inclusive representation models on all matters of the game

The voice of players is paramount to manage rapid change and to improve the stability of the game.

5. AN INCLUSIVE AND EQUITABLE INDUSTRY

Players demand adequate safeguards for all players against any form of discrimination and exclusion.

- ✓ Tackle in-stadia abuse effectively
- ✓ Ensure diversity among executives and directors
- ✓ Understand and integrate the role of media and sponsors in creating inclusion

Create a discrimination-free playing environment.

3. PLAYER REPRESENTATION

Player unions and collective bargaining are suppressed in the game

- ✓ Collective bargaining must become the dominant form of industry governance in the professional game
- ✓ Ensure active support of the football industry to collectively organise
- ✓ Implement mandatory regulations for fair representation



Remove barriers that block the positive development of domestic football markets.

4. GUARANTEE ACCESS TO JUSTICE



Despite progress, players have often no access to fair trial and/or due process.

- ✓ Players must have a say on disciplinary rules
- ✓ Dispute resolution mechanisms at a domestic level are usually not independent

THE WAY FORWARD



ABOUT

- The rapid commercial development of the football industry, alongside the professionalisation of different football stakeholder groups and public scrutiny has led to a gradual modification of its governance model.
- The representation, inclusion, and coordination amongst and between all football stakeholders varies between regions and confederations. While improvement has been made, there is still a considerable gap both at a domestic and international level when it comes to meaningful co-decision making processes in the football industry. Many players are also embracing more of an activist role to help shift the sporting and cultural landscapes to address racial injustice, human rights, and other social movements.
- It's clear that the requirements for good governance and meaningful stakeholder representation have changed the complexity of professional football fundamentally. Based on their contribution and the vital role they play, the players, together with their elected representatives, have a rightful position in co-deciding how the game and industry of football are being run.
- Current shortcomings in governance in several markets leads to the systematic oppression of the players' right to collectively organise, ignores existing regulatory requirements for fair trial and due process and, above all, denies the right to meaningful representation in the decision-making structures of the game.



SITUATIONAL ANALYSIS

- In the past, player activism was focused on players' working conditions and industrial action. This will always remain a priority. But the development of the football industry around the world and the resources that the industry has created gives a greater mandate for football players to do more, at a time where societal issues are dominating public discourse.
- The next decade holds significant implications for the governance of the football industry. Inclusive and collective governance frameworks are critical to establish a common license to operate and shape the future of the game. A commitment to collective governance and regulatory standards is needed to drive the innovation and interventions required to start shaping the game's future for the next decade.
- The players, together with their elected representatives, have a rightful position in deciding how the game, and the industry itself, are being run. The solutions may be shaped by cultural and historic preferences, but through their collective representation, players have a fundamental right to meaningful representation in the decision-making process particularly when it comes to matters that affect their working and employment conditions.
- The football industry must address its insufficient collective bargaining structures across domestic and international competitions. In many countries, there is no formal or structured collective process for negotiations between players and their clubs or national organising bodies. Even more so, many players are directly affected by undemocratic governance structures that undermine international labour rights. The football industry must therefore embed a pro-active collective bargaining culture in the industry.
- Social justice demands and the fight for equality are not limited to a single country or region but manifest themselves globally across a variety of contexts and they touch the football industry in overt and discrete ways. We have seen that the appetite for change in the sport is largely led by the athletes. These leading figures feel and embrace the responsibility to speak out and use their position for positive influence and change.

THE WORLD OF WORK OF PLAYERS

Our societies and global economies are rapidly changing. Moreover, today's global employment context for players is more complex than ever. The future development of the football industry must be driven by a commitment to quality jobs for players alongside sustainable industry and governance standards for players and the game. This chapter sets out the general approach and thinking behind this report.



SHAPING THE FUTURE WORLD OF WORK OF FOOTBALLERS

The working conditions of professional footballers are driven by conditions in domestic football markets. Economic stability and growth opportunities, as well as non-financial factors, such as governance standards and playing conditions, are catalysts for the performance of players and the long-term stability of football markets across the world.

The men’s football industry has experienced tremendous financial growth in the last few decades. However, while financial sustainability and economic opportunities have improved in some markets, large parts of the industry remain exposed to a fragile financial environment and a lack of player representation in the governance of the game, a situation often exacerbated by the impact of COVID-19.

THE WORLD OF WORK OF PLAYERS

There are a number of aspects that shape a player’s career and their working environment, each of which can be subject to external factors that influence that

environment and impact a player’s ability to do their job. FIFPRO and player unions work across a wide range of policies and areas in order to influence those issues that constitute the world of work of players – today and tomorrow.

To account for this, FIFPRO has set a player-centric employment agenda which enables us to focus on the bigger picture while providing the flexibility to explain the relevant details for each aspect in the players’ world of work. The clusters provide the context and showcase how the numerous demands and influences on players can overlap and impact with and on each other.

FIGURE 1. THE THREE PILLARS OF PLAYER WORKING CONDITIONS

 Player careers & conditions	Football is a player’s place of work, and their career is their livelihood. They are just as concerned as workers in any other industry over their working conditions, salaries and contracts, and their personal development. This cluster outlines these considerations, and goes into detail on the provisions currently available to players.
 Institutions of work & the game	The world of work of players is shaped to a large degree by the state, legal, and sporting institutions in the countries, regions and continents in which they operate. This cluster details these institutions and governance mechanisms, and their subsequent impact on a player’s working environment.
 Sustainable work in the football industry	A player’s world of work will be intrinsically beholden to the relentless transformation and advancement of professional football. This includes new opportunities for players and competitions across markets, as well as the implementation of safeguards that protect players and the industry.

6 A detailed overview and description of the employment conditions can be found in the annex of this report.



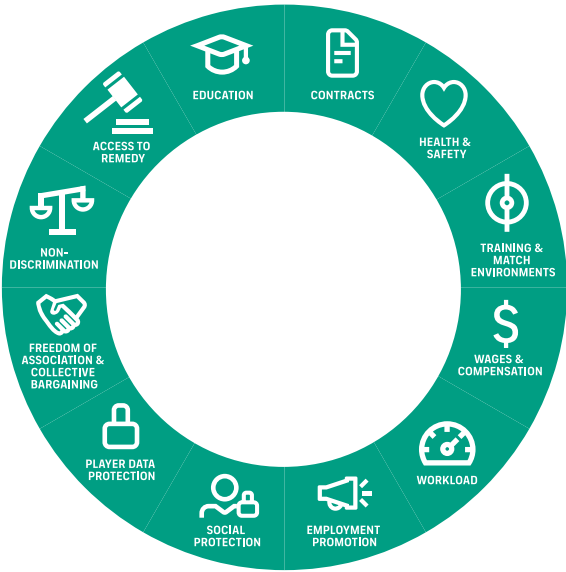
Source: ANP

EMPLOYMENT CONDITIONS

The vast majority of domestic football markets are facing systemic instabilities in their region. This is highlighted by the review of the revenue structures of domestic football markets across the global football industry, and the segmentation of comparable market structures and employment conditions for players.

The single biggest obstacle for the sustainable development of the global game is the football industry’s ability to ensure that it can transform job opportunities outside the leading markets and top tier competitions into stable and quality jobs for players. For that to become reality, the men’s game needs to further professionalise domestic football markets across the global football industry; it is critical that the working conditions that male players are exposed to across the industry match the performance expectations, ambitions and potential of the domestic football stakeholders. The potential of the game and the industry is dependent on the potential of a player being fulfilled. This can only be realised under conditions that support a player’s physical and mental well-being, and which protect and promote their ability and integrity. Alongside the need to recognise a player’s fundamental workers’ rights and human rights is the necessity to protect the working conditions of professional football players⁶ by the football industry establishing a set of minimum – and global – playing conditions.

FIGURE 2. THE AREAS OF PLAYER WORKING ENVIRONMENT



FIFPRO recognizes that there is no single model or formula for the establishment and application of these conditions. Rather, they provide a blueprint to guide competition organizers, clubs and Member Unions in the development of the domestic football industry. At the global level, such standards constitute a point of departure for collective conversations by FIFPRO with international football stakeholders and public institutions.

THE WORLD OF WORK OF PLAYERS

Navigating the complex and often fragmented working environment of professional football players



WORKFORCE PRIORITIES FOR PLAYERS

From a player's perspective, there are diverse underlying challenges caused by employment conditions and the fragmentation of the football industry. Here is a snapshot of the most common workforce issues in the game requiring action in order to improve players' working and playing conditions:



FOUNDATION OF WORK & REPRESENTATION

At every level, players need a voice and representation to ensure their rights, protections, and welfare. At the same time, adequate structures for the representation of players and the dialogue between professional football stakeholders contribute to the overall development of the game and are the backbone for growth and stability in domestic markets.



PLAYER HARSHIP

The working and playing conditions of many players are precarious. They are often confronted with situations of no or late pay, which is manifested by high amounts of overdue payables across global football markets. The commitment to improved working and playing conditions for players is essential to build sustainable football markets.



ARBITRATION & FAIR TRIAL

Fair trial and due process are fundamental principles of our legal frameworks. Too often, many adjudicatory bodies from sports organisations do not guarantee the applicability in sport-related disputes. The protection of basic player rights is always a priority at both international and domestic levels. Disciplinary rules – which affect the livelihood and reputation of players – cannot be imposed by them but should be negotiated with player associations.



UNCERTAIN JOB PERSPECTIVE

A lot of players are currently facing uncertainty around future employment prospects. Many players are on short-term contracts, and those running out of contract at the end of a season face a difficult employment market in the mid- and lower-level leagues. This also includes minor and youth players in the academy system.



HEALTH & SAFETY

Global elite players are faced with severe match overload, which threatens their sporting performance, their health and sustainable career paths. Players also experience insufficient protection measures against concussive head injuries and a growing exposure to extreme weather conditions. The general working and playing conditions above must also be considered when analysing the mental health of players in the football industry.



INNOVATION, DATA & TECHNOLOGY

Technology will continue to advance at a tremendous pace, and the football world will explore new technologies that can positively impact player careers and drive the development of the game on and off the pitch. All of these developments have a significant impact on the world of work of players, which is why they have a legitimate interest in contributing to the regulation and implementation of technology in the game.



PLAYER DEVELOPMENT

Many accomplished players benefit from non-football specific learning experiences off the field. The challenge lies in changing the perception that it is not possible to pursue both a football career and other education or vocational training. The benefits of making education and training accessible to professional players can be found on and off the pitch.



ABUSE & DISCRIMINATION

Recent seasons have seen horrific amount of abuse across elite competitions, smaller markets and lower leagues. The workplace in the football industry is still rife with abuse and inadequate safeguards for black and other minority ethnic players – particularly in stadia and online.



YOUTH DEVELOPMENT & PROTECTION

The development of a holistic protection and support framework for minors in the football industry has not developed enough at a consistent level to protect minors against the specific challenges and risks they are facing in a globalised industry. Such a protection framework needs to exceed football specific regulation and needs to take account of the specific risks young children across the world face when pursuing their dream to become a professional player.



FREE MOVEMENT

Freedom of movement and player mobility remains one of the main challenges in the context of the ongoing efforts to reform and to modernize the transfer system and related employment regulations in professional football. The right to choose the employer without undue restrictions benefits the player and the industry from an economic and sporting perspective.



Source: ANP

PLAYER BENEFIT & PROTECTION SCHEMES (PBPS)

The creation of direct Player Benefit & Protection Schemes (PBPS) play an important role in the overall macroeconomic stabilisation policy mix at global, regional and national levels. In particular, the integration of the football economy at the continental level shows that a direct player benefit and protection scheme would accomplish the mission of stabilisation, fair redistribution, and direct player support to build a more sustainable industry. The creation of a more sustainable football industry must include player-centric measures to increase player protection to address current market failures such as existing instabilities in the football markets across the world. Many of them, such as unpaid remuneration, lead not only to player hardship but also block the positive development of the football industry.

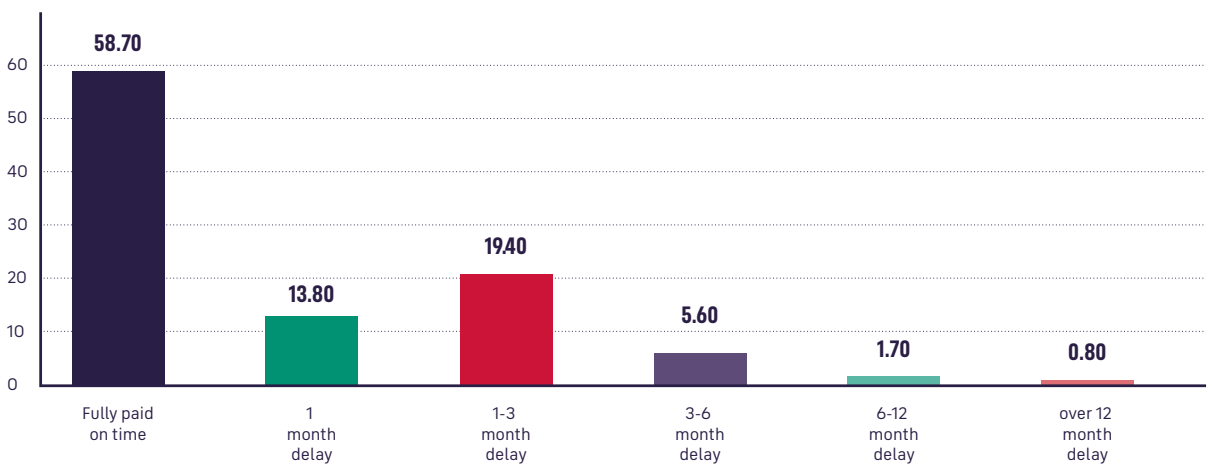
FIFA and FIFPRO established the FIFA Fund for Football Players (FIFA FFP) in July 2020, to provide financial support to players who have not been paid and have no chance of recovering their wages, due to a club's disaffiliation or bankruptcy.

FIFA has set aside USD 16 million for the fund up to 2022, with this allocation to be divided as follows: USD 3m in 2020, USD 4m in 2021 and USD 4m in 2022, plus a further USD 5m set aside for the retroactive protection

of players' salaries for the period between July 2015 and June 2020. This fund provides valuable support to some of those players and families most in need.

Several recent reports – including FIFPRO's own 2016 Global Employment Report: Working Conditions in Professional Football – have attested to the proliferation of cases involving the non-payment of players' salaries across the world.

FIGURE 3. PUNCTUALITY OF PAYMENT OVER THE LAST TWO SEASONS



Source: FIFPRO 2016 Global Employment Report: Working Conditions in Professional Football



Source: ANP

Here are some recent figures on unpaid wages, and how player protection funds can help the industry and the players in it to create more stability for the game:

 Covering the retroactive period between July 2015 and June 2020,

 FIFPRO received close to 1,400 player applications

 The total amount of unrecovered salaries claimed was close to USD 61 million

The high demand by players for protection and support mechanisms such as the FIFA FFP highlight the need for similar structures at regional and confederation level and address specific market situations in the football industry.⁷

⁷ Players who believe they are eligible to benefit from the Player Protection Fund can contact FIFPRO at: playerfund@fifpro.org

“The creation of a more sustainable football industry must include player-centric measures to increase player protection and address current market failures.”

PLAYER MOBILITY: MARKET RESTRICTIONS & FREE MOVEMENT

For decades, the freedom of movement of people and workers is one of the main principles that has driven the actions of players and their unions at both a national and international level. FIFPRO continues to work to uphold a player's right to choose their employer without undue restriction, pressure or interference in the future, so that the economic and sporting opportunity can be freely pursued.

In football, the growing professionalisation of the game and the transformation into a viable industry triggered the wider application of workers' rights and public regulation to the game in the early 1960s. Under the leadership of Newcastle United player George Eastham and the PFA, the High Court ended the "retain" part of the retain-and-transfer system in 1963 after the player successfully challenged the club's ability to keep a player's registration, and it was ruled as an unfair restriction of freedom of movement.⁸

Even after the Eastham case, a range of challenges and restrictions to freedom of movement remained in place in other countries and at international level. Today, though the professional football industry has developed a system to regulate and manage employment in the football marketplace through a global transfer system, it still restricts players when it comes to basic employment rights that almost every other employee enjoys.

FIFPRO and player unions have litigated to ensure and protect labour movement where necessary at both national and international levels. Despite the protection of fundamental rights brought about by the Bosman decision in 1995, players continue to face challenges and restrictions in the context of their employment, over which they still have very little influence. It is for the benefit of the football industry that players have access to the employment market without unjustified obstacles. Players should receive the same treatment as ordinary employees, and any restrictions to the freedom of movement be agreed collectively with FIFPRO and player unions at a national and international level.

Today, the transfer system and its rules in their current format remain a restriction on the freedom of workers. The current regulations present a departure from ordinary law, which were at their creation justified by specific objectives. What is understood as the "transfer system" is built on a construct of regulated (and limited) free movement. Addressing the perceived excesses in the market – be they transfer fees, certain third party ownership, etc. – is therefore inherently connected to the legal (and in turn financial) consequences of contract terminations by clubs or players.

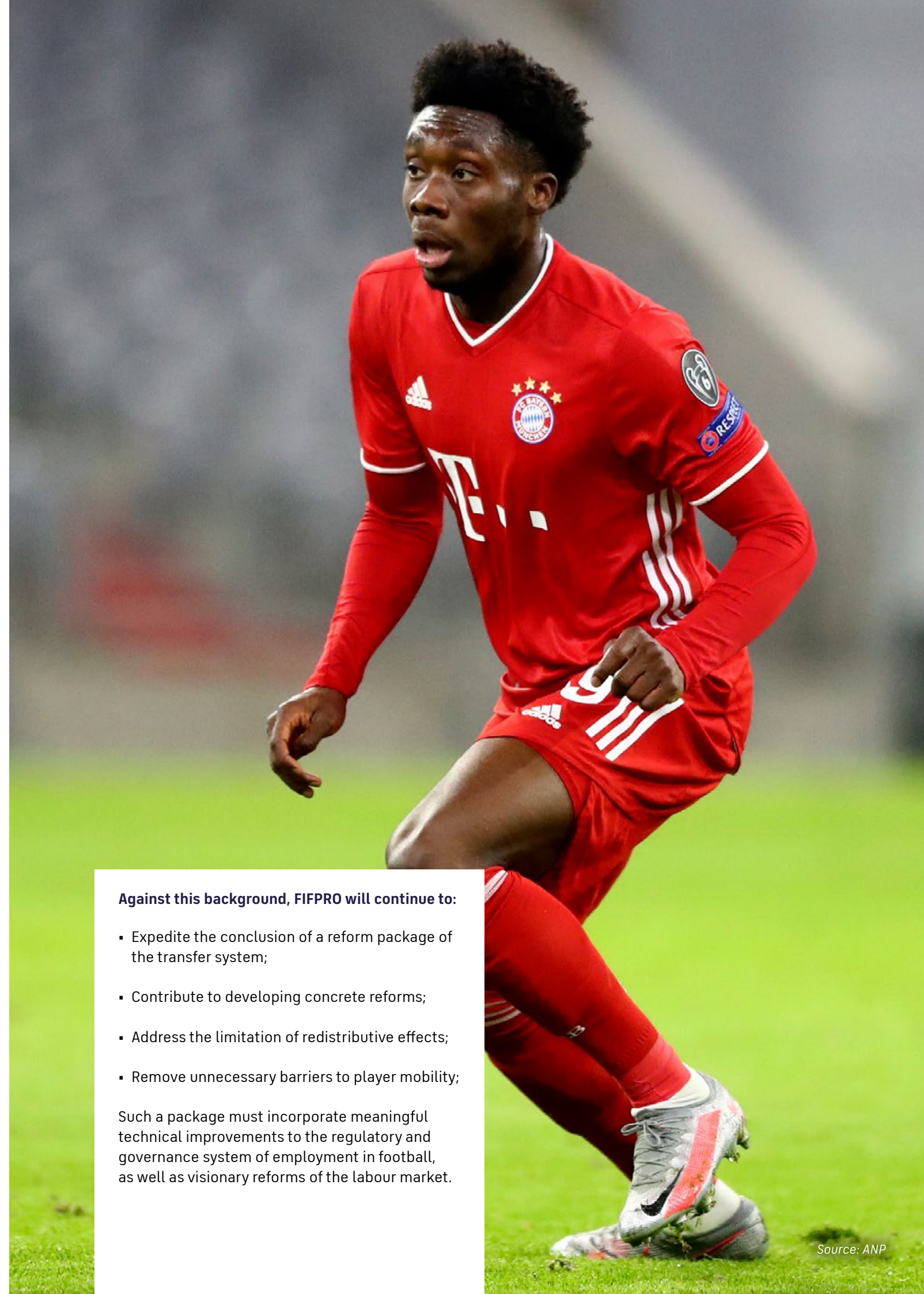
The justification for denying football players the rights most other people enjoy come under a set of universal principles the system must fulfill. This includes the following objectives:

1. Maintaining contractual stability
2. Developing young players
3. Improving competitive balance
4. Maintaining solidarity

All four objectives are valid goals. However, they are not a valid defence if (1) they do not actually achieve the stated purpose, (2) there is a less restrictive alternative or (3) the restriction is disproportionate relative to the stated ends.

Today, the global transfer system places immense restriction on the mobility of professional football players while creating far too little redistributive effects amongst clubs of different sizes and markets. There is also significant evidence to show that the pro-competitive arguments or the notion that the system is an effective redistribution model are misleading.

⁸ At the same time in the United States in 1969, professional Major League Baseball (MLB) player Curt Flood refused to be traded from St. Louis to Philadelphia, and decided to bring a legal challenge to the so called "reserve clause", which had been part of every baseball contract since 1878 – a provision that tied players almost irrevocably to their first team. Flood lost the case in the Supreme Court, but the backlash against the decision in 1972 from both the players and the public eventually led to the end of the condition in 1976.



Against this background, FIFPRO will continue to:

- Expedite the conclusion of a reform package of the transfer system;
- Contribute to developing concrete reforms;
- Address the limitation of redistributive effects;
- Remove unnecessary barriers to player mobility;

Such a package must incorporate meaningful technical improvements to the regulatory and governance system of employment in football, as well as visionary reforms of the labour market.

Source: ANP

SYSTEMIC TRENDS THAT SHAPE THE GAME

In order to understand the current state of the game and be able to shape its future development effectively, it is crucial to recall how the industry has evolved over time and identify the systemic trends shaping its current development path. The following section introduces a timeline of key industry milestones, and identifies the global trends that have – and will continue to – accelerate the development of the football industry.



LANDMARK DEVELOPMENTS IN THE FOOTBALL INDUSTRY

The below timeline presents a selection of key events that have shaped the world of professional football in the past. Major systemic trends have triggered reforms that have not only significantly altered the employment conditions of players, but also fundamentally changed the development path of the entire football industry.



CASE STUDY THE CREATION OF THE GERMAN BUNDESLIGA – FROM REGIONAL TO NATIONAL

Although there had been plans to establish a nationwide and professional top-level league in Germany since the late 1920s, they all failed because of strong opposition to the idea of professionalism and the relatively strong regional football associations. Prior to the Bundesliga, there were five regional competitions called Oberligas which operated as top-level divisions.

However, the regional structure started to become too restrictive for the big clubs and too challenging for the smaller clubs. Many of the latter faced financial problems due to players' contracts and travel expenses. Moreover, the often large gap in quality between teams made many games uncompetitive. Another key driver behind the creation of the Bundesliga was that the best players started to move abroad (mainly to Italy), where they were paid better wages and had greater social recognition.

Some of the opposition to the idea of a national top tier argued that by having professional players, clubs would lose their favourable, not-for-profit status. In 1956, the Federal Ministry of Finance confirmed that the not-for-profit status of football clubs would remain intact even if their footballers became professionals. The last argument of the opposition was thus no longer valid. The inaugural Bundesliga season started in 1963/64 with 16 clubs;



DISCOVER ACTIVISTS THAT CHANGED THE FOOTBALL INDUSTRY

VISIT THE FIFPRO GALLERY:
[HTTPS://FIFPRO.ORG/EN/GALLERY](https://fifpro.org/en/gallery)



GLOBAL TRENDS AND SYSTEMIC DRIVERS OF THE FOOTBALL INDUSTRY

1950s – 1960s

INTERNATIONAL CO-OPERATION AND ACCESS TO TRAVEL: THE EMERGENCE OF CONTINENTAL CLUB COMPETITIONS

The demand to design international club competitions was increasing in the 1950s and 1960s and was driven by international co-operation after the end of the second world war and the accessibility of international cross-border travel:

- UEFA: 1955 (European Champion's Cup)
- CONMEBOL: 1960 (Copa Libertadores)
- CONCACAF: 1962 (CONCACAF Champions League)
- CAF: 1964 (CAF Champions League)
- AFC: 1967 (AFC Champions League)



1961 and 1963

GROWING COMMERCIALISATION AND THE APPLICATION OF PUBLIC REGULATION: THE ABOLISHMENT OF THE MAXIMUM WAGE

The domestic professionalisation of the game and its transformation into a viable industry triggered the wider application of workers' rights and public regulation to the game:

- Under the leadership of Fulham FC player Jimmy Hill, the Professional Footballers' Association led a successful campaign that abolished the maximum wage policy.
- A few years later, the case of Newcastle United player George Eastham at the High Court ended the "retain" part of the retain-and-transfer system.

