

Supporters Direct
the supporters' trusts initiative



WHAT IS THE FEASIBILITY OF A SUPPORTERS DIRECT EUROPE?

EXECUTIVE SUMMARY

LONDON, AUGUST 2008

PREPARED FOR UEFA BY SUPPORTERS DIRECT



“Let’s recognise supporters as an essential part of the identity of clubs.”

Michel Platini, election programme, The Future of UEFA

“In an ideal world football clubs would be legally structured and governed in ways that prioritise sporting objectives above financial aspects. Moreover, all clubs would be controlled and run by their members – e.g. supporters – according to democratic principles.”

UEFA, strategy document

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This Executive Summary summarises the full report: “What is the feasibility of a Supporters Direct Europe?” The full report is the result of a study commissioned by UEFA to investigate the feasibility of extending the work undertaken by Supporters Direct within the UK across the remainder of UEFA’s members associations.

The factors underpinning the development of Supporters Direct in the UK were specific to the economic, cultural and social circumstances of British football. It was clear that these circumstances would not apply to other European countries with differing sporting and legal systems.

Even so, one can make too much of cultural difference and ignore the commonalities. In the European Sports Model, fans watch players play for clubs, who compete in national leagues and cups and the top clubs in each country play cross-border matches in competitions organised by UEFA. The creation of the club, the league and the national association as the basic units of spectator football is a shared inheritance across the continent that gives a vital starting point. The sheer passion that exists for football across Europe is another commonality.

The growth of the trust movement in the UK is evidence of the desire of football supporters to play a part in the ownership and governance of clubs. This desire is the most central issue, as this is the fuel for the trust movement. Without it, all the policies, reports and support cannot make any impact at all.

In assessing the feasibility of a Supporters Direct Europe, it was necessary to answer several related questions. Supporters Trusts in the UK are a grassroots movement, and so the priority was to look at grassroots fan groups and see what their stance was on issues relating to ownership and governance. Did they want to become involved? Had they tried to become involved? What support did they need?

The next issues were – assuming a desire existed – how could fans become involved? Looking at their clubs, were they able to become formally involved in ownership and governance, and how could they go about that? Did provision exist for them to buy shares or did national legislation or football regulations enable them to become involved as of right without reference to shareholdings?

Background

Supporters Direct in the UK is funded through football in England, and in Scotland by the Scottish Government.

On the initiative of the UK Presidency of the European Union, in 2005, José Luis Arnaut was commissioned to undertake what became known as the Independent European Sport Review.

One of his recommendations directed at the football authorities was for them: “to examine the feasibility of a European Supporters Direct body”.

UEFA liaised with Supporters Direct in the UK to address this recommendation and funded a 12-month feasibility study, managed by an independent researcher (overseen by Supporters Direct UK), that commenced in July 2007.



THE WIDE SPECTRUM OF FAN CULTURES

In most of the countries studied, several different groups with differing aims and objectives were identified and the relative popularity of these different cultures varied from country to country.

There is an axis between, on the one hand, fans who value independence and non-involvement and, on the other hand, fans who wished to become more involved with the clubs, the league and the national association. In Italy and France, for example, some representatives of the Ultra tendency were not hugely concerned about the issue of ownership and governance in their club. Whilst they understood that they could have more influence by becoming more active in the governance of their clubs and in the national association, this was only a potential benefit. Outweighing this was, in their analysis, the possibility of having their independence compromised.

This is not to say that all Ultras are reluctant to engage with their

clubs on a formal representative level. There is evidence (in Italy especially) of groups and individuals within the Ultra movement who recognised the benefits of becoming more involved.

In other countries, groups often covered a variety of issues, often relating to the core experience of supporters in travelling to and watching matches, or tackling racism.

Even so, there are many fan groups who understand the benefits of becoming formally involved in governing their clubs and looked to the trust model in the UK as a source of inspiration. The stage of development of these groups is conditioned by the legal and cultural factors present, but they all have needs which could be addressed through the services of a Supporters Direct Europe.

BELGIUM



Most professional football clubs in Belgium have adopted the structure of non-profit organisations. Football supporters in Belgium are currently not particularly involved in the running of their clubs. Clubs can define and modify their statutes, which presents an opportunity for supporters to become formally involved.

However, the research has found some examples of fan involvement that are worth mentioning in this context. The main challenge that these local and national groups face are acquiring financial support for their day-to-day business and organising their own legal structure (they often lack even basic democratic structures). A Supporters Direct Europe could help in promoting services and foster engagement by responsible fan groups.

