

Billionaires' European Super League proposal shelved amid mass opposition from football fans

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The proposal this week by a group of billionaires to inaugurate a breakaway football European Super League (ESL), rapidly shelved due to protests from fans, is a case study in how capitalism distorts and degrades everything it touches.

Rumours grew last week that a select group of Europe's richest clubs were set to establish a lucrative new league, after at least three years of discussion. The clubs decided they had not wrested enough financial concessions from European football's governing body, UEFA, and would no longer play in its premier European club competition, the Champions League.

The ESL clubs officially announced late Sunday that they had signed a binding agreement and that a new competition would be formed. The clubs involved were Real Madrid, Barcelona and Atlético Madrid from Spain's La Liga; Manchester United, Manchester City, Liverpool, Arsenal, Chelsea and Tottenham Hotspur from the UK's Premier League; and Juventus, AC Milan and Inter Milan from Italy's Serie A.

This met with an immediate backlash on social media and in demonstrations outside football stadiums by supporters. Popular opposition was joined by opposition from UEFA and world body FIFA, which have much to lose by the ESL scheme. The proposals for the new league rapidly collapsed, with nearly all the ESL clubs withdrawing by Tuesday evening.

At the first Premier League match played after the announcement, between Leeds United and Liverpool at Leeds's Elland Road home, hundreds of fans denounced the move. At Liverpool's Anfield stadium, fans placed banners on its gates reading, "Shame on you" and "Super Greed". Fans at Manchester United's Old Trafford stadium held up a banner reading, "Created by the poor, stolen by the rich".

Leading players at all the ESL clubs spoke out against the move. Former Manchester United player and leading pundit Gary Neville, in a video that went viral and was seen by millions, called for the English clubs involved to be relegated from the Premier League.

Clubs not part of the project were unanimously opposed, with the Premier League threatening to expel the six British ESL clubs from the most lucrative and watched football competition globally. Had the move gone forward, broadcasting revenues

would have been diverted to the historically more successful ESL clubs who have fan bases globally of billions. Many professional clubs, even in top leagues, would have been threatened with going under.

Protests by fans continued even after the ESL proposal collapsed. Many demanded that billionaire owners not be allowed to control clubs as their playthings.

The ESL proposal was aimed at replacing the existing Champions League format of professional football in Europe. It was designed to allow the ESL's founding clubs to hoover up the revenues available in the world's biggest sport. In the words of one board member of one of the Premier League's six clubs, "UEFA as a governing body are not listening to the clubs and are monopolising competitive football. The reality is the Champions League doesn't realise anywhere near as much revenue as it could."

He added, "The Champions League is not a commercial success. There are ways we could change that, but UEFA simply refuse to relinquish any control."

The majority of the ESL clubs already carry massive debts and the pandemic has wiped out revenue streams worth billions, with stadiums kept empty for the last year. According to Deloitte, Europe's top 20 earning clubs have lost an estimated more than €2 billion.

The ESL was to have been underwritten in a debt-financing deal by the giant US bank JPMorgan Chase, which would provide an "infrastructure grant" of up to €3.25 billion to be shared among the league's founding 15 clubs (from £89 million per club to £310 million). The ESL "anticipated that a further three clubs", thought to be Bayern Munich and Borussia Dortmund from Germany and France's Paris Saint-Germain, would join the league.

On top of this, the clubs would share 32.5 percent of all revenue, with a further 32.5 percent split between the 15 and five extra clubs that will qualify to join them in the competition each season. According to ESL documents, the clubs could expect to share around €4 billion every season just in broadcasting revenues. Champions League broadcast and commercial revenue, before expenditure, currently totals €3.2

billion. The clubs would have rights to show four matches a season via their own digital platforms across the world.

The ESL also planned to pay a one-off special fee of at least €60 million to Real Madrid and Barcelona for their role in heading the breakaway. Florentino Pérez, the billionaire president of Real Madrid, was declared chairman of the new league.