1963

GROWING MARKETS AND COMPETITIVENESS: THE FOUNDATION OF THE BUNDESLIGA

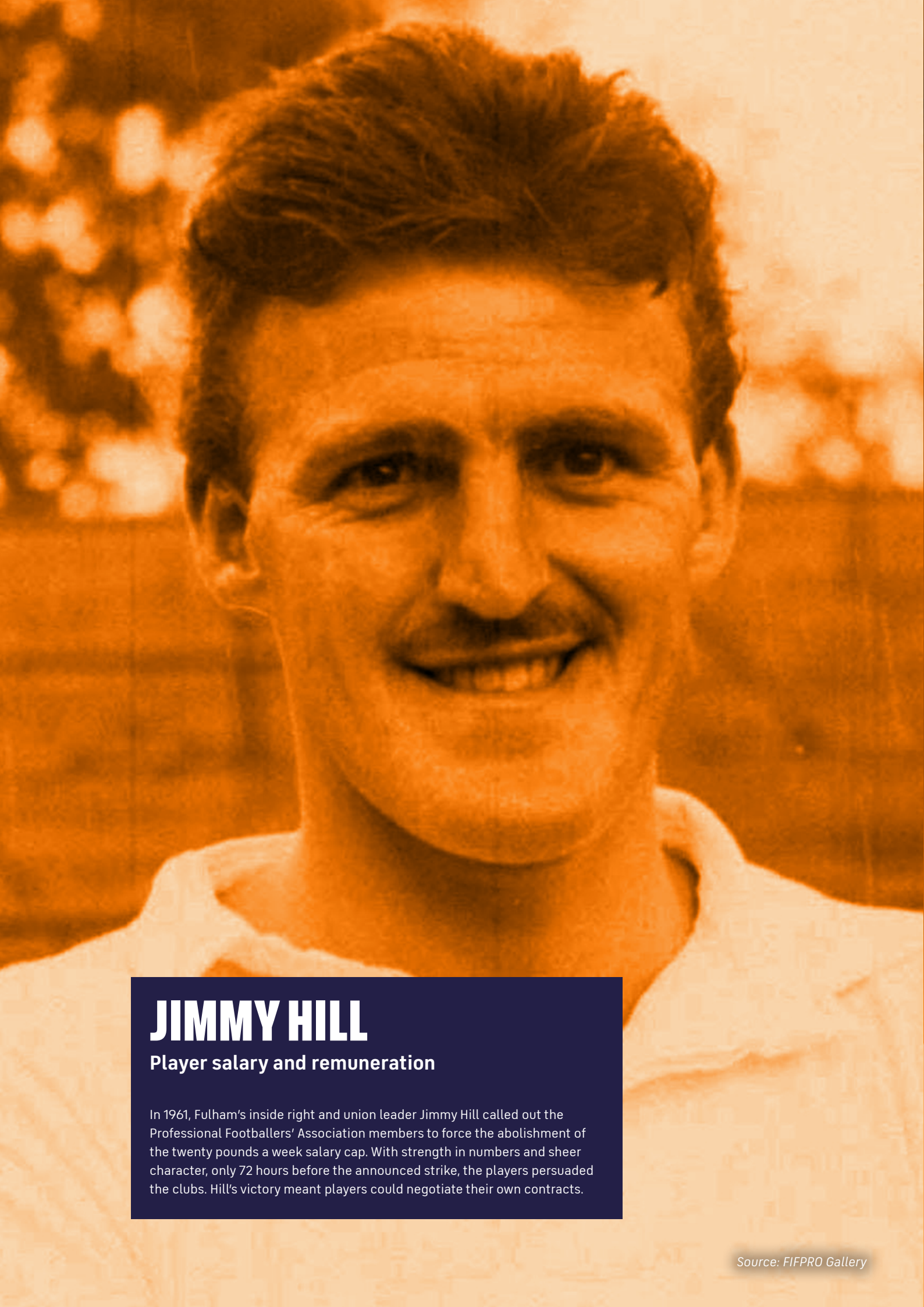
The dynamic development of commercial opportunities, market size and the recovery of the German economy led to a changing landscape in German football. The abolishment of regional competition structures and the formation of a federal league facilitated the growth of bigger clubs and ensured a new competitiveness at the expense of smaller and regional clubs.

See detailed case study.

1965

ANTICIPATION OF GLOBAL WORKFORCE ISSUES FOR PLAYERS: THE CREATION OF FIFPRO

Creation of FIFPRO by the domestic player unions of The Netherlands, England, Italy and France to react to the increasing professionalisation of the football industry, and to prepare for an anticipated growth of global workforce issues experienced by players.



JIMMY HILL

Player salary and remuneration

In 1961, Fulham's inside right and union leader Jimmy Hill called out the Professional Footballers' Association members to force the abolishment of the twenty pounds a week salary cap. With strength in numbers and sheer character, only 72 hours before the announced strike, the players persuaded the clubs. Hill's victory meant players could negotiate their own contracts.

Source: FIFPRO Gallery



JEAN-MARC BOSMAN

Freedom of movement

In the summer of 1990, Jean-Marc Bosman was refused an international transfer and saw his wages cut by 75%. Fighting this in court, Bosman argued that the current transfer rules violated the freedom of movement clauses in the European Communities Treaty of Rome. With his landmark victory, Jean-Marc Bosman paved the way for a truly international employment market for players. He created opportunities for players to build a career abroad, internationalize squads and thereby make football global.

Source: FIFPRO Gallery



CASE STUDY

THE EVOLUTION OF THE UEFA CHAMPIONS LEAGUE - FROM A SINGLE TO MULTI-CLUB COMPETITION

European club competitions are some of the most popular sports competitions in the world today. They have a long and rich history but are also continuously developed and adapted to systemic changes within and outside the football industry.

The European Cup was established in 1958 and was the first pan-European club competition. It came at a time when the economic recovery after the Second World War created favourable conditions for travelling, which become easier, and so an international competition was born.

The new tournament proved successful and was largely unchanged until the 1990s. A major shift occurred in 1992 when the competition was restructured and rebranded as the Champions League (UCL). The systemic trends in broadcasting and sponsoring, as well as increasing globalisation after the cold war, were driving the reform of competition formats and commercial models by clubs and the competition organiser. The reform of the European Cup increased the available slots for clubs and allowed for greater revenue generation. For the first time, clubs who did not win the respective domestic leagues were allowed to participate. A group stage was introduced before the knock-out phases in 1993/94. Since then, several smaller reforms to the UCL format have been introduced in line with the related competition and broadcasting cycles.



CASE STUDY

THE RISE OF THE PREMIER LEAGUE - SHIFTING THE FOCUS TO BROADCASTING AND COMMERCIAL REVENUES

England's top clubs reacted to systemic trends and specific challenges in the domestic football landscape by re-structuring the governance and set-up of a league which lagged behind others such as Serie A and La Liga in terms of attendances and revenues. This was largely due to financial mismanagement and a lack of commercial awareness. Moreover, hooliganism was rife, and many stadiums were in poor condition. After the Hillsborough disaster in 1989, the subsequent Taylor Report outlined recommendations regarding the provision of safety at sporting events.

At the time, the main revenue stream for top clubs was matchday income, which is why there was animosity towards the broadcasting of games. Many thought that it could lead to declining attendances. The paltry broadcasting income was shared among all Football League clubs, across all divisions, when in reality it was mostly the larger clubs that featured on the limited games that were shown on national television. Over time, this led to the creation of a new league structure, with a different revenue-sharing configuration. The new league was named the Premier League and it was formed as a limited liability company, starting with the 1992/93 season.

The privately held league allowed the owners to be responsible for their joint operations and provided direct decision-making power. This led to the improvement of the image of the sport and also enhanced the commercial benefits. The FA owns only 1% of the shares of the Premier League and, though it has the ability to exercise a vote on certain specific issues, it has no role in the day-to-day running. The focus of the Premier League shifted from matchday revenue to broadcasting and commercial revenue streams.



1990s

INCREASING GLOBALISATION AND THE RISE OF COMMERCIAL BROADCASTING: THE PATH TO A NEW COMMERCIAL AGE OF THE FOOTBALL INDUSTRY

Increased globalisation, the end of the cold war, advances in technology, and the growing popularity of football around the world were driving systemic changes in the broadcasting and commercial approach of the football industry in the 1990s. These changes triggered a strategic response by the football industry to professionalise and reform existing competition formats and even governance structures for clubs and leagues:

- Creation of the UEFA Champions League
- Creation of the English Premier League



See case studies.

1995

THE NEW COMMERCIAL AGE OF THE FOOTBALL INDUSTRY AND EUROPEAN INTEGRATION: THE BOSMAN RULING AND THE CREATION OF A GLOBAL EMPLOYMENT MARKET FOR PLAYERS

The accelerated transformation of professional football into a global entertainment industry combined with intensified European integration and the conclusion of the Single European Market and prepared the ground for a landmark decision by the European Court of Justice in the Bosman case. This concluded the globalisation of the football employment market:

- The ruling represented a fundamental decision in favour of the basic and most fundamental rights of players as workers and European citizens;
- The verdict highlighted that football had transformed into a viable industry and economic activity at the professional level, and so should be subject to public regulation;
- The principle freedoms of workers applied to professional players;
- The consequences lead to the 2001 agreement between FIFA, UEFA and the European Commission, and the subsequent creation of the transfer system.

2010 – ongoing

GLOBAL TRENDS AND SYSTEMIC DRIVERS TODAY: SHAPING THE NEXT DECADE OF THE FOOTBALL INDUSTRY

Similar systemic trends that were driving the transformation of competition and commercial structures in the 1990s have accelerated again, and they're now putting pressure on the global football industry and domestic football markets to shape the next evolution of the professional game. This includes:

- Accelerating internationalisation,
- Rising demands for social justice equality,
- Shifting consumer dynamics,
- Growing digitisation, new technologies and the data revolution.

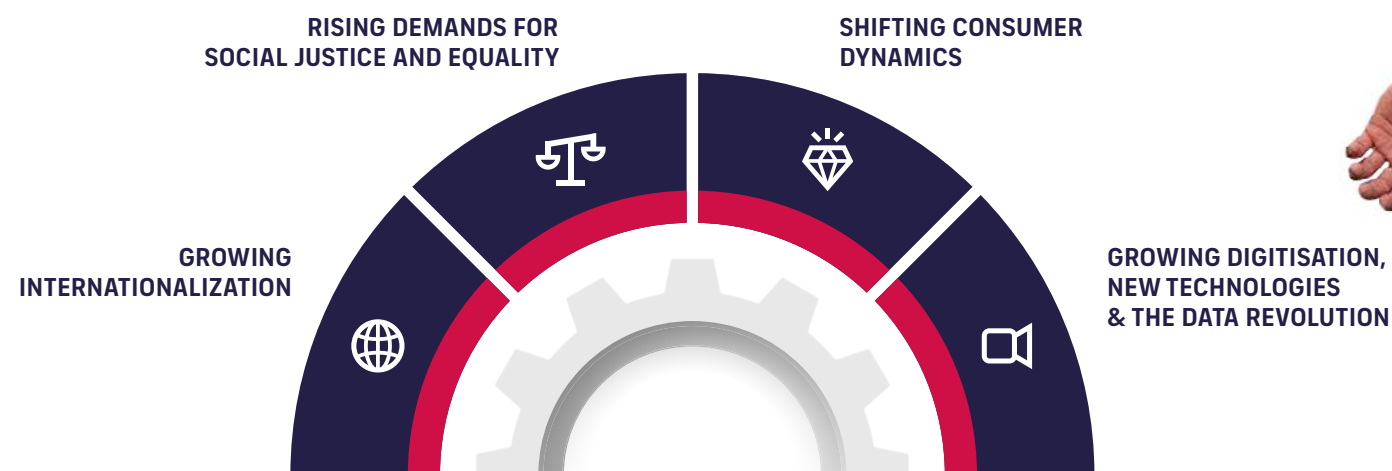


Source: ANP

SYSTEMIC TRENDS THAT ARE DRIVING THE FOOTBALL INDUSTRY TODAY

Shifts in the global landscape have been transforming our world in a profound way: with technological changes and the development of the digital economy alongside demographic growth, the globalisation of trade, changes in demand, individual aspirations, social justice issues and more shaping our societies and industries. Any analysis of the football industry must consider how the game is influenced by these global trends, as well as how working and playing conditions for players will be impacted in the future.

Through this exercise, we selected four major global trends:



In this section we take a brief look at each trend and how they could profoundly transform the environment of the industry and of the players within it.⁹

"Any analysis of the football industry must consider how the game is influenced by these global trends, as well as how working and playing conditions for players will be impacted in the future."

⁹ The impact of COVID-19 on the football industry has been analysed by FIFPRO in several different position papers which can be accessed via www.fifpro.org. However, it is already clear that COVID-19 had a significant impact on our societies, economies and the operations of entire industries. COVID-19 has certainly further accelerated and impacted current global trends.





GROWING INTERNATIONALIZATION

GLOBAL TREND

Our world is becoming more interconnected than ever before, with a transfer and cross-border movement of capital, people, data, goods and services.

There is a growing tendency of institutions to operate across national borders; products and services are increasingly adaptable across environments. Better transport and telecommunications infrastructure have brought improvements in connectivity. The entertainment industry has been at the forefront of this process thanks to international formats and the liberalisation of the employment market. Audiences of leading formats are now measured on a global scale not a domestic one, transcending borders, beliefs and nationalities.

While internationalisation also brings new opportunities to re-enforce local markets at an international level, industries tend to consolidate around a few global players. As well as the entertainment industry, this can also be observed in the in the travel and banking sectors, for example.

IMPACT ON PLAYERS

EMPLOYMENT MARKET FOR PLAYERS

With the expansion of the football industry and the emergence of new markets alongside a liberalisation of the transfer market in the past few decades, the number of job opportunities for players across global football markets is increasing.

GLOBAL TRANSFER MARKET:

The international nature of player transfers is not a new phenomenon, especially since the Bosman ruling of 1995 and the easing of foreign player quotas. The volume of players signing for clubs abroad is continuously on the rise (see [Page 76](#)).

FRAGMENTED WORKING AND PLAYING CONDITIONS:

At the same time, the emerging global footprint created a fragmented global football industry with often challenging employment conditions and a lack of player representation in many domestic football markets.

PLAYER WORKLOAD:

The current (international) match calendar and the investment into competition creates a challenging environment for players which either leads to the overload at an elite level and a lack of playing opportunities in second and third-tier competitions.

IMPACT ON THE FOOTBALL INDUSTRY

THE EXPANDING FOOTPRINT OF THE GAME:

Football is becoming increasingly popular in emerging regions and countries such as USA, China, and India. New professional clubs are being established to cater for the demand, while others are growing into financially powerful organisations. .

INTERNATIONAL COMMERCIAL EXPANSION:

Some clubs can benefit from economies of scale and it's not uncommon for top clubs to have 80-90% of their fan base located abroad, often on other continents.

FOREIGN AND MULTI-OWNERSHIP OF CLUBS:

Increased revenues in top leagues and the network effects provided by owning several clubs across different markets and tiers of the global football landscape are big motivators. Strategic club partnerships are also increasingly relevant.

COMPETITION STRUCTURES:

New tournaments (third UEFA club competition, UEFA Nations League) and formats (World Cup expansion, FIFA Club World Cup format change) are being touted, increasing the number of matches at the highest professional level.

"The emerging global footprint created a fragmented global football industry with often challenging employment conditions and a lack of player representation in many domestic football markets."





ISING DEMANDS FOR SOCIAL JUSTICE AND EQUALITY

GLOBAL TREND

Social justice demands and the fight for equality have dominated many discussions recently at community, national, and international levels. The challenges faced when pushing for a more equal, inclusive and just world reflect where we are as a society and where we are heading.

These challenges are not limited to a single country or region but manifest themselves globally across a variety of contexts. Issues of social injustice and racism, as well as other forms of discrimination, are among today's headline topics. These issues are global, and they touch the football industry in overt and discrete ways.

The fight for justice has been taken up by many leaders and influencers across multiple sectors. However, we have seen that the appetite for change in the sport is largely led by the athletes. These leading figures feel and embrace the responsibility to speak out and use their position for positive influence and change.

Campaigns and messages for social justice, anti-racism and human rights spread quickly, across borders, reaching a large and growing audience. The rise of social media and communications platforms has amplified these voices and actions, showing the interconnectivity not only of communities, but of these issues as well.

IMPACT ON PLAYERS

PLAYER ACTIVISM:

Many players are embracing an activist role to help shift the sporting and cultural landscape to address racial injustice, human rights, and other social movements. In the past, this type of activism was often focused on the working conditions of professional players. This will always remain a priority, but the development of the football industry around the world and the resources that the industry has created gives a greater mandate for football players to do more, at a time where societal issues are dominating mainstream media and public discourse.

REPRESENTATION & "THE GLASS CEILING":

The lack of diversity in board rooms, and the prevalence of a "glass ceiling" in all off-field areas of football has consequentially meant that players demand change on and off the pitch. The diverse backgrounds of players on the pitch are not represented in the governance and management of the game – with career opportunities in the game post-playing severely limited.

PLAYER IMPACT:

The ability and willingness of players to support their local – or national – communities has never received more attention. The opportunity for players to stand behind a cause that is important to them and their communities has never been bigger. Financial support is one method, as is providing more visibility to a specific cause or effort through a footballer's public profile. Players have not only become drivers of change in their industry, but across entire communities or countries.

"Many players are embracing an activist role to help shift the sporting and cultural landscape to address racial injustice, human rights, and other social movements."

IMPACT ON THE FOOTBALL INDUSTRY

IN STADIA ABUSE:

Professional and international football and the emergence of a global employment market for players has created diversity and multiculturalism in the playing community. However, through inadequate safety and protective measures, the workplace for players is still rife with abuse and inadequate safeguards for black and other minority ethnic players – particularly in stadia. Recent seasons have seen a horrific amount of abuse across elite competitions, smaller markets, and lower leagues. This is not only sparking negative reactions by the public and sponsors, it is driving an active generation of players to demand change.

BOARDROOM & EXECUTIVE LEADERSHIP:

Institutional, structural and systemic discrimination is present almost everywhere in football. This can evidently be seen in the homogenous work environments of many governing bodies and institutions, where senior leadership and executive board composition does not reflect the diversity of those playing the sport on the pitch, and who are thus impacted by the decisions being made at the highest levels where inadequate diversity is present.

MEDIA & SPONSORS:

Public debate and discourse surrounding the prevalence of discrimination in our societies has increased the scrutiny of high-profile and highly visible sports bodies such as those within the football industry. This scrutiny comes not only from private citizens but also from the athletes, media, and at times the sponsorship community – affecting the bottom-line of such sports bodies in certain circumstances. Footballing stakeholder organisations and industry leaders are being challenged by this scrutiny, to not only demonstrate their commitment to creating a discrimination-free environment but in some cases they are being faced with very real consequences and public backlash when inclusive values are not apparent. It is also worth noting that while the media and sponsorship community do form part of the scrutinising public, they themselves are not immune to the same pressures. Indeed, the broadcasting, marketing and advertising spaces in particular have come into question for the role they play in perpetuating dynamics of inequality and discrimination through their role and position in the football ecosystem.





SHIFTING CONSUMER DYNAMICS

GLOBAL TREND

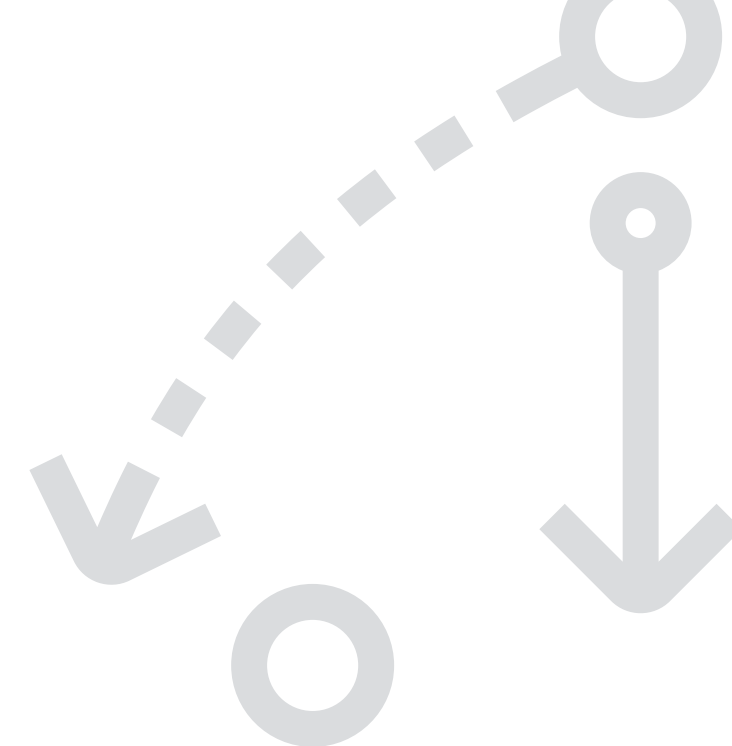
The term 'shifting dynamics' refers to changing preferences and behaviours in the market. This is often linked to the increased spending power of consumers and a wider accessibility to new products and services.

In addition, the rapid economic development of so-called 'emerging countries' is contributing to the sizeable expansion of the middle-class around the world, who can afford to spend more on 'leisure-type' products and services. In addition to changes in the composition and spending power of consumers, expectations and tastes are also shifting. Consumers are more diverse, influential and digitally connected than ever before.

As a result, shifting consumer dynamics are accelerating the trend for internationalisation and global growth across business sectors. However, at the same time, increased globalisation also often triggers a reverse reaction by consumers to focus on local products and services.

This means that there are opportunities in both global and local markets for businesses, providing that they offer the right experience in the race to win over customers.

"Technology, digital platforms and shifting consumer dynamics have elevated the power of individual influence and voice in our societies."



IMPACT ON PLAYERS

IMPACT ON THE WORLD OF WORK:

Players experience the impact of this trend in their daily working and playing environment. It can impact contract negotiations, add additional layers to the commercial and entertainment dimension of the industry, create 24/7 attention on the player, and create further fragmentation in the football industry.

PLAYER INFLUENCE & BRAND:

Technology, digital platforms and shifting consumer dynamics have elevated the power of individual influence and voice in our societies. Players benefit directly from this as they become the most followed brands and platforms in the football industry. Star players can easily drive more engagement on digital platforms than official accounts of brands, clubs or competitions.

PLAYER ACCESS & FAN EXPECTATIONS:

Performing on the pitch week in, week out is just one element of a player's working life. The interest from fans in them is growing, while the access to them has never been easier; there is an individual and public demand to "generate content" off the pitch, which enables the player to benefit in commercial and non-commercial aspects. This can, however, also add additional pressure on a player's mental well-being.

IMPACT ON THE FOOTBALL INDUSTRY

ACCESS TO NEW AUDIENCES I:

As more people are able to spend money on entertainment, there are also more opportunities to establish new competition formats in emerging markets and to generate income from the sale of previously unexploited rights. This provides opportunities to grow and stabilise domestic competitions.

ACCESS TO NEW AUDIENCES II:

At the same time, the availability of new technologies is providing almost unlimited access to audiences around the world. For a few select clubs and competitions this provides the opportunity to consolidate their footprint as global brands.

GLOBAL VS LOCAL PRODUCT:

Interest in football remains as high as ever, and it is still considered the most popular sport in the majority of countries. However, an increasing conflict between domestic and international perspectives and playing opportunities impacts the industry.

SHIFT TO A MEDIA AND ENTERTAINMENT MODEL:

The professional football industry is undergoing an important phase of change from a media and entertainment business perspective; top clubs are moving towards a media and entertainment company model, transforming their organisations into global brands that are capable of attracting audiences from all over the world.





GROWING DIGITISATION, NEW TECHNOLOGIES & THE DATA REVOLUTION

GLOBAL TREND

Digitisation is the process of turning information into digital form. This wide-ranging trend is impacting all areas of our economy and is driven by a host of new technologies, the convergence of social media, mobile, big data and the consumer demand to instant access. New technological solutions and applications are rapidly transforming various markets and products, and the entertainment industry (including professional sports) is no exception.

For the football industry, this means fundamental opportunities and challenges linked to the application of new and innovative technologies in the game. The ongoing 'data revolution', is bringing improvements to how data is produced and utilised. There is an increasing capacity to collect and analyse larger volumes of data, which produces opportunities and challenges for their further application, purpose and usage.

Various new technologies have been introduced to the game on and off the pitch in recent years. Future advances in broadcasting provide almost unlimited access to sports, eliminating the boundaries of time and distance. At the same time, video games and esports are a rapidly growing segment with implications for the football industry.

IMPACT ON PLAYERS

PLAYING EXPERIENCE, INNOVATION AND THE LAWS OF THE GAME:

A progressive and player-oriented development of the laws of the game is required to build a player-centric environment which favours the performance of players to shape the football of tomorrow. This includes the fair and equitable access for all players to benefit from law changes and the evolution of technology to create a positive playing and training experience.

PLAYER PERFORMANCE DATA:

The pace of current developments in research and development, and technology, means that players are having to face up to a rapidly-growing ability to collect, analyse, use and interpret player data. The processing of special categories data, including personal health and biometric information of players from competition and training environments, requires the football industry to develop player-centric regulation to allow all stakeholders to benefit from the added value technology can provide.

PERFORMANCE PROPERTY AND COMMERCIAL RIGHTS:

The speed with which new technologies, innovation and digitisation disrupt the current media, entertainment and elite sports performance environment creates new and often uncharted territories for the use, exploitation and protection of player property. However, the interest in new aspects of player identities, the creation of different rights packages and new opportunities for the commercial exploitation require the same legal basis and above all, the free and informed decision of the player to protect, control and manage his or her property.

IMPACT ON THE FOOTBALL INDUSTRY

RISE OF PLAYER PERFORMANCE DATA:

Since the beginning of data collection in professional football, and as a result of advances in technology and digitisation, there have been considerable steps to collect not only more data, but more sensitive personal data related to players' health and performance. Players, football stakeholders and third parties have common key interests to use state-of-the-art science and technology to drive performance, ensure sustainable career paths, manage health and safety, improve in-game technologies, and enhance match-day experiences.

RISE OF IN-GAME TECHNOLOGIES:

Several new in-game solutions have been introduced at the top of the game in an effort to modernise refereeing technologies, including the Goal Line Technology (GLT) and the Video Assistant Referee (VAR). New AI-based innovations will further drive this trend. At the same time, the equal access to state of the art in-game technologies across global football markets remains one of the key challenges.

NEW BROADCASTING VIRTUAL REALITY TECHNOLOGIES:

Together with the rise of social media, other digital platforms have started to disrupt the football industry, with OTT video platforms at the forefront. Future technologies such as virtual reality-based solutions are waiting for their breakthrough.

"The processing of special categories data, requires the football industry to develop player-centric regulation to allow all stakeholders to benefit from the added value technology can provide."



GLOBAL MARKETS – REVENUE STRUCTURES

The revenue structures of football markets worldwide provide an important benchmark for the employment conditions of footballers.¹⁰ Building on the results of the FIFPRO Global Employment Report 2016, this chapter outlines the economic constructs and revenue structures that fundamentally define the employment and commercial opportunities within the football industry. Players have an inherent interest to contribute to the sustainable development of the game and to create quality jobs and stable football markets in the countries they're playing in. This chapter highlights the current fragmentation across the football industry and how specific markets require a holistic governance approach to provide stability for players and competitions.



CLUB REVENUES & EXPENDITURE

The state of the game before the outbreak of the global pandemic and the necessary recovery from it have highlighted both the resilience and fragility of the football industry. For professional players, the financial performance of clubs and the existence of a sustainable ecosystem in the football industry is vital, as it has a direct impact on their employment and living conditions.

The global football labour market and its domestic markets generate a select few revenue sources including matchday income, commercial and sponsorship revenue, and broadcasting profits. Each football market and every club will have a relative dependence on one or more of the revenue streams above. In addition, clubs and players in domestic football markets rely on an often complex financial system to redistribute revenue, and benefit from various revenue-sharing models as well as dedicated solidarity mechanisms.

While the direct expenditures and costs of a football club are also limited, it is true that most top clubs now run large commercial operations with a high number of staff and a significant number of operations which are not directly related to the sporting or playing environment of the team.

Since the central spending of a football club will always be focused on its main organisational purpose, to play competitive and successful professional football, the cost for player salaries as well as sporting staff will always represent the largest expense. At the same time, club expenditure also includes costs related to matchday operations, infrastructure (e.g. stadium, and training facilities) as well as marketing, IT and other internal support services.

The operating revenues and expenditures outlined above create a simple profit and loss structure for any football club. Together with existing licensing and registration requirements for competitions, they will form the general framework which defines the financial stability of clubs and, therefore, the employment conditions for players.

INCREASING FINANCIAL STABILITY BEFORE THE IMPACT OF THE GLOBAL HEALTH CRISIS¹⁰

The football industry has enjoyed growth at a global level. However, like any other global industry, the global footballing landscape is also fragmented and complex. While certain football markets are doing extremely well, other segments of the industry are faced with instability and uncertainty.

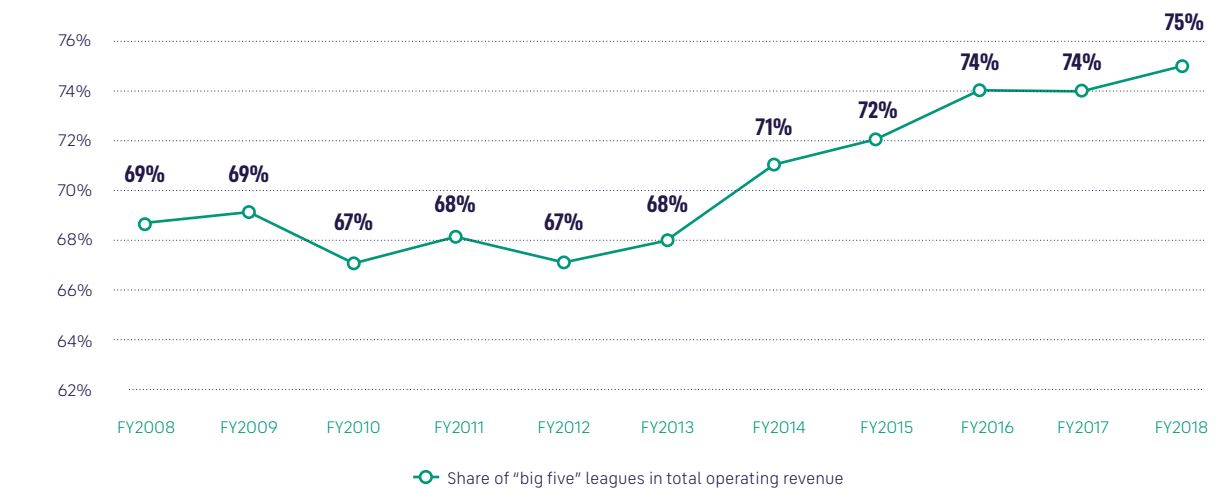
For example, the available data for the top leagues in the leading European markets provides a picture of the key trends before the COVID-19 crisis. European clubs' total operating revenues have more than doubled in the last decade, reaching EUR 21 billion in 2018.

After a period of declining net profitability to 2011, European football started a six-year period of recovery

to record positive profitability – for the first time – in 2017. Operating profits, defined as the difference between operating revenue and operating expenses (predominantly staff costs), have also been on a steady rise in the last decade.

This is indicative of higher revenue from the various income streams as well as the implementation of more cost-management practices (most notably the introduction of UEFA Financial Fair Play regulations and other licensing requirements since 2011). The difference between operating profits and net profits also highlights the growing importance of player transfers in clubs' business models.

FIGURE 4. EVOLUTION OF "BIG FIVE'S" SHARE IN TOTAL OPERATING REVENUE (VS ALL 55 LEAGUES' TOTAL REVENUE)



Source: KPMG Football Benchmark

FIGURE 5. EVOLUTION OF OPERATING AND NET PROFITS ACROSS ALL 55 TOP DIVISIONS



Source: KPMG Football Benchmark

¹⁰ The analysis integrates the most important metrics such as the average club revenue generated by the top leagues in each country, the value of broadcasting and media rights, average attendance figures, social media following and the role of the transfer market. This is just one possible way to describe the status of the global football economy; several other indicators could have been considered. However, the selected metrics provide a comprehensive overview of the state of the game before the COVID-19 crisis of 2020.

¹¹ Source: KPMG Football Benchmark

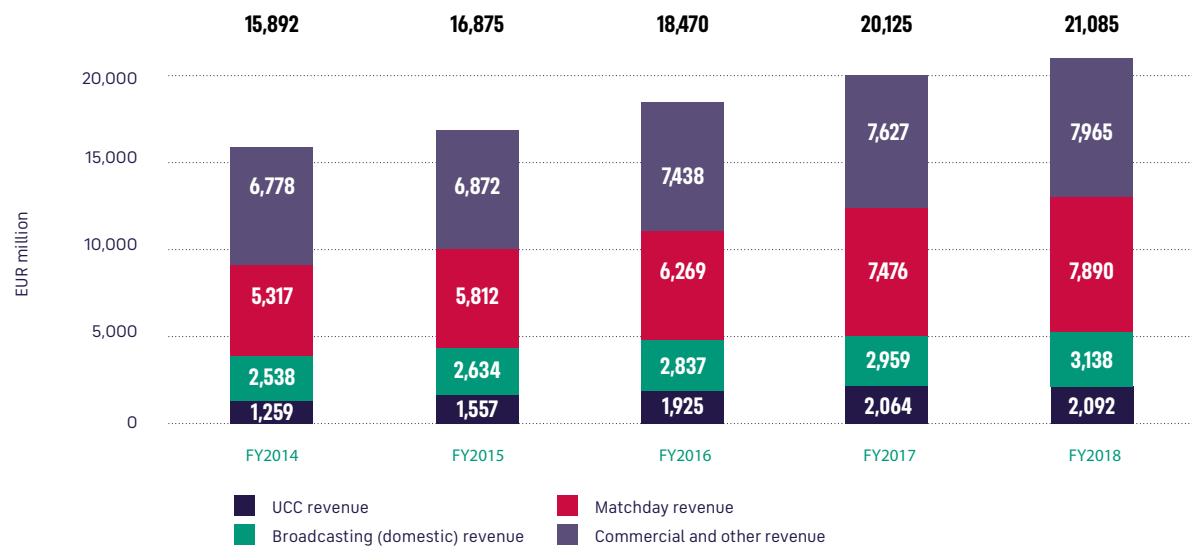
INCREASING REVENUE DIVERSIFICATION¹²

Equally importantly, the structure of revenue has also gone through a major shift. There seems to be an increasing reliance on income from media and broadcasting rights deals in the top leagues, while smaller markets and lower tiers in the top markets are still heavily dependent on matchday revenue.

Whilst commercial and matchday income streams have grown at a moderate pace, UCC and domestic league broadcasting* revenues have been the main catalysts for overall industry growth.

Commercial and domestic league broadcasting still remain the most significant revenue streams, amounting to a total of approximately EUR 16 billion in 2018, which represents 75% of European clubs' total revenues. However, huge differences exist between markets, within and between different leagues.

FIGURE 6. EVOLUTION OF REVENUE LEVELS BY INCOME CATEGORY ACROSS ALL TOP 55 DIVISIONS



Source: KPMG Football Benchmark

“FIFPRO supports its members in their collective efforts to provide better employment conditions to players in domestic football markets and to collectively negotiate a fair and equitable remuneration for their work that furthers the stability of the overall football industry.”

¹² Source: KPMG Football Benchmark

¹³ To access more information on industry sustainability and player salary please visit www.fifpro.org and www.worldplayers.co

THE STABILITY OF THE FOOTBALL INDUSTRY AND PLAYER PROTECTION

While the exact risk exposure must be analysed for each market based on its revenue structure, the global health crisis has impacted big and small markets alike. Leagues and markets with a high dependence on matchday revenues in particular face an immediate risk of short-term losses which cannot be directly compensated without specific support mechanisms.

The crisis has highlighted the need to improve macroeconomic stability mechanisms in the football industry. So far, macroeconomic stabilisation policy schemes have relied in professional football on various redistributive mechanisms and revenue sharing models linked to (1) competition models, (2) the training and transfer of players, (3) specific funding programmes or other redistributive mechanisms. The direct beneficiaries of such schemes have been, in most cases, the football federations, the leagues, and the clubs while the direct employee-based protections have received little attention.

Players are not only sport’s public face; they supply both the product and labour of sport. Accordingly, they are sport’s most visible investment and expense. They are often immediately and directly affected by market failure and imperfection in the football industry, as proven by the large number of overdue payables to players. Stabilisation policy schemes do exist, but only a minority of players have benefited from them.

Such schemes generate a flow of redistributive transfers from competitions and football industry segments with high structural market and employment stability to regions with fragile employment and low-market stability. The FIFA Fund for Football Players in 2020 was a first step to create direct player salary protection

mechanisms in the game. The demand from players shows the importance of the expansion of further such mechanisms.

There is no doubt that the structural, regulatory and business models underpinning professional football have come under pressure in the current crisis, and so need to be reviewed. It is essential to understand the source of a sport’s economic challenges and opportunities, especially given the breadth of the impact of COVID-19. Lessons from the past must be learnt, and a culture of robust financial management and good governance must be embedded in the global football industry. Financial transparency is critical given drastic changes in revenue will necessitate a significant restructuring of the industry. To ensure these impacts can be collectively and objectively addressed and resolved, transparent access and availability to key information is essential.

As a matter of principle, the economic challenges and objectives should be addressed at their source. A holistic pathway to sustainability has to be based not only on cutting expenditure or labour regulations, but also a broader understanding of the primary objectives, structures, licensing requirements, and solidarity measures of the football industry and its stakeholders. As always, the future opportunities for players to obtain a fair remuneration for their work and the services provided depend on a variety of factors. FIFPRO supports its members in their collective efforts to provide better employment conditions to players in domestic football markets and to collectively negotiate a fair and equitable remuneration for their work that furthers the stability of the overall football industry.¹³



Source: ANP

CLUB REVENUE OVERVIEW

The past decades have seen a surge in the income levels of football competitions in some of the leading markets. Average club revenues and financial performance in the domestic leagues are an important indicator for the players' employment conditions.

Internationalisation and an increasingly global mindset drive the commercial and competition models at the top of the football industry. In addition, technological innovations, such as new broadcasting solutions and emerging markets such as China or India have unlocked possibilities for a handful of clubs to increase international revenue streams. Paired with domestic broadcasting income, the primacy of revenue from ticket sales has fundamentally changed for some of the most dominant clubs in the world; at many clubs even commercial revenue exceeds matchday income.

At the same time, the open eco-system and the sporting pyramid of the global football industry create an environment in which several professional leagues or divisions exist within most domestic football markets. This system creates a highly fragmented market structure in which, even with existing solidarity contributions, many domestic football industries will experience fragile competition structures within their market.

In order to shape a sustainable football industry with quality jobs for professional players and stable club environments, it is fundamental to understand the possibilities and limitations of the competitions to generate and drive revenues.

REVENUE STRUCTURES

To analyse the current status of global markets the focus of this section will be on operating income, which mainly consists of matchday, broadcasting and commercial revenues.¹⁴ Player transfer activities (i.e. income from the sale of players' registrations) are not part of the operating revenue definition and are discussed in a separate section later on.

Unsurprisingly, the global employment market for players by club revenue is dominated at the top by a huge difference between the top countries of Europe (UEFA) and the rest of the world.

- At the very top of the ranking, we find England (Premier League) with an average budget of around EUR 272 million per club.
- It is then followed by a sizeable gap until the other leagues of the European "big five": which are between EUR 85 million (France) and EUR 175 million (Germany).

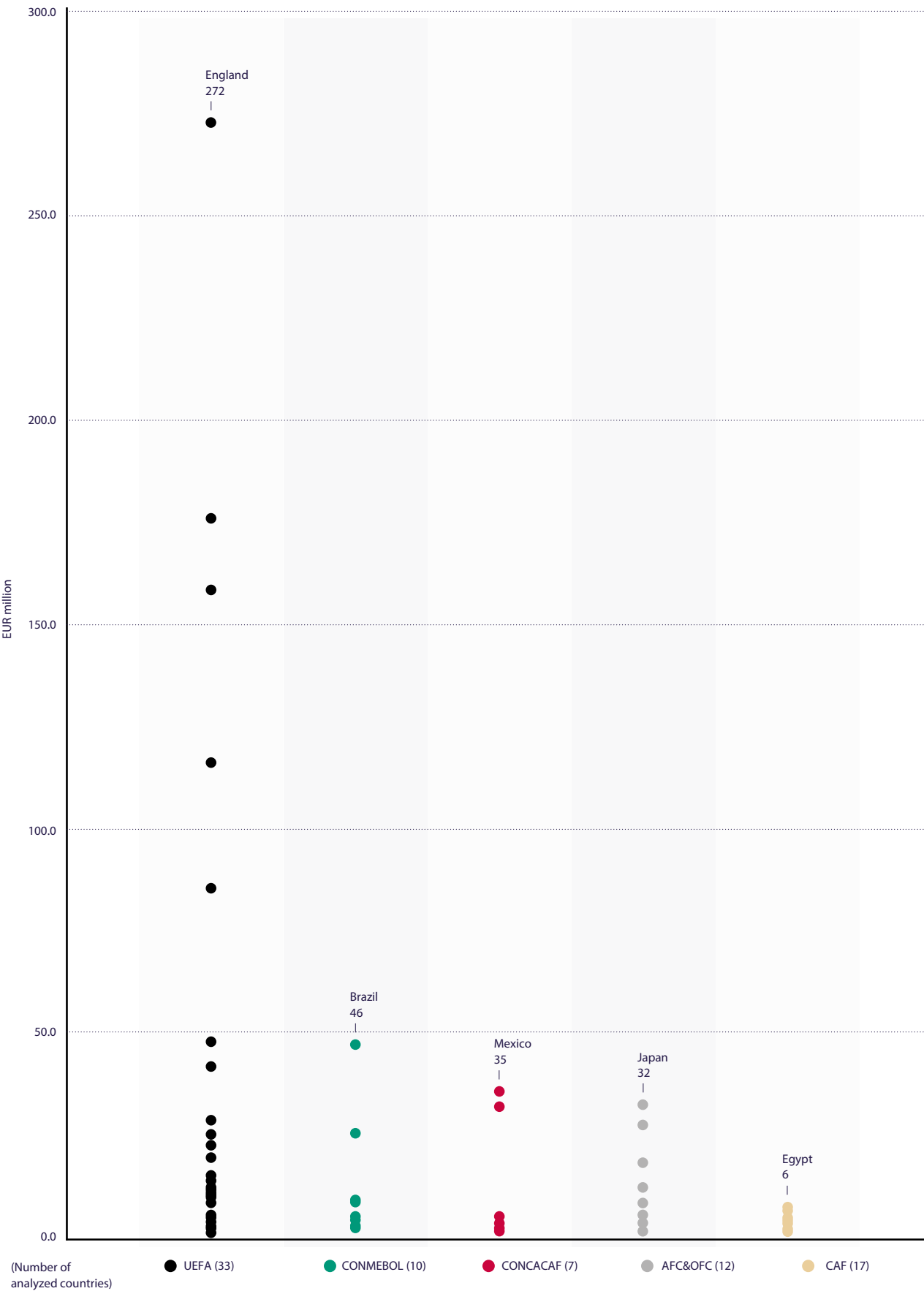
- The next group consists of the next tier of European countries, such as Russia, Turkey or the Netherlands, as well as the top non-European leagues, such as Brazil, Mexico or Japan.
- The density of countries is much higher at the bottom of the revenue ranking; more than 70% of the analysed 79 countries have an average club budget of below EUR 10 million.
- Even without the "big five", UEFA remains the dominant market eco-system, even if it looks more comparable with other regions.

It must be noted that financial metrics shouldn't be the only indicators when evaluating and comparing countries and leagues. Even if two countries have a similar average club budget, the maturity of their governance structures can differ significantly. The competitiveness and stability of a league, the financial and other licensing requirements for its participants, as well as the quality of the employment conditions for players, aren't just a matter of revenue.¹⁵

¹⁴ This chapter takes a look at the average club budget in all first division leagues of our sample for the season of 2017-18 or 2018, depending on the scheduling system. In the rest of the report we refer to this period collectively as Financial Year (FY) 2018. Data relating to the previous financial years was also reviewed, but it was concluded that the values of FY2018 adequately represent the relative position of the analysed countries in recent years. The term 'average club budget' here refers to the average budget of all clubs in the country's first division league. Revenue data was collected from official sources, such as The European Club Footballing Landscape - Club Licensing Benchmarking Report (published by UEFA) and club financial statements. The analysis covers only the 79 countries within the defined scope.

¹⁵ This is also highlighted by the segmentation of global football markets as of [Page 88](#) in this report.

FIGURE 7. THE DISTRIBUTION OF AVERAGE CLUB BUDGETS PER CONFEDERATION, FY2018



Source: KPMG Football Benchmark

Looking at regional distribution, similar differences can be observed between the top and bottom countries of each confederation, although at a much smaller scale in terms of absolute values. The range of club budgets within UEFA show unique characteristics of the region as the standard deviation is quite high – this is again because of the impact of the “big five” at the top.

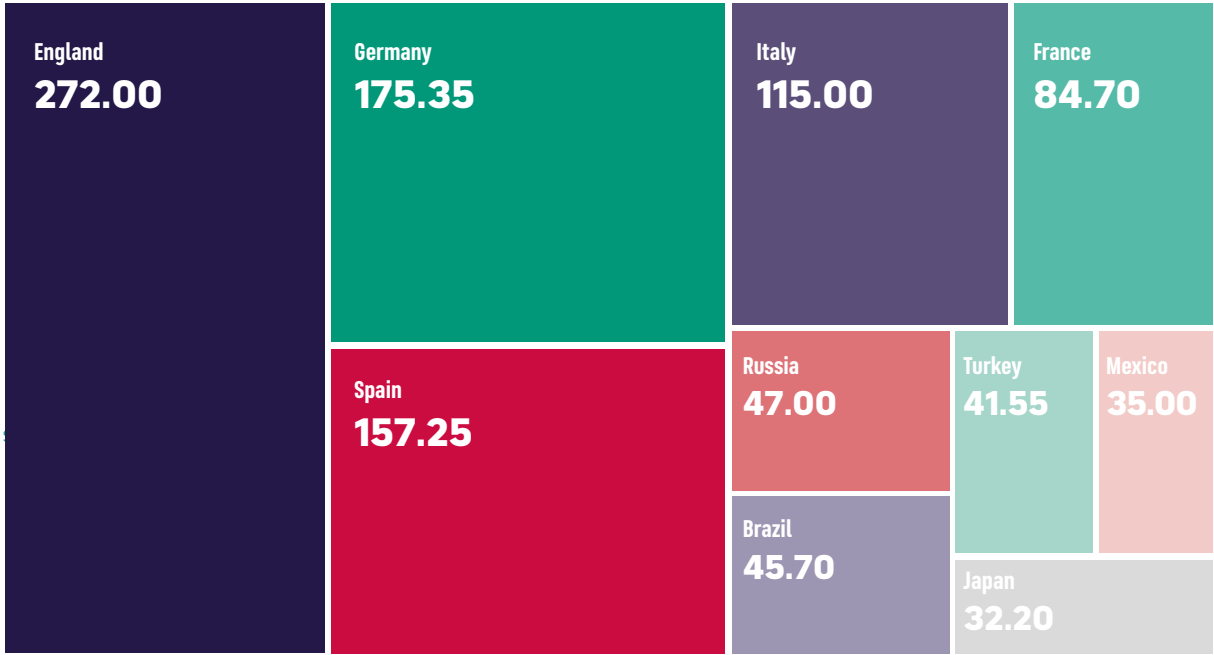
In the analysed sample of selected countries, AFC countries are seemingly close to each other (although the absolute difference is still ten-fold between the top and bottom-ranked AFC country), whereas there are two clear outliers in both CONMEBOL (Brazil, Argentina) and CONCACAF (Mexico, USA). CAF is lagging behind other confederations in all measures. The African country with the highest average budget value is Egypt, with over EUR 5 million, comparatively at the same level as around the 20th ranked UEFA budget (Israel, Poland).

FRAGMENTATION OF GLOBAL CLUB BUDGETS

The difference in revenue structures and total income create significant fragmentation between clubs and their available budgets. The majority of countries (42 out of 79) have an average club budget of EUR 5 million or lower.

This is far from the elite of the top 10 shown by Figure 8., underlining the disparity between employment conditions for players at a global level. It is important to emphasize at this point that this analysis only considers first division leagues. Jobs, resources and overall structures are even more insecure and vulnerable in lower-level leagues.

FIGURE 8. TOP 10 FIRST DIVISION LEAGUES BY AVERAGE CLUB BUDGET (FY2018, EUR MILLION)



Source: KPMG Football Benchmark

On Figure 8. we see the top 10 first division leagues by average club budget – led by the European “big five” leagues. There are two other leagues from UEFA in the top 10 (Russia and Turkey), while Brazil, Mexico and Japan from the CONMEBOL, CONCACAF and AFC respectively round up the top 10.

- Brazil’s place can be attributed to the high population of the country, the enormous interest in football due to long-standing traditions and the high number of professional clubs (130).

- Mexico is the flagship football market of the CONCACAF region with a sizeable population that is extremely enthusiastic and interested in football while also actively supporting the local ecosystem.
- Japan’s place in the top 10 was almost unimaginable around 30 years ago. However, the reform of the local football scene and the professionalisation of the league in the 1990s has significantly altered the development path of football and made Japan a sustainable market that attracts a large local following.

However, the economic representation of markets such as Brazil, Turkey and Russia comes with serious infringements of players rights at all levels of the markets. The absence of basic representation rights, a high level of non and late payment, as well as a high number of national and international arbitration cases between players and clubs confirms serious concerns about the long-term stability of these markets. Should these markets address these issues, a positive impact could be expected on their economic and sporting performance.

CONSIDERATIONS FOR PLAYER-CENTRIC POLICY DEVELOPMENT

There are large inequalities/differences in average club revenues not only between markets, but within markets as well. While top football leagues generate significant revenues (headlined by the “big five” leagues in the UEFA), other first division leagues are closer to each other financially, irrespective of the confederation they belong to. However, outliers can be found in most of the other confederations as well.

On the other hand, the huge revenue gap between markets results in significantly different realities for players, both in terms of employment conditions and economic prospects. This highlights the diversity of the global footballing landscape and provides a first idea on the economic structures that drive the employment markets for players around the world.

- While club revenue is not the only factor when it comes to employment conditions, the two have a very strong direct connection, as player salaries, benefits and – in a wider context – non-financial conditions, such as contractual stability, are ultimately tied to club budgets.
- Even the economic revenues of some of the more established markets provide concern as players are still experiencing systematic abuse and violations of their rights, including their contractually agreed employment conditions.
- High-profile markets which tolerate bad practices in their ecosystem fuel legitimate concerns regarding the absence of basic governance standards and long-term industry stability.
- It is encouraging to see that domestic footballing markets have succeeded to grow their commercial footprint over the years and created stable working and playing environments based on their own circumstances and economic structures.

Finally, while the growth of new revenue streams is often difficult in many market environments, the football industry should highlight the benefit of improving non-financial market and employment conditions.

BROADCASTING & MEDIA RIGHTS

While there are many different factors that establish the value of audio-visual rights, the quality of play and performance by players are significant factors. Previously, broadcasting and media rights have become a major driver of club revenues and this kind of income has shown strong growth in many top and medium-sized leagues.¹⁶

The ability to generate value from different forms of audio-visual content has become a polarising factor between global football markets. For the employment conditions of players, broadcasting rights and their distribution have become an invaluable source to ensure a healthy mix of revenues, and to indicate the stability of domestic football markets.

INCREASING OPPORTUNITIES AND FURTHER MARKET FRAGMENTATION

The value of broadcasting rights has been a fundamental driver of the modern sports and entertainment industry. At the same time, the digitisation of technology and innovation has opened yet again a new way of media rights distribution in the shape of over-the-top (OTT) media services.

Football fans can now access games and related content easier than ever on a variety of devices. At the same time, OTT developments have opened up a new opportunity for smaller leagues and individual clubs to create and distribute their content in a cheaper, more affordable way. It has never been easier to reach specific audiences through specialised partnerships and OTT services.

However, as appetite for top-level football knows no borders, international broadcasting deals are increasingly becoming important revenue sources for dominant domestic football markets. Not surprisingly, this international market is currently dominated by the “big five” European leagues and club competitions, saturating the market thanks to their economies of scale. Furthermore, as these leagues are aired in most countries around the world, it creates direct competition for the domestic leagues who are fighting for attention in the same market space.¹⁷

The value of broadcasting deals is defined by a complex set of drivers, such as macro-economic factors or tender-specific requirements, as well as by league and club-related broadcasting strategies. Figure 9. lists the main drivers impacting the deals.

FIGURE 9. THE MAIN VALUE DRIVERS OF BROADCASTING RIGHTS

MACRO-ECONOMIC	LEAGUE-RELATED	TENDER-SPECIFIC	CLUB-RELATED
Domestic market size	Player working conditions and overall playing quality	Deal length	Overall playing quality
Purchasing power parity	Competitive balance	Exclusivity	Size and elasticity of fan demand
Government involvement	Presence of historical clubs	Tender process	Presence of historical clubs
Emergence of OTT and tech companies	Fan atmosphere	Scope of rights	International star players
Level of competitiveness in the media market	Relative popularity of football		

¹⁶ The importance of broadcasting and media revenues has also been highlighted by the COVID-19 pandemic.
¹⁷ International broadcasting deal values were not considered in this section as only a handful of leagues have such an appeal to attract a global audience. This approach also makes all deals comparable.

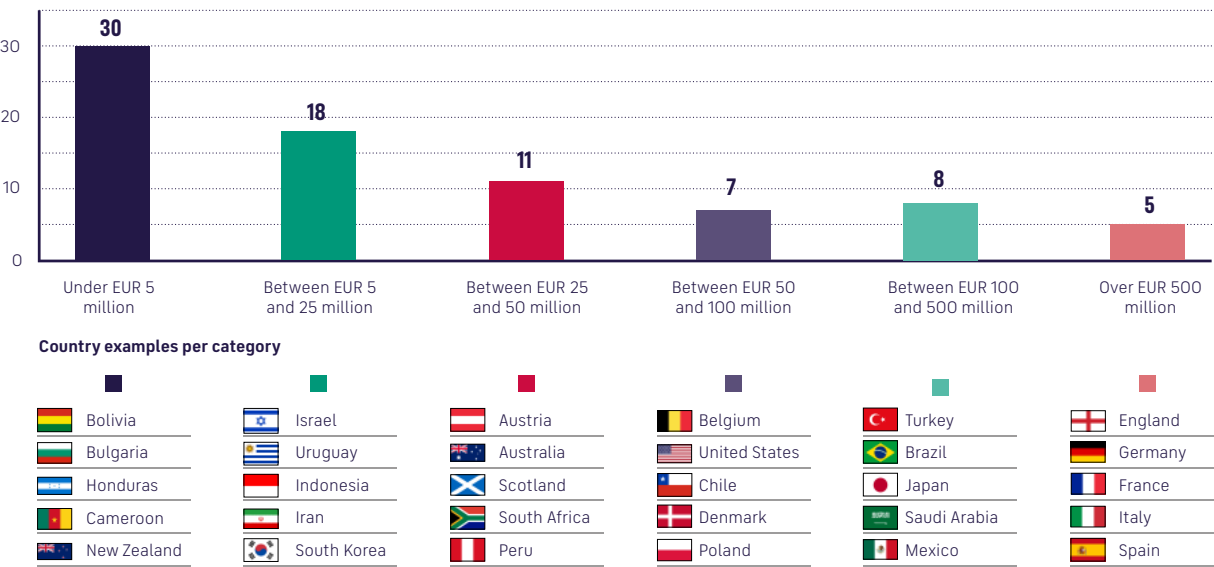
GLOBAL FOOTBALL MARKETS – BROADCASTING AND MEDIA RIGHTS OVERVIEW

The domestic broadcasting deal value per year is less than EUR 5 million in almost half of the 79 analysed countries. This is further testament to the differences between leagues and highlights the impact broadcasting and media rights values have on the fragmentation of global football employment markets.

However, the most well-known leagues’ TV deal values are the exception rather than the rule. The value drivers

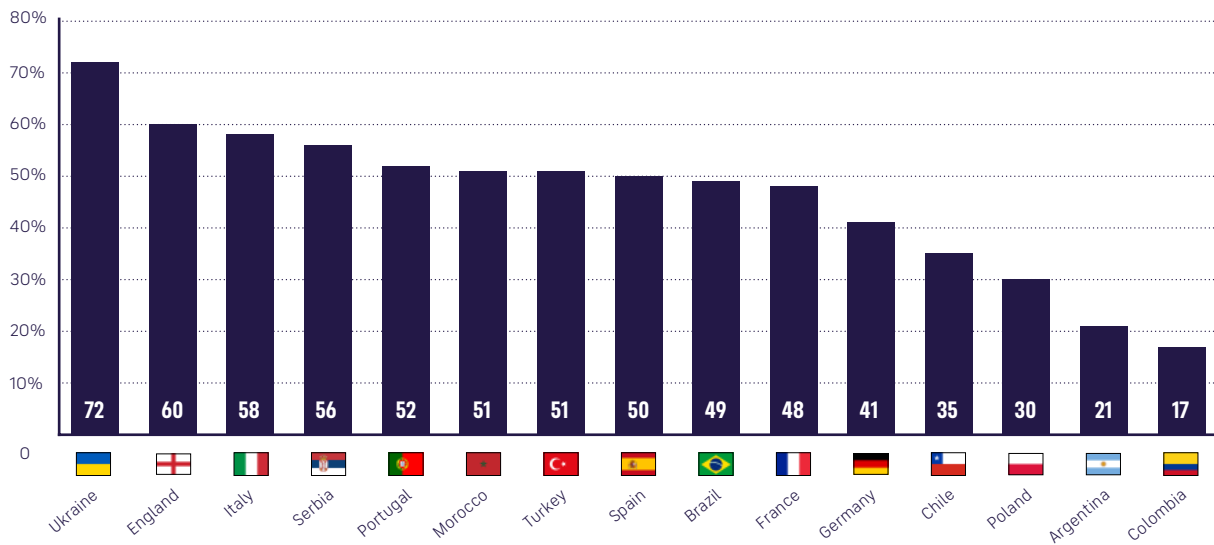
explained earlier limit the growth opportunities of many leagues (e.g. low domestic population results in small viewership). Just as in the case of club budgets, this phenomenon is closely connected to the precarious market and employment conditions, as well as the often weak collective agreements between stakeholders in the football industry.

FIGURE 10. NUMBER OF COUNTRIES BY ANNUAL DOMESTIC BROADCASTING DEAL VALUE RANGES



Source: KPMG Football Benchmark

FIGURE 11. BROADCASTING DEAL VALUE RATIO COMPARED TO TOTAL LEAGUE REVENUES

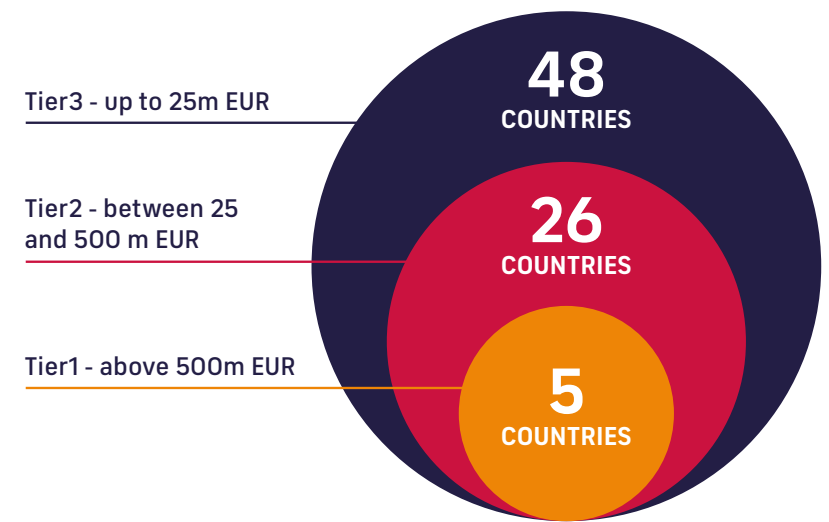


Source: KPMG Football Benchmark

FIGURE 12. BROADCASTING MARKET TIERS

BROADCASTING & MEDIA RIGHTS		
Tier 1 - Countries		Tier 1 broadcasting markets:
England Germany France Spain Italy		Above 500m EUR For the past few rights cycles the English Premier League has been dominating the domestic broadcasting deals market with an annual value currently standing above EUR 1.8 billion. It is followed by other “big five” leagues with deals worth around EUR 1 billion per year. However, there is a significant drop-off after that to the next domestic competitions.
Tier 2 - Countries		Tier 2 broadcasting markets:
Turkey Brazil Portugal Japan Saudi Arabia China PR Argentina Mexico Belgium Netherlands United States Chile Denmark Poland Sweden Austria Norway Australia Scotland South Africa Nigeria Peru Switzerland Colombia Egypt Ecuador		Between 25 and 500m EUR The closest market to the “big five” is Turkey with an annual value of close to EUR half a billion. Other European countries in this value range include Portugal and Poland. We can find the three most popular Asian leagues in the EUR 100-200 million value range: Japan, China and Saudi Arabia. China's position is mainly driven by the size of the market, while the Japanese J1 League, which has been around since the early 90s, has a lucrative and advanced domestic market, a large fanbase and can occasionally boast a host of international and local star players. Saudi Arabia's strong position in this ranking can be explained by the strategic efforts of the government to boost the sporting industry in the country. We also find two CONMEBOL leagues in this range – both Brazil and Argentina have significantly higher broadcasting deals than any other league in their region. Brazil's leading position can be attributed to the combination of football traditions, population and the high quality of the league as confirmed by the international successes of their club sides.
Tier 3 - Countries		Tier 3 broadcasting markets:
Romania Russia Israel United Arab Emirates Canada Paraguay Qatar Uruguay Cyprus Hungary Indonesia Malaysia Morocco Greece Iran Czech Republic South Korea Venezuela Algeria Bolivia Ukraine Costa Rica Bulgaria New Zealand Honduras DR Congo Serbia Croatia Ghana Côte d'Ivoire Tunisia Finland Cameroon Panama Senegal Zimbabwe Zambia Kenya Guatemala Slovenia Guinea Botswana Gabon India Ireland Malta Montenegro North Macedonia		Up to 25m EUR There are about 48 countries in the global football market who do not generate more than 25 million EUR for their domestic broadcasting and media rights. As the limitations on the broadcasting market often mirror the constraints to commercialise professional football in the domestic markets, this points to a significant number of countries who cannot build their professional sector on commercial revenue only. In these markets collective agreements and governance standards, as well as other non-financial working and playing conditions, are of increasing importance to provide a stable and professional environment for players, clubs, fans and other partners of the football industry. Therefore, for the majority of domestic footballing markets, the broadcasting revenues are not significant enough to generate substantial revenues per club and certainly not big enough to provide solidarity payments to lower leagues or even grassroots.

FIGURE 13. NUMBER OF MARKETS BY BROADCASTING REVENUE RANGES



Source: ANP



CASE STUDY
J. LEAGUE – THE CREATION OF A PROFESSIONAL FOOTBALL LEAGUE IN ASIA



Until the early 1990s, professional football in Japan could be best described as an institutionalised league dominated by company teams, without any substantial fan following or financial sustainability. The J. League was established in 1993 to change the status quo and professionalise Japanese football as a whole. The financial model of the league is similar to that of US sports leagues' as decisions on league-wide management issues, such as broadcasting deals, image rights and licensing, are all controlled centrally. However, the league itself is a non-profit organisation more akin to the setup of the German Bundesliga, with all profits invested back into the system to support the development of football.

Future growth and league standards are ensured by a 100-year strategic plan that envisions 100 professional football clubs in the country by 2092, as well as strict regulations and requirements in the crucial areas of infrastructure, licensing, youth development, community involvement and club governance. The overall competition structure and system of promotion and relegation has also been formulated in a way to resemble the most popular domestic European leagues.

The long-term planning and mindset is an integral part of the league's financial efforts as well. The most notable recent achievement is the 10-year long domestic broadcasting contract signed in 2017 with digital OTT provider, DAZN, which is worth USD 2 billion. The largest broadcasting deal in the history of Japan ensures a stable growth path for the league, enabling the creation of a sustainable long-term plan. Other growth initiatives include signing well-known European players such as Andres Iniesta and Lukas Podolski to play in J. League teams, plus a wide range of commercial partnerships, and a digital video content hub. As a result of these efforts, the performance and quality of teams have significantly increased, together with league attendances and overall revenues. Between 2011 and 2019, league attendances have increased from 4.8 million to 6.3 million (+31%), an impressive feat replicated only by a handful of other countries globally.

The player union of the Japanese league is the Japan Pro-Footballers association, which was established in 1996 and has been a member of FIFPRO since 2000.



Source: ANP



Source: ANP



CONSIDERATIONS FOR PLAYER-CENTRIC POLICY DEVELOPMENT

As stated in the introduction, broadcasting revenues have become a significant revenue source for a large share of football clubs and leagues. However, the level of significance varies from country to country. The share of broadcasting revenues from the total budget ranges between 41% and 60% in the "big five" leagues. Other European countries mostly rely on broadcasting revenues, especially in the case of the likes of Ukraine, Serbia or Portugal.

A combination of factors, namely globalisation, new technologies and OTT providers have brought about a large increase in broadcasting revenues. However, the benefits of the increase have been predominantly realised by only a handful of leagues at the top of the football pyramid. The different broadcasting realities also apply to the importance of this revenue stream – some leagues are more dependent on it than others.

- The existence and stability of broadcasting revenues is an important indicator for players about the maturity of footballing markets and its stability. Player salaries and general employment conditions directly depend on broadcasting rights revenues in domestic markets.
- Moreover, broadcasting agreements include important match scheduling clauses to maximise reach and impact the match calendar for many players. This can potentially result in hectic schedules, early or late kick-offs which are decided without the input of players and disregards the effects on the health of the players.
- Non-European countries are less reliant on broadcasting revenues, which could suggest that there is plenty of room for growth in most of these markets.
- Players, clubs and leagues in smaller markets and lower leagues are the first ones to benefit from more innovation in the broadcasting space by being able to unlock local and specific niche audiences.

In football markets with significant broadcasting revenues but no adequate governance standards and a general lack of consideration for the players' playing environment, market instability is likely to remain a systemic issue.

ATTENDANCE & MATCHDAY ANALYSIS

Attendance and matchday revenues are the oldest revenue stream of the football industry and for decades the revenue from ticket sales was the primary source of income for football clubs. They form the most basic source of income in the game and provide a fundamental reference point for the popularity of the game.¹⁸

Attendance figures shape the appeal and popularity of a league domestically and still function as an important reference for players to indicate the overall playing conditions across different football markets.¹⁹ At the same time, matchday revenue can be a vital income source, especially for smaller markets and lower-division leagues. This was further emphasized

during the COVID-19 crisis as empty stands not only decrease the appeal of the sport, but also result in reductions in the operating budget of clubs. However, at the top of the game, the emergence of television broadcasts and the enduring commercial appeal of the football industry decreased the relative importance of matchday revenues.

GLOBAL FOOTBALL MARKETS – ATTENDANCE AND MATCHDAY OVERVIEW

In general, data is widely and publicly available in Europe, but outside the continent it is more difficult to obtain reliable data: there were 19 countries in our sample with no figures at all. This is a finding in itself – 25% of the analysed countries had no publicly available attendance data, which is considered as one of the main and most easily obtainable indicator of a football competition. The lack of reliable data can limit a league's growth potential through a weaker value proposition towards sponsors or a lack of self-evaluation.²⁰

There are major differences in the level of attendance across the countries. Once again, European “big five” leagues dominate the ranking with all five of them placed in the top six countries by attendance on the global level. Among them, Germany is leading the way, which has a historic reputation of high attendance, followed by England and the Premier League. Germany's high attendance is also helped by the top-level, modern infrastructure, which was renovated for the 2006 FIFA World Cup, low ticket prices and strong, tribal fan following. This is a great example to follow for other countries who aim to boost their league attendance as it shows that excellent infrastructure and a welcoming setting still attracts paying spectators.

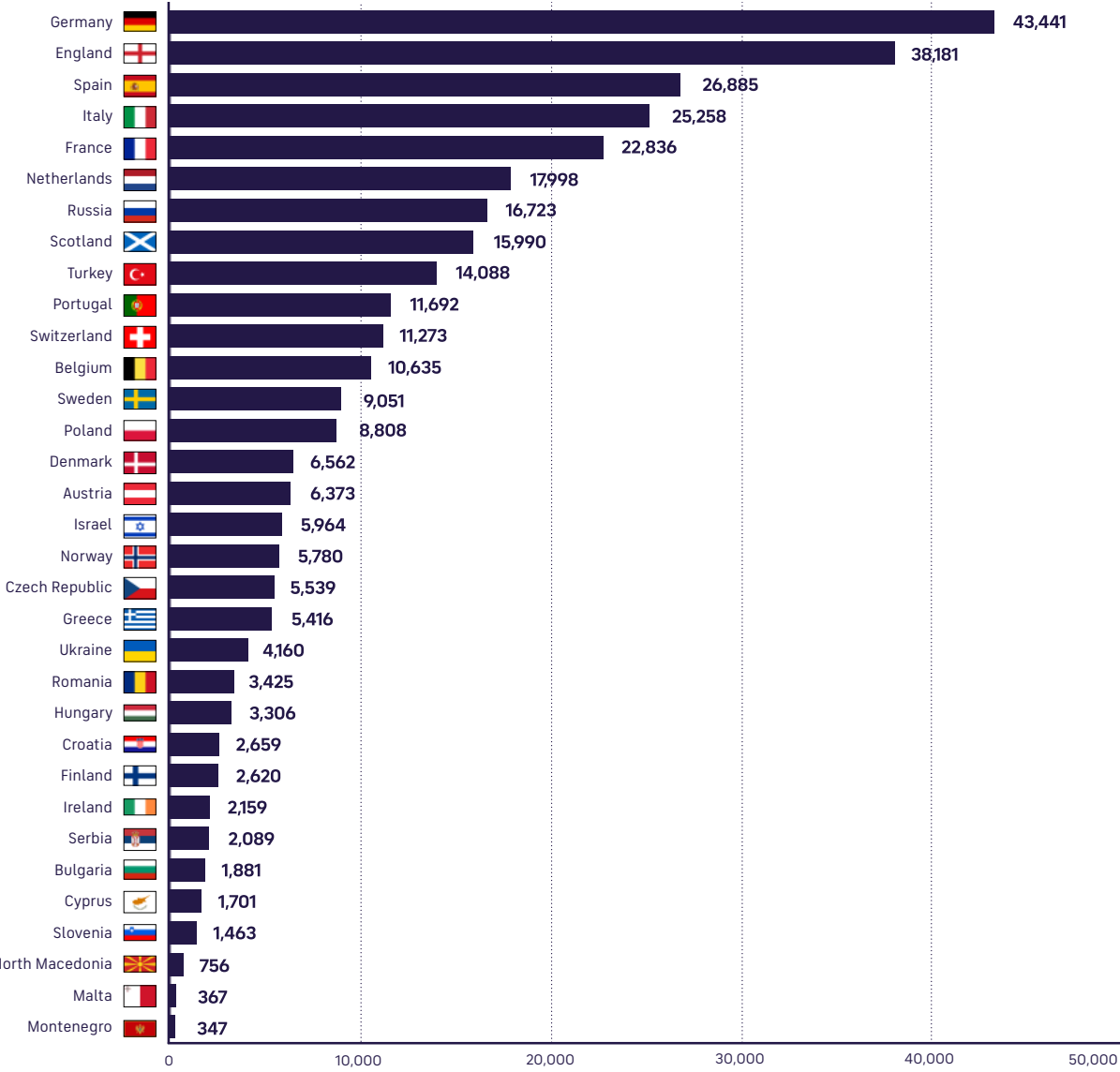
“Attendance figures shape the appeal and popularity of a league domestically and still function as an important reference for players to indicate the overall playing conditions across different football markets.”

¹⁸ The fundamental importance of matchday revenues for smaller markets and lower leagues was highlighted by the COVID-19 pandemic.
¹⁹ In this section we take a look at the evolution of attendances in the 79 countries selected for analysis from all around the world. Average attendance is calculated as the total attendance divided by the number of matches played.
²⁰ The lack of data is as well one of the key challenges across the professional women's game. See [EIFPRO Raising Our Game report 2020](#).



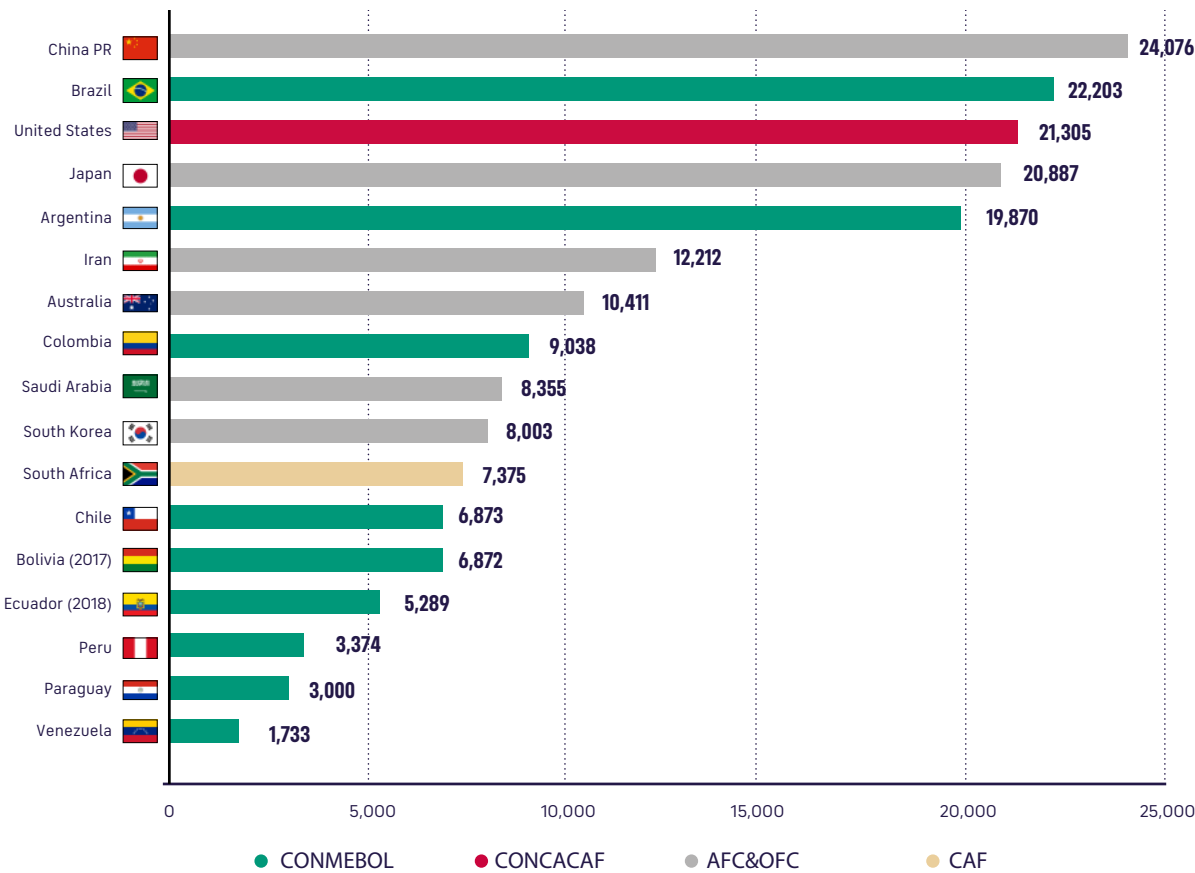
Source: ANP

FIGURE 14. AVERAGE ATTENDANCE PER COUNTRY IN UEFA (2019)



Source: KPMG Football Benchmark

FIGURE 15. AVERAGE ATTENDANCE PER COUNTRY IN NON-UEFA REGIONS (2019)



Source: KPMG Football Benchmark²¹

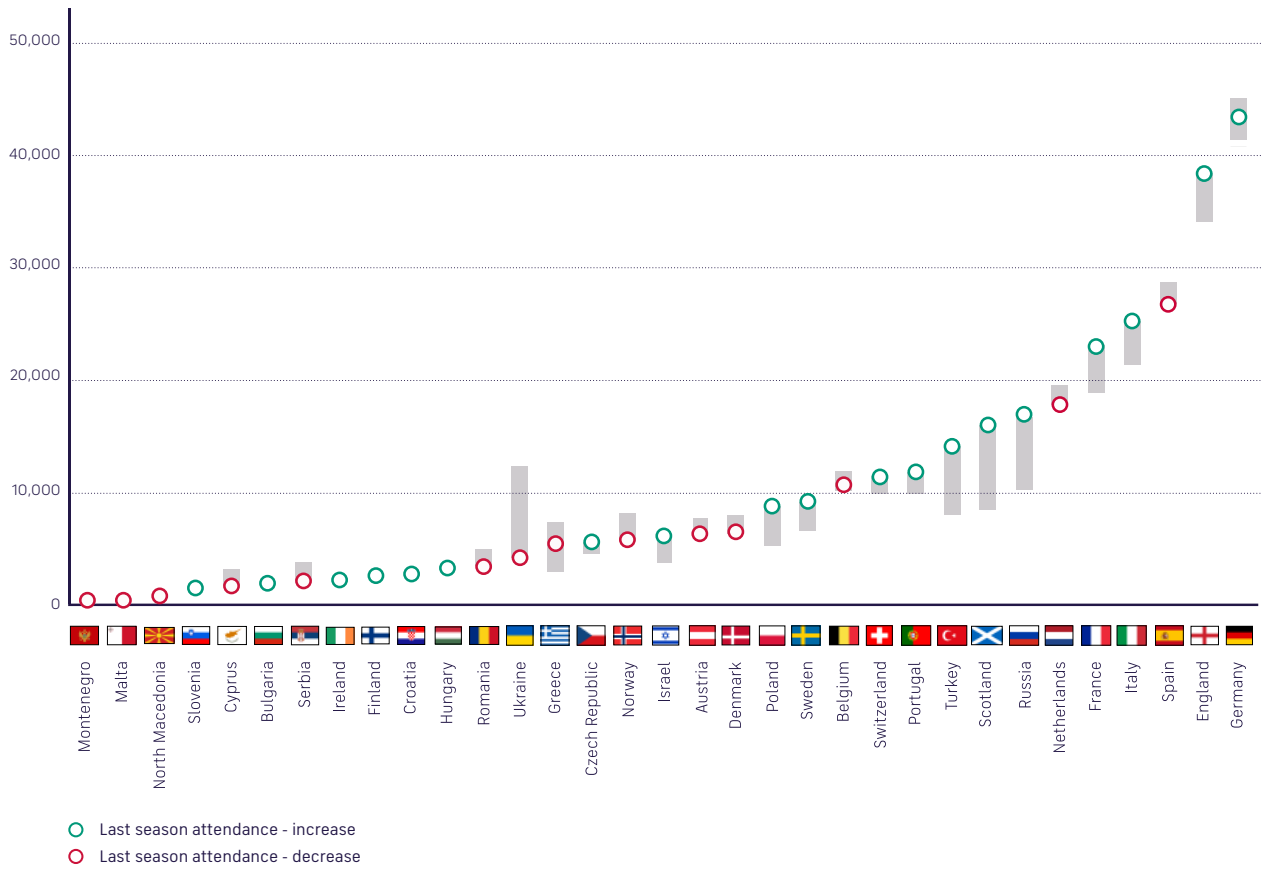
The best-performing non-European league is the Chinese Super League, with attendance levels reaching 24,000. China is the only country which can get close to or even overcome the “big five” leagues in the near future. The country’s football development is significant in this regard, and it shows that investment into the game and specifically its infrastructure can lead to a huge growth in certain markets (large population is a necessity for it). In China, the investment comes from the state, so further growth is possible – the potential is huge in the market, it will be interesting to follow the evolution of the league during the next couple of years. At the same time, the attendance rates in the United

States provide another insight on how football markets can mature over time and how sustainable growth can be achieved even in an extremely competitive market environment.

In addition, there are a number of countries both inside and outside the UEFA territory who show that stable competitions can also be built with significantly lower attendance rates on matchdays. These football markets are an encouraging example to showcase that economic stability and decent employment conditions are only reserved for the leading markets in the football industry.

21 Note: Attendance data was not available for the 2019 season for Bolivia and Ecuador – in those cases, we used data from the latest available season, which is highlighted on the chart in brackets.

FIGURE 16. EUROPEAN ATTENDANCE BETWEEN 2010 AND 2019 - RANGE OF YEARS WITH THE LOWEST AND HIGHEST ATTENDANCE



Source: KPMG Football Benchmark²²

On Figure 16., two country categories could be defined:

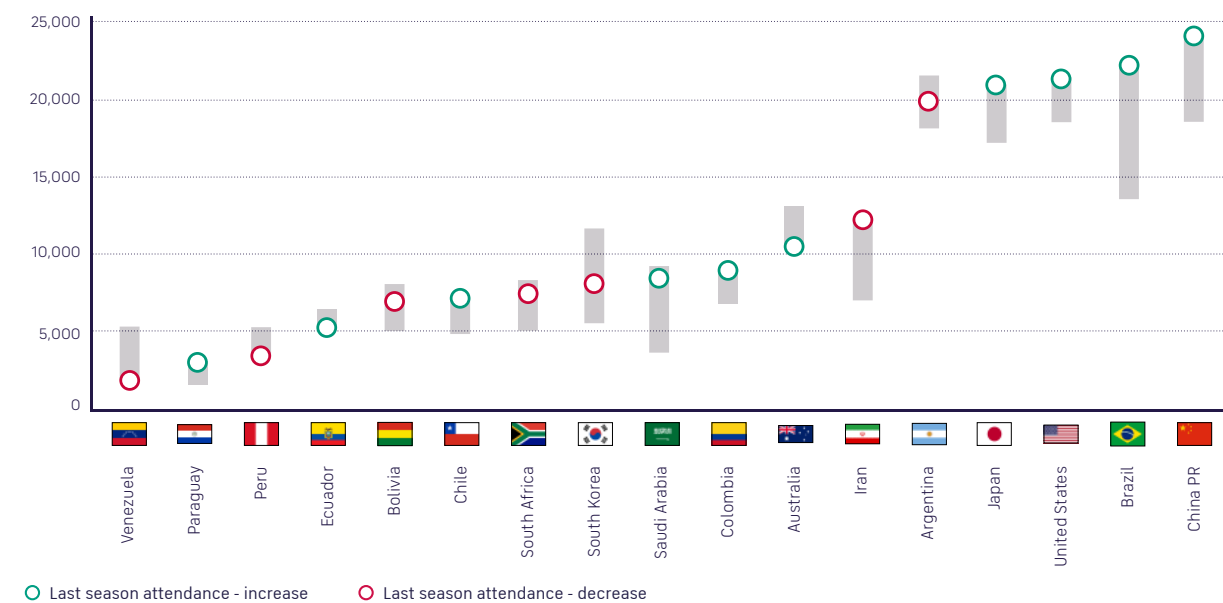
- countries on the lower end of the spectrum are almost all showing a decreasing trend (highlighted season's marker is close to the minimum of the past decade);
- while mid-sized countries with a relatively high UEFA club coefficient are almost all growing and are close to their peak attendance of the past 10 seasons.