CZECH REPUBLIC



In principle, fans are not involved in any decision making processes within their clubs, which are mainly structured as joint stock companies and in exceptional circumstances as limited liability companies. However, informal contact between the club and its fans, where classic supporters' club issues are discussed, do often exist.

Most supporters' groups currently use informal structures, while the Bohemian supporters' trust is the only one of its kind in the Czech Republic. There is no national supporters' group representing club-based supporters and, according to the information available, nobody is pursuing any intention to establish such a group. In principle, the fan scene in the Czech Republic is relatively new and the level of fan organisation relatively low. Football is attempting to become the primary sport in the country and advice and information provided by a Supporters Direct Europe could be beneficial at this stage.

FRANCE



Historically, French citizens have shown a relatively low level of interest in their domestic competition when compared to other footballing nations of a similar size. There is no tradition of involving fans in the management and ownership of the clubs, although both the supporters and those running the clubs currently appear to be comfortable with their existing roles.

The formal links between supporters and the clubs they support typically involve mainly security issues. The French Senate's report about football supporters should be followed with the establishment of a dialogue between the supporters and the football authorities. A Supporters Direct Europe could promote opportunities for responsible supporters' groups and foster engagement with the clubs they support and the authorities.



GERMANY



Since 1998, professional clubs have had the opportunity to move or incorporate their professional football section into an external limited company that is separate from the parent club (the parent club being the members' association). However, the co-existing members' associations have to retain the majority shareholding of the newly separated limited companies. This '50+1% rule' makes it impossible for investors to take over German football clubs.

Meaningful fan involvement within those ownership structures and regulations has been achieved in several cases. Overall, the ownership regulation guarantees the opportunity for the members' association to influence the limited company through the 50+1% stake in their parent club.

The actual influence of independent supporters' clubs and Fanabteilungen (fan departments), and Ultra groups, is dependent on various factors, the most relevant ones being: the ownership structure, governance structures, club statutes and the fan culture at the respective clubs. Fan involvement in German football has no single model, neither for fan groups which are part of the clubs, or for independent groups. Hence, the research shows that the standards and levels of fan involvement in the running of their clubs varies from club to club. There are well-respected and organised fan groups on the local and national level, supporting fan democracy and the 50+1% rule.

However, the fan groups have not currently developed their agenda far enough to be of much benefit to fan groups at the club level when it comes to questions of governance, which is due to various reasons and partly the fact that everybody works on a voluntary basis and therefore lacks time to be further involved.

ITALY



In principle, fans are not involved in any decision-making processes at the professional clubs in Italy. Little general or formal contact of major significance exists between the clubs and their fanbases.

Nevertheless, initiatives have existed where fans have raised enough money, bought shares in the club and helped their club to survive. However, the fan groups didn't see their shares as marketable assets, and any long-term approach or involvement in running their club seemed alien to them. In general, fan groups simply don't have any strategies, nor do they follow any particular ownership and governance models themselves.

The most important element for a Supporters Direct Europe at this stage would be in empowerment and creating, maintaining and supporting responsible fan networks. What is critical is that the existing groups don't remain isolated, either in reality or perception. A Supporters Direct Europe could advise groups on becoming democratically organised and offer routes to influence.

SPAIN



In 1992 all professional football clubs whose finances showed a negative balance had to transform from members' associations into Sports Public Limited Companies ("SADs"), which changed the status of supporters dramatically. Supporters who are dissatisfied with the management of their clubs and want to improve transparency and good management have organised themselves as minority shareholders' associations or have undertaken initiatives at several clubs. Furthermore, supporters are challenging the current predominant ownership structure of professional football clubs in Parliament and wish to reinstate the structure of members' associations in Spanish football.

Collaboration with Supporters Direct UK has already been established to help in developing common strategies for enhancing performance, and could be continued by a Supporters Direct Europe. This has already seen the formation of two groups modelled on trusts in the UK, as well as the development of a national body addressing issues related to fans becoming involved in ownership and governance.



NOTE ON METHODOLOGY

The six countries chosen represent a geographical spread and a compromise between the goals of the project and the available resources. Ideally, it would have been possible to have surveyed all 53 member associations of UEFA in depth, but this was not practically possible.

Whilst there has been existing work on the economics and finances of clubs, for example, there is no study such as this already in existence.