The backing of the project by Wall Street was no coincidence given the ownership of a significant number of the breakaway clubs by US billionaires, including three of the UK Premier League's six clubs who were to be founders. The US owners also have major stakes in US sports.

Liverpool is owned by John Henry, who also owns the Boston Red Sox baseball team and *Boston Globe* newspaper. Manchester United is owned by the Glazer family which also own the National Football League's (NFL) Tampa Bay Buccaneers. Arsenal is owned by Stan Kroenke, who also owns the NFL's Los Angeles Rams and the Denver Nuggets basketball franchise. AC Milan is owned by Elliott Management Corporation (EMC), founded by billionaire Paul Singer. EMC is the management affiliate of American hedge funds Elliott Associates L.P. and Elliott International Limited.

These figures intervened to end the merit based "pyramid" structure operated by Europe's domestic leagues and the UEFA Champions League to ensure that the founding clubs would have guaranteed European football every year—and guaranteed massive revenue streams. Just five teams would qualify annually, with the other 15 holding a permanent slot. At present, qualification for the Champions League can be achieved by any club based on a high league placing in their domestic league.

The proposals mirror the "closed" set up in the US National Football League and National Basketball Association where the concept of promotion and relegation does not exist. The *Financial Times*, which saw the ESL's documents, noted, "The model is closer in design to North American sports leagues such as the National Basketball Association and National Football League, in which franchises strike joint commercial agreements, and use collective bargaining agreements with players and other measures to level the playing field."

The ESL clubs committed to "positive trailing earnings before interest, taxes, depreciation and amortisation and net profit", reported the newspaper.

To prioritise profits, the ESL planned to set spending limits. The FT reported, "ESL clubs have committed to using only 55 percent of their revenues on 'sport spending', such as player salaries, transfer and agent fees, according to people familiar with the terms. European clubs typically spend 70 to 80 percent of their income on footballers' wages alone."

The Spanish clubs went as far as to demand tax payment changes, with the ESL clubs agreeing a "tax equalisation" clause so that "income tax on salaries shall be normalised and calculated at a rate of 45 per cent", reported the FT. "This

would ensure clubs in Spain, where footballers pay a higher top rate of tax than in Italy or England, are not at a competitive disadvantage when the spending limits are assessed."

The corporate interests in control of the ESL clubs misjudged the popular mood and were taken by surprise by the backlash against their proposals—a reflection of the growing anger against the parasitic billionaire oligarchy and the capitalist system which sustains it. But they remain determined to press ahead. Perez declared on Thursday, after nine of the 12 founding teams had withdrawn, "We're going to continue working... the project is on standby."

Plans for a Super League are not an aberration. It, or something like it, is the logical next step in a sport increasingly dominated by giant corporate and financial interests. The conflict between UEFA and FIFA on the one hand and the ESL founder owners on the other is a competition between two business models, each designed to ensure the lion's share of revenues for the top clubs.

The Champions League, replacing the European Cup in 1992, was meant to ensure Europe's leading clubs were able to secure most of the available broadcasting and commercial revenue. In a move towards what the ESL clubs want, UEFA this week adopted a new post-2024 Champions League format. The new system will see, for the first time, a number of clubs qualifying not on the basis of their league standing but in large part on their previous record of qualification.

As for the statements of Prime Minister Boris Johnson against the ESL, anyone who thinks this body-and-soul defender of wealth and privilege has suddenly discovered an opposition to big corporations is deluding themselves. As head of a virulently nationalist government, Johnson's actions are based entirely on a weighing up of the political costs and benefits of intervening as the champion of the "national game".

Whatever agreement these parties come to it will not consider the interests of the fans for a moment. The organisations these fans support, at this level of the sport, are essentially corporate entities controlled in turn by yet larger corporations. The inexorable and increasingly grotesque commercialisation of "the beautiful game" will continue as long as all social life is held at the mercy of a fabulously rich oligarchy.



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