This coefficient is an indicator for playing quality based on past results in UEFA club competitions, so the finding implies that the level of play is an important driver behind attendance, and that good international performances can boost local attendances, too.

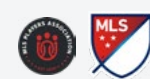
The countries with the highest standard deviation are Ukraine, Greece, Poland, Turkey, Scotland and Russia. In these leagues, a few top clubs are dominating in terms of live viewership, increasing the league average, while other leagues are more balanced with clubs recording similar attendances.

22 Note: Only those countries were taken into consideration where there is a data point in or before the 2011 season and a data point in or after the 2017 season. The end points of the black data bars show the lowest and highest attendance in the analysed period, while the dots are marking the attendance of the latest available season. The dots are coloured green if there has been an increase in average attendance over the period and are coloured red if there has been a decrease.

FIGURE 17. NON-EUROPEAN ATTENDANCE BETWEEN 2010 AND 2019
- RANGE OF YEARS WITH THE LOWEST AND HIGHEST ATTENDANCE, LATEST SEASON HIGHLIGHTED



Source: KPMG Football Benchmark²³



CASE STUDY **MLS AND MLSPA – GROWING THE FOOTBALL INDUSTRY AND PROVIDING QUALITY EMPLOYMENT IN NEW MARKETS**

The Major League Soccer (MLS) was established in 1993 as a closed league similar to other major US sports divisions in order for it to align with the wider domestic sports structure. The competition format follows the same principle: a season is composed of a regular campaign and a post-season knockout tournament, which determines the overall winner. MLS operates under a centrally-governed “single entity” model. Investor-Operators need to purchase shares in the central governing entity, which entitles them to operate one of the franchises owned by the league. MLS franchises have traditionally been owned by high-net-worth individuals or professional sports entrepreneurs, who have extensive experience in managing a sports entity (common to co-own teams in other sport leagues), which in turn, has accelerated the development trajectory of the league. The inaugural season comprised of 10 teams, while there are currently 26 teams in the league with two additional expansion clubs confirmed to join in the coming seasons. Franchise fees have increased from the initial USD 5 million to USD 200 million, providing strong evidence for the rising popularity of the league and the related business opportunities associated with it.

Founded in 2003, the MLS Player’s Association (MLSPA) is the union of professional MLS players. It represents the side of MLS players in collective bargaining agreements (CBA). Prior to the first CBA in 2005, players received no form of retirement benefits, and many players lacked basic health insurance. In February 2020, MLS and the MLSPA reached a tentative agreement on a new five-year collective bargaining agreement. As the pandemic unfolded and jeopardized the 2020 MLS season, players agreed to salary reductions, bonus reductions, and other economic concessions, as well as an extension of the CBA through the 2025 season. These concessions totalled over \$150 million dollars. Amid a cloud of uncertainty over the 2021 season, players were once again forced back to the negotiating table. After protracted negotiations, a tentative agreement was reached, allowing players, fans and the entire MLS community to get back to the crucial business of building this league for the years and decades ahead.

²³ Note: Only those countries were taken into consideration where there is a data point in or before the 2011 season and a data point in or after the 2017 season. The end points of the black data bars show the lowest and highest attendance in the analysed period, while the dots are marking the attendance of the latest available season. The dots are coloured green if there has been an increase in average attendance over the period and are coloured red if there has been a decrease.

Outside of the UEFA territory, the countries with the largest standard deviation are South Korea, Saudi Arabia, Iran, Japan, United States, Brazil and China. The biggest non-European football markets (Japan, United States, Brazil, China) are all growing in terms of attendance.

There is a major gap after the top 5 analysed non-European markets, which also shows that it is difficult to compete with the largest leagues, mainly because of the increased competition of televised games, lower playing performance and quality infrastructure. With these factors, it is getting more and more challenging to attract live audiences in smaller leagues.

In emerging leagues that have been established in the past few decades there is a clear trend of increased live viewership. Countries such as China, Japan or the

USA have all made a significant investment off the field and also on the pitch through player transfers, raising the level of employment conditions for players and the overall quality of play.

Saudi Arabia is a special case with the government driving a process of privatization, infrastructural investments and on-pitch quality development. Attendance level growth in Russia and Brazil were impacted by recent World Cups as the infrastructure development has increased the overall fan experience. The negative developments for Venezuela, Ukraine and Greece can be traced back to economic crises in these countries, which have affected not only the football industry, but also the economy as a whole.



CONSIDERATIONS FOR PLAYER-CENTRIC POLICY DEVELOPMENT

While in the most followed leagues matchday revenue isn’t the most significant source of income anymore, it is still an extremely important revenue stream for all football clubs, as proven by the consequences of COVID-19. Live attendance is also an integral part of the product, and a significant measure of local league appeal.

For players and the promotion of employment, matchday attendance can provide important indicators:

- It is difficult to significantly increase live viewership as it takes major investment in infrastructure and a long-term strategy to improve the live fan experience. However, once these two criteria are fulfilled, attendance levels could slowly rise (e.g.: China, Brazil, Japan, USA).
- Football markets with lower matchday attendances but the existence of additional revenue streams (e.g. broadcasting revenues) can ensure stable ecosystems for their competitions, and these can benefit the overall development of the playing environment for clubs and players.
- Matchday attendance can provide players with important information on the popularity of the sport in that country, the attractiveness of the competition environment for players, and the infrastructure environment of the weekly matchday and training routine.

General trends such as declining or growing matchday attendance over a period of time can indicate that market’s stability and maturity – or lack of – from an employment perspective.

TRANSFER MARKET SPENDING

The employment market for players in the football industry is shaped by specific regulatory frameworks which govern, and ultimately limit, the possibilities and opportunities for players to showcase their skills and services. As workers and citizens, the mobility of players is central to the continuous evolution and progressive development of the football industry.

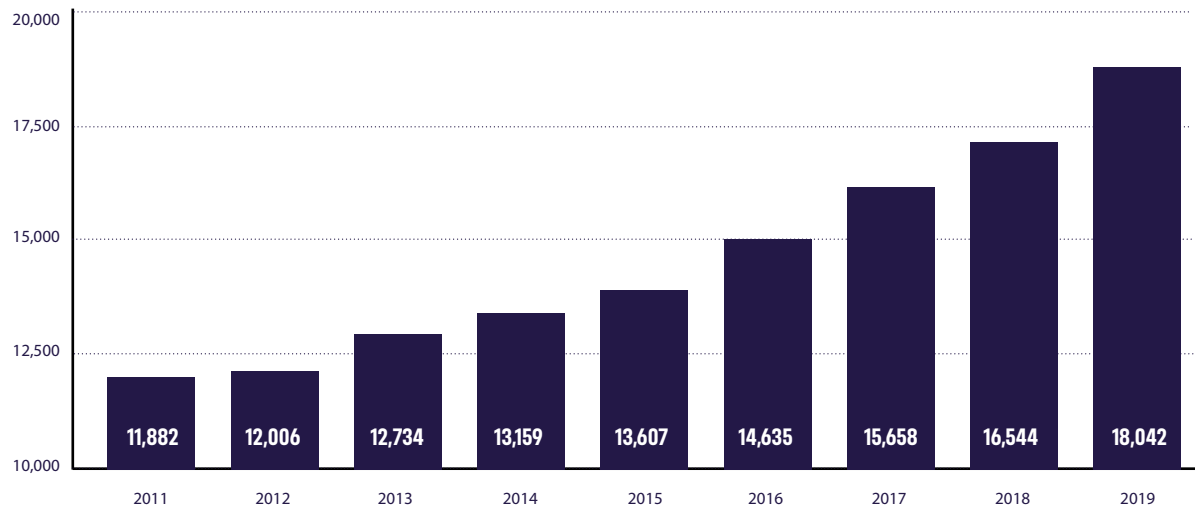
Today, the economic mechanisms underpinning the transfer market for professional players can provide significant insight about the general state of the professional football labour market at a global level. In this section, we are taking stock of recent developments in the transfer market of players, with a special focus on international movements and regional

differences.²⁴ The objective is to provide a general overview of the most important financial implications of the transfer market in its current form. It is not our purpose to lay out a detailed reform agenda for the progressive evolution of regulations and governance frameworks that shape the transfer system.

GLOBAL FOOTBALL MARKETS – PLAYER MOBILITY

Today, the Regulations on the Status and Transfer of Players (RSTP) are the most influential international regulatory framework for employment in football. Elements of the RSTP, as well as the extensions and interpretations of domestic and regional labour legislation, have been areas that FIFPRO and member unions have continuously contested due to their foundational impact on the labour market and subsequent restrictions on players' freedoms, but also to ensure a progressive development of the regulations that influence employment conditions of players.

FIGURE 18. NUMBER OF INTERNATIONAL TRANSFERS BETWEEN 2011 AND 2019



Source: FIFA TMS

²⁴ For the analysis, we have used FIFA's online system for international football transfers, called TMS Global Transfers & Compliance. It's important to note that this analysis only consists of international transfers (where the buying and selling clubs are from different countries). Incoming/outgoing is always defined from the perspective of the analysed country or confederation, while the transfer balance was calculated by subtracting the transfer fees spent from the transfer fees received.

GLOBAL FOOTBALL MARKETS – INTERNATIONAL TRANSFER SPENDING

There aren't many industries in which an employee switching workplaces generates as much interest as elite professional footballers. The transfer market has become a truly global phenomenon, with thousands of players moving between regions each year. It's a prime example of how internationalisation has created a global employment market for players.

The number of international transfers shows a slow, but steady growth over the last couple of years, which is a testament to the effect of labour market regulations

and the increased globalisation of the market. There has been a 52% increase in the volume of transfers between 2011 and 2019, which equals to a 5.36% annual growth rate (CAGR), and a constant rise over the observed time period.

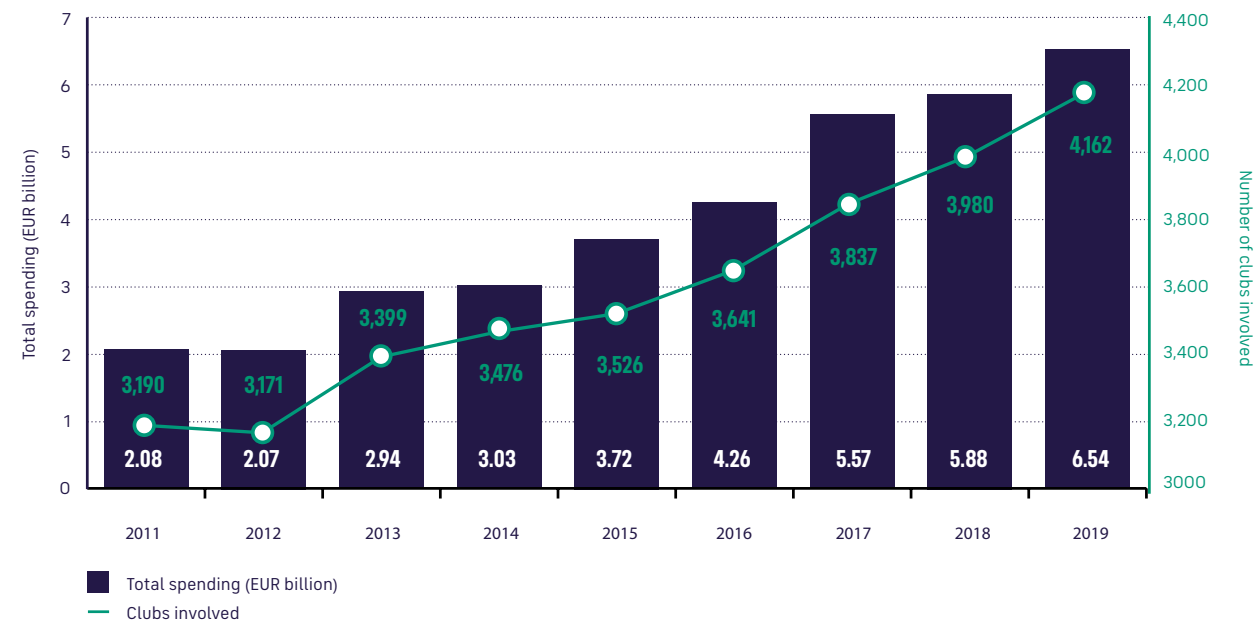
Around half of all international transfers happen between July and August. The timing corresponds to the registration period of the majority of the associations, which has now become a standard in world football.



Source: ANP

GLOBAL FOOTBALL MARKETS – REGIONAL TRANSFER SPENDING

FIGURE 19. SPENDING (EUR BILLION) ON TRANSFER FEES BETWEEN 2011 AND 2019



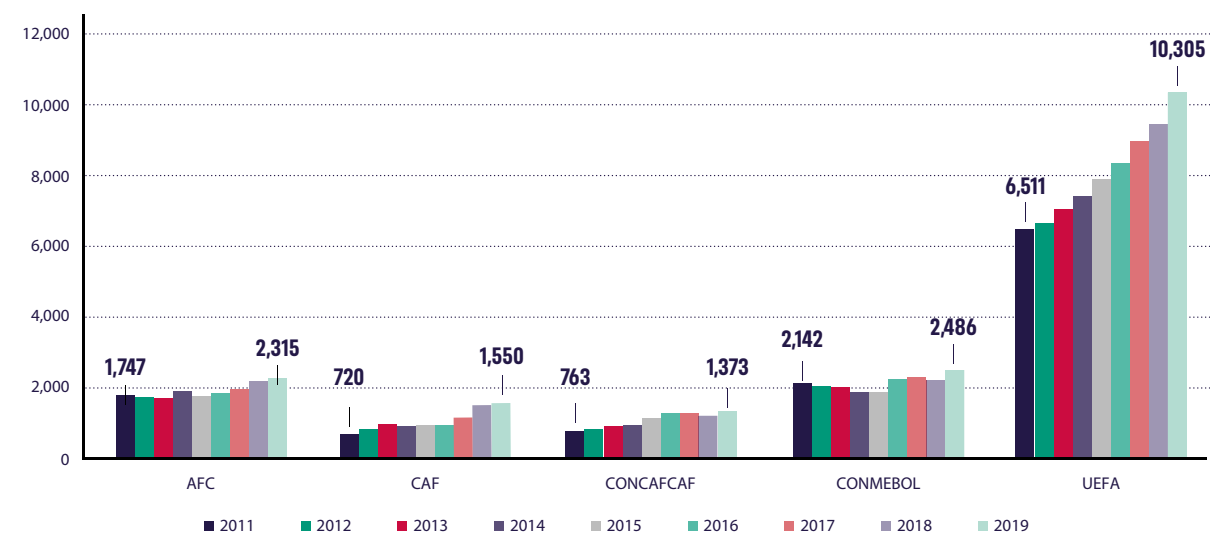
Source: FIFA TMS

Spending on transfers has witnessed a similar growth trend. Total transfer spending has almost reached EUR 6 billion in 2018 and exceeded EUR 6.5 billion in 2019. The CAGR between 2011 and 2019 is 15.4%.

It is important to mention that only 15% of all transfers have included a fee, the rest were so-called “free transfers”. This is a significant, however often overlooked aspect of the transfer market, and confirms the findings of the FIFPRO Global Employment Report

regarding the segmentation of the global employment market for players in the football industry. Most clubs in the ecosystem don’t have any funds to engage players against a fee from other clubs and have to rely on free transfers out of necessity, only targeting out-of-contract players. This dataset not only highlights that the majority of players in the global football ecosystem are never involved in transfers against a fee but are also exposed to short contracts and low pay.

FIGURE 20. NUMBER OF INCOMING TRANSFERS PER REGION BETWEEN 2011 AND 2019



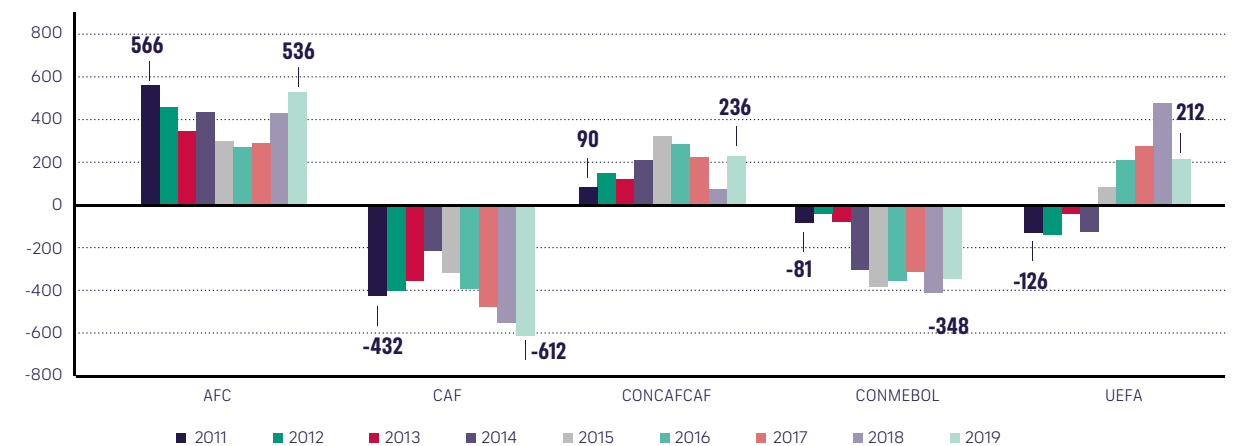
Source: FIFA TMS (only transfers between different regions were considered)

The transfer activities at a confederation level provide an additional layer of information on the global state of the football industry and the related employment markets for players.

between 2011 and 2019. UEFA are considerably ahead of all other confederations in terms of the total intra-regional transfer volume. We can also observe that there has been at least some level of growth in all regions.

Figure 20. shows the number of intra-regional incoming transfers (transfers between two different regions)

FIGURE 21. TRANSFER BALANCE IN TERMS OF VOLUME (NUMBER OF INCOMING TRANSFERS MINUS NUMBER OF OUTGOING TRANSFERS) PER REGION BETWEEN 2011 AND 2018



Source: FIFA TMS (only transfers between different regions were considered)

Figure 21. demonstrates that most regions as a whole fulfil either an exporting or importing role in the global transfer market and significant changes in their profiles over time are rare.

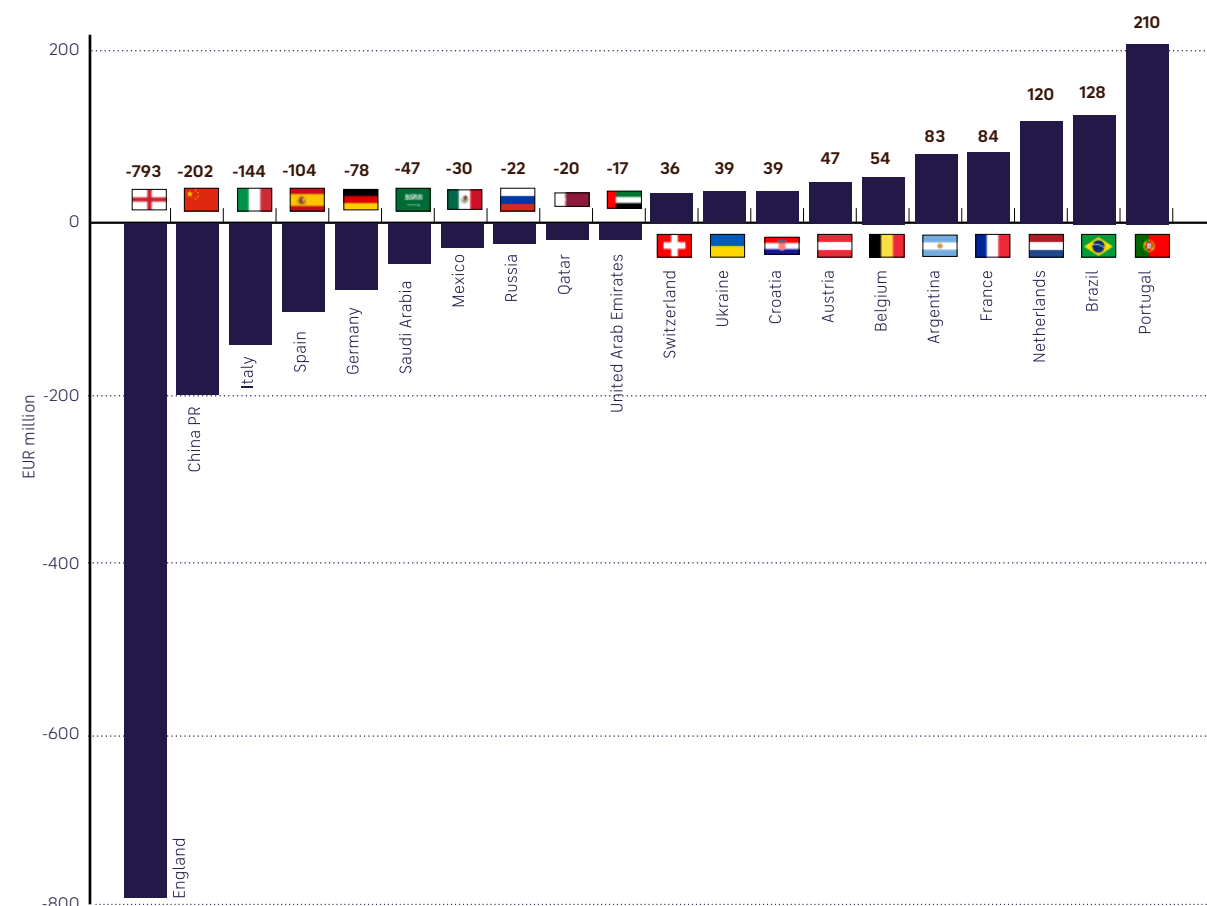
For example, AFC and CONCACAF both have more incoming than outgoing transfers, thus they can be categorized as importing regions. The contrary applies to CAF and CONMEBOL; leagues in these two regions are especially popular markets for wealthier European clubs scouting for young talent.

The case of UEFA is the most peculiar: its overall balance has slowly shifted from being an exporting region to becoming an importing confederation. Since 2015, UEFA has more incoming than outgoing transfers. The reason behind this shift can be traced back to globalization as gathering information from smaller and geographically

further leagues is getting more and more easier – UEFA countries have the financial resources to utilize this information advantage. It should be mentioned that the importing trend of UEFA countries remain even if we exclude the “big five” leagues from the analysis.

Figure 22. shows that the different countries/leagues pursue different transfer policies – there are various outliers at both ends of the scale. Portugal, Brazil, Netherlands, France and Argentina are the biggest sellers, while England, China, Italy, Spain, Germany and Saudi Arabia are the biggest buyers. Most countries are between EUR +50 million and EUR -50 million in terms of average total yearly balance, meaning that there are only a handful of major players on a global scale.

FIGURE 22. COUNTRY-BY-COUNTRY AVERAGE TRANSFER BALANCE BETWEEN 2014/15 AND 2019/20



Source: KPMG Football Benchmark

While for some countries and clubs the nature of their transfer policy is a choice, many have to release their best and young players against a fee out of financial necessity. Leading Croatian clubs are a common example of this strategy; transfer fees represent a major part of their overall income in comparison to, say, broadcasting revenues, which are limited.

The globalisation of football makes it increasingly difficult for less developed football ecosystems to keep local talents as the top leagues attract them with better conditions and higher salaries. Brazil is a good example of this talent drain situation, which is difficult to break.

“The majority of players in the global football employment market are changing clubs without any transfer payment being made between the engaging and releasing clubs.”

THE EMPLOYMENT MARKET FOR PLAYERS AND TRANSFER SPENDING DURING COVID-19

Evidence and data on the summer transfer window 2020 highlight a significant impact of the COVID-19 pandemic on the employment market for players and in particular, players’ job opportunities. However, the data also shows continuous spending on new player contracts, indicating the resilience and financial well-being of the industry.

The majority of players in the global football employment market are changing clubs without any transfer payment being made between the engaging and releasing clubs. The anticipated impact of COVID-19 triggered a range of technical adaptations to the FIFA RSTPs ahead of the summer transfer window in 2020 in order to allow, for example, an extended registration period as well as short-term contractual extensions on an individual basis.

At the same time, there was uncertainty for players (I.) whose contract expired on 29 May/30 June 2020, (II.) players supposed to return from loan spells on 29 May/30 June 2020, (III.) players having already signed for another club and due to join on 1 July 2020, and (IV.) players in advanced negotiations with clubs with a view to joining them at start of the new season.

There was even a growing pressure on ongoing contracts as a result of the anticipated decrease in clubs’ operating revenues. However, the necessary financial transparency to show the detailed causal effect between the impact of the health crisis and the exact loss of revenues was often not provided to players.

Players were faced with a reduction of player wages, either through salary deferral or salary cuts. The outcomes varied widely depending on (I.) national labour law and support offered by central governments, (II.) collective agreements made between clubs/leagues and player unions, and (III.) individual players’ consent to enter into an individual agreement. In addition, situations arose where unilateral terminations and salary cuts were imposed by clubs or even National Associations.

Some of the anticipated knock-on effects on the transfer market included a decrease in both (I.) the volume of transactions and (II.) free transfers; mainly due to the drop in income for the vast majority of the clubs as well as lack of liquidity, and insecurity about the further development of the pandemic. Finally, the market situation was expected to (III.) increase the reliance on homegrown academy players and loans.

THE ACTUAL IMPACT RECORDED DURING THE SUMMER TRANSFER WINDOW 2020

As expected, the impact of the global pandemic has had a significant knock-on effect on the investments made during the transfer window in the summer of 2020, particularly the accumulated figures for the top five leading markets in the global football industry, which decreased in comparison to the spending seen during the summer of 2019. The snapshot analysis displayed in the 58th edition of the CIES Football Observatory highlighted a 43% decrease in total spending.²⁵

A further breakdown specified that:

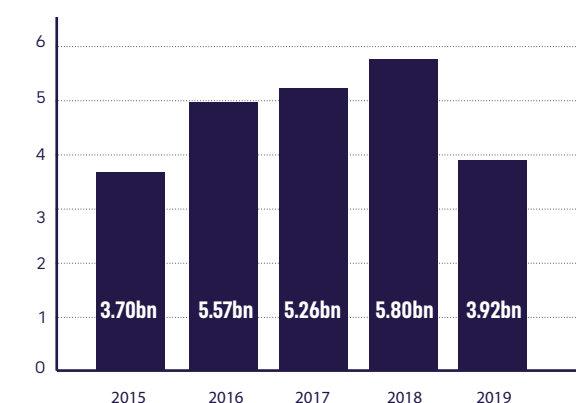
- Spending in the English Premier League dropped from €1.65 to €1.49 billion, (-10%)
- Spending in the Spanish Liga dropped from €1.40 billion to €348 million, (-75%).

At the same time, CIES research showed that the COVID-19 pandemic also reinforced that most players change clubs on a free transfer. According to CIES

²⁵ Source: CIES Football Observatory 58th Edition

figures, the total percentage in the “big five” markets increased from 26.2% to 32.2%. Similarly, the number of players recruited on loans increased from 23.1% to a record 30%. In addition, the data provided by CIES, and confirmed by a snapshot analysis of FIFA, highlighted

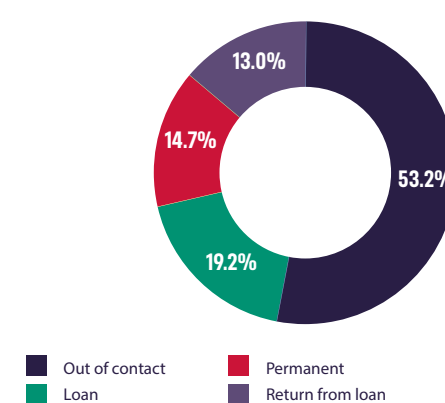
FIGURE 23. TRANSFER FEES (IN USD) FOR INTERNATIONAL TRANSFERS WORLDWIDE, JUNE-SEPTEMBER/OCTOBER



Source: KPMG Football Benchmark

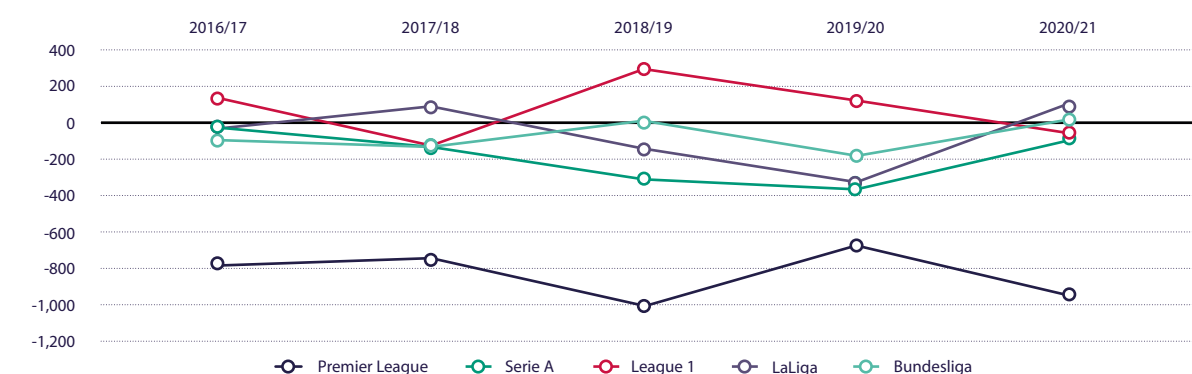
similar trends across the global football industry.²⁶ While smaller clubs and leagues have been affected the most by the pandemic, clubs at the top of the pyramid in the “big five” leagues have also experienced a significant decrease in the value of transfers.

FIGURE 24. DISTRIBUTION OF TRANSFER TYPES, 1 JUNE - 5 OCTOBER 2020



Source: KPMG Football Benchmark

FIGURE 25. EVOLUTION OF NET TRANSFER SPENDING IN THE “BIG FIVE” LEAGUES



Source: KPMG Football Benchmark



CONSIDERATIONS FOR PLAYER-CENTRIC POLICY DEVELOPMENT

The internationalisation of the employment market has created both opportunities and challenges for players. The importance of the modernisation and progressive development of player-centric regulations has never been more important and must be driven by the need to increase employment opportunities and the implementation of more efficient redistribution mechanisms in the football industry.

- Even though the media interest in transfers is often overwhelming, in practice a fee is involved only in a small share of all transfers and most players change employers without any financial transaction involved. This shows the fragmentation and complexity of the football industry, which has developed into a diverse economic sector in our societies.
- Furthermore, the presented data shows that the leading European football markets are engaging most of the football talent, driving and defining transfer fees. However, the impact of COVID-19 has shown that transfer spending by clubs is a reflection of the overall economic environment in the football industry.
- There are football markets outside of Europe whose clubs proportionally engage more expensive players against a fee than their regional counterparts, but these are far from the fees seen in the European “big five” countries. However, these football economies (e.g. China, Brazil, Mexico) are extremely important for the game and the employment context of their respective regions.
- There is no doubt that the global health crisis has brought uncertainty to professional footballers and the employment market. Increased loans and a lower transfer volume indicate a difficult market situation for many. However, as most players change clubs without a transfer fee, the revealed market data might give a misleading perspective of the overall market and employment situation.
- The current transfer spending in the top market segments of the global football industry indicates lower – but still stable – club finances, even in times of uncertainty and decreased revenues. The interpretation of the economic situation and its long-term impact on the transfer market, as well as what it means for the world of work of players and the stability of clubs, requires further analysis and more financial transparency to evaluate the situation in the context of player employment.

FIFPRO considers that a meaningful reform of the transfer system and related regulations is required not only to remove disproportionate restraining measures for the movement and freedom of players as employees, but also to benefit the overall industry and reduce speculative management practices as well as abusive business practices in some parts of the football industry.



Source: ANP

²⁶ Source: FIFA International Transfer Market Snapshot June - October 2020

SOCIAL MEDIA (COMMERCIAL)

Player content has become one of the most relevant sources for the local and global monetisation of the game. Football has developed into an industry where the popularity of a player, club or a competition can be exploited for financial and non-financial objectives.

With these developments, social media has become a powerful commercial and community-building tool that can amplify the views and messages of players and clubs alike. The social media data collection and analysis collated the number of followers of all first-division clubs

from all 79 selected countries across Facebook, Twitter and Instagram. The findings point to a significant discrepancy in football's global exposure: that a handful of clubs (brands) are able to dominate the landscape and capitalise on shifting consumer dynamics.

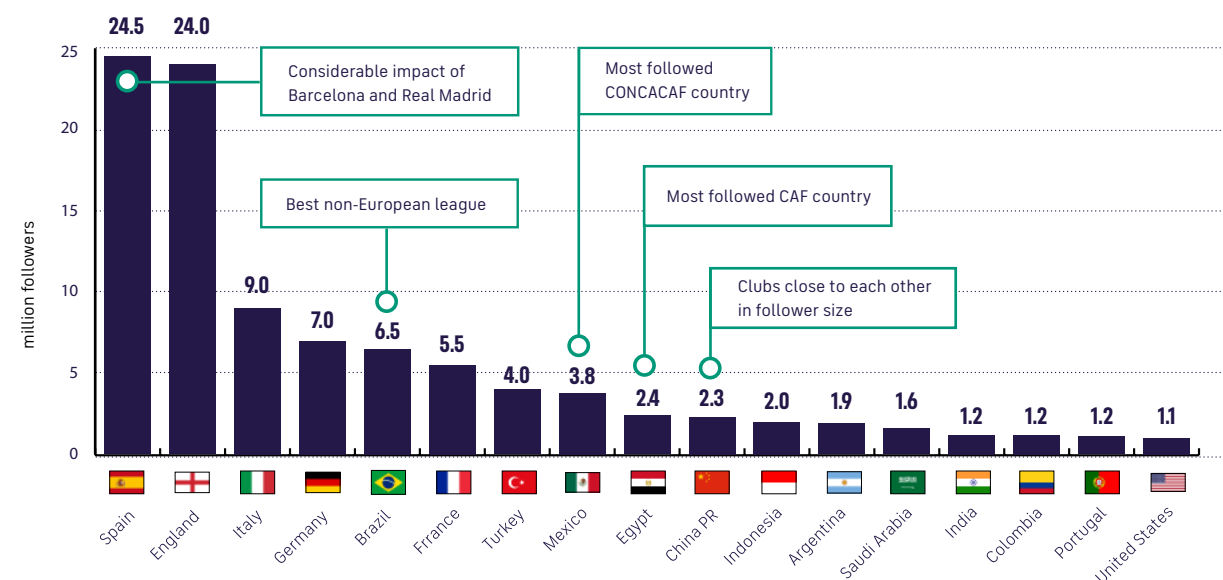
GLOBAL FOOTBALL MARKETS – SOCIAL MEDIA FOLLOWING PER REGION

The following charts show the social media landscape of different regions and countries. It should be noted that on Twitter, only the main accounts with the highest following (usually in the language of the club's country) were considered for every club and competition. A league's average number of followers is determined as the number of total followers of all clubs in the league on the three platforms divided by the number of clubs. Essentially, this gives the number of followers of an "average" club in each league.²⁷

Figure 26. shows the top leagues in our sample based on their average club follower figures. Two countries are

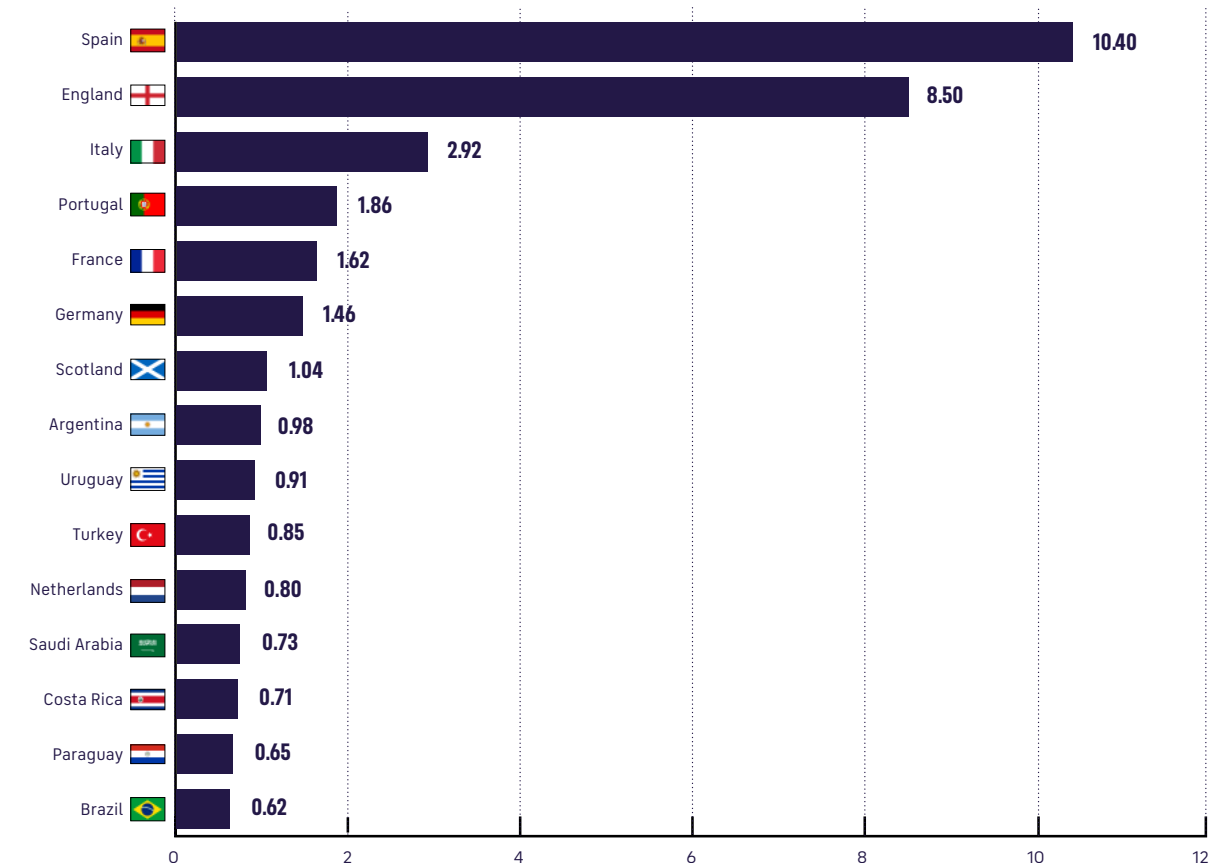
dominating the social media ranking at the top: English and Spanish first division clubs have almost three times as many followers on average as the third country in the ranking, Italy. Besides the global popularity of these leagues in general, their performance is also helped by being home to the most popular clubs and - in many cases - players of the world, as well. Spain's Real Madrid CF and FC Barcelona have a combined following of close to 450 million, which is 90% of all Spanish first division clubs' total number. In England, Manchester United FC (125 million followers) and other top clubs heavily distort the average figure for the first division as a whole.

FIGURE 26. TOP LEAGUES BY THE AVERAGE NUMBER OF CLUB FOLLOWERS



Source: KPMG Football Benchmark

FIGURE 27. TOP 15 COUNTRIES BY RELATIVE APPEAL (THE RATIO OF TOTAL FOLLOWERS TO COUNTRY POPULATION)



Source: KPMG Football Benchmark

This is further underlined by the fact that two thirds of all countries analysed average less than 500,000 followers per club. These leagues have minimal international appeal, and so the fan base of their clubs has a more local feel. Africa, with the exception of North-African countries and South Africa, is the confederation with the lowest amount of social media followers largely due to lower internet penetration. Most CONMEBOL countries from South America are in the middle of the pack.

In order to approximate a league's relevance beyond the borders of its home country, we developed another metric. 'Relative appeal' is calculated by dividing the total number of social media followers of all clubs in a league by the population of the country that league is based in. A high relative appeal ratio is usually down to one or two of the following key factors:

- a significant international appeal resulting in a multinational follower base, or
- a large share of the local population being passionate about football.

Interestingly, Portugal is ranked fourth, which can be explained by the combination of the two factors mentioned – a significant international follower base supported by strong local presence. The power of the local fan base is perhaps the most apparent in South America. The best examples are Paraguay and Uruguay, which are less successful or lesser-known internationally, or even regionally, yet follower numbers are substantial. Argentina and Brazil benefit from a large population and the prominence of a strong football culture. There is also a growing local following in Asia, which has massive potential due to the high population of many of its countries and a growing middle-class.

²⁷ We must also acknowledge that the three social media platforms selected for the analysis are not equally popular everywhere in the world. Alternative platforms have a significant number of users. However, the only necessary adjustment we made was in the case of China, because Chinese clubs do not have an official presence on the three platforms. For them, follower figures from Sina Weibo were used throughout the analysis.

PLAYER INFLUENCE IN SOCIAL MEDIA

FIGURE 28. THE 10 MOST FOLLOWED FOOTBALL PLAYERS BY THE NUMBER OF COMBINED FOLLOWERS ON FACEBOOK, TWITTER AND INSTAGRAM (AS OF 31ST OCTOBER, 2020, ONLY ACTIVE PLAYERS)



Source: KPMG Football Benchmark

In contrast, some countries don't have a very popular football product as their leagues' appeal lags behind those of international and foreign competitions/products. Many African countries fall into this category. Other countries' low relative appeal score can be attributed to their very high population: the cases of Iran, Russia, Nigeria, and China can be explained by this. It must also be considered that football is not always the most popular sport in every region of the world (e.g. North America, India)

For some players, social media has opened a new door for brand building and financial remuneration, although currently only a handful of them can rely on this revenue source in the long-term, and only as long as their play on the pitch remains at a high level.

“Social media has become a powerful tool that can amplify the views and messages of players and clubs alike.”


CONSIDERATIONS FOR PLAYER-CENTRIC POLICY DEVELOPMENT

Social media is not a playground exclusive to clubs; players utilise social media to increase their profile, generate commercial revenues and stay in touch with their fans. Compared to traditional media, these platforms remove a filter and enable more direct communication.

- The table on the left lists the top 10 most followed and active football players in terms of follower numbers, and compares that data with the social media fanbase of their respective clubs on the same platforms.
- An interesting phenomenon is that in many instances, players actually have more followers than their teams. The most extreme example is Cristiano Ronaldo, who is followed by almost five times as many people as Juventus FC.
- This is a testament to the emerging trend that elite players can re-enforce their profile independent from their employers. Moreover, some players have built a personal brand around their activity on social media and are generating a significant revenue from it.
- However, this avenue is only open to a handful of elite players. According to data from KPMG Football Benchmark, there were only 17 active players above 50 million followers and 128 players above 5 million as of 31st October 2020.
- Social media opened the way for players to become social ambassadors and the voice of certain communities or cases (such as discrimination, racism or inequality). While this is a powerful platform to create positive change, players have to be aware of their increased responsibility and new role in society, too.
- However, racist and discriminatory abuse has emerged and manifests itself in the online environment through platforms such as Twitter, Facebook, Instagram and others. The widespread hate-speech on these platforms is impacting the wellbeing of footballers worldwide in extreme ways as recently stated again by the Professional Footballers' Association, following several cases of racist abuse towards players online.
- A recent study conducted by the PFA found that, at a conservative estimate, over 40% of players are victims of targeted racist attacks online, confirming how this issue is alarmingly common. Players and citizens demand stronger regulations and interventions to end all forms of online abuse. Effective regulatory measures and interventions must be taken to protect players – and fans – from this unacceptable racial abuse.

MARKET STABILITY AND EMPLOYMENT CONDITIONS

The employment context for players across global football markets is defined by a high degree of regional variety and diversity. For the economic and employment conditions of players this means that there are considerable differences between the football markets and players can be faced with very different experiences throughout their playing career. The objective of this section is to provide a detailed overview of the stability of global football markets based on socioeconomic factors and the workforce reality for players.



COMPARATIVE FOOTBALL MARKET REVIEW

The following comparative review of football markets provides industry stakeholders and public institutions a better overview of the stability of domestic football markets, the overall employment situation of players and, therefore, the global state of the football industry.

APPROACH & METHODOLOGY

The ‘Shaping Our Future’ Report builds on the findings from the 2016 FIFPRO Global Employment Report and highlights the opportunities and the impact football stakeholders can have to shape the future of the global football industry in the coming decade.

The revenue structures across the global football industry re-confirm the findings from 2016 which highlighted a fragmented and precarious employment market for professional footballers across the global game.

As the experiences of professional players are defined by the opportunities and employment conditions in their domestic playing markets, a deeper understanding of the footballing and employment landscape provides

an evidence-based view to shape the necessary reforms, regulations and innovations of the future. The analysis of domestic football markets applies two distinct mechanisms for its review:



GLOBAL FOOTBALL MARKETS

The first analytical framework applies five indexes, each made up of multiple financial, operational and sports statistics metrics: Football economy, socioeconomic context, sporting success (performance), football popularity, and football participation rates.²⁸



Source: ANP

A detailed market segmentation and comparative analysis was carried out in which football markets were categorised into one of six clusters. Each cluster

includes football markets that displayed similar characteristics from a general socioeconomic, football economy and employment perspective.²⁹

The following five indexes are calculated for the market segmentation analysis:

INDEX	DESCRIPTION	METRICS
 FOOTBALL ECONOMY	Estimation of the strength and size of the domestic football industry in each analysed country based on a selection of key variables. Average revenue of all clubs in the top domestic division is the most important metric; it includes all operating income streams (matchday, commercial and broadcasting).	- Average club revenue in first division (2017/18 or 2018) - Number of active professional clubs in the country - Current value of the domestic broadcasting rights deal of the first division (annual value)
 SOCIO-ECONOMIC	Assessment of the economic and societal development level. The latter is represented by the Human Freedom Index of the Cato Institute and the Human Development Index by the United Nations.	- Real GDP per capita (current, 2018) - Country population (2018) - Human Freedom Index - Human Development Index
 SPORTING SUCCESS	Recent on-pitch performance of clubs, senior and youth national teams hailing from the analysed country. In most cases, only the last five full years were taken into account to provide an accurate picture of the current situation.	- FIFA ranking and points (2015-19 average) - Clubs' performance in continental club competitions - Youth national teams' performance (2015-2019)
 POPULARITY	Assessment of the popularity of the domestic football leagues and clubs, including an approximation of the on-pitch play's quality by using the market value of the players.	- Average social media followers of first division clubs (2019) - Relative appeal (ratio of all first division club followers to country population) - Player market value in first division
 PARTICIPATION	Understanding the size of the population who actively participates in football either as a professional player or only as a form of recreation. Helps in understanding the strength of the sport's domestic foundations.	- Number of male professional football players per one million in the population - Number of males actively playing football per one million in the population³⁰

²⁸ To see the values of every country for all five indexes, please refer to the Annex.

²⁹ For more details on the methodology and for the description of each cluster, refer to the Research Framework and the Annex of the report.

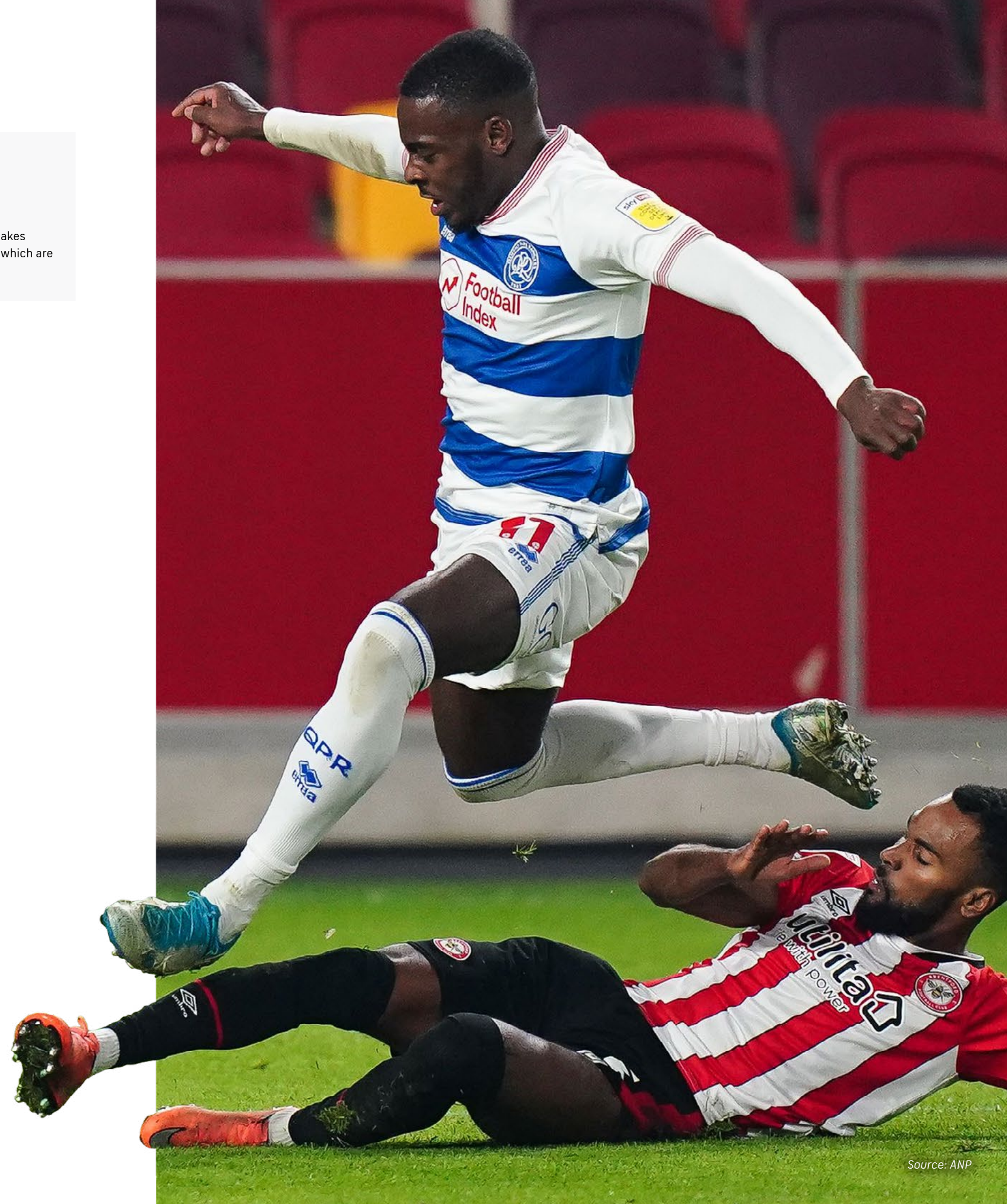
³⁰ Both index components are standardized and show how many play football professionally or at an amateur level per one million male population. We did not opt to use the absolute number of players, because the vastly different population between countries would have greatly distorted the analysis (bigger countries would have been at an advantage purely due to their population size).



THE WORLD OF WORK OF PLAYERS

The second analytical framework uses three distinct areas to review and understand the employment conditions of players. To understand the world of work of players in its entire complexity, the analysis takes specific playing and career conditions into account as well as a broader set of employment principles which are critical for the overall stability of the employment market for players.

FIGURE 29. THE THREE PILLARS OF PLAYER WORKING CONDITIONS



GLOBAL FOOTBALL MARKETS OVERVIEW

A detailed market segmentation and comparative analysis was carried out in which football markets were categorised into six clusters. Each cluster includes football markets that displayed similar characteristics from a general socioeconomic, football economy and employment perspective.³¹

- Countries displaying a similar development level in their general socioeconomic context and their domestic football economy were grouped into clusters. In total, six distinct clusters were identified.
- A country's higher position vertically means a better football economy index score, while the horizontal position is based on the socioeconomic index score.
- It is important to note that the clustering is strictly based on these two parameters and doesn't reflect other considerations, such as the general employment conditions of players in a country.



³¹ For more details on the methodology and for the description of each cluster, refer to the Research Framework and the Annex of the report.

THE SIX CLUSTERS AT A GLANCE

CLUSTER	COUNTRIES IN THE CLUSTER (5)	AVERAGE INDEX VALUES	SOCIOECONOMIC DEVELOPMENT	FOOTBALL ECONOMY DEVELOPMENT	PLAYER EMPLOYMENT CONDITIONS
Cluster A Primary football markets with a high degree of stability, backed by leading governance and employment conditions.	UEFA England France Germany Italy Spain	Average index values of all countries in the cluster Football Economy 0.96 Socioeconomic 0.82 Sporting Success 0.85 Popularity 0.97 Participation 0.62	Relatively populous countries that are characterised by advanced consumer markets, a high standard of living and protection of human rights. Favourable conditions for sustaining a developed football market, too.	The cluster consists of the five top European football leagues that are home to the world's most popular, and richest football clubs. Fuelled by commercial revenues and lucrative broadcasting deals, these countries are undoubtedly at the top of the global football pyramid. In addition, the impact of systemic trends that drive the football industry is felt across clubs, leagues and players in this cluster.	A common threat across the leading football markets is that they feature some of the most advanced player unions in the industry. The markets in these countries have a long tradition of collective agreements to govern the industry together with the players. However, particular workforce challenges exist for players even in the first divisions of these markets, such as overall workload, fragmented competition calendars, plus mental-health challenges and career transition.
Cluster B Football markets with a stable football economy, embedded in robust football governance and employment conditions.	UEFA Portugal Switzerland Norway Netherlands Austria Denmark Sweden Belgium Scotland CONCACAF USA Australia Japan	Average index values of all countries in the cluster Football Economy 0.62 Socioeconomic 0.81 Sporting Success 0.53 Popularity 0.47 Participation 0.67	Economically very advanced countries with high GDP per capita figures. All countries in this group also score well on Human Development Index and Human Freedom Index rankings, pointing to a high standard of living and societal development level. The Cluster is dominated by European (UEFA) countries.	Despite the favourable economic conditions, these countries have not reached the same heights in football industry terms as those in Cluster A. The market position also translates into on-pitch performance, both on a national team and club football level. The growth trajectory of these markets in comparison to Cluster A raises questions about the sustainability and future competition design for these markets.	The cluster features some of the most robust employment markets from a player perspective. The football markets feature not only some of the leading player unions but are also home to some ground-breaking collective agreements and governance structures between players, clubs and leagues. At the same time, these markets are impacted by systemic trends that create uncertainty in the domestic football industry. These trends raise questions about decisions on the future protection of quality jobs for players, and often cannot be solved solely by the domestic stakeholders as they involve a severe international dimension.
Cluster C Large football markets with advanced football economies, but often weak governance and employment conditions.	UEFA Turkey Russia CONCACAF Mexico AFC China PR CONMEBOL Argentina Brazil	Average index values of all countries in the cluster Football Economy 0.77 Socioeconomic 0.56 Sporting Success 0.70 Popularity 0.73 Participation 0.51	A diverse group geographically, with four confederations represented. Most countries in this group have high populations and a relatively advanced consumer market. However, basic protection of employment and human rights are legitimate concern in parts of these markets.	The common feature of football markets in Cluster C is that they seem to be over-performing in relation to what would be expected based on their overall socioeconomic development level. The sporting performance of these markets is also quite successful within their region, and the competitions often have a reliable fan base.	The football markets in this cluster represent some of the most iconic football countries in the world which can still provide players with attractive employment conditions. However, in some markets the weak governance structures and the disregard of basic employment rights can create a challenging workforce environment for many players. This also leads to general market instabilities and harms the long-term development of the industry in these countries. If these roadblocks could be overcome, further growth and stability could be achieved.

CLUSTER	COUNTRIES IN THE CLUSTER (25)	AVERAGE INDEX VALUES	SOCIOECONOMIC DEVELOPMENT	FOOTBALL ECONOMY DEVELOPMENT	PLAYER EMPLOYMENT CONDITIONS
Cluster D A large group of football markets with economic instability, often paired with sub-standard governance and employment conditions.	UEFA Cyprus Poland Hungary Greece Croatia Serbia Ukraine Bulgaria Israel Romania CONMEBOL Chile Uruguay Colombia Peru Ecuador CONCACAF Costa Rica AFC Saudi Arabia Qatar United Arab Emirates Iran India Indonesia Malaysia CAF South Africa Egypt	Average index values of all countries in the cluster Football Economy 0.40 Socioeconomic 0.54 Sporting Success 0.46 Popularity 0.43 Participation 0.60	- This is the largest of the six clusters with a very varied geographical distribution. - All of these countries are quite close to the median and the average socioeconomic development of all analysed countries. - Their ranking on the Human Development Index and Human Freedom Index can vary quite significantly, yet it is very likely that most countries are facing some challenges in at least one of the two categories.	- Cluster D leagues reflect a “mid-table” position from a football economy perspective. Apart from a few outliers, it is rare for these leagues to possess lucrative broadcasting or commercial deals, which is partially explained by their relatively small domestic markets. - While the football markets have similar socioeconomic structures as those countries in cluster C, their economies are in comparison are significantly lower. - When paired with sub-standard governance and employment conditions, this can often result in market instability.	- Players in these football markets can still benefit occasionally from lucrative contracts. - However, it is more common that players face challenging employment conditions regarding their status as workers or their overall representation. - In addition, overdue payables and non-payment are frequent and lead not only to player hardship but significantly harm the overall development of the football industry in the countries involved. - Together with a lack of overall football governance standards, this can attract criminal networks and such activities as match fixing, which can lead to player abuse across this segment of the global football market.
Cluster E Football markets with small football economies that provide minimum employment conditions but face significant challenges to sustain professional football structures.	UEFA Czech Republic Finland Ireland Malta Slovenia OFC New Zealand CONCACAF Canada AFC South Korea	Average index values of all countries in the cluster Football Economy 0.25 Socioeconomic 0.73 Sporting Success 0.32 Popularity 0.19 Participation 0.63	- With only eight members, this is the second-smallest cluster . - The strength of their domestic economy is quite high, but there is also a large deviation between them in terms of population and general standard of living. - Most of the countries in this cluster have a higher score on the Human Development Index and Human Freedom Index compared to countries in cluster D. - In fact, most of the countries here align with the scores of cluster B or even A.	- Generally, countries in this group perhaps underperform in football terms relative to their socioeconomic development and the general economy in the local market. - There could be several contrasting reasons behind this, including low population (Malta, Ireland, New Zealand, Finland), prominence of other sports (Canada) or the closeness of a more advanced football economy (New Zealand, Ireland). - The relatively low financial development of local leagues also limits the opportunities for players, as well as sporting success of most clubs and national teams in this cluster.	- The employment situation for many players is impacted by the general market position of the football economy in these countries. - The employment opportunities are rare and while the minimum playing and working conditions are often respected, the situation of many players will remain precarious. In most of these countries, the market structure will naturally limit the development opportunities of the football industry and therefore create a glass ceiling for the opportunities of players. - The challenges in this segment of the global football market can only be addressed by providing external support that provides new economic and playing opportunities outside the traditional thinking.
Cluster F Football markets with sub-standard employment and governance conditions that face significant challenges to develop professional structures.	UEFA Montenegro North Macedonia CONMEBOL Venezuela Paraguay Bolivia CONCACAF Honduras Guatemala Panama CAF Algeria Tunisia Morocco Nigeria DR Congo Cote d'Ivoire Zambia Guinea Senegal Ghana Botswana Cameroon Gabon Kenya Zimbabwe	Average index values of all countries in the cluster Football Economy 0.21 Socioeconomic 0.36 Sporting Success 0.39 Popularity 0.22 Participation 0.58	- The defining feature of Cluster F is that most African countries of our analysis are included here, mainly due to their low socioeconomic development level. - However, also three out of ten South American markets are represented in this cluster. - Low GDP per capita characterises most members of this group, which does not support the development of a strong domestic football industry. - The score on the Human Development Index and Human Freedom Index are amongst the lowest in the industry.	- The level of the football economy is very similar to some of the markets in cluster E. - Clubs and leagues have far lower revenues than those in other clusters; in some cases, commercial and broadcasting income is negligible. - However, the reasons for the low level of the football economy are different. - Mostly it is limited by low purchasing power of the local population. - It is therefore difficult for these countries to reach a higher level among global football markets. - Still, some members of the group have been successful on the pitch in recent years despite the economic difficulties.	- This market segment commonly features sub-standard employment conditions for players. - Players often do not have written contracts, which leads to high overdue payables and late pay. - Moreover, an absence of basic employment conditions leads to regular player abuse. - The situation for players is often further undermined by the lack of access to impartial arbitration and duly constituted DRCs. - The overall employment context and lack of governance standards leads to the most precarious segment of the global football industry. - However, despite all these challenges, the player talent in these markets is a fundamental workforce for the global football industry. - Also, player unions have established themselves as a critical voice for the stability of the industry in many of these markets. They require further support to help stabilise and professionalise the football industry.

GLOBAL FOOTBALL MARKETS & PLAYER CONDITIONS AT A GLANCE

CLUSTER A

Leading football markets with a high degree of stability backed by strong employment conditions for players.

Average index values of all countries in the cluster

Football Economy	0.96
Socioeconomic	0.82
Sporting Success	0.85
Popularity	0.97
Participation	0.62

UEFA

England

Italy

France

Spain

Germany

World map highlighting Europe

General Market Overview

Cluster A consists solely of the so-called European “big five” countries; these are the top divisions that earn much higher revenues than any other, fuelled by high commercial revenues, lucrative – and collectively negotiated – broadcasting rights deals and high stadium capacity utilisation.

These leagues are also home to the most popular football clubs and players (as shown in the social media analysis previously in the report), many of which have successfully leveraged their status in building global brands.

Economic & Socioeconomic Condition

All five leagues in the top cluster scored highly in both the football economy and the socioeconomic indexes. The latter undoubtedly has a considerable impact on the former.

All five are relatively populous countries with strong consumer markets and a high standard of living; such factors create a favourable environment for sustaining a developed football market. The economic and social stability of these markets is further complemented by decades of rich football history and tradition.

Market Specificities

It should be mentioned, though, that Cluster A is not perfectly balanced: England (Premier League) has the highest football economy index, reaching the first position in almost every component of it (club budget, number of clubs, large stadiums, broadcasting deals). The distance to other members of Cluster A is the most apparent in the average club budget metric.

Fuelled by very lucrative broadcasting rights deals on a global scale, an average English Premier League club had an operating income of over EUR 270 million in FY2018, followed by the German Bundesliga at EUR 175 million, a sizeable difference.

Systemic trends are driving the transformation of these markets and are creating pressure within the domestic eco-systems and among stakeholders.

Sporting Success

First division clubs of the “big five” countries are often considered to be the best in the world, consistently dominating the European continental competitions on the pitch.

The national teams of the five countries are also more successful compared to the majority of countries that are regular participants in the FIFA World Cup. The last four World Cup winners all came from this cluster (2006 – Italy, 2010 – Spain, 2014 – Germany, 2018 – France).

Popularity

Cluster A scored very highly in the popularity index (0.97), far exceeding everyone else’s level, thanks to a vast international follower base and a high level of overall playing quality.

These factors make these competitions a very attractive proposition to potential commercial partners. This leads to higher revenues, which further strengthens the advantage of this group over others, sustaining a “virtuous cycle” of development.

Participation

In Cluster A, England scores the highest in this regard (high number of professional and amateur players compared to the population size), while Germany scores the lowest.

THE WORLD OF WORK OF PLAYERS

Player careers & conditions

The general employment conditions in these markets are amongst the leading conditions players can experience across the global football industry. At the same time, the working and playing opportunities in these markets are limited and thus extremely competitive.

However, within the first divisions of these markets the working and playing conditions can be fragmented between teams within a league and even within teams. The remuneration for players can also vary substantially.

In addition, the skill and talent of many players in these markets creates a high demand for their availability for club and national team football. Players in these markets often suffer from extreme workload and a crowded competition calendar, increasing the risk of injury as well as hampering sustainable career paths and their ability to perform at peak.

Institutions of work & the game

The football markets in this cluster not only feature the most advanced club footballing landscape but are also home to some of the most advanced player union structures, including the formal integration of player representation in the domestic governance and decision-making structure.

Player unions such as AIC (Italy), AFE (Spain), the PFA (England) and UNFP (France) have been at the forefront of ground-breaking collective agreements between players and football stakeholders in their countries.

Such agreements have contributed to the overall stability of the football market, ensuring employment conditions which have allowed for sustainable growth of the respective football industries.

The commitment to freedom of association, collective bargaining, and stakeholder representation is a mutual reassurance between all football stakeholders in these markets to form a stable industry environment that allows the game to develop and prosper.

Sustainable work in the football industry

As these markets constitute the leading footballing ecosystems, they have naturally been at the forefront of the commercial development of the game. Today, these markets are again exposed to global drivers and systemic trends that have the ability to shape football markets and employment environments for players.

The future working and playing conditions in these markets must depend on the collective processes and decisions of football stakeholders. Players, and their representative unions, will be an important voice in this context.

The fight for equality, fair representation and social justice can further drive the transformation of these markets in the coming decade. This includes the protection of the right to freedom of expression in stadia, the inclusion of persons from diverse backgrounds in decision-making positions, and the impact players and the game can have on their communities.

At the same time, the playing experience for players in these markets is heavily influenced by the introduction of new technologies such as Goal-Line Technology (GLT), Video Assistant Referee (VAR) and other player data-based innovations.

Similarly, rapid advancements in the consolidation of player data tracking, as well as the commercialisation of the next wave of event, tracking, and biometric data remains a space in which the concerns of player privacy and exploitation must be protected.

100

SHAPING OUR FUTURE

Source: ANP

GLOBAL FOOTBALL MARKETS & PLAYER CONDITIONS AT A GLANCE

CLUSTER B

Football markets with a stable football economy and a strong link between football governance and employment conditions.

Average index values of all countries in the cluster

Football Economy0.62

Socioeconomic0.81

Sporting Success0.53

Popularity0.47

Participation0.67

UEFA

Portugal

Switzerland

Norway

Netherlands

Austria

Denmark

Sweden

Belgium

Scotland

USA

AFC

Australia

Japan

General Market Overview

The football economies in these countries are situated exactly where they are expected to be based on the size and strength of their domestic economy (see trend line).

Cluster B consists of economically advanced countries with high real GDP per capita. These countries’ football economies also score quite highly, but ultimately behind Clusters A and C. This creates pressure within these football markets about competitiveness and the identification of opportunities for sustainable growth.

All countries in this group score very high in recent Human Development Index and Human Freedom Index reports, too which is a testament to the relatively high societal development level and standard of living. This has a positive effect on fundamental employment rights for players and their collective representation within the governance structures of the game.

Economic & Socioeconomic Condition

The cluster includes no less than eight European (UEFA) countries. These leagues have been an integral part of the continental football ecosystem for a long time and remain important players.

However, the size of their domestic market is much smaller than those of the countries in Clusters A and C, which somewhat limits them from reaching the same heights in football. This is clearly reflected in their domestic broadcasting revenues, which are significantly smaller than for the countries of Cluster A.

Portugal's population is similar to that of other members of Cluster B, but it can boast multiple valuable football brands in SL Benfica, FC Porto or Sporting Clube de Portugal, thus achieving a high football economy score. These clubs regularly compete in European competitions and boost the profile and finances of the league.

Market Specificities

The USA has the highest socioeconomic index score among all countries in our sample (0.96) and the development of the MLS also shows the gradual development of the domestic football market. Together with Japan, they are the countries whose football scene have undergone a truly transformative evolution in recent decades and have improved considerably. Japan has the most lucrative domestic broadcasting rights deal by far among these countries, in excess of EUR 150 million per year.

Many of the European markets in this cluster feature one or two elite clubs within their leagues, creating a specific competition dynamic within the market.

Sporting Success

The sporting success index only has an average score of 0.53 in Cluster B; these clubs are rarely expected to make it to the final rounds of continental competitions, apart from exceptional performances. There are perhaps two exceptions in Portugal (0.84) and Japan (0.65). The latter has a relatively high sporting success score due to Japanese clubs reaching three finals and experiencing two triumphs in the last three AFC Champions League tournaments.

The overall situation is similar at the national team level in terms of success relative to other clusters. A very telling example is that five out of 11 countries in Cluster B did not qualify to the 2018 FIFA World Cup. Again, with Portugal and the Netherlands as potential outliers of the group, which can be explained with an extremely strong football culture, a long-lasting legacy of the game, and the existence of a few select elite clubs within their domestic eco-system.

Popularity

Popularity of football in Cluster B mirrors the strength of their overall football economy: clubs’ and leagues’ following is limited mostly to the domestic scene. US, Dutch and Portuguese clubs can boast the highest average number of social media followers in this group, while the three Scandinavian countries make up the last three.

Especially in European countries, there are generally one or two clubs whose popularity far outweighs all others in every Cluster B league (e.g. Celtic and Rangers in Scotland, Basel in Switzerland, etc.)

Participation

On average, football participation rates are the highest in this group among all clusters (0.67), pointing to strong foundations. Two Scandinavian countries, Norway and Sweden, are the leaders of the group in this regard.

UEFA

Portugal

Switzerland

Norway

Netherlands

Austria

Denmark

Sweden

Belgium

Scotland

USA

AFC

Australia

Japan

THE WORLD OF WORK OF PLAYERS

Player careers & conditions	- The working and playing conditions for players in these football markets are predictable and, in most cases, of high quality. While the playing and working environment differs significantly from the absolute top markets in the industry they are still among the best and most professional in the global football industry. - The football markets in these countries are usually a direct reflection of the strong market economies in the countries, paired with a robust commitment to workers and employment rights. In the ecosystem of the global football industry, these markets can provide players with a high degree of stability for their contracts and labour. These markets are seen, for many players, as a stepping stone to enter the top markets at a later stage. - At the same time, this market segment suffers from fragmentation within the markets which means that only a limited number of players can enjoy lucrative employment conditions. The unique position of these markets triggers a firm commitment to player development and career transition to ensure a second career off the pitch.
Institutions of work & the game	- All markets in this cluster feature a player union with an associated FIFPRO membership. There is in almost all cases a common understanding between the professional football stakeholders about the added value of a well-functioning player union to operate a stable domestic football market. - The recognition between the different football stakeholders, their respective roles and responsibilities as well as the structured relations are an indication of the maturity of these markets and their governance structures. - The Netherlands, USA and Denmark have featured some of the most innovative and leading collective agreements in the football industry involving the domestic player unions (VVCS, MLSPA, Spillerforeningen).
Sustainable work in the football industry	- Aside from USA and Japan, all domestic markets in this cluster face specific challenges linked to their domestic playing environments due to a rapidly changing international competition landscape and the saturated economic conditions in their home markets. - The similar size and proximity of some of these countries has triggered reflections on future competition design and competitiveness. A new vision for the next decade is needed, or players could face negative impacts to their working and playing environments, particularly if competition organisers don't increase their focus towards the creation of new and innovative measures to support the future development opportunities of these markets. - USA and Japan provide best-practice cases to show how strategic investment can create stable footballing environments which are able to compete for players and employment opportunities at the highest level of the industry. These also set the example for other football markets in other market segments to build robust and reliable competition formats.

102

SHAPING OUR FUTURE

Source: ANP

GLOBAL FOOTBALL MARKETS & PLAYER CONDITIONS AT A GLANCE

CLUSTER C

Large football markets with an advanced football economy and sometimes weak governance that causes challenging employment conditions.

Average index values of all countries in the cluster

Football Economy	0.77
Socioeconomic	0.56
Sporting Success	0.70
Popularity	0.73
Participation	0.51

UEFA

Turkey

Russia

CONMEBOL

Argentina

Brazil

CONCACAF

Mexico

AFC

China PR

General Market Overview

- Representing four different regions or football confederations, Cluster C is characterised by a diverse geographical distribution of countries: even though the group has only seven members, making it the second smallest in our analysis.
- Many of these markets have a rich football culture which is driving high attendances and strong football economy.
- However, some of these markets are undermined by weak governance standards and market instabilities.

Economic & Socioeconomic Condition

- The feature that clearly distinguishes this cluster from the rest is that the member’s average football economy index score is the second strongest after Cluster A, even though they are much further behind in terms of the strength of their domestic economy (as shown by the socioeconomic index).
- Countries within this group have vastly different profiles. Many could succeed partially due to their large population, which somewhat compensates for the lower GDP per capita and lower purchasing power of the local population.

Market Specificities

- China is a peculiar member of this group. The specific government approach to professional football has helped to grow this market in a short period of time, while major questions exist about the sustainability and employment conditions.
- Since the mid-2010s there have been concerted central efforts from the Chinese state to improve the standing of the football industry and transform China into a leading footballing market. The plan includes significant investments into infrastructure and outlines the goal of hosting and then eventually winning the World Cup in the coming decades.
- At the same time, Argentina stands out as an employment market in this cluster with an extremely strong collective organisation of players and related safeguards for them.

Sporting Success

- Most members of Cluster C score quite high in the sporting success index, both at the national team (e.g. Brazil, Portugal) and club levels (e.g. Mexico, Argentina). Representatives from the non-European Cluster C countries often dominate their respective continental club competitions.

Popularity

- Countries with famously football-loving populations, such as Turkey, Argentina, Brazil or Mexico, show strong results in attendances, aiding the leagues financially. This is also shown by their high popularity index score and probably boosts the participation and sporting success index scores, too.

Participation

- The outliers here are Argentina, Brazil and Mexico: one in ten males actively plays football in these countries. China is the lowest scoring in this category, followed by Russia. The latter also scores the lowest in popularity among the countries of Cluster C – this is in line with the country's relatively low sporting success in recent years compared to the other leagues’ in this cluster.

THE WORLD OF WORK OF PLAYERS

Player careers & conditions

- Several markets in this cluster represent iconic football cultures and therefore interesting and attractive employment markets for footballers. Significant attendance rates at professional games in these countries, combined with passionate fan cultures, can create an exciting playing and competition environments for players.
- However, several domestic football markets in this cluster (e.g. Russia, China, and Turkey) provide often fragile and precarious employment conditions for footballers. This can result in a high number of legal disputes between players and clubs about unpaid wages and unilateral contract terminations. Furthermore, players can face a high-degree of employment pressure to accept sub-standard conditions and other abusive situations.
- In addition, the employment conditions can significantly differ within the teams in these markets. It is therefore extremely difficult in many cases to ensure a consistent playing and working experience for players. Basic employment conditions are often missing since collectively negotiated standard player contracts are rare. Argentina is an exception in this cluster with one of the oldest established player unions in the region, which has resulted in significant collective agreements benefiting the protection of players in the domestic industry.

Institutions of work & the game

- The sometimes fragile employment situation of players in football markets such as Turkey, Russia, and China is exacerbated by minimal protection of basic employment and human rights. Not only are players experiencing significant challenges to institutional fundamentals such as freedom of association and representation, but even if a player union can be organised there is a low commitment to meaningful collective solutions and labour agreements.
- However, there are also domestic football markets such as Argentina, Mexico and Portugal in this cluster where player unions have increased the protection of players and therefore created a more reliable and stable employment market for professional footballers.

Sustainable work in the football industry

- All football markets in this cluster face specific challenges to their sustainable growth and development (for example, the significant dependence on government policy and regulation in China).
- The disrespect of player contracts and sub-standard working conditions have a negative impact on players and threaten the growth potential of domestic markets such as Russia, China and Turkey.
- It is not uncommon for clubs in Russia, China and Turkey to lose their license or go bankrupt without any structures in place for players to seek recourse.
- To build a more sustainable and professional industry, it is necessary for further investments into the working and playing conditions of players, as well as a strong commitment to the institutions of work such as freedom of association, collective agreements and access to impartial arbitration.
- By addressing these issues, the football markets in this cluster can provide for players more attractive and stable employment environments.
- Discrimination and abuse is a serious threat to a players' career in some of these markets and requires specific attention by the football stakeholders and public authorities.

Source: ANP

104

SHAPING OUR FUTURE

GLOBAL FOOTBALL MARKETS & PLAYER CONDITIONS AT A GLANCE

CLUSTER D

Smaller football economies paired with potential sub-standard governance and employment conditions.

Average index values of all countries in the cluster

Football Economy	0.40
Socioeconomic	0.54
Sporting Success	0.46
Popularity	0.43
Participation	0.60

UEFA

Cyprus

Poland

Hungary

Greece

Croatia

Serbia

Ukraine

Bulgaria

Israel

Romania

Chile

Uruguay

Colombia

Peru

Ecuador

CONCACAF

Costa Rica

AFC

Saudi Arabia

United Arab Emirates

Qatar

Iran

India

Indonesia

Malaysia

CAF

South Africa

Egypt

General Market Overview

Cluster D represents the “mid-table” of the 79 countries included in the global football market analysis. It presents a realistic reflection of market structures and shows often limited growth opportunities. It is also the largest cluster, with 25 member countries in total, all of them situated close to the median and with average socioeconomic and football economy indexes.

The cluster shows a varied geographical distribution: five major confederations (without OFC) are represented by at least one country. With this wide regional spread, a range of regional specificities are a key characteristic of this cluster. This includes various different degrees of economic and socio-economic factors.

Economic & Socioeconomic Condition

The football markets in this category score typically high in one or two key metrics. For example, India is categorised here mostly on account of being the second most populous country on Earth, while Qatar has a high GDP per capita figure. It should also be mentioned that many countries in this group show serious shortcomings in the protection of human and basic employment rights. However, there are some domestic football markets in this cluster, such as Poland, for example, which does have the potential to develop into more sustainable and profitable markets.

Market Specificities

The average value of broadcasting deals for leagues in this group is around EUR 15-20 million per annum, substantially less than the revenue available to the top leagues in Cluster A. There is a high standard deviation though, with leagues such as Chile, Poland and Saudi Arabia reaching income above EUR 40 million from this revenue source, while others earn small amounts in comparison. In other markets, the instability of the domestic situation alongside low broadcasting rights values could be seen as a significant limitation to league growth.

The two best-performing African countries in our analysis – Egypt and South Africa – are both in Cluster D.

Sporting Success

Colombia and Uruguay both score above 0.8 in the sporting success index thanks to their very successful national teams and clubs. Only Cluster A and B countries have similar index scores, making these two South American countries truly outliers in their peer group. Countries such as Croatia or Uruguay could score high on the national team rankings but will have less success at club level.

Popularity

Interestingly, the popularity index score for Cluster D as a whole is not far from Cluster C, even though there is a considerable difference in the development level of their football economies. However, looking beyond the headline figure, we can see that these high scores are mostly linked to a handful of countries that have much higher average social media followings than the rest of Cluster D: Saudi Arabia, Colombia, Egypt, India and Indonesia all stand out from the rest. The average number of social media followers of their first division clubs is above one million.followers of their first division clubs is above one million.

Participation

Again, average participation rates are similar to every other cluster; football is truly universal in this regard. However, there are of course large differences within the cluster. Countries such as Uruguay or Croatia could be considered traditional footballing nations; a relatively large proportion of the domestic population participates in football either at a professional or amateur level. Meanwhile, populous countries such as India have a disadvantage as the share of football participants is significantly lower.

THE WORLD OF WORK OF PLAYERS

Player careers & conditions

The working and playing conditions for players in this segment are probably the most fragmented of all the global markets. While a limited number of players, mostly foreign players, can benefit from stable and sometimes lucrative contractual playing arrangements (e.g. in countries such as the UAE, Qatar, Egypt, Iran among others), most of them will suffer from the absence of the most basic human rights and workers’ protections.

This leads again to numerous legal disputes between players and clubs concerning unpaid wages and other breaches of contractual arrangements in many of these markets. However, due to the big cultural and regional differences in this cluster, it is important to review the specific situation for each confederation individually.

The average salary structure in this market segment of the football industry is usually low (see specific comment on the possibility of lucrative individual contracts above). The precarious situation in the employment market leads to a weak bargaining position for many players resulting in short-term contracts. This is also expressed by the low volume of transfer fees spent in this market segment as most of the players move as free agents.

While some players can benefit from better working and playing conditions in a few select clubs in each market, the majority of players are exposed to weak protection standards also triggered by the fact that many countries do not recognise their status as workers.

Institutions of work & the game

The challenging status of professional footballers in gaining recognition as workers in Eastern Europe has severe knock-on effects regarding their access to basic medical protection and social security. In addition, the lack of recognition impacts other forms of representation for players across the governance and decision-making of the football industry.

While the majority of CONMEBOL countries (except Ecuador) in this cluster have well established collective processes in place, many of the Eastern European or Asian countries have none or limited experience in their domestic football markets, and are therefore missing positive circumstances in their labour relations. As a result, the development of the domestic football markets is held back, as the industry is missing out on the input players can bring to the table to identify a more sustainable development path for the football industry.

Players in such market environments rely on the access to efficient and duly constituted arbitration frameworks. The absence of fair and impartial arbitration mechanisms has a negative impact on each player and creates a spiralling effect on the entire football market, as it rewards unsustainable management practices and criminal behaviour. An urgent review of football governance mechanisms would be required in many markets to allow for positive and sustainable development of the football industry in the future.

Sustainable work in the football industry

The cumulative effects of sub-standard working and playing conditions often attracts criminal networks who further threaten the integrity of the game in the domestic markets. Players are vulnerable to such approaches when you consider the broader precarity of their employment environment.