Given the diversity of fan culture in each country and the time available for the research, the reports could only give a brief overview of the environments in which fan groups exist in the countries covered. Unfortunately time did not allow coverage of further fan groups but this could be studied as part of a development of this initiative.

Why a Supporters Direct Europe is needed

Volunteers

A repeated statement made is that when it comes to organising fans and making them a credible force within their clubs, fans are hampered by the fact they are volunteers working in a context of professional sport. Fans are trying to organise these groups and organise programmes at the same time as having jobs and families. As with all volunteer-run groups, this makes them often dependent on a small but committed number of individuals, and so an unforeseen change in individual circumstances can have a big impact on the progress of the wider group.

In this context, a Supporters Direct Europe would be able to support the development of groups as they have done in the UK. All of the groups are run by volunteers, but because they have been able to call upon the work of a central body, their efforts have been more focused and the groups are more resilient. A small input in terms of resources can have a much, much bigger impact. In this respect, Supporters Direct UK has already shown that it has the ability to add value, and is convinced that the same can be achieved outside of the UK.

Quality Control

The supporter scene is a diverse one, but experience in the UK shows that the ability of trusts to become involved in clubs is greatly aided by the confidence clubs can have in the quality and attitudes of the groups concerned. Supporters Direct has essentially licensed its model and only allows groups to

use its models when it has established that they are bona fide supporters committed to democracy, accountability, non-violence and non-discrimination.

This quality control enables groups who do not share the principles underpinning the trust movement to be prohibited from joining it, whilst the complimentary benefits of a unity of purpose greatly assist those groups within that movement.

Of course, in the UK, this is aided by the ability to licence usage of a specific legal form (the Industrial and Provident Society model rules for a supporters mutual). It is difficult to implement a similar dimension so easily across Europe, but a central body would be able to establish that all the groups it worked with signed pledges to non-violence, non-discrimination and democratic operation. That is only possible though if there is a central body able to monitor in the event of those pledges not being secured.

What else could a Supporters Direct Europe help improve?

Fight Against Violence and Racism

In addition to the quality control issue mentioned above, there is evidence which shows that where fan-club relations are characterised by violence in the stadium, a sense of involvement and ownership of the more responsible and constructive tendency of fans can make a positive impact in terms of reducing violence.

Whilst football-linked violence is a complex phenomenon, the study found

hints that part of the cause might be a sense of alienation from the club, leading to a sense of support being a vicarious pleasure. In the long-term, building a sense of involvement and ownership is a crucial step to bringing responsibility. In short, people are less likely to be violent in their own house; the trouble for too many clubs and fans is that the emotional sense of ownership of the stadium is not matched by a sense of ownership of the club which is responsible for the after-effects of their behaviour.

Club Governance

It has been commented that, in many countries, fans already have power. In some countries – notably Germany – fans already hold formal power by virtue of the clubs being organised as members' associations.

However, as described in the full report, the actual participation in the governance of the clubs by fans varies and large-scale mass participation is not the norm. The crucial point here is not the active number of fans involved and it is unrealistic to expect supporters to be more interested in the governance of the club than the performance of the team or the progress on the field.

However, fans are aware when the governance at the club needs improvement in order to make the team perform better; an excellent example here is Barcelona. For many years, fans had campaigned for a change to the governance of the club, and linked poor governance to poor financial management, which they argued underlay poor performance on the field.

The issue was not that being a members' association was a way of guaranteeing success; football is a competitive game and thus outcomes are always in flux. However, the advantage of Barcelona's governance was that supporters could act to make changes to the governance at their club.

Dialogue between Fans and National Football Associations

As part of the study, UEFA surveyed its own members, the 53 national associations, and asked their views regarding their own dialogue with supporters, and their views on providing support to enable a better dialogue between fans and clubs, and fans and national associations.

- The national associations all believe that it is important to improve dialogue with supporters and two-thirds think it is very important to improve this dialogue. Good governance will help supporters



to be more representative and become serious responsible partners.

- Two-thirds of national associations believe that a central national organisation advising club-based supporters would be beneficial. Good governance of national supporters' organisations is crucial to be accepted among fans and associations.
- If national associations have a relationship to supporters groups they are often based on security issues (anti violence and anti racist) and moving these onto more positive agendas will improve relationships and outcomes.
- Nearly half of all national associations believe that it is definitely a good thing for supporters to have a say in the running of the club – this, however, would only make sense if they are organised properly.