Some domestic football markets in this segment have the possibility to pursue a path towards sustainable development in the future based on their economic potential and a re-enforced commitment to good governance and player conditions. While not every market has the same potential for growth, each one can create more stability in its eco-system through a strong commitment to important elements in the overall working environment of professional footballers.

Finally, these markets would also benefit from a renewed commitment by the football industry to innovate not only the top competitions but to invest and build sustainable pathways across the divers global footballing landscape.

Source: ANP

106

SHAPING OUR FUTURE

GLOBAL FOOTBALL MARKETS & PLAYER CONDITIONS AT A GLANCE

CLUSTER E

Small football markets with underperforming football economies, low popularity scores and a limited economic conditions

Average index values of all countries in the cluster

Football Economy	0.25
Socioeconomic	0.73
Sporting Success	0.32
Popularity	0.19
Participation	0.63

UEFA

Czech Republic

Finland

Ireland

Malta

Slovenia

OFC

New Zealand

CONCACAF

Canada

AFC

South Korea

General Market Overview

Cluster E is a small group of just eight countries. Most of them (five) belong to UEFA, but it also includes New Zealand, the only OFC representative of the entire sample.

The football markets in this cluster have similar market structures as the countries in cluster D but cannot leverage their full economic potential despite a more stable socioeconomic environment.

Economic & Socioeconomic Condition

The common feature of these football markets is that their football economies are all slightly underperforming compared to where they would be expected to be based on the strength of their domestic economy.

Generally, members of this peer group are not the strongest global economies, but they are performing relatively better compared than other countries in their respective regions, which could in theory be a “fertile ground” for football development.

There could be various reasons behind why this is not the case: low population (e.g. Malta), football not being the primary sport in the country (e.g. Canada, New Zealand), or the best local clubs taking part in a neighbouring country's league (e.g. Canada, New Zealand).

Market Specificities

It should be mentioned that there is significant variation within the group, as shown by the scatter chart: countries are situated quite far from each other in the socioeconomic-football economy dimensions. As a result, it is difficult to reach overarching conclusions for Cluster E.

The football markets in this segment indicate the important correlation between economic and social aspects to develop a sustainable football market with significant market volume and respect for player and working conditions.

Sporting Success

With the exception of South Korea and perhaps the Czech Republic, countries of Cluster E score quite low in sporting success metrics – both at the national team and club levels. We rarely see them represented during the later stages of international competitions.

Popularity

With basically no exceptions, the popularity score of all countries in cluster E are among the lowest. This is because of a small follower base in both at the club and league-level and is reflected in the low combined market value of players in the domestic leagues.

Participation

Participation figures overall are quite good in the cluster (e.g. Czech Republic, Ireland). The exception is South Korea.

THE WORLD OF WORK OF PLAYERS

Player careers & conditions

Players can experience various different working and playing experiences in these markets. The football markets and the employment conditions are quite different to one another.

Several countries in this cluster – Canada, Malta, Ireland and Finland – have a small domestic market and a limited number of professional teams. While the employment conditions can be stable and reliable, the economic conditions of the football markets only allow for modest remuneration in most cases. Basic player development measures and non-financial support structures play a crucial role in these markets as some players may pursue another job or form of employment alongside their playing career.

For many of the players in these markets, the required professional structures and conditions cannot always be guaranteed across all teams of the domestic competition.

Consequently, there are football markets in this cluster in which specific challenges exist because of the market size and revenue structures of the football industry. This can lead to semi-professional, or borderline professional conditions.

The cumulating effects of sub-standard working and playing conditions can often trigger a spiralling effect on the conditions for players and the overall stability of the football market.

Institutions of work & the game

Some of the countries in this cluster have built reliable cooperation structures between player unions and the other football stakeholders which include both collective agreements and representation in the governance structures of the game.

However, other markets are still suffering from a lack of institutional representation and collective approaches to address industrial matters. This is not only a reflection of the semi-professional standards that might exist in some parts of these markets but stands for a general culture in the game that dismisses the legitimate right of players as workers and stakeholders of the industry.

The access to arbitration and fair trial also remains a major concern in markets such as Malta and the Czech Republic, and as a consequence these markets can experience a high number of employment related disputes.

Sustainable work in the football industry

Often players can experience many limitations in their playing career in this market segment. Playing opportunities might be short due to small league structures and a low or inconsistent number of competitive games, as well as general market fragility due to low revenue turnover and opportunity. Football stakeholders have no or limited support to innovate their competition structures or to re-think the future possibilities for the game in their country.

It is clear that without support and innovation, the domestic football markets in this segment do not have the possibility to enter a sustainable development path for the future of the game. However, this requires a strong commitment to a collaborative and future-oriented vision, achieved and adhered to through good governance and the fostering of positive relationships with the institutions surrounding the game.

108

SHAPING OUR FUTURE

A full-page photograph of a male soccer player in a red and white vertically striped jersey, red shorts, and red socks. He is captured in a dynamic pose on a green grass field, with his mouth open in a shout or yell and his arms outstretched. The background is a blurred green field.

Source: ANP

GLOBAL FOOTBALL MARKETS & PLAYER CONDITIONS AT A GLANCE

CLUSTER F

Football markets facing significant challenges to the sustainable development of professional structures

Average index values of all countries in the cluster

Football Economy	0.21
Socioeconomic	0.36
Sporting Success	0.39
Popularity	0.22
Participation	0.58

UEFA

Montenegro

North Macedonia

CONMEBOL

Venezuela

Paraguay

Bolivia

CONCACAF

Honduras

Guatemala

Panama

CAF

Algeria

Tunisia

Morocco

Nigeria

DR Congo

Cote d'Ivoire

Zambia

Guinea

Senegal

Ghana

Botswana

Cameroon

Gabon

Kenya

Zimbabwe

General Market Overview

The primary defining feature of Cluster F is that most African countries of the overall sample are included here. However, CONMEBOL is also heavily represented with three out of its 10 countries in this cluster.

This is mainly due to their low socioeconomic index scores, showcasing the fact that the region is composed of economically emerging nations as well as some difficult economic environments in general. Even if a country performs well in other categories, this obstacle is difficult to overcome. The status of the socioeconomic development of most of the countries in this cluster has a direct knock-on effect to the employment conditions in the football markets. Often very basic workers’ rights, such as insurance or access to remedy, are not available.

As a consequence,, the best local talents often leave the domestic playing environment at a very young age to join football leagues and clubs outside the region.

Economic & Socioeconomic Condition

Low GDP per capita is also a common characteristic across the cluster members – none of the countries have a GDP per capita over USD 20,000. As there is a lack of consumer demand from those that possess enough disposable income, football leagues cannot grow domestically and are often stuck at a low level of development. At the same time, the socioeconomic development index also shows very low metrics across all categories of the data collection.

Market Specificities

The main market specificity is that all of these obstacles do not hinder the continuous development of some of the world’s best players in the African region. Also, the sporting success from the national team at international competitions shows the significant talent originating from this region. However, the success of players could be much higher if the playing and employment conditions in the domestic markets were based on stronger commitment to player development.

The general access and availability of talented players provides a critical starting point to further stabilise and professionalise the football markets, through investments into infrastructure and employment conditions.

Sporting Success

An interesting finding is that, on average, Cluster F has a higher sporting success index score than Cluster E – with countries such as Nigeria, Tunisia or Morocco regular participants in continental championships and FIFA World Cups. Meanwhile, some clubs from this group have also enjoyed success on a confederation level, even though this is often based on the sporting performance of just a few select clubs.

At the same time, the worst-performing countries in terms of sporting success are also found here; Kenya, Botswana a North Macedonia rarely play in the main stages of regional competitions.

Popularity

Popularity scores are consistently weak throughout the cluster, only three countries – Paraguay, Tunisia, Morocco – have scored above 0.4 in this index. This is in line with the low football economy index scores, as there is a relatively strong correlation between the two indicators in most clusters.

Participation

Finally, it must also be pointed out that even though Cluster F is behind other groups in almost every aspect, it is not the case with football participation. Their score of 0.58 is not far off from the highest score of 0.67, which belongs to Cluster B. This points to the truly global appeal of the game and showcases that decent participation levels are not entirely dependent on financial investments.

THE WORLD OF WORK OF PLAYERS

Player careers & conditions

While there is a growing number of player unions present across the region, significant challenges continue which restrict players from developing meaningful representation in the domestic football industry. In particular, a strong and formalised commitment to better governance from football decision-making bodies would constitute a first step towards social dialogue and collective bargaining missing in many markets.

This also results in a lack of duly constituted arbitration tribunals at a national level, which subsequently prevents players from the possibility of a fair trial and due process. When arbitration tribunals are in place, the enforcement of decisions constitute an additional obstacle. The lack of contracts, paired with overdue payables and missing access to fair arbitration is again creating an environment in which negative market characteristics become catalysts that hinder any long-term development of the domestic football markets.

Institutions of work & the game

The creation of sustainable employment conditions requires a dedicated action plan in most of the markets and across the regions.

As in other challenging market environments, players are often lacking sufficient playing opportunities and will therefore leave the domestic football market if at all possible.

Safe work places are again one of the main priorities in order to provide players with fair and dignifying working conditions. Human trafficking and especially the protection of minors pose key challenges in many of these markets, as young talents are being exploited for possible future gains.

Insufficient infrastructure and prohibitive technology costs mean that the development of new and innovative technologies poses an obstacle for competition organisers and players in these markets as they cannot gain equal access to such tools.

It is clear that without support and innovation, the domestic football markets in this segment do not have the potential to enter a sustainable development path for the future of the game. However, this requires a strong commitment to a collaborative and future-oriented vision, achieved and adhered to through good governance and the fostering of positive relationships with the institutions surrounding the game.

Sustainable work in the football industry

The creation of sustainable employment conditions requires a dedicated action plan in most of the markets and across the regions.

As in other challenging market environments, players are often lacking sufficient playing opportunities and will therefore leave the domestic football market if at all possible.

Safe work places are again one of the main priorities in order to provide players with fair and dignifying working conditions. Human trafficking and especially the protection of minors pose key challenges in many of these markets, as young talents are being exploited for possible future gains.

Insufficient infrastructure and prohibitive technology costs mean that the development of new and innovative technologies poses an obstacle for competition organisers and players in these markets as they cannot gain equal access to such tools.

It is clear that without support and innovation, the domestic football markets in this segment do not have the potential to enter a sustainable development path for the future of the game. However, this requires a strong commitment to a collaborative and future-oriented vision, achieved and adhered to through good governance and the fostering of positive relationships with the institutions surrounding the game.

Source: ANP

ANNEX



RESEARCH FRAMEWORK & METHODOLOGY

In order to closely examine the state of the men’s professional football industry the methodology is based on a range of economic and employment-related information, and entailed a mapping of the economic facts and figures from global, confederation and national levels within in.

The assessment presented in this report goes beyond the mere financial facts: the market segmentation of domestic football industries also builds on a wide range of socioeconomic, football participation and sporting-performance statistics. Furthermore, the report provides a context on how the global football industry will develop under the conditions presented by the COVID-19 crisis, which is based on an economic impact assessment undertaken by FIFPRO using data and analysis by KPMG Football Benchmark.

REPORT STRUCTURE

The research is based on a forward-looking analysis that aims to understand the relationship between the driving factors of global football markets and the required working conditions of the players, followed by the recommended course of action. The state of the game is

analysed with a distinct focus on the segmentation of global football markets as well as the economic and institutional environment of the men's game after COVID-19.^{32 33 34}



SYSTEMIC TRENDS THAT SHAPE THE GAME

How has the global football industry developed into the leading team sports and one of the leading entertainment industries in the world? What are landmark events of the past and what are the systemic trends that are impacting players and the football industry over the next five, 10 and 15 years?



GLOBAL FOOTBALL MARKETS

The analytical mechanism applies five indexes, each made up of multiple financial, operational and sports statistics metrics: Football economy, socioeconomic context, sporting success (performance), football popularity, and football participation rates.

³² To analyse the political, economic, social and technological factors that create new opportunities or generate obstacles for the development of professional football, we applied a PEST (political, economic, socio-cultural and technological) analytical model. The objective of this model is to identify influential global trends that shape our world today.

³³ In order to draw a realistic and comprehensive picture of professional men's football on a global scale, data and information were collected from multiple sources and through various methods, including primary interviews with executives and experts, the KPMG Football Benchmark platform and secondary research focusing on existing thought leadership studies from sources such as FIFA and UEFA. Key findings from previous FIFPRO studies have also provided valuable inputs as well as specific COVID-19 impact assessments. Finally, the use of multiple sources helped in corroborating the same facts in many cases, further improving the reliability of the analysis.

³⁴ The recommendations and proposed ways forward are the outcome from the working and playing experiences of players in the global industry, domestic player union research, the outcomes of the FIFPRO Expert Group on Industrial Reforms and additional market intelligence in the football industry.



THE WORLD OF WORK OF PLAYERS

To understand the employment conditions of players in their entire complexity, the analysis takes specific playing and career conditions into account as well as a broader set of employment principles which are critical for the overall stability of the employment market for players.



SHAPING THE FUTURE OF OUR GAME

Which practical steps can the football industry take to improve the stability of domestic football markets? How can player-centric reforms, progressive regulation and collective governance provide stability across football markets to shape a sustainable future of the global football industry?

MARKET AND ANALYSIS SAMPLE

In carrying out this exercise, FIFPRO selected a sample group of 79 countries in total. The aim was to give as wide a geographic scope to the analysis as possible, while understanding that for some regions it is difficult to obtain reliable data. All selected countries must have fulfilled at least one of three criteria to be considered for inclusion:

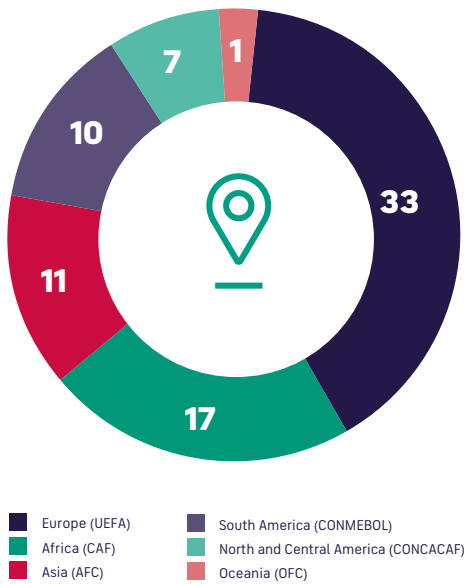
- a national player union that is a member of FIFPRO;
- the country's football clubs, or national team have shown strong on-pitch performances at least on a regional level in recent years; or
- a high population.

The analysis of the preceding chapters aims to cover all 79 countries when there was ample available data. Crucially, it must be noted that all full member countries of FIFPRO are represented in the report and many of the candidate and observer level members, too.

More than 40% of the analysed countries come from UEFA. This is in line with expectations and the elevated status of European countries in the global football landscape. The second-largest contingent is Africa, with 17 representatives.

All ten countries from CONMEBOL (South America) were included in the analysis. The smallest confederation is OFC, with only New Zealand covered in the sample. The largest country of the geographical region of Oceania is Australia, but they are part of the Asian confederation (AFC).

FIGURE 30. COMPOSITION OF ANALYSED COUNTRIES BY REGION



GLOBAL FOOTBALL MARKET DATA

Cluster	Country	Confederation	Football economy index	Socioeconomic index	Sporting success index	Popularity index	Participation index
Cluster A	England		1.00	0.84	0.89	1.00	0.69
	Germany		0.97	0.90	0.91	0.95	0.56
	Italy		0.97	0.78	0.80	0.98	0.64
	Spain		0.95	0.77	0.84	0.98	0.61
	France		0.91	0.84	0.81	0.95	0.61
Cluster B	Japan		0.76	0.84	0.65	0.39	0.39
	United States		0.73	0.96	0.83	0.50	0.38
	Portugal		0.71	0.69	0.84	0.78	0.74
	Netherlands		0.67	0.82	0.48	0.69	0.70
	Belgium		0.62	0.76	0.66	0.53	0.67
	Scotland		0.60	0.71	0.28	0.62	0.46
	Australia		0.59	0.80	0.44	0.33	0.54
	Switzerland		0.56	0.85	0.49	0.46	0.64
	Austria		0.55	0.81	0.45	0.35	0.88
	Denmark		0.55	0.80	0.43	0.35	0.68
	Sweden		0.53	0.81	0.52	0.36	0.97
	Norway		0.52	0.81	0.32	0.31	0.97
Cluster C	Turkey		0.85	0.57	0.44	0.82	0.52
	Brazil		0.83	0.56	1.00	0.85	0.59
	Mexico		0.76	0.59	0.92	0.78	0.68
	China PR		0.74	0.52	0.39	0.58	0.15
	Argentina		0.73	0.56	0.95	0.83	0.68
	Russia		0.70	0.60	0.50	0.50	0.46
Cluster D	Chile		0.55	0.62	0.68	0.49	0.75
	Poland		0.54	0.64	0.49	0.41	0.51
	Saudi Arabia		0.52	0.53	0.50	0.70	0.41
	Colombia		0.48	0.52	0.88	0.61	0.51
	Hungary		0.47	0.60	0.28	0.23	0.67
	Ukraine		0.46	0.48	0.59	0.34	0.55
	South Africa		0.45	0.53	0.51	0.48	0.69
	Greece		0.45	0.58	0.33	0.46	0.72
	Israel		0.40	0.62	0.20	0.25	0.69
	Egypt		0.40	0.40	0.55	0.64	0.51
	United Arab Emirates		0.40	0.61	0.40	0.36	0.81
	Uruguay		0.39	0.55	0.83	0.48	0.90
	Peru		0.39	0.52	0.51	0.49	0.54
	Iran		0.37	0.45	0.60	0.34	0.15
	Ecuador		0.36	0.43	0.65	0.54	0.68
	Romania		0.36	0.61	0.38	0.37	0.65
	Qatar		0.36	0.58	0.41	0.37	0.78

● UEFA (33) ● CONMEBOL (10) ● CONCACAF (7) ● AFC&OFC (12) ● CAF (17)

Cluster	Country	Confederation	Football economy index	Socioeconomic index	Sporting success index	Popularity index	Participation index
	Costa Rica		0.35	0.50	0.69	0.47	0.87
	Cyprus		0.34	0.62	0.19	0.29	0.89
	Malaysia		0.33	0.55	0.18	0.42	0.44
	Croatia		0.33	0.57	0.54	0.43	0.84
	India		0.32	0.49	0.19	0.42	0.15
	Bulgaria		0.31	0.54	0.28	0.23	0.60
	Serbia		0.29	0.49	0.45	0.37	0.55
	Indonesia		0.29	0.55	0.16	0.52	0.18
Cluster E	Czech Republic		0.36	0.71	0.45	0.29	0.82
	Canada		0.35	0.83	0.32	0.10	0.40
	South Korea		0.34	0.75	0.63	0.26	0.37
	Finland		0.24	0.76	0.23	0.18	0.73
	Ireland		0.21	0.81	0.36	0.25	0.73
	Slovenia		0.21	0.66	0.24	0.17	0.77
	New Zealand		0.15	0.70	0.23	0.10	0.32
	Malta		0.13	0.61	0.10	0.18	0.88
Cluster F	Morocco		0.37	0.37	0.60	0.46	0.50
	Algeria		0.33	0.37	0.53	0.27	0.52
	Paraguay		0.32	0.41	0.59	0.47	0.78
	Tunisia		0.29	0.35	0.60	0.46	0.72
	Zambia		0.28	0.32	0.42	0.10	0.65
	Venezuela		0.27	0.39	0.55	0.30	0.57
	Bolivia		0.25	0.36	0.38	0.33	0.57
	Ghana		0.25	0.39	0.46	0.19	0.59
	Nigeria		0.23	0.43	0.62	0.10	0.22
	Honduras		0.22	0.34	0.51	0.37	0.75
	Senegal		0.22	0.31	0.57	0.10	0.66
	DR Congo		0.22	0.26	0.39	0.21	0.21
	Côte d'Ivoire		0.21	0.32	0.43	0.10	0.59
	Cameroon		0.19	0.27	0.39	0.10	0.59
	Guatemala		0.18	0.42	0.20	0.33	0.62
	Kenya		0.17	0.40	0.13	0.15	0.50
	Gabon		0.16	0.33	0.20	0.10	0.86
	Zimbabwe		0.16	0.21	0.12	0.10	0.24
	Panama		0.15	0.48	0.47	0.28	0.75
	Botswana		0.14	0.48	0.10	0.18	0.88
	North Macedonia		0.12	0.43	0.15	0.16	0.62
	Guinea		0.10	0.18	0.43	0.10	0.34
	Montenegro		0.10	0.48	0.23	0.10	0.73

● UEFA (33) ● CONMEBOL (10) ● CONCACAF (7) ● AFC&OFC (12) ● CAF (17)

FREQUENTLY ASKED QUESTIONS

1 IS THIS DATA IMPORTANT WHEN IT COMES TO EVIDENCE-BASED DECISION MAKING AND IMPROVED REGULATION IN AND FOR THE GAME?

Player-centric data is essential for making evidence-based and informed decisions which can shape the future of the game for the better. The analysis and conclusions compiled in this report are based on the evidence we found, and are offered with a view to better regulating the game in the years ahead.

We collected data and information from multiple sources, and through various methods, in order to draw a realistic and comprehensive picture of professional men's football on a global scale. These included primary interviews with executives and experts, use of the KPMG Football Benchmark platform, and secondary research which focused on existing thought-leadership studies using sources such as FIFA and UEFA. Key findings from previous FIFPRO studies, as well as specific COVID-19 impact assessments, also provided valuable insights. Finally, we used multiple sources to corroborate facts in many cases, further improving the reliability of the analysis.

2 ARE THERE ANY LIMITATIONS TO GLOBAL MARKET SEGMENTATION?

Any macroeconomic analysis is complex and open to interpretation. The accompanying analysis has been carried out using available data in the football industry, and comes with a caveat of certain limitations and exclusions. A detailed market segmentation and comparative analysis was carried out in which football markets were categorised into six clusters. Each cluster includes markets that displayed similar characteristics from a general socioeconomic, football economic and employment perspective. However, the segmentation is limited by the reliability of data, the influence of external factors, and by the sample size itself.

FIFPRO selected a sample group of 79 countries in total. The aim was to give as wide a geographic scope to the analysis as possible, while understanding that for some regions it is difficult to obtain reliable data. While every effort was made to apply the methodology consistently, professional judgment was required in certain instances, such as when nation-specific factors weren't not addressed by the data sources.

3 WHAT ARE THE MAIN CHALLENGES TO ACCESSING EMPLOYMENT-RELATED DATA IN THE FOOTBALL INDUSTRY?

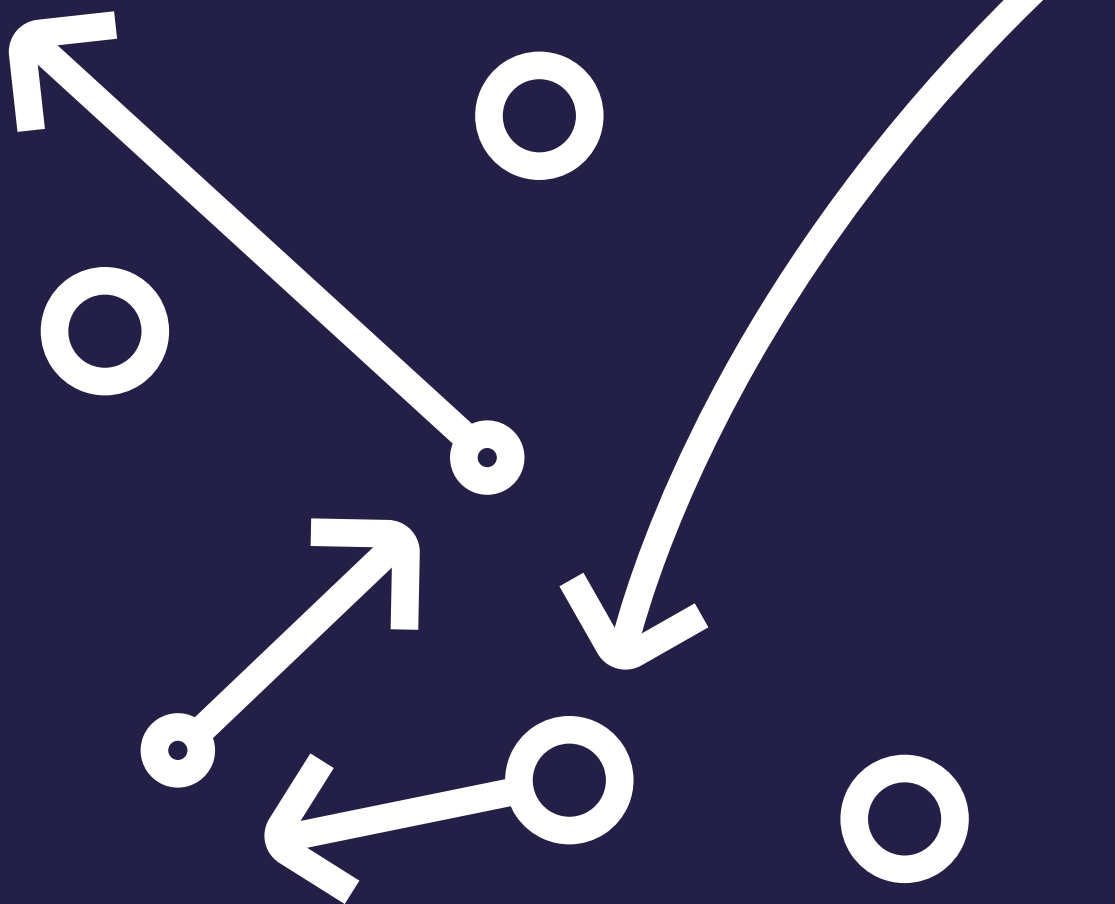
Obtaining reliable and accurate employment data is one of the biggest challenges when it comes to compiling a detailed analysis of the football industry. Transparent financial data can often be difficult to obtain, with some organisations not subject to the same disclosure requirements as regular companies. Furthermore, in some regions, a lack of organisation and accountability can mean reliable statistics are hard to obtain. Other factors, such as differences in accounting practices and currency fluctuation, can further hinder the comparability of certain data.

However, the assessments undertaken and presented by FIFPRO in this report go beyond mere financial facts. The market segmentation of domestic football industries also builds on a wide range of socioeconomic, football participation and sporting-performance statistics, and uses data and analysis by KPMG Football Benchmark to ensure it's as accurate as possible.

4 IS THERE A NEED FOR A MORE DETAILED EMPLOYMENT INDEX IN THE FUTURE?

Yes, a more detailed employment index, featuring a wider range of countries, is definitely possible in the future. In order to better compare the status and the direct effects of working and playing conditions for footballers on the overall development of domestic football markets, it is important to develop a specific players' employment and football governance index. This would provide an even more accurate perspective on the analysis and conclusions presented here. Detailed analysis as a catalyst for informed strategic decision-making is key to shaping the future direction of the game.





FIFPRO
FOOTBALL
PLAYERS
WORLDWIDE



fifpro.org



info@fifpro.org



+31 23 554 6970



Scorpius 161,
2132 LR Hoofddorp
Netherlands

*This report was realised in association
with KPMG Football Benchmark*

*Photo cover by:
ANP*

*Main photo sources:
ANP*