This clearly shows that there is a desire amongst the national associations to improve their dialogue with supporters. That dialogue will be better developed if those national associations could benefit from both being aware of best practice in managing relationships, and that the supporters they wish to engage with have consulted with, and benefited from the advice of, a central body promoting certain aims and principles which are in accord with UEFA's priorities.

In some countries, there is already a group with whom the national association is in dialogue, but the survey results show that national associations could benefit from additional advice and expertise in developing their own dialogue. Many fans begin from a perspective of scepticism about those in authority, and so if the dialogue is to have legitimacy, any advice received by National Associations must be perceived by those fans as credible (e.g. given by an organisation with a track record of working for and with supporters).

Recommendations

Main Conclusions

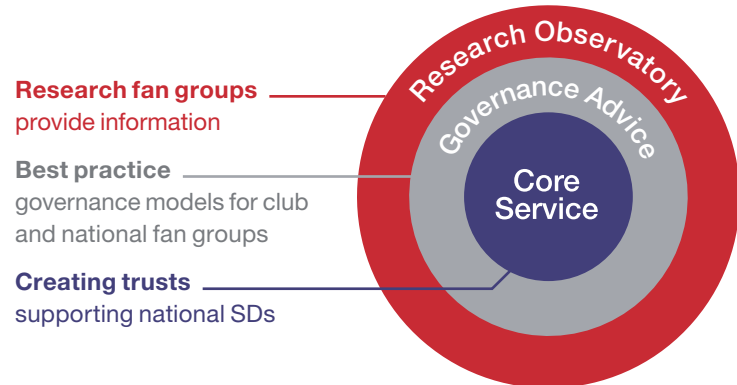
- There is a demand outside the UK for services similar to those provided by Supporters Direct UK and a Supporters Direct Europe could enhance the contribution fans can make to a wider agenda of ensuring that clubs are financially stable by ensuring they conform to good governance.
- Fan groups are already looking to take advantage of this potential support, and are keen to see the initiative continue.
- In addition, a Supporters Direct Europe could contribute to raising the standards of

supporters groups, helping create partners for dialogue which will benefit in the first instance clubs in Europe, but by extension, national associations and UEFA.

- A Supporters Direct Europe would need to be a genuine movement owned by and responsible to the supporters groups with whom it worked. The idea that supporters groups would be subordinate to an organisation governed from the UK or by UEFA is simply not tenable.
- By supporting further work on this agenda,

recognise the value of having a good legal structure and good governance. They recognise that this makes them more able to enter dialogue with clubs, national associations and leagues. A Supporters Direct Europe would have the independence and credibility to provide this service.

There is also a desire for national supporters' groups to be formed by fans themselves and by national associations. A Supporters Direct Europe could advise on models to help make this happen in a



UEFA will be taking a lead in the process started with the Independent European Sport Review as part of the wider policy agenda to improve governance of fan groups and football clubs and tackle some of the problems affecting the sport. Having taken such a lead, UEFA will be well placed to urge others to take action.

There are three key services that a Supporters Direct Europe could provide:

1. Fan group involvement in clubs

This would be the core service of a Supporters Direct Europe, similar to that provided in the UK, advising groups on forming responsible organisations to become actively involved in the governance of their clubs, with Supporters Direct Europe promoting robust models and advising on ways forward using national corporate and football governance frameworks. There is no one-size-fits-all model, but guidance and advice would have to be tailored according to the groups' needs, developed in cooperation. A Supporters Direct Europe would offer advice on the different types of supporters' involvement, depending on the situation.

2. Fan group governance – clearing house for best practice

Many groups do not yet wish to become actively involved in their clubs, but do

mutually beneficial way, ensuring groups conform to Europe-wide agreed standards for democracy, governance and do not become associated with violent, racist or extreme political groups.

3. Research and information (observatory of fan groups)

The research has revealed a wide diversity of fan cultures, which contrasts with a tendency to view fans monolithically. This lack of understanding has impacted on the ability of fan groups and authorities to engage with each other. Continuing to monitor the development of fan groups will provide a useful tool for UEFA and others, to have credible information.

The growth of the internet has made information about players and matches widely available to a previously unheard of depth. Fans can find out the scores for matches in the 4th tier of minor leagues in Europe, but finding out the situation in relation to ownership, governance and the fan scene is often virtually impossible, because this report is for all intents and purposes the first time this has been brought together.

For a copy of the full report, please go to: www.supporters-direct.org

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Note: The term "supporter" and the term "fan" have been used interchangeably throughout this document.